

REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE AGENDA

October 23, 2019; 8:30 a.m.
5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting. The Executive Committee may consider any agenda item at any time during the meeting.

1. **CALL TO ORDER AND ROLL CALL**
2. **PUBLIC COMMENT:** Members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes
3. **CONSENT CALENDAR**
 - a. Minutes of the September 25, 2019 Executive Committee meeting
Action: Approve the September 25, 2019 Executive Committee meeting minutes
 - b. Adopt Resolution 2019-11
Action: Recommend RWA Board adoption of Resolution 2019-11 authorizing Submittal of a Proposal to the California Department of Water Resources for an Integrated Regional Water Management Implementation Grant and Execution of a Funding Agreement
4. **RWA STRATEGIC PLAN UPDATE**
Information and Discussion: Jim Peifer, Executive Director
5. **OTHER POST-EMPLOYMENT BENEFITS (OPEB) FUNDING REPORT**
Information and Discussion: Nicole Krotoski, RWA Financial and Accounting Consultant and Josette Reina-Luken, Financial and Administrative Services Manager
Action: Executive Committee input requested regarding OPEB cash flow and liability analysis and funding strategies.
6. **VOLUNTARY AGREEMENT AD HOC COMMITTEE UPDATE**
Information Update and Discussion: Led by Kerry Schmitz, Ad Hoc Committee Chair
7. **VOLUNTARY AGREEMENT PROGRAM AGREEMENT**
Information Update and Discussion: Kerry Schmitz, Ad Hoc Committee Chair

8. **FEDERAL AFFAIRS AD HOC COMMITTEE UPDATE**
Information Update and Discussion: Sean Bigley, Ad Hoc Committee Chair
9. **DISPOSAL OF SURPLUS PROPERTY**
Information Update: Jim Peifer, Executive Director
Action: Approve sale of 2012 Dell desktop to the outgoing Finance and Administrative Services Manager consistent with RWA Policy 300.3
10. **WATER MANAGEMENT OPTIONS PILOT**
Information Update: Rob Swartz, Manager of Technical Services
Action: Recommend to RWA Board to Authorize the Executive Director to enter into a Water Management Options Pilot Memorandum of Agreement with the United States Bureau of Reclamation and the Sacramento Groundwater Authority
11. **RWA NOVEMBER 14, 2019 BOARD OF DIRECTORS MEETING AGENDA**
Action: Approve November 14, 2019 Board of Directors Meeting Agenda
12. **EXECUTIVE DIRECTOR'S REPORT.**
13. **DIRECTORS' COMMENTS**

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – Wednesday, December 11, 2019 at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, November 14, 2019, at 9:00 a.m. at the RWA office

The RWA Executive Committee Meeting electronic packet is available on the RWA website at <https://rwah2o.org/meetings/board-meetings/> to access and print the RWA Board electronic packet.

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AGENDA ITEM 3a: CONSENT CALENDAR

Minutes of the September 25, 2019 Executive Committee meeting

Action: Approve the September 25, 2019 Executive Committee meeting

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
Sean Bigley, City of Roseville
Michelle Carrey, City of Sacramento
Paul Schubert, Golden State Water Company
Brent Smith, Placer County Water Agency
Pam Tobin, San Juan Water District

Staff Members

Jim Peifer, Rob Swartz, Ryan Ojakian, Amy Talbot, Nancy Marrier, Cecilia Partridge, Monica Garcia and Andrew Ramos, legal counsel

Others in Attendance

Bruce Kamilos, Todd Eising, Kelye McKinney, John Woodling and Charles Duncan

2. PUBLIC COMMENT

None.

3. CONSENT CALENDAR

The minutes from the August 28, 2019 Executive Committee meeting

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

4. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY REQUEST FOR INFORMATION ON STAFFING SERVICES

RWA has received a letter from the Sacramento Central Groundwater Authority (SCGA) requesting the RWA brief the SCGA board on the RWA staffing relationship with SGA and the feasibility of providing staff to SCGA in a similar manner. Chair Schubert invited Todd Eising, SCGA Chair, to provide additional information. SCGA went through a strategic plan process to define their mission, vision, core values and

goals. Two objectives associated with this goal include: "...model SCGA after the Sacramento Groundwater Authority (SGA), or other measures to most effectively and efficiently govern" and "create new governance to foster independence, transparency, accountability, and cost efficiency as it relates to the long-term management of the basin."

Some representatives of SCGA like the model used by SGA and their relationship with RWA and would like to explore the possibilities of having their own structure that would give them independence, but would also provide regional benefits. The chairs and vice-chairs of SCGA, SGA and RWA met to determine if there were any potential fatal flaws and what the potential benefits would be.

Ms. Tobin asked if SCGA has consulted legal counsel. Mr. Eising said that the only item that came up was PERS membership, which is a long-term obligation. It was determined that this would be an administrative issue and would not be a roadblock. There was discussion about making a distinction between SCGA and Sacramento County. SCGA was agreeable to pay for additional future staff if needed.

SCGA has requested the RWA staff review the details and feasibility of providing staff to SCGA and present the findings to the SCGA at a future board meeting. This item will be brought back to the RWA Executive Committee for further discussion after the presentation to SCGA. A copy of the letter making the request was provided.

It was suggested that there be further discussion on how the RWA and SGA relationship works together and how SCGA could be incorporated into that relationship. The RWA Executive Director will brief the SCGA Board.

M/S/C Ms. Tobin moved, with a second by Ms. Schmitz, for the Executive Director to further investigate per the direction of the request from RWA on the feasibility of moving forward. The motion carried by the unanimous voice vote of all directors present.

5. RWA STRATEGIC PLAN UPDATE

The RWA prepared a strategic plan in 2013 and adopted minor plan updates in 2017. An update of the Strategic Plan is recommended by the Executive Director and Executive Committee input is requested. Similar to the 2013 update, the Executive Committee will guide the development of the process to update the plan, including schedule, the process used to solicit input from members and stakeholders, and other considerations. The Executive Director has three additional agencies to meet with on his listening tour.

