

**REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE AGENDA**

**January 22, 2020; 8:30 a.m.
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821
(916) 972-71717**

AGENDA

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

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR**
 - a. Minutes of the December 11, 2019 Executive Committee meeting
Action: Approve Consent Calendar item
 - b. 2020 RWA Executive Committee Meeting Schedule
Action: Adopt Proposed Schedule of 2020 Executive Committee meetings
- 4. DEVELOPMENT OF FISCAL YEAR 2020 – 2021 BUDGET**
Information Presentation and Discussion of FY 2020 – 2021 Budget Process, Timeline and Key Questions for Direction
- 5. STRATEGIC PLAN**
Discussion: Jim Peifer, Executive Director
- 6. OTHER POST-EMPLOYMENT BENEFITS (OPEB) FUNDING REPORT**
Information and Discussion: Josette Reina-Luken, Financial and Administrative Services Manager
- 7. LEGISLATIVE/REGULATORY UPDATE**
Information Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager
- 8. FEDERAL AFFAIRS PLATFORM**
Discussion: Sean Bigley, Chair, Federal Affairs Ad Hoc Committee

9. URBAN WATER MANAGEMENT PLAN SUPPORT

Discussion: Amy Talbot, Water Use Efficiency Program Manager

10. EXECUTIVE DIRECTOR'S REPORT

11. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – February 26, 2020 and March 25, 2020 at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, March 12, 2020, at 9:00 a.m. in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA 95610

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.

January 22, 2020

AGENDA ITEM 3a: CONSENT CALENDAR

Minutes of the December 11, 2019 Executive Committee meeting

Action: Approve the December 11, 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
Kerry Schmitz, Sacramento County Water Agency
Dan York, Sacramento Suburban Water District
Pam Tobin, San Juan Water District

Staff Members

Jim Peifer, Rob Swartz, Ryan Ojakian, Josette Reina-Luken, Amy Talbot, Cecilia Partridge and Ryan Bezerra, legal counsel

Others in Attendance

Bruce Kamilos, Rob Roscoe, Rebecca Franklin and Andy Fecko. Ellen Cross participated for agenda item 6 via conference phone.

2. PUBLIC COMMENT

None.

Agenda item number 6 was moved after agenda item 3, but is reported in the order listed on the agenda.

3. CONSENT CALENDAR

- a. The minutes from the October 23, 2019 Executive Committee meeting
- b. In Communications Contract Extension

On March 12, 2015 the RWA Board approved a contract validation with IN Communications for the Water Efficiency Program and for the Public Relations

Programs. The recurring contract with IN Communications has an indefinite term period. As stated in Section II of RWA Policy 300.2 Professional Services Selection and Contracting, staff must request validation from the Executive Committee for recurring contracts with an indefinite term every five years. The current contract validation approval will expire on March 12, 2020.

To ensure continuity of services, staff requests that the Executive Committee extend the IN Communications contract through December 31, 2020 for the Water Efficiency and Public Relations Programs.

Motion/Second Carried (M/S/C) Mr. Greenwood moved, with a second by Ms. Schmitz, to approve the October 23, 2019 Executive Committee meeting minutes and approve IN Communications Contract extension for both the Water Efficiency and Public Relations Programs through December 31, 2020. The motion carried by the unanimous voice vote of all directors present.

4. LAND IQ IMAGERY ANALYSIS CONTRACT

Amy Talbot, Water Efficiency Program Manager gave a presentation in support of the Land IQ Imagery Analysis Contract. In 2016, RWA contracted with Land IQ to perform a basic urban residential analysis of Sacramento and Placer County public imagery and parcel data to estimate irrigated landscape area (Total cost: \$10,700). In 2018, the Governor approved Senate Bill (SB) 606 and Assembly Bill (AB) 1668, which outlined a framework for water supplier level water demand budgets. These budgets include a residential and commercial landscape water budget component. The Department of Water Resources (DWR) has begun a process to formally define the methodology and regulation associated with these landscape water budget components. Five RWA water supplier members (City of Yuba City, City of West Sacramento, City of Folsom, Sacramento County Water Agency, and San Juan Water District) are interested in simultaneously exploring similar landscape budget methodologies for their respective service areas using regionally obtained landscape imagery files (Part 1). The five participating suppliers will fund this project through a subscription program. No RWA general or Water Efficiency Program funding will be used for this project. RWA directly sent the RFP to five firms, posted the RFP on the RWA website and sent out an eblast notification through the RWA list service to those contacts that selected contracting interest. Only three responses were received.

M/S/C Ms. Tobin moved, with a second by Mr. Yasutake, to direct the Executive Director to contract with Land IQ for the aerial imagery analysis work. The motion carried by the unanimous voice vote of all directors present.

5. RETIRED ANNUITANT TEMPORARY EMPLOYMENT

Jim Peifer reported that SGA staff has identified the need for assistance to complete the state-mandated Groundwater Sustainability Plan (GSP), which is due by January 31, 2022. Among other requirements, preparation of the GSP will include: 1) detailed analysis of groundwater level data and trends to assess basin health from a quantity perspective; 2) the relationship between groundwater and surface water; and 3) detailed analysis of groundwater quality data and trends to characterize basin health from a quality perspective.

Staff identified Barbara Houghton as an Annuitant with the experience to assist with the work. Ms. Houghton is a California Professional Geologist and Certified Hydrogeologist with more than 25 years of private and public sector experience in groundwater. Most recently, Ms. Houghton was a manager with the El Dorado County Environmental Management Department where she had oversight of multiple programs including the Hazardous Materials Program (underground storage tanks, hazardous materials, hazardous waste, incident response), Solid Waste Program (illegal dumping, litter), Water Program (small water systems and wells), and Liquid Waste Program (septic systems). Ms. Houghton retired from this position in December 2018, and is eligible to be employed as an Annuitant.

Staff worked with RWA and SGA legal counsel to develop a temporary employment contract with Ms. Houghton for the period January 1, 2020 through January 31, 2022. Staff requested authorization from the Executive Committee to enter into this agreement upon its completion. To fully authorize the proposed employment action through the remainder of the current fiscal year, staff will seek concurrence of the SGA Board on December 12, 2019 to fund the temporary staff position through the remainder of the current fiscal year. Future funding would be subject to approval of the RWA Board during its annual budget process, with concurrence of the SGA Board.

To recognize the additional expense and revenue associated with the Annuitant position for FY20, staff requested that the Executive Committee approve a budget adjustment that includes increasing the Staff expense budget category and also increasing the SGA Service Fee revenue budget category. Both budget categories would increase by \$30,000, which offsets the additional RWA staff expense with revenue from SGA. Staff reported that this action is required by RWA Policy 500.11.

M/S/C Mr. Yasutake moved, with a second by Mr. York, to authorize the Executive Director to Enter into an Agreement with Barbara Houghton as a Retired Annuitant Temporary Employee and Approve a Budget Adjustment to Increase Revenues in the SGA Service Fee Budget Category by \$30,000 and Increase Expenses by \$30,000 in the Staff Budget Category. The motion carried by the unanimous voice vote of all directors present.

6. STRATEGIC PLAN

Ellen Cross with Strategy Drive participated in this agenda item via conference phone. The RWA prepared a strategic plan in 2013 and adopted minor plan updates in 2017. Executive Committee input was 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.

Potential strategic plan meetings and topics include strengths, weaknesses, opportunities and threats. Speakers who could inform the board of what the opportunities and threats might be could be invited. A copy of a proposed schedule and topics was given to the Executive Committee. We want to reaffirm the RWA mission and vision, determine future goals, implementation, advocacy and education and outreach. We would like to make sure the goals are sufficient or if an additional goal should be added. An additional workshop may be added to work on objectives.

Ms. Cross commented that a goal is for the RWA to become more unified. She encouraged everyone to update the strategic plan and also to plan ahead for what the next five years looks like, what has been done in the last five years that has been successful and identify some areas that we need to be more progressive on for example the federal affairs, the young professionals idea, communications and resiliency. The Strategic Plan could consider ways to save costs within the agencies along with how the region could deal with Bay Delta efforts and SGMA implementation. The plan should include a focus on what is important to our agencies for collective benefit and a stronger voice. Speakers would help initiate a discussion for a proper vision.

Mr. Peifer shared his proposal for the strategy plan. Staff feels that the RWA mission should remain the same but the members should make some changes to the vision. He suggested some potential speakers and recommended that communication should be a goal within the strategy plan. In the listening sessions that he conducted he heard from small and medium size agencies about how the RWA could potentially pool its resources or members could pool their resources. Additionally, there is a lot going on with the Bay Delta efforts and a lot of work to be done in our region on SGMA implementation.

Understanding the roles of the Water Forum and RWA going forward is imperative due to a lot of cross over between the organizations

7. VOLUNTARY AGREEMENT AD HOC COMMITTEE

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 SWRCB proposal to amend the WQCP. Ad Hoc committee Chair Kerry Schmitz reported that after discussion

by the committee members, it was determined that RWA should have a role in the VA process.

An agreement was developed for a subscription program was presented to the executive Committee. The program would include hiring a consultant.

Andy Fecko, Placer County Water Agency said that there have been struggles with the complexity of the regulatory process. He suggested that the ad hoc committee consider how to staff the VA on a permanent basis for the benefit of the members and expand the scope of the committee and delay taking action on the subscription program giving the committee time to discuss options including a longer term subscription program and RWA staffing or a general program and staffing internally. There are a number of future issues that require time to assess.

After discussion it was agreed to give the ad hoc committee additional time to discuss and define the RWA role and commitments of resources with recommendations to be presented at the January 2020 Executive Committee meeting.

No action was taken on this item at this time.

8. RWA LEGISLATIVE AND REGULATORY PRIORITY AND POLICY ISSUES

Ryan Ojakian, Legislative and Regulatory Program Manager gave an overview of the “redline” update to the Legislative and Regulatory Program policy principles adopted September 10, 2015 that was included in the packet for review. The revisions are minor with the exception of adopting a policy related to climate change adaptation and adopting policies relating to our individual agencies authority to set rates. The rate setting authority is largely being driven by a conversation with the Water Board on the affordability of water.

Mr. Bezerra said that when Policy 100.5 was amended to allow RWA to take legislative positions in a timely manner. There have been periodic updates to the Policy and Principles. This update is necessary to stay in compliance with required regular updates to the policy.

Mr. Ojakian said that the intent is for this policy to be update annually. It is imperative to have the authority to take positions on legislation and move quickly when necessary.

M/S/C Mr. Bigley moved, with a second by Ms. Tobin, to recommend the board of Directors approve the RWA Legislative and Regulatory Priority and Policy Issues. The motion carried by the unanimous voice vote of all directors present.

9. FEDERAL AFFAIRS AD HOC COMMITTEE – COMMITTEE RECOMMENDATIONS AND RWA FEDERAL PLATFORM

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

Mr. Peifer addressed the process with respect to the strategic Plan. It is expected that the strategic plan will catch up with the work that the ad hoc committee has engaged in. An additional task was assigned to the ad hoc committee requesting they develop a Federal Affairs Platform focused on federal affairs issues. The Executive Committee gave direction to the Executive Director and the Ad Hoc committee to bring a federal affairs platform to the Board for its consideration and approval at the January 9, 2020 board meeting.

Sean Bigley, ad hoc committee chair summarized the report that the ad hoc committee has produced that addresses several questions. The committee has developed a memo with recommendations compiled from a survey to the general managers that requested feedback. One of the key survey responses was gauging what the top federal policies are and what an appropriate level of federal involvement is. This has been an informed process, developed over several meetings of the ad hoc committee.

10. RWA JANUARY 9, 2020 BOARD MEETING AGENDA

After discussion it was decided to move agenda items 5 and 6 to the consent calendar and remove the Voluntary Agreement Consultant Assistance Program Agreement agenda item on the RWA January 9, 2020 meeting agenda.