Three questions that Mr. Peifer is asking include: 1) what are RWA members greatest challenges, 2) what is the vision for the RWA and 3) what is the greatest value of RWA. A survey will be sent out in the future requesting additional information from the member agencies.

6. CAPITOL REGION CLIMATE READINESS COLLABORATIVE

Ryan Ojakian, Legislative and Regulatory Affairs Manager, said that the Capitol Region Climate Readiness Collaborative (CRC) is a 501(c)(3) organization that encompasses a 6-county Sacramento region focused on finding regional solutions to address shared challenges – drought, extreme heat, extreme weather events, wildfires and more. CRC is a member networking organization of 36 state, public, non-profit, academic and private members working together to advance climate resiliency efforts in our region. Benefits include annual members' forum, membership to CRC's steering committee, staff support, CRC directory and participants list, regular webinars on a variety of climate related topics and resident education on climate related issues. RWA is considered a local and regional agency with annual dues of \$3,000.

The CRC focuses on climate challenges with the main topic changing year to year. The CRC came to the RWA's attention due to their focus on water supply issues last year. By joining CRC, it would show that we employ progressive water solutions and we would be involved with issues that we are interested in including the Sacramento Region and getting funding for disadvantaged communities and potential water efficiency issues. It would be beneficial for RWA to be involved with CRC.

M/S/C Ms. Schmitz moved, with a second by Mr. Bigley, to direct the Executive Director to have the RWA join the Capitol Regional Climate Readiness Collaborative. The motion carried by the unanimous voice vote of all directors present.

7. AGENCY AWARD

RWA Policy 100.4 establishes the criteria for Water Statesperson of the Year Award and Distinguished Service Award. The awards are presented at the RWA annual holiday social in December.

Mr. Peifer asked for input from the Executive Committee on creating a new award that would be received by an agency. The award would be granted for an agency's efforts to work collaboratively with others within the Region on initiatives that are innovative and improve the management of water resources or improve the reliability of water resources. It was suggested that the new award would not be presented annually, but would be awarded for exceptional special programs or projects.

Included in the packet was proposed additional language to RWA Policy 100.4, RWA Awards detailing the awards criteria.

After discussion, it was suggested that agencies other than RWA be considered for the agency award. Mr. Peifer will refine the proposed additional language and add it to the next RWA Board meeting agenda.

M/S/C Mr. Yasutake moved, with a second by Ms. Schmitz, to recommend adoption of revision to RWA Policy 100.4 RWA Awards by the RWA Board with the suggested amendments. The motion carried by the unanimous voice vote of all directors present.

8. VOLUNTARY AGREEMENT AD HOC COMMITTEE UPDATE

Chair Schubert appointed an ad hoc committee to address the RWA's role in the Bay Delta Water Quality Control Plan (WQCP) and the Voluntary Agreements (VA). The new ad hoc committee's charge is to oversee the participation of RWA and its Executive Director in the ongoing negotiations and proceedings concerning the State Water Resources Control Board (SWRCB) proposal to amend the WQCP. The ad hoc committee will make recommendations to the RWA Board and Executive Committee for defining the RWA role and commitments of resources.

The members of the Ad Hoc Committee include Kerry Schmitz, Marcus Yasutake, Anne Sanger, Sean Bigley, Dan York, Paul Helliker, Steve Nugent, Andy Fecko and Jim Abercrombie.

Kerry Schmitz, Ad Hoc Committee Chair, reported that the committee has met and produced a draft description of the VA subscription program and a draft VA program agreement. At the next committee meeting the documents will be refined and brought back to the Executive Committee for review. Placer County Water Agency is moving forward with a contract with the consultant.

9. FEDERAL AFFAIRS AD HOC COMMITTEE UPDATE

Chair Paul Schubert appointed an ad hoc committee to address the RWA's role in Federal Affairs. The new ad hoc committee's charge is 1) to make recommendations to the RWA Board on the role of the RWA on federal matters and 2) to provide direction to the Executive Director on federal matters. The committee will terminate upon completion of the updated strategic plan.

The members of the Ad Hoc Committee include Sean Bigley, Chair, Anne Sanger, Vice Chair, Hilary Straus, Marcus Yasutake, Dan York, Andy Fecko and Evan Jacobs. Counsel for the committee is Jennifer Buckman.

Mr. Bigley said the committee focused on developing a member survey directed to the general managers and directions in the region. The survey results will be presented to the EC as the agency's perspectives. It is expected that each agency will have a different input and perspectives. The survey results will be reviewed for common specific themes and the results will be presented to the Executive Committee and the RWA Board.

The next committee meeting is scheduled for October 24th, from noon to 2:00 p.m. in the RWA conference room. Everyone is invited to participate in the discussion. Mr. Bigley asked that anyone who wants to attend please RSVP as lunch will be provided.

10. SACRAMENTO REGIONAL WATER BANK UPDATE

Mr. Swartz gave an update on efforts to develop the Sacramento Regional Water Bank. An application has been successful through the Water Management Options Pilot (WMOP) Program with funding assistance from the Bureau of Reclamation for \$650,000. This will help fund some of the second phase of Water Bank development. Recent presentations have been given on the Water Bank at the Groundwater Resources Association and to the City of Sacramento Water Committee.

Brent Smith said that PCWA also received funding from the WMOP Program in the amount of \$504,000.

11. 2018 RECLAMATION WATERSMART DROUGHT INTERTIES GRANT PROGRAM UPDATE

Mr. Swartz reported that because of RWA's extensive experience with Reclamation grants, SJWD and SCWA want RWA to assist in managing the various grant requirements. Staff has prepared an RWA Program Agreement, included in the packet, as authorized by the RWA Joint Powers Agreement. The participating agencies will directly fund the program management expenses to ensure there is no fiscal impact to RWA or its member agencies that are not participating in the program. Staff is requested that the Executive Committee approve the Program Agreement, with the addition of Item 13 to ensure environmental compliance.

M/S/C Mr. Yasutake moved, with a second by Mr. Bigley, to approve the 2018 Reclamation WaterSMART Drought Interties Program Agreement with the noted amendments. The motion carried by the unanimous voice vote of all directors present.