M/S/C Ms. Tobin moved, with a second by Mr. Bigley, to approve the January 9, 2020 Board of Directors Meeting agenda with the changes indicated. The motion carried by the unanimous voice vote of all directors present

11. EXECUTIVE DIRECTOR'S REPORT

Grants Update – Staff submitted a funding proposal through the California Department of Water Resources' Proposition 1, Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Program on December 6, 2019. The proposal seeks \$7.74 million to fund 10 priority projects in the state's Sacramento River Funding Area portion of the American River Basin (ARB) IRWM region. A separate application seeking \$1 million was submitted to fund a single project in the San Joaquin River Funding Area was also submitted on November 15, 2019. The distinct applications were required by DWR, because the ARB overlaps two funding areas. Final DWR award recommendations are expected in mid-2020.

RWA Outreach – Jim Peifer and Ryan Ojakian attended the fall ACWA Conference in San Diego. Meetings were scheduled to discuss the Sacramento Regional Water Bank, the Resiliency Portfolio and the Voluntary Agreements with a few managers from the American River Region and representatives from other regions around the State.

External Regional Communications – In an effort to improve our external regional communications, we will be using the services of a facilitator to work with the general managers, utility directors and the Executive Director to develop protocols for communications to external parties, such as state and federal officials. Tania Carlone from Consensus Building Institute will be the facilitator.

Mr. Bezerra congratulated Ms. Tobin on her election as the ACWA Vice Chair

12. DIRECTORS' COMMENTS

Ms. Tobin said that she appreciated all of the support she received during her campaign. She thanked Chair Schubert for his excellent leadership through a challenging year.

Mr. Greenwood extended an invitation to attend a retirement open house for Steve Nugent on December 27th at the Carmichael Water District. The District continues the process to hire a general manager. Water transfers are currently being negotiated. The district recently paid off debt obligations and borrowed funds in the form of bonds. He thanked Chair Schubert for his expert service.

Mr. York thanked the committee, staff and Chair Shubert for guiding us through a challenging year.

Mr. Bigley reported that the City of Roseville is working with SMUD on a CVPIA water transfer with a stated purpose of refining their groundwater program. They have been invited to submit an application under the LITHY program to request partial funding for construction of six new aquifer storage and recovery wells within the City of Roseville.

Ms. Carrey announced that Dan Sherry is retiring from the City of Sacramento at the end of 2019. Tony Bertrand is the new division manager. The City of Sacramento has a similar effort to the Land IQ with a water supply master plan using West Yost Associates as consultants.

Mr. Yasutake congratulated Ms. Tobin on her election as ACWA Vice President. City of Folsom City Council approved rate increases for water, waste water and solid waste.

Chair Schubert said he appreciated serving as 2019 RWA Chair and the support he received from Vice Chair Schmitz and the Executive Committee.

13. ADJOURNMENT

Chair Schubert adjourned the meeting at 10:14 a.m.

By:

Chairperson

Attest:

Josette Reina-Luken, Board Secretary / Treasurer

January 22, 2020

AGENDA ITEM 3b: CONSENT CALENDAR

BACKGROUND:

RWA Executive Committee meetings are generally held on the fourth Wednesday of each month at the RWA office, 5620 Birdcage Street, Ste. 110 in Citrus Heights. The meetings begin at 8:30 a.m. The Executive Committee will continue to meet on the fourth Wednesday of each month with the exception of the February meeting and the November and December meetings. The February meeting will be held on February 19, 2020 and the November and December meetings will be combined and held on December 9, 2020.

Current 2020 Executive Committee Schedule	Meeting Conflicts	Proposed 2020 Executive Committee Schedule
February 26, 2020	DC Conference February 24 – 27, 2020	February 19, 2020
March 25, 2020		March 25, 2020
April 22, 2020		April 22, 2020
May 27, 2020		May 27, 2020
June 24, 2020		June 24, 2020
July 22, 2020		July 22, 2020
August 26, 2020		August 26, 2020
September 23, 2020		September 23, 2020
October 28, 2020		October 28, 2020
November 25, 2020	Day before Thanksgiving (ACWA Fall Conference December 1 – 4, 2020)	December 9, 2020
December 23, 2020	Two days before Christmas	Cancel

STAFF RECOMMENDATION:

Action: Adopt Proposed Schedule of 2020 Executive Committee meetings

January 22, 2020

AGENDA ITEM 4: DEVELOPMENT OF FISCAL YEAR 2020 – 2021 BUDGET

BACKGROUND:

Staff has begun the process of preparing a draft budget for fiscal year 2020-21 by requesting updated retail connections from all RWA members. Staff will present a proposed timeline for budget development. This upcoming budget will be inclusive of key issues raised from the Strategic Planning (SP25+) workshops as applicable. As such, Fiscal Year 2020-21 draft budget presentations will likely occur slightly later than past years. However, budget adoption to the RWA Board remains to be slated for the May Board meeting. In the event that the RWA Board does not approve the budget, a Special Board Meeting will need to be convened in June.

STAFF RECOMMENDATION:

Information Presentation and Discussion of FY 2020 – 2021 Budget Process, Timeline and Key Questions for Direction

January 22, 2020

AGENDA ITEM 5: STRATEGIC PLAN

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:

Discussion: Jim Peifer, Executive Director

January 22, 2020

FEBRUARY 21 WORKSHOP OBJECTIVES

- Review Strategic Plan (SP25+) process, progress to date, and next steps
- Briefly review survey results (alignment/outliers)
- Explore important topics such as “Do the current Mission, Vision and Core Values need to change to meet RWA’s future position?”
- Affirming and Identifying new goals that will help RWA meet current and long-term challenges
- Next Steps