12. EXECUTIVE DIRECTOR'S REPORT

Finance and Administrative Services Manager Recruitment – An offer of employment has been presented to Ms. Josette Reina-Luken for the position of Finance and Administrative Manager and she has accepted. Ms. Reina-Luken will begin on October 8th.

RWA Outreach – Jim Peifer participated on a panel on Urban, Rural and Agricultural Supplies at the State Water Resources Control Board on September 23rd. The Panel discussion was part of a larger Drought Panel discussion to inform the Water Resilience Portfolio Initiative.

Rob Swartz presented on the Sacramento Regional Water Bank to the Groundwater Resources of California's Western Groundwater Congress on September 19th and to the City of Sacramento Water Committee on September 24th.

Jim Peifer, Rob Swartz, Amy Talbot, and Ryan Ojakian are meeting with members of the Water Forum Environmental Caucus on September 26th to brief them on a variety of RWA activities.

Jim Peifer has continued to meet with member agencies to introduce himself as the new Executive Director and to ask questions about the strategic plan.

Jim Peifer participated on a regional advocacy trip with a number of RWA member agencies to Washington, DC to discuss funding needs for the Sacramento Regional Water Bank. The trip occurred during the period of September 15th to September 18th.

13. DIRECTORS' COMMENTS

Mr. Smith said that PCWA has been in Public Safety Power Shutoff (PSPS) preparation mode. At this time the community of Forest Hill is without power. PCWA has been assuring customers that even if they lose power, they will still have water. On September 11th they took staff to Hell Hole for a planning retreat. There was positive discussion on planning matters, the meter consortium and assisting small struggling systems within Placer County.

Ms. Carrey thanked Rob Swartz for his presentation to the City of Sacramento and reported Councilmember Harris was supportive of Ms. Tobin's candidacy for ACWA Vice President.

Ms. Tobin thanked the Executive Committee for their support of her ACWA candidacy.

ADJOURNMENT

Chair Schubert adjourned the meeting at 9:39 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer

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AGENDA ITEM 3b: CONSENT CALENDAR

Adopt Resolution 2019-11

Action: Recommend RWA board adoption of Resolution 2019-11 authorizing Submittal of a Proposal to the California Department of Water Resources for an Integrated Regional Water Management Implementation Grant and Execution of a Funding Agreement

RESOLUTION 2019-11

A Resolution of the Regional Water Authority to Authorize the Executive Director to Submit a Proposal to the California Department of Water Resources for an Integrated Regional Water Management Implementation Grant and to Execute a Funding Agreement Upon Award

WHEREAS, the Regional Water Authority (“Authority”) was formed to serve and represent regional water supply interests and to assist in protecting and enhancing the reliability, availability, affordability and quality of water resources; and

WHEREAS, the Authority adopted an update to its Integrated Regional Water Management (“IRWM”) Plan in July, 2018 to ensure maintaining water supplies for all uses in a sustainable environment; and

WHEREAS, the Authority is a public agency that serves as the Regional Water Management Group representing numerous stakeholders and interests throughout the region; and

WHEREAS, the Authority worked with IRWM stakeholders to identify a priority suite of projects that are ready to pursue IRWM grant funding through the California Department of Water Resources.

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Authority direct that proposal be made to the California Department of Water Resources to obtain a Round 1 Integrated Regional Water Management Implementation Grant pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Code § 79700 *et seq.*), and to enter into an agreement to receive a grant for the American River Basin Integrated Water Management Program. The Executive Director of the Authority, or designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such proposal, and execute a grant agreement with California Department of Water Resources.

PASSED AND ADOPTED at a meeting of the Regional Water Authority held on November 14, 2019.

By: _____
Chair, Regional Water Authority

Attest: _____
Secretary, Regional Water Authority

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AGENDA ITEM 4: RWA STRATEGIC PLAN UPDATE

BACKGROUND:

The RWA prepared a strategic plan in 2013 and adopted minor plan updates in 2017. An update of the Strategic Plan is recommended by the Executive Director and Executive Committee input is requested. Similar to the 2013 update, the Executive Committee will guide the development of the process to update the plan, including schedule, the process(es) used to solicit input from members and stakeholders, and other considerations.

STAFF RECOMMENDATION:

Information and Discussion: Led by Jim Peifer, Executive Director

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AGENDA ITEM 5: OTHER POST-EMPLOYMENT BENEFITS (OPEB) FUNDING POLICY REPORT

BACKGROUND:

In March 2009, the RWA Board of Directors approved using the California Employers' Retiree Benefits Trust (CERBT), which is managed by CalPERS, to invest RWA's funds into an irrevocable trust for the purpose of funding ongoing retiree health obligations.

Bi-annually, RWA's actuary, Catherine MacLeod, provides an updated OPEB funding report that outlines RWA's budgetary OPEB information. This funding report uses various assumptions to drive the overall calculation. Factors that play into these assumptions include type of investment strategy, CERBT discount rate, amortization period, implicit and explicit liability, and future health care costs. These items are explained in greater detail below along with each item's current position and/or assumed rate which was approved by the RWA Executive Committee on June 27, 2018.

- Investment Strategy – As stated above, RWA uses CERBT for its OPEB deposits. Currently, RWA is invested in Strategy 1; the most aggressive funding strategy. The CERBT Strategy 1 has performed well. It was last reported that RWA experienced an approximate 10% average annualized rate of return through July 2017 (updated annualized return pending). This favorable investment return is partly because the trust inception date correlated with a market low point in 2008 and then experienced subsequent investment growth. As a result, RWA's OPEB plan is very well funded (approximately 90%).
- CERBT Discount rate – In October 2018, the CERBT adjusted the discount rate used to calculate Strategy 1¹. Previously, the target rate was 7.28%. RWA approved the use of 7% discount rate to provide some buffer for choosing a more aggressive strategy. The new CERBT blended rate, adopted in October 2018, is now 7.59%. With increased information available regarding performance and cash flows, RWA's actuary is now able to take this data and create a customized discount rate for RWA's future retiree health obligations.
- Amortization Period – RWA currently uses a 10-year period to amortize the unfunded liability. Essentially, the amount of unfunded retiree costs is pro-rated over a 10-year period for trust funding purposes. RWA can adjust the time period by either shortening or lengthening this time horizon. A shorter time horizon creates a more volatile annual OPEB payment since the liability does fluctuate every two years based upon actual versus assumed results.

¹ The CERBT also modified the target investment rates for Strategy 2 (now 7.01%) and Strategy 3 (now 6.22%).

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- Implicit and Explicit Liability – As it pertains to OPEB liability, the *implicit liability* is estimated by determining what the health premiums would be for retirees as if the health premiums were age rated. The *explicit liability* is calculated by determining the required health care premiums for all expected retirees at the actual cash flow required to fund the liability. RWA participates in the CalPERS health plan where health care premiums are similar among all age groups. Currently RWA funds both the explicit and implicit liability. In doing so, RWA can use a higher overall discount rate in valuing assets and liabilities.
- Health care costs – In the July 1, 2017 OPEB funding report, the actuary included as part of RWA's future health care obligation costs, the health care excise tax. The implementation of this Affordable Care Act's federal tax has been delayed again to 2022².

As staff is beginning the process of working with the actuary to complete the OPEB funding report (for it to be available for use in the FY2021 and FY2022 budget), several questions arose as to whether RWA should continue using the current course of action including:

- 1) Should staff explore other trust vehicles, besides the CERBT, to invest the current and future OPEB assets?
- 2) Should staff direct the actuary to analyze how moving into a less aggressive funding strategy (Strategy 2 or 3) would impact the calculated liability and future cash funding requirements?
- 3) Should RWA direct the actuary to calculate additional what-if scenarios using a percentage lower than RWA's specific customized rate, as has been done in the past, to determine required funding obligations and to mitigate risk in Strategy 1? Should this analysis also be conducted on Strategy 2 or 3 or would choosing the lower strategy suffice RWA's risk mitigation?
- 4) Should RWA continue following Policy 500.10 using a 10-year time horizon to pro-rate the unfunded liability into future cash flow requirements?
- 5) Does RWA want to continue following Policy 500.10 in funding the implicit liability?
- 6) Should staff have the actuary include the cost of the excise tax for this funding report for estimate purposes and see if this tax may change or go away in the future?

The answers to these questions will result in Board policy decisions and recommended future budget allocations, so each area should be reviewed in-depth and analyzed separately and/or in conjunction with its effect on the financial impact (i.e., lower rates of return and funding requirements).

In order for the OPEB funding report to be ready in time for the FY21 Draft Budget, staff is requesting Board direction now on two key assumptions, discount rate and

² The tax was initially supposed to start in 2018.

questions prior to the final issuance of the actuarial report (estimated report completion is February 2020).

CERBT FUNDING STRATEGY

The actuary indicated that as agencies have accumulated larger asset investments with pending retirees, they have been moving assets into the more conservative Strategy 2 and 3. Since Strategies 2 or 3 are less aggressive, they will reflectively have lower target rates of return. Lower rates of return will increase cash flow requirements and the unfunded liability for funding in the future. Currently, the CERBT does not allow for a splitting of investments amongst different strategies. RWA’s entire portfolio must be invested in one single strategy, but this limitation may change in the future. If and when available, staff will return to the Board to discuss new available options.

The following chart compares the 2018 CalPERS expected rates of return for the different strategies. This chart does not reflect RWA’s actual rate of return.

CERBT Expected Rates of Return

2018 Capital Market Assumptions	Strategy 1	Strategy 2	Strategy 3
Expected Time-Weighted Return, Near Term	5.85%	5.22%	4.41%
Expected Time-Weighted Blended Return, Longer Term	7.59%	7.01%	6.22%
Standard Deviation of Expected Investment Returns	11.83%	9.24%	7.28%

Near term is 10 years. Longer term is 60 years. Expected returns are net of fees. CERBT total fees are 10 bps. Standard deviation is 10 years.



The standard deviation is the financial measure of investment risk and consistency in investment earnings. The higher the deviation, the higher the risk.

CERBT DISCOUNT RATE

Based on a quick analysis using RWA's cash flows over the 1 to 10 year horizon (Near Term) and then 11 to 60 year horizon (Longer Term), the actuary believes the rate

approximates 6.85%³. Updated retiree health care cash requirements will result in a new blended rate that could be higher or lower than the CERBT rate of 7.59%. Once the new blended rate is determined, staff can direct the actuary to provide an additional analysis using a slightly lower rate (current practice) and provide the comparative results at the next Executive Committee meeting. The lower the discount rate, the higher the cash flow requirements needed to fund the retiree benefits.

EXECUTIVE COMMITTEE RECOMMENDATION:

Information and Discussion: Led by Nicole Krotoski, RWA's financial and accounting consultant and Josette Reina-Luken, Finance and Administrative Services Manager

Action: Executive Committee input requested regarding OPEB cash flow and liability analysis and funding strategies.

³ This discount rate was based upon the health care cash flows from the July 1, 2017 OPEB funding report. These cash out flows will be updated for the June 30, 2019 report and will impact the resulting discount rate.

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AGENDA ITEM 6: VOLUNTARY AGREEMENT AD HOC COMMITTEE UPDATE

BACKGROUND:

Chair Paul Schubert has appointed an ad hoc committee to address the RWA's role in the Bay Delta Water Quality Control Plan (WQCP) and the Voluntary Agreements (VA). The new ad hoc committee's charge is to oversee the participation of RWA and its Executive Director in the ongoing negotiations and proceedings concerning the SWRCB proposal to amend the WQCP. The ad hoc committee will make recommendations to the RWA Board and Executive Committee for defining the RWA role and commitments of resources.

The members of the Ad Hoc Committee include:

- Kerry Schmitz, Sacramento County Water Agency (Chair)
- Marcus Yasutake, City of Folsom
- Anne Sanger, City of Sacramento
- Sean Bigley, City of Roseville
- Dan York, Sacramento Suburban Water District
- Paul Helliker, San Juan Water District
- Steve Nugent, Carmichael Water District
- Andy Fecko, Placer County Water Agency
- Jim Abercrombie, El Dorado Water District

STAFF RECOMMENDATION:

Information and Discussion: Led by Kerry Schmitz, Ad Hoc Committee Chair

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AGENDA ITEM 7: VOLUNTARY AGREEMENT PROGRAM AGREEMENT

BACKGROUND:

Staff will provide information at the meeting.