Draft Agenda for the February 21, 2020 workshop

TIME	TOPIC
10:00 am	INTRODUCTIONS/BOARD BUSINESS <ul style="list-style-type: none"> • Call to Order/Roll Call (Agenda Item 1) • Public Comment (Agenda Item 2) • Strategic Plan Workshop 1 (Agenda Item 3)
10:15 am	SP25+ PROCESS + PROGRESS <ul style="list-style-type: none"> • Welcome • Process to Date / Schedule • Review Agenda • Ground Rules • Survey Results
10:30 am	RWA IN THE REAR-VIEW MIRROR <ul style="list-style-type: none"> • RWA History + Milestones • Overview of SP18+ Successes / Lessons Learned / Work to Be Done
11:00 am	EXTERNALITIES THAT AFFECT SB25 <ul style="list-style-type: none"> • “Envision RWA’s Role + Relevancy for Resilient Water in the 21st Century” - Part 1 (Policy Factors) • “Envision How RWA can Position for State and Federal Alignment” - Part 2 (Resiliency)
12:00 pm (Working Lunch)	LUNCHEON TOPICS <ul style="list-style-type: none"> • Young Professionals • “Preparing for the Future”- (Succession Strategy Planning) • Mission, Vision, and Core Values Group Discussion
1:30 pm	EMERGING GOALS TO ADDRESS EXTERNALITIES <ul style="list-style-type: none"> • Review existing goals as well as emerging goals to address drivers
3:30 pm	NEXT STEPS <ul style="list-style-type: none"> • Identify priority discussions for Workshop #2 (e.g. Priority Objectives) • Review where there is alignment • Identify information needed

January 22, 2020

AGENDA ITEM 6: OTHER POST-EMPLOYMENT BENEFITS (OPEB) FUNDING REPORT

BACKGROUND:

During the October 23, 2019 Executive Committee Meeting, the Board requested staff to direct the actuary, MacLeod Watts, to generate some preliminary analysis regarding RWA's CalPERS California Employers' Retiree Benefits Trust (CERBT) used for their Other Post Employment Benefits (OPEB)/health care retirement deposits. Specifically, the actuary was to complete two tasks: 1) provide OPEB cash flow and liability analysis using the RWA customized blended rate for Strategy 1 (RWA's current strategy) which is the most aggressive strategy; and 2) determine the customized rate for funding Strategies 2 and 3 and the resulting cash flow and liability analysis for comparison to Strategy 1. The actuary's pre-funding Illustrations are included in this packet along with a few slides regarding CERBT Strategy highlights for discussion.

STAFF RECOMMENDATION:

Information and Discussion: Josette Reina-Luken, Financial and Administrative Services Manager

MacLeod Watts

Regional Water Authority Other Postemployment Benefit Program Actuarially Determined Contribution Illustrations for FYEs June 30, 2021 & 2022

Prepared January 9, 2020

At RWA's request, MacLeod Watts developed the Actuarially Determined Contributions (ADCs) for the fiscal years ending June 30, 2021 and 2022, based on the results of the June 30, 2019 OPEB actuarial valuation. This information is provided to assist RWA with future OPEB funding and will be incorporated in our full June 30, 2019 valuation report. That report will also include the information for reporting in RWA's financial statements (per GASB 75) for the fiscal year ending June 30, 2020.

All the assumptions and methodology applied in the June 2019 valuation will be detailed in that report once completed. Until that time, please refer to the assumptions shown in the July 1, 2017 actuarial valuation, except for the changes which we have noted on the next page of this document.

Development of Actuarial Value of Assets: RWA currently maintains a single OPEB trust account with CERBT. Ultimately, we will use the audited value of trust assets as of June 30, 2019, however, the CERBT's audit has not yet been completed. For these ADC calculations, we used the value reported by CERBT in the June 30, 2019 quarterly statement. Differences are typically quite small.

Guide to OPEB Terminology: Here is a brief recap some key OPEB terminology.

Actuarial Present Value of Projected Benefits (PVPB): PVPB refers to the discounted total value of all future benefits expected to be paid to current retirees or beneficiaries and to current active employees after they retire. In calculating the PVPB, the amount of each future payment is projected, multiplied by a probability that it will be paid and then discounted from the future payment date back to the valuation date using the assumed discount rate.

Actuarial Accrued Liability (AAL): The AAL, also called the Total OPEB Liability (TOL) for financial reporting purposes, is a subset of the PVPB. It represents the portion of the PVPB which has been attributed to service worked prior to the valuation date. The AAL for current retirees equals their PVPB because their service is complete. For active employees, the AAL is less than the PVPB because there is always some future service possible and a portion of costs will be assigned to those years.

Normal Cost (NC): NC, also referred to as service cost for accounting purposes, is also a subset of the PVPB. It refers to the portion of future retiree benefit costs assigned to the current service year. There is no service cost for retired members since their service has ended and is already fully recognized (retiree AAL equals retiree PVPB). Only active employees have a current service cost.

The relationship between the terms above can be summarized as follows:

TOL or Actuarial Accrued Liability	Past Years' Cost Allocations	Actives and Retirees
plus Service Cost (Normal Cost)	Current Year's Cost Allocation	Actives only
plus Present Value of Future Normal Costs	Future Years' Cost Allocations	Actives only
equals Present Value of Projected Benefits	Total Benefit Costs	Actives and Retirees

Each of the above items has a portion of liability/cost from the following two types of benefits:

Explicit subsidy: Portion of premiums or other direct payment by RWA toward retiree health costs.

Implicit subsidy: Projected excess of retiree health claims over premiums charged for retiree coverage.



ADC for FYE June 30, 2020: We developed the Actuarially Determined Contribution (ADC) level for RWA’s fiscal year ending June 30, 2020 when we completed the July 1, 2017 actuarial valuation. In that valuation, we projected and calculated an ADC for FYE 2020 of \$87,603 (see page 13 of that valuation report for details). A quick summary of that calculation is shown below:

Discount Rate	7.00%
Present Value of Projected Future Benefits	\$ 1,510,063
Actuarial Accrued Liability	\$ 1,267,661
Actuarial Value of Assets	1,173,663
Unfunded Actuarial Accrued Liability (UAAL)	93,998
Amortization Factor*	6.9713
Actuarially Determined Contribution for FYE 2020	
Amortization of UAAL	\$ 13,484
Normal Cost	68,388
Interest to Fiscal Year End	5,731
Total ADC	\$ 87,603

* Determined on a level \$ basis over a closed 9 year period

RWA confirmed that it has already contributed the full ADC for this 2019-20 fiscal year.

June 30, 2019 OPEB Valuation Results

For the June 30, 2019 valuation, we received an updated employee and retiree census, new premium information and updated trust information, including revised projections from CalPERS on expected future returns on assets invested with CERBT. Plan benefits have also been updated somewhat from those in effect when the 2017 valuation was prepared.

We recommend making the following assumption changes for this 2019 valuation:

- Revise the assumed trust rate of return and rate used to discount expected OPEB payments to reflect CERBT’s new bifurcated returns and to reflect the timing and amount of future RWA retiree medical benefit payments. From CERBT Strategy 1, this would mean a decrease in the discount rate from 7.0% to not more than 6.9%.
- Updating assumed mortality, termination and retirement rates from the 2014 CalPERS experience study to the 2017 CalPERS experience study.
- Removal of disability retirement rates, since RWA is no longer required to offer full vesting of retiree health in the rare event of an approved disability retirement.
- Updating the mortality improvement scale from MacLeod Watts Scale 2014 to MacLeod Watts Scale 2018.
- Modified assumptions for one active and one retired employee currently waiving medical coverage through RWA.
- Revising the assumption for future increases in the PEMHCA Minimum Employer Contribution (MEC), from 4.5% to 4.0% due to recent analysis of medical inflation trend.



Plan experience over the prior two years - relative to what we previously projected - was favorable. For example, medical premiums increased less than anticipated. Additionally, one recent retiree has (at least initially) waived retiree medical coverage and benefits through RWA.

The combination of favorable plan experience and the assumption changes we described above resulted in:

- Higher than expected Present Value of Projected Benefits as of June 30, 2019. However, this increase is due to the addition of new active employees since the 2017 valuation was prepared; the PVPB for continuing members has decreased relative to what we expected.
- Lower than expected Actuarial Accrued Liability as of June 30, 2019. New employees add little, if any, AAL since their OPEB liability begins to accrue from the date they are hired.
- Trust assets are fairly close to what was projected on June 30, 2019.
- Higher than expected Normal Cost. Again, this increase relates solely to the addition of new employees now accruing annual costs toward their future retiree medical benefits.

On the following 3 pages, we have illustrated the Actuarially Determined Contribution for FYEs 2021 and 2022 using the new valuation results and assumptions. Each page illustrates results based on the custom discount rate developed for RWA assuming investment in CERBT Strategy 1, Strategy 2 or Strategy 3.

Once you have had an opportunity to review this information, we can discuss whether it would be helpful to consider results:

- Using any other discount rates (e.g., to incorporate some additional margin for adverse investment performance over and above the custom cash-flow weighted returns illustrated for each strategy)
- Using any other amortization period

We look forward to hearing back from you with any questions.

Sincerely,



Catherine L. MacLeod, FSA, EA, FCA, MAAA
Principal & Consulting Actuary



2019 Valuation Results and ADC Development for CERBT Asset Allocation Strategy 1

The chart below develops the ADC for RWA's fiscal year ending June 30, 2021 and 2022 assuming RWA is invested in CERBT Asset Allocation Strategy 1 and continues to amortize the UAAL as shown below.

Fiscal Year Ending	6/30/2021	6/30/2022
Discount Rate	6.90%	6.90%
Present Value of Projected Future Benefits	\$ 1,802,473	\$ 1,825,389
Actuarial Accrued Liability	\$ 1,118,531	\$ 1,178,304
Actuarial Value of Assets	1,271,043	1,317,920
Unfunded Actuarial Accrued Liability (UAAL)	(152,512)	(139,616)
Amortization year remaining	8	7
Amortization Factor*	6.4081	5.7813
Actuarially Determined Contribution	FYE 2021	FYE 2022
Amortization of UAAL	\$ (23,800)	\$ (24,150)
Normal Cost	78,624	81,179
Interest to Fiscal Year End	3,783	3,935
Total ADC	\$ 58,607	\$ 60,965

* with payments determined on a level dollar basis

The chart below illustrates the expected "sources" of contributions to satisfy the ADCs shown above for fiscal years ending 6/30/2021 and 6/30/2022. We begin by subtracting the implicit subsidy amount from each ADC since this does not require any cash payment (only a reclassification from active to retiree healthcare expense on the books). The remaining contribution would be made up of retiree premiums paid by RWA and a potential contribution to (or reimbursement from) the trust.

Compare FYE 2021 and 2022 ADC & Estimated Components of OPEB Contributions		
Discount Rate	6.90%	
Fiscal Year End	6/30/2021	6/30/2022
Actuarially Determined Contribution	\$ 58,607	\$ 60,965
Less implicit subsidy	40,257	26,683
Remaining contribution to meet ADC	18,350	34,282
Estimated payments on behalf of retirees	\$ 57,814	\$ 52,871
Est contribution to (reimbursement from) trust	(39,464)	(18,589)

Note that while the ADC for FYE 2022 is only about 4% higher than the ADC for FYE 2021, the implicit subsidy portion is considerably lower, which increases the cash portion of RWA's OPEB contributions. The reason for this big drop in the implicit subsidy for FY 2020-21 is that the spouses of 2 retirees reach age 65 and are assumed to migrate to Supplemental Medicare plans, which have no implicit subsidy liability.



2019 Valuation Results and ADC Development for CERBT Asset Allocation Strategy 2

The chart below develops the ADC for RWA's fiscal year ending June 30, 2021 and 2022 assuming RWA is invested in CERBT Asset Allocation Strategy 2 and continues to amortize the UAAL as shown below.

Fiscal Year Ending	6/30/2021	6/30/2022
Discount Rate	6.35%	6.35%
Present Value of Projected Future Benefits	\$ 1,958,746	\$ 1,981,941
Actuarial Accrued Liability	\$ 1,187,162	\$ 1,252,894
Actuarial Value of Assets	1,264,506	1,325,027
Unfunded Actuarial Accrued Liability (UAAL)	(77,345)	(72,133)
Amortization year remaining	8	7
Amortization Factor*	6.5136	5.8637
Actuarially Determined Contribution	FYE 2021	FYE 2022
Amortization of UAAL	\$ (11,874)	\$ (12,302)
Normal Cost	86,067	88,864
Interest to Fiscal Year End	4,711	4,862
Total ADC	\$ 78,904	\$ 81,424

* with payments determined on a level dollar basis

The chart below illustrates the expected "sources" of contributions to satisfy the ADCs shown above for fiscal years ending 6/30/2021 and 6/30/2022. We begin by subtracting the implicit subsidy amount from each ADC since this does not require any cash payment (only a reclassification from active to retiree healthcare expense on the books). The remaining contribution would be made up of retiree premiums paid by RWA and a potential contribution to (or reimbursement from) the trust.