STAFF RECOMMENDATION:

Information and Discussion: Jim Peifer, Executive Director

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AGENDA ITEM 8: FEDERAL AFFAIRS AD HOC COMMITTEE UPDATE

BACKGROUND:

Chair Paul Schubert has appointed an ad hoc committee to address the RWA's role in Federal Affairs. The new ad hoc committee's charge is to 1) to make recommendations to the RWA Board on the role of the RWA on federal matters and 2) to provide direction to the Executive Director on federal matters. The committee will terminate upon completion of the updated strategic plan.

The members of the Ad Hoc Committee include:

- Sean Bigley, Chair
- Anne Sanger, Vice Chair
- Hilary Straus
- Marcus Yasutake
- Dan York
- Andy Fecko
- Evan Jacobs

Counsel for the committee is Jennifer Buckman.

The Ad Hoc Committee will make recommendations to the RWA board that address the following questions:

1. What should the RWA's role be in federal affairs, if any?
2. What are the limits of the involvement? Funding, Policy, Relations with federal agencies/regulators (e.g., Reclamation, COE, EPA, NMFS, FWS)?
3. If the RWA gets involved in federal affairs, what resources would the RWA need? Should the RWA rely on the member's advocates (with or without contribution from the RWA), or hire an advocate? Are other resources needed such as communication, legal, other?
4. How should a program be structured at the RWA? Subscription or core program? Should there be a standing committee? What would the staff requirements be for this? Could the RWA hire a consultant to assist with this?
5. What are the immediate needs of the effort? What are the priorities?

STAFF RECOMMENDATION:

Information Update and Discussion: Led by Sean Bigley, Ad Hoc Committee Chair

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AGENDA ITEM 9: DISPOSAL OF SURPLUS PROPERTY

BACKGROUND:

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.

Ms. Marrier is seeking approval of the Executive Committee to purchase an RWA owned 2012 Dell Vostro 470 desktop computer for fair market value after her departure on December 2, 2019. Staff researched prices for a similar used computer on the internet and recommends a price of \$30. The alternative to this transaction will be to dispose of the computer as e-waste since there is no other employee who will use it.

STAFF RECOMMENDATION:

Information Update: Jim Peifer, Executive Director

Action: Approve Sale of 2012 Dell desktop to the outgoing Finance and Administrative Services Manager consistent with RWA Policy 300.3

REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : Operations
Policy Title : Disposal of Surplus Property
Policy Number : 300.3
Date Adopted : July 10, 2003
Date Amended : September 13, 2012

POLICY FOR DISPOSAL OF SURPLUS PROPERTY

The Board of Directors of the Authority delegates to the Executive Committee the authority to dispose of surplus property of the Authority.

Surplus property of the Authority will be disposed of in the most economical and practical manner in the best interest of the Authority, as determined by the Executive Committee. Board members, the Executive Director, and employees (or the spouse or dependent of any of the above) of the Authority are not eligible to obtain surplus property at the time of disposition by the Authority.

Personal property with an estimated value of \$4,000 or less may be disposed of as surplus with the approval of the Executive Director on terms that are in the best interest of the Authority, as determined by the Executive Director. Surplus property whose value is negligible due to age, obsolescence, deterioration or wear may be disposed of for no consideration, provided that, surplus property will not be disposed of for no consideration to other than a qualified government agency or non-discriminatory, tax exempt non-profit organization qualified under Internal Revenue Code section 501(c)(3), without the approval of the Executive Committee. If the Executive Director is unable to donate an item of surplus property to a qualified government agency or tax exempt organization (or other entity authorized by the Executive Committee), the Executive Director may recycle or dispose of such item at a legally-authorized disposal site.

Personal property with an estimated value of greater than \$4,000 may be disposed of as surplus property with the approval of the Executive Committee on terms that are in the best interest of the Authority, as determined by the Executive Committee, or as determined by the Executive Director upon delegation of that authority by the Executive Committee.

If the Authority acquires any real property that is later determined to be surplus, any qualifying real property will be disposed of in accordance with the requirements and procedures provided in Government Code section 54220 and following.

The Executive Director will maintain written documentation of the disposal of all surplus property, including a description of the surplus property disposed of and the terms of disposition. All revenue received from the disposal of surplus property will be deposited in the Authority's Operating Reserve Account, unless directed otherwise by the Executive Committee.

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AGENDA ITEM 10: WATER MANAGEMENT OPTIONS PILOT

BACKGROUND:

RWA successfully applied for funding assistance through the United Bureau of Reclamation's Basin Study – Water Management Options Pilot Program. RWA has been awarded \$650,400 that will be used to conduct operations modeling with Reclamation to ensure that the Water Bank does not impact Central Valley Project operations. The operations model is of surface water operations related to reservoirs and rivers, and it would need to be linked to the regional integrated water flow model (IWFM) currently being developed in the region to evaluate the Water Bank. The IWFM model development is being used to meet the local cost share requirement for the Reclamation funding support. Because SGA is managing the development of the IWFM model for the North American Subbasin (NASb), SGA would need to be a part of the Memorandum of Agreement (MOA) currently being developed between RWA and Reclamation. This would allow the funds being used for the NASb IWFM to be counted as local cost share. Staff is requesting that the Board authorize the Executive Director to enter into the MOA with SGA and Reclamation upon its completion. A copy of the MOA template is included in the packet.

STAFF RECOMMENDATION:

Information Update: Rob Swartz, Manager of Technical Services

Action: Recommend to RWA Board to Authorize the Executive Director to enter into a Water Management Options Pilot Memorandum of Agreement with the United States Bureau of Reclamation and the Sacramento Groundwater Authority

**Department of Interior
Bureau of Reclamation**

INSERT Pilot NAME

MEMORANDUM OF AGREEMENT

The United States Department of Interior, Bureau of Reclamation (Reclamation) and *Insert non-Federal partner Name(s)* agree to work collaboratively to perform the *Insert Pilot Name* as part of the WaterSMART Basin Study Program. This Memorandum of Agreement establishes the terms that will guide the performance of the Pilot.