Compare FYE 2021 and 2022 ADC & Estimated Components of OPEB Contributions		
Discount Rate	6.35%	
Fiscal Year End	6/30/2021	6/30/2022
Actuarially Determined Contribution	\$ 78,904	\$ 81,424
Less implicit subsidy	40,257	26,683
Remaining contribution to meet ADC	38,647	54,741
Estimated payments on behalf of retirees	\$ 57,814	\$ 52,871
Est contribution to (reimbursement from) trust	(19,167)	1,870



2019 Valuation Results and ADC Development for CERBT Asset Allocation Strategy 3

The chart below develops the ADC for RWA's fiscal year ending June 30, 2021 and 2022 assuming RWA is invested in CERBT Asset Allocation Strategy 3 and continues to amortize the UAAL as shown below.

Fiscal Year Ending	6/30/2021	6/30/2022
Discount Rate	5.60%	5.60%
Present Value of Projected Future Benefits	\$ 2,208,194	\$ 2,231,036
Actuarial Accrued Liability	\$ 1,293,126	\$ 1,368,014
Actuarial Value of Assets	1,255,592	1,337,386
Unfunded Actuarial Accrued Liability (UAAL)	37,534	30,628
Amortization year remaining	8	7
Amortization Factor*	6.6626	5.9797
Actuarially Determined Contribution	FYE 2021	FYE 2022
Amortization of UAAL	\$ 5,634	\$ 5,122
Normal Cost	97,813	100,992
Interest to Fiscal Year End	5,793	5,942
Total ADC	\$ 109,239	\$ 112,056

* with payments determined on a level dollar basis

The chart below illustrates the expected "sources" of contributions to satisfy the ADCs shown above for fiscal years ending 6/30/2021 and 6/30/2022. We begin by subtracting the implicit subsidy amount from each ADC since this does not require any cash payment (only a reclassification from active to retiree healthcare expense on the books). The remaining contribution would be made up of retiree premiums paid by RWA and a potential contribution to (or reimbursement from) the trust.

Compare FYE 2021 and 2022 ADC & Estimated Components of OPEB Contributions		
Discount Rate	5.60%	
Fiscal Year End	6/30/2021	6/30/2022
Actuarially Determined Contribution	\$ 109,239	\$ 112,056
Less implicit subsidy	40,257	26,683
Remaining contribution to meet ADC	68,982	85,373
Estimated payments on behalf of retirees	\$ 57,814	\$ 52,871
Est contribution to (reimbursement from) trust	11,168	32,502



CERBT Asset Class Target Allocations

Asset Classification	Benchmark	Strategy 1	Strategy 2	Strategy 3
Global Equity	MSCI All Country World Index	59% ±5%	40% ±5%	22% ±5%
Fixed Income	Barclays Capital Long Liability Index	25% ±5%	43% ±5%	49% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid Index	8% ±5%	8% ±5%	8% ±5%
Treasury Inflation Protected Securities (TIPS)	Barclays Capital Global Real: US TIPS Index	5% ±3%	5% ±3%	16% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	4% ±3%	5% ±3%
Cash	3-Month Treasury Bill	0% +2%	0% +2%	0% +2%

CERBT Investment Returns – Time Weighted

Periods Ended August 31, 2019

<u>Fund</u>	<u>Assets</u>	<u>1 Month</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>ITD</u>
CERBT Strategy 1 (Inception June 1, 2007)	\$8,125,723,082	-0.16%	4.68%	0.18%	3.87%	7.21%	4.94%	8.14%	4.87%
Benchmark		-0.18%	4.68%	0.15%	3.67%	6.83%	4.52%	7.85%	4.43%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,329,638,283	1.10%	5.14%	1.47%	6.62%	6.49%	4.73%	NA	7.49%
Benchmark		1.10%	5.17%	1.45%	6.48%	6.11%	4.35%	NA	7.18%
CERBT Strategy 3 (Inception January 1, 2012)	\$645,587,898	2.03%	5.21%	2.41%	8.38%	5.55%	4.30%	NA	5.93%
Benchmark		2.05%	5.22%	2.41%	8.26%	5.24%	3.95%	NA	5.60%

Time weighted return reports the performance of the investment vehicle, not of the employer assets. Returns are gross. Historical performance is not necessarily indicative of actual future investment performance or of future total program cost. Current and future performance may be lower or higher than the historical performance data reported here. Investment return and principal value may fluctuate so that your investment, when redeemed, may be worth more or less than the original cost. The value of an employer's CERBT fund shares will go up and down based on the performance of the underlying funds in which the assets are invested. The value of the underlying funds' assets will, in turn, fluctuate based on the performance and other factors generally affecting the securities market.

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.

January 22, 2020

AGENDA ITEM 7: LEGISLATIVE/REGULATORY UPDATE

BACKGROUND:

Ryan Ojakian will be providing a quick update of Legislative and Regulatory matters.

STAFF RECOMMENDATION:

Information Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager

RWA Legislative and Regulatory Priority and Policy Issues

~~(Approved by the Board on September 10, 2015)~~

(Approved by the Board on _____)

This update rescinds and replaces the Policy Principles on Public Goods Charges adopted by the RWA Board on November 12, 2015 and the RWA Priority and Policy Issues adopted by the RWA Board on September 10, 2015.

Introduction

The Regional Water Authority (RWA) Legislative and Regulatory Advocacy Program (Advocacy Program) has been created as part of the commitment to regional collaboration and unity in pursuit of the region's common goals as acknowledged by the "RWA 2018+ Strategic Plan". The intent of the Advocacy Program is to positively influence legislative and regulatory actions to protect, preserve and improve the region's water supply reliability.

This advocacy effort takes on many forms including high level commitment to increasing the region's profile in California water politics; a focused and agreed upon set of priorities; a clear and resolute set of Policy Principles to guide advocacy positions and decisions; and fostering beneficial coalitions with allied organizations. The success of these advocacy efforts will be directly linked to maintaining the level of excellence this region has demonstrated in the stewardship of our water resources. This stewardship has resulted in the preservation and enhancement of our local watersheds; protection of a federally designated Wild and Scenic River running through a metropolitan area of over 2 million people (the Lower American River); and a reliable and diverse water supply supporting the growth of the local economy.