ARTICLES

I. Definitions

- A. Reclamation means the United States Department of the Interior, Bureau of Reclamation.
- B. Non-Federal Partner(s) means *[xyz]*.
- C. Parties means Reclamation and Non-Federal Partner(s).
- D. Agreement means this Memorandum of Agreement.
- E. Contributed Funds Agreement means a legal agreement used to receive “all moneys ... from any State, municipality, corporation, association, firm, district, or individual for investigations, surveys, construction work, or any other development work incident thereto involving operations similar to those provided for by the reclamation law, are covered into the reclamation fund and shall be available for expenditure for the purposes for which contributed in like manner as if said sums had been specifically appropriated for said purposes,” 43 USC 395.
- F. Cost-Share means a specific percentage (%) of identified charges that are allocated to specific entities or Non-Federal Partner(s).
- G. In-kind Services means services provided by a non-Federal entity that substantially contribute to the completion of the work task or task identified.
- H. Confidential Information means trade secrets or commercial or financial information that is privileged or confidential under the meaning of 5 USC 552(b)(4).
- I. Intellectual Property means any invention that is legally protected through patents, copyrights, trademarks, and trade secrets or otherwise protectable under Title 35 of the United States Code, under 7 USC 2321, et seq., or under the patent laws of a foreign country.
- J. Key personnel means *identify the key team members involved in the administration, management, or performance of the study.*

- K. Subject Invention means any invention or other intellectual property conceived or first reduced to practice under this Agreement which is patentable or otherwise protectable under Title 35 of the United States Code, under 7 USC 2321, et seq., or under the patent laws of a foreign country.
- L. Scope of Agreement means those activities set forth in Appendix 1.
- M. Term of Agreement means that period set forth under the Section IV, Article 9, Term of this Agreement.

II. Authorities and Financial Obligations

1. Authorities: Nothing in this Agreement alters the statutory authorities or any other authorities of the Non-Federal Partner(s) or Reclamation. This Agreement is intended to facilitate cooperative efforts for mutual provision of services and support, and technical assistance by both Parties in the conduct of meeting the objectives and scope of this Agreement. This Agreement does not supersede or void existing agreements between the Non-Federal Partner(s) and Reclamation.

Reclamation's authority to enter into this Agreement:

1. Reclamation Act of June 17, 1902 (ch. 1093, 32 Stat. 388; 43 U.S.C. 372, et seq.) and acts amendatory thereof and supplementary thereto.
2. Title IX of the Omnibus Public Land Management Act of 2009 (P.L. 111-11, 123 Stat. 991).

Non-Federal Partner's authority to enter into this Agreement:

2. Cost Sharing: The costs of the Pilot will be shared between Reclamation and the Non-Federal Partner(s), with Reclamation providing \$___ and the Non-Federal Partner(s) providing \$___. The Non-Federal Partner(s) financial contribution will be in the form of _____ (identify in-kind or cash and identify specific amounts if both). Reclamation's financial contribution to the Pilot shall not exceed 50% of the total cost. All or part of the Non-Federal Partner's's share may be provided as in-kind services. Valuation of in-kind services shall be in accordance with 2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87).

3. Financial Obligations: This Agreement is not a funding document and does not authorize the obligation or transfer of funds. If a subsequently identified activity or project is identified that may require Reclamation to receive or expend funds received from the Non-Federal Partner(s) for investigations, surveys, construction work, or any other development work incident thereto involving operations similar to those provided for by the Reclamation law, a supplemental Contributed Funds Agreement, pursuant to the Sundry Civil Expenses Appropriations Act for 1922 (43 USC 395), will be executed. Funds contributed by Non-Federal Partner(s) will only be used to pay for costs incurred by Reclamation associated with completing the tasks described in this Agreement or modifications to this Agreement.

4. Anti-Deficiency Act: All activities, responsibilities, and commitments made under or pursuant to this Agreement (including any Contributed Funds Agreement under this Agreement) are subject to the

availability of appropriated funds and each Agency's budget priorities, as determined by each Agency, and neither the Non-Federal Partner(s) nor Reclamation are obligated in any way under this Agreement to expend appropriations or to enter into any contract, assistance agreement, Contributed Funds agreement, or other financial obligation. No provision herein shall be interpreted to require obligation or payment of funds in violation of the Anti-Deficiency Act, 31 U.S.C. 1341.

III. Publications, Reports, and Confidentiality

5. Publications: The parties understand and agree that this Agreement may be disclosed to the public in accordance with the Freedom of Information Act. Subject to the requirements of confidentiality and preservation of rights in Subject Inventions, either party may publish the results of this Agreement, PROVIDED:

- a. The other party is allowed to review the manuscript at least sixty (60) days prior to submission for publication by submission to the Authorized Agent.
- b. The publication shall acknowledge this Agreement and the contributions of each party's personnel.
- c. The final decision as to the publication content rests with the party that writes the publication.

6. Reports: The results of this Agreement and science, engineering, and technology data that are collected, compiled, and evaluated under this Agreement shall be shared and mutually interchanged by Non-Federal Partner(s) and Reclamation. A final report summarizing all data shall be submitted to Reclamation and the Non-Federal Partner(s) through the key contacts identified in Sections V.15.A and B within the performance period of this Agreement, as defined in Section IV.10. The final report will be in the public domain, and will be published on Reclamation's website.

7. Confidentiality: Any confidential information used in this Agreement shall be clearly marked confidential or proprietary by the submitter and shall not be disclosed by the Recipient without permission of the owner. To the extent either party orally submits its Confidential Information to the other party, the submitting party will prepare a document marked "CONFIDENTIAL" embodying or identifying in reasonable detail such orally submitted Confidential Information and provide the document to the other party within thirty (30) days of disclosure.

Neither party shall be bound by confidentiality if the Confidential Information received from the other party:

- a. Already is available to the public or known to the recipient;
- b. Becomes available to the public through no fault of the recipient; or
- c. Is nonconfidentially received from another party legally entitled to it.

It shall not be a breach of this Agreement if the Non-Federal Partner(a) are required to disclose the Confidential Information by a valid order of a court or other government body, or as otherwise

required by law, or as necessary to establish the rights of either party under this Agreement; PROVIDED THAT the Non-Federal Partner(s) shall provide prompt prior notice thereof to Reclamation to enable Reclamation to seek a protective order or otherwise prevent such disclosure, and PROVIDED FURTHER THAT the Confidential Information otherwise shall continue to be confidential.

8. Intellectual Property: Unless otherwise agreed by the Agencies, custody and administration of inventions made as a consequence of, or in direct relation to, the performance of activities under this Agreement shall remain with the respective inventing Party. In the event that an invention is made jointly by employees of the Parties or an employee of an Agency's contractor, the Parties shall consult and agree as to future actions toward establishment of patent protection for the invention.

IV. Term and Termination

9. Term: This Agreement shall take effect upon the approval of the Parties and, unless terminated per Section IV, Article 11, Termination, will expire three years from the date of the last signature to this Agreement. All Contributed Funds Agreement under this Agreement will be limited to an initial period of performance not to exceed the term of this Agreement, although they may be renewed for additional periods of performance not to exceed the term of this Agreement for any renewal period.

10. Amendment: If either party desires a modification in this Agreement, the parties shall confer in good faith to determine the desirability of such modification. Such modification shall not be effective until a written amendment is signed, and dated by the undersigned representative(s) of both parties.

11. Termination: Either Party may terminate this Agreement prior to its expiration at any time, with or without cause, and without incurring any liability or obligation to the other parties, by giving the other parties at least ninety (90) calendar days prior written notice of termination.

V. General

12. Liability: It is understood and agreed that neither party to this Agreement shall be responsible for any damages or injuries arising out of the conduct of activities governed by this Agreement, except to the extent that such damages and/or injuries were caused by the negligent or wrongful acts or omissions of its employees, agents or officers. Reclamation's liability shall be limited by the Federal Tort Claims Act, 28 USC 2671, *et seq.*

13. Limitations: This Agreement sets out the Parties' intentions and objectives and does not direct or apply to any person outside the Non-Federal Partner(s) and Reclamation. This Agreement is not intended to, and does not create, any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity, by anyone against the United States, its agencies, its officers, or any person.

14. Notices and Key Personnel: Notices between the parties and copies of correspondence among the scientific and/or technical representatives of each party that interpret or may have a bearing on the legal effect of this Agreement's terms and conditions shall be sent to the key personnel below. Reclamation's key personnel is authorized to perform scientific and/or technical activities falling

within the Scope of this Agreement. The key personnel is not authorized to change or interpret with authority the terms and conditions of this Agreement.

A. Partner(s): Name

Title
Agency, Department
Address
Telephone No.

B. Reclamation:

Name
Title
Bureau of Reclamation
Address
Telephone

15. Subcontracting Approval: A party hereto desiring to obtain and use the services of a third party via contract or otherwise shall give prior notice to the other party, including details of the contract or other arrangement. This requirement is to assure that confidentiality is not breached and rights in Subject Inventions are not compromised.

16. Assignment: Neither party has the right to assign this Agreement or any of its responsibilities hereunder.

17. Endorsement: The Non-Federal Partner(s) shall not in any way state or imply that this Agreement or the results of this Agreement is an endorsement by the Department of the Interior, Federal Government, or Reclamation of its organizational units, employees, products, or services except to the extent permission is granted by an authorized representative of Reclamation.

18. Regulatory Compliance: Both parties acknowledge and agree to comply with all applicable laws and regulations of the state, Federal, and local environmental and cultural and paleontological resource protection laws and regulations as applicable to the activities or projects for this Agreement. These regulatory compliance requirements may include but not limited to, the National Environmental Policy Act (NEPA) including the Council on Environmental Quality and Department of the Interior regulations implementing NEPA, the Clean Water Act, the Endangered Species Act, consultation with potentially affected Tribes, and consultation with the State Historic Preservation Office.

19. Disputes: Any dispute arising under this Agreement, which cannot be readily resolved, shall be submitted jointly to the key personnel officials, identified in Section V, Article 14, Notices and Key Personnel. Each party agrees to seek in good faith to resolve the issue through negotiation or other forms of nonbinding dispute resolution processes mutually acceptable to the parties. Pending the resolution of any dispute or claim pursuant to Section V, Article 19, the parties agree that performance of all obligations shall be pursued diligently.

20. Force Majeure: Neither party shall be liable for any unforeseeable event beyond its reasonable control not caused by the fault or negligence of such party:

- a. Which causes the party to be unable to perform its obligations under this Agreement;
and
- b. Which it has been unable to overcome by the exercise of due diligence.
- c. This includes, but is not limited to, flood, drought, earthquake, storm, fire, pestilence, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, strikes, labor dispute, failure or sabotage of either party's facilities or any order or injunction made by a court or public agency.

21. Relationship between the Parties: The parties are and shall remain independent contractors and nothing herein shall be construed to create a partnership, agency, joint venture, or teaming agreement between the parties.

22. Severability: The illegality or invalidity of any provision of this Agreement shall not impair, affect, or invalidate the other provisions of this Agreement.

23. Governing Law: The construction, validity, performance, and effect of this entire Agreement shall be governed by the laws applicable to the Government of the United States of America in accordance with applicable Federal Law as interpreted by Federal Courts.

24. Waiver: The failure of either party to enforce any term hereof shall not be deemed a waiver of any rights contained herein.

25. Invalid Provision: In the event any provision of this Agreement is determined to be invalid or unenforceable under any controlling law, the invalidity or unenforceability of that provision shall not in any way affect the validity or enforceability of the remaining provisions of this Agreement.

26. Entire Agreement: The terms and conditions contained in this MOA and its appendices or attachments constitute the entire agreement and understanding by and between the parties and shall supersede all other communications, negotiations, arrangements and agreements either oral or written, with respect to the subject matter herein.