The Priority Issues and companion Policy Principles that are adopted by the RWA Board and included herein serve as the foundation for RWA's Advocacy Program. The Priority Issues are the long-standing, foundational issues that are at the core of RWA's mission and stand the test of time. An example of a Priority Issue adopted as part of the Advocacy Program is the "protection of the water rights and entitlements of RWA member agencies". Vigilant protection of these valuable, local assets will be a perpetual priority for RWA and its member agencies. The Policy Principles that support each of the Priority Issues are also long-term in nature though the RWA Advocacy Program should carefully consider and modify these on a regular basis to stay abreast of the ever-changing politics of California's water resources management.

Combined, the Priority Issues and Policy Principles adopted by the Board of Directors serve as the Advocacy Platform that will guide development of annual legislative and regulatory work plans. The advocacy platform allows RWA staff and member agencies to operate within an agreed upon set of guidelines when advocating for the region's common goals.

~~(Currently, a contract lobbyist paid for by 10RWA member agencies support the Advocacy Program, and the program is staffed on half-time basis. Consistent with the Strategic Plan, it is a goal of RWA to eventually support full-time staffing and expand participation in funding the lobbyist.)~~

Following the Priority Issues and Policy Principles are the guidelines the Advocacy Program will use for determining recommended positions and prioritizing legislation that is introduced as part of each legislative session.

Finally, this document includes an overview of the California legislative process and calendar, as well as an overview of key state agencies in which we engage.

Priority Issues

Ensure a Diverse, Resilient, and Reliable Water Supply

Conjunctive use of surface and groundwater resources along with cost-effective investments in recycled water, stormwater capture, water efficiency, and water conservation can significantly drought proof the region's water supply, protect the region's water resources and environment, and assure the continued growth of the region's economy.

Policy Principles

- Promote legislative and regulatory measures that enhance local agencies' ability to share regional water resources.
- Promote and support the development and expansion of the Sacramento Regional Water Bank. Enhance state support of the Water Bank through bonds funds or other funding sources.
- Support and participate in Folsom Reservoir and Central Valley Project operational improvements to assure a reliable surface water supply to RWA agencies.
- Develop infrastructure necessary to access surface water entitlements.
- Advance efforts to streamline CEQA compliance for water resource projects that diversify or strengthen this regions water supply reliability.
- Promote and support ~~amendments to SGMA and~~ development of regulations that enhance water supply reliability and protect groundwater resources.
- Support measures that help expedite and cost-effectively integrate new water resources such as stormwater reuse and recycled water into the regions water supply portfolio.
- Continue to increase conjunctive use capabilities within the region.
- Sponsor and/or support legislation that guarantees investments made in regional water supply reliability and drought resilience are available for their intended purposes.
- Support cost-effective surface water and groundwater storage projects.

Protect the Water Rights and Entitlements of RWA Member Agencies

Water rights issues are complex and contentious. This region's surface water rights and entitlements and long-standing management of groundwater resources have been critical in the shaping of the local economy and are vital for the future. Our reasonable use of water has and will continue to assure the region's water rights and entitlements provide the region with abundant, affordable and high quality water while maintaining and protecting the environmental resources of the Lower American River and the region's watersheds.

Policy Principles

- Support and defend the existing water rights priority system.
- Support enforcement of the existing water rights laws.
- Maintain area-of-origin protections.
- Oppose any unreasonable curtailments of our area's water rights that impact our beneficial use of water.
- Promote legislation that supports and clarifies the multiple beneficial uses of water.
- Support legislation and regulatory action that allows for retaining groundwater rights.
- Support new laws, policies, and regulations embracing the concept that recognize inherent regional differences that drive water use efficiency and conservation.
- Ensure that water rights are preserved, recognized and supported by all federal, state and local agencies. This includes Especially, rights to conserved water.
- Promote system operations that ensure delivery of water supplies based on water rights and contract obligations.
- Proactively engage with the SWRCB and other state and federal agencies, and other stakeholders, concerning the Bay-Delta water quality control plan and any related water-right matters in coordination with affected member agencies.
- Support and emphasize adherence to existing law applying to the state required reporting to "identify opportunities for streamlined reporting, and eliminate redundant data submissions" as a prism through which all future state proposals and current requirements should be evaluated.

Maximize Funding Opportunities Beneficial to RWA Member Agencies

The region is prepared to make and support investments that will improve water supply reliability and protect the environment, including the Lower American River. Large-scale infrastructure projects such as improvements at Folsom Reservoir, increased or new storage capacity, additional facilities on the Sacramento River, and expanded groundwater, recycled water, transmission and distribution facilities will help prepare the region for the future while protecting the environment and increasing water supply reliability.

Policy Principles

- ~~Actively engage in legislative and regulatory initiative that consider the development of a public goods charge.~~

- ~~Develop RWA policy on public goods charges.~~
- Assure that any funding that is ~~extracted~~ **required** from this region be returned to this region for the benefit of this region.
- Support policies that provide funding allocations based on merit of the project and the impact or benefit.
- Promote the statewide benefits that our actions provide due to our unique location within the State's water system.
- Support Proposition 218 reform that improves water agencies ability to fund programs that help diversify the region's water supply portfolio.
 - ~~Develop RWA policy on Proposition 218 reforms.~~
- Promote statewide funding to increase flexibility for the CVP.
- Support legislation that provides funding for local and regional water resources infrastructure projects.
- Support funding for agencies to develop and utilize storm water capture projects.
- Ensure state funding is available for state-imposed mandates.

Protect Local Authority to Set Water Rates Appropriate for Accessible ~~and~~, Reliable, Service.

RWA is comprised of public water suppliers. Local agencies provide approximately 85 percent of all funding for water management in California. Climate change driven changes in hydrology, aging infrastructure and deferred maintenance, and population growth, are increasing the need for additional investments and creating higher costs for local agencies. Additionally, the affordability of water for those least fortunate has been receiving more scrutiny. Further complicating the situation Proposition 218 limits the ability to both raise revenue and address affordability concerns through rate management.