27. Counterparts: This Agreement may be executed in duplicate and each original shall be equally effective.

SCOPE OF WORK

I. Purpose

Provide a general description and synopsis of the anticipated scope of the plan of study. Include a statement of why Reclamation and the Non-Federal Partner(s) are interested in collaborating, what each brings to the collaboration, and what results each expects.

II. Geographic Area

Describe in detail the geographic area that the Pilot will cover, include, or analyze.

III. Tasks and Milestones

Identify all tasks and milestones that will be part of the Pilot.

IV. Responsibilities of the parties

Identify and describe the responsibilities of the non-Federal partners and Reclamation.

V. Budget

Include a detailed budget by task that identifies who is responsible for each cost.

VI. Schedule

Include a detailed schedule for completion of the Pilot.

For the Non-Federal Partner(s)

Title
Organization

Date

For Reclamation

Regional Director

Date

October 23, 2019

**AGENDA ITEM 11: RWA NOVEMBER 14, 2019 BOARD OF DIRECTORS
MEETING AGENDA**

Action: Approve November 14, 2019 Board of Directors Meeting Agenda

**REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, November 14, 2019, 9:00 a.m.**

5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting. The Board of Directors may consider any agenda item at any time during the meeting.

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT**
- 3. CONSENT CALENDAR**
 - a. Minutes from the September 12, 2019 RWA regular board meeting
Action: Approve September 12, 2019 RWA Board meeting minutes
- 4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**
 - a. Information: Final minutes of the August 28, 2019 and September 25, 2019 Executive Committee meetings
- 5. APPOINTMENT OF JOSETTE REINA-LUKEN TO RWA BOARD SECRETARY AND TREASURER**
Action: Appoint Josette Reina-Luken to become the RWA Board Secretary and Treasurer
- 6. LEGISLATIVE/REGULATORY UPDATE**
Information Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager
- 7. AGENCY AWARD**
Information and Discussion: Led by Jim Peifer, Executive Director
Action: Recommend adoption of revisions to Policy 100.4 (RWA Awards) by the RWA Board
- 8. PROPOSITION 1 INTEGRATED REGIONAL WATER MANAGEMENT GRANT**
Information and Discussion: Rob Swartz, Manager of Technical Services
Action: Adopt Resolution 2019-11 authorizing Submittal of a Proposal to the California Department of Water Resources for an Integrated Regional Water Management Implementation Grant and Execution of a Funding Agreement Upon Award

9. **WATER MANAGEMENT OPTIONS PILOT**
Information Update: Rob Swartz, Manager of Technical Services
Action: Authorize the Executive Director to enter into a Water Management Options Pilot Memorandum of Agreement with the United States Bureau of Reclamation and the Sacramento Groundwater Authority
10. **VOLUNTARY AGREEMENT AD HOC COMMITTEE UPDATE**
Information Update and Discussion: Led by Kerry Schmitz, Ad Hoc Committee Chair
11. **FEDERAL AFFAIRS AD HOC COMMITTEE UPDATE**
Information Update and Discussion: Led by Sean Bigley, Ad Hoc Committee Chair
11. **EXECUTIVE DIRECTOR'S REPORT**
12. **DIRECTORS' COMMENTS**

ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, December 11, 2019 at 8:30 a.m. and January 22, 2020 at 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meetings – January 9, 2020 at 9:00 a.m. and March 12, 2020 at the RWA office.

The RWA Board Meeting electronic packet is available on the RWA website at <https://rwah2o.org/meetings/board-meetings/> to access and print the RWA Board electronic packet.

October 23, 2019

AGENDA ITEM 12: EXECUTIVE DIRECTOR'S REPORT

OCTOBER 23, 2019

TO: REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE

FROM: JIM PEIFER

RE: EXECUTIVE DIRECTOR'S REPORT

- a. Finance and Administrative Services Manager Recruitment** – Ms. Josette Reina-Luken started on October 8th as the new Finance and Administrative Services Manager.
- b. Grants Update** – Staff is managing five grants totaling in excess of \$28 million. One of those grants, the 2011 Proposition 84 Integrated Regional Water Management Grant for \$16 million, concluded on June 30, 2019. Staff is in the process of preparing the final project completion report as required by the grant agreement.
- c. RWA Outreach** – Rob Swartz presented on the Water Bank to the Groundwater Resources Association of California's Western Groundwater Congress on September 19th and to the City of Sacramento Water Committee on September 24th.

Jim Peifer and Rob Swartz briefed Marguerite Patil from Contra Costa Water District and Mike Tognolini from the East Bay Municipal Water District on the Sacramento Regional Water Bank (Water Bank) on September 30th.

RWA staff participated on a regional congressional staff tour on October 8th. The tour was organized by Marisa Tricas from the City of Roseville. RWA staff briefed congressional staff on the Water Bank during the tour.

RWA and Water Forum staff brought State Legislative staff on a tour on October 11th to educate them on RWA and Water Forum initiatives including water use efficiency efforts, habitat management projects, managing groundwater contamination, and development of the Water Bank. The tour was organized and led by Ryan Ojakian. Tour stops were made at the Nimbus Fish Hatchery across from the Sailor Bar Side Channel Project and San Juan Water District. The event was well attended with 18 staff members participating.

Ryan Ojakian and Jim Peifer met with Thomas Gibson, Deputy Secretary and Special Counsel for Water at the California Natural Resources Agency to discuss the Water Bank and request the State recognize the Water Bank as a state led storage project for purposes of pursuing federal funding opportunities on October 16th.

- d. Water Efficiency Update** – The State Water Resources Control Board (State Board) released their proposed framework for performance standards for water loss and the associated economic model in September. These proposed performance standards will be used to assess water suppliers' compliance with Senate Bill 606, Assembly Bill 1668,

and Senate Bill 555. The State Board is requesting comments on the proposed standards with a deadline of October 25th at noon. The water supplier community and RWA have some significant concerns with the proposed standards and economic model. A coalition comment letter has been organized through CMUA and individual water suppliers are encouraged to submit their own letters outlining specific examples of concerns that are unique to their agency. RWA will submit a comment letter on behalf of the region. The State Board is required to adopt water loss performance standards on or before July 1, 2020.

October 23, 2019

AGENDA ITEM 13: DIRECTORS' COMMENTS