Each water system is unique. Careful balancing and thoughtful prioritization are necessary for water agencies to allocate their limited rate payer resources to reliably deliver high quality affordable water on an on-going basis.

Recently, state agencies have taken actions to require both robust conservation signals and ensure access to water for all. Taken in totality, these efforts would appear to necessitate water to be both ~~cheap and~~ expensive and cheap at the same time. Additionally, retail water is used for multiple purposes, indoor, outdoor, and fire protection, among others ~~uses~~, and water pricing reflects the need to meet all of these purposes.

Local agencies are best positioned to set water rates that meet all of these sometimes competing challenges. RWA supports policies that maintain local agencies' authority to set their agency's water rates as they determine appropriate to ensure the continued reliable delivery of high quality affordable water to their communities.

Policy Principles

- Help develop and support policies that meet water management goals without also exacerbating the challenge ~~affordability~~ of water affordability.
- Help develop and support policies that preserve limited water agency funds to be used for their self-identified highest priority projects to adapt to climate change, increase water use efficiency, and minimize impacts to affordability.
- Help develop and support policies that promote investments from water suppliers statewide in their local and sometimes distant source watershed to maintain and enhance water quantity and quality and maintain and improve environmental conditions.
- Help develop and support policies that reduce the local agency investment load to more equitable levels than the current 85 percent.
- Support policies that recognize existing affordability assistance programs and expand on affordability assistance opportunities, from Proposition 218 compliant, non-ratepayer sources.

Ensure The Region Has Tools To Adapt To Climate Change

The primary impacts in California from climate change include the loss of snowpack, increasing volatility in precipitation patterns, rising temperature stress on riverine ecosystems, sea level rise, and expanding intensity and number of wildfires. Water management is already being challenged by these climate driven alterations. Challenges that will only be exacerbated in the future. However, the specific impacts will vary from watershed to watershed. The water supply and environmental effects experienced will depend on a number of variables that will be different for each water agency and in each source watershed.

In the American River watershed, as part of a basin study, several future scenarios are being analyzed out to the year 2085. Initial results show precipitation will come more as rain and occur in a narrower more volatile window. This will disrupt current water management operations balancing water supply, flood control, and environmental flows. Additionally, historical fire management practices have increased ~~has introduced~~ the threat of severe fire in the upper watershed along with resulting effects ~~is~~ intensifying – including ~~with~~ increasingly negative water quality impacts.

These hydrologic changes will necessitate changes to water management and future water management planning. Immediate action to address and mitigate these impacts is necessary to ensure the resiliency of the region. The region is prepared to invest our share, but those investments must correspond to benefits in our source watershed and in the region. There must be recognition that the lion share of water originating in the region has been developed for use outside of the region and that those outside entities should invest equally in the benefits they receive from the region.

Policy Principles

- Support policies that will enhance the analysis and characterization of the impacts of climate change on a watershed scale.
- Support policies to develop plans to address climate change through existing local agencies and integrated regional water management processes in a holistic way.
 - Plans should address source watersheds and connect surface, groundwater, and environmental stewardship. Plans should address geographically specific climate impacts expected. ~~Me,~~making a “single standard” by which plans are structured is impractical.
 - Plans should be able to demonstrate resiliency to drought, flood, and fire threats, demonstrate durable environmental sustainability, demonstrate scalability to limit stranding investments, and demonstrate the ability for long-term sustainability.
- Support incentives for collaboration across disciplines. To efficiently address surface water, groundwater, and environmental reliability there is a need for enhanced collaboration and joint scientific, technical and implementation efforts.
- Support policies that enhance the ability to implement regional conjunctive use, and water banking.
- Support policies that prioritizes state funding assistance for ~~of~~ plans that can be verified to comprehensively include adaptation, particularly in source watersheds, and address statewide impacts from climate change.

Promote Balanced Statewide Water Management Solutions Beneficial to the Greater Sacramento Region

RWA recognizes the need for a statewide water plan that assures a reliable water supply for all regions in the state. RWA supports a statewide solution, including protection of the Delta that is balanced and beneficial to the Sacramento region’s water supply reliability.

Policy Principles

- Ensure improvements or modifications to the statewide water system are protective of this region’s water supply.
- Support statewide water plans and policies that recognize and honor previous investments made to assure this region’s water supply reliability.
- ~~Promote a statewide drought action plan that acknowledges this region’s investment in drought resiliency.~~
- Encourage revisions to policies and operations that streamline water transfers, including transfers of conserved water.
- Support statewide water storage solutions that provide benefit or are neutral to the region’s water supply reliability and flood protection.

- Encourage statewide water planning efforts that recognizes water management differs based on climate, population density, return flows, and other regional geographic and hydrologic factors.
- Promote modifications to state and federal operations that protect the region’s ability to use regional resources.

Promote Water Efficiency and Water Conservation

Our region invests in water efficiency and water conservation that are locally cost effective, feasible, and improve the water supply reliability of the region. Water efficiency makes good business sense and is key to assuring we continue our reasonable use of water consistent with our water rights and contracts. This regions’ water use efficiency is comparable to other parts of the state. The biggest driver of water use in the region is outdoor use in hot dry summers. In the most recent drought the region lead the state in water savings producing 12 percent of savings while making-up only 5 percent of the state’s population. Continued improvement on water use efficiency will depend on a consistent regulatory target.

Policy Principles

- Unique factors such as climate, land use, and return flows must be taken into consideration when developing statewide laws and regulations.
- Promote policies that recognized the differences between water efficiency and water conservation.
- Promote a better understanding of water use efficiency based on local supplies and site-specific factors.
- Define appropriate water conservation requirements goal and objectives that consider local supplies conditions.
- Develop partnerships with other local agencies on public affairs campaigns/messaging.
- Promote public-private partnerships with local businesses that lead to greater water efficiency and benefit the local economy.
- ~~Support a state led effort to establish rate stabilization funds programs that are consistent with state laws.~~
- Assure that the region receives the benefit of its water conservation efforts, including through water transfers consistent with state laws recognizing the transferability of conserved water.
- Assure any water loss requirements balance costs with benefits.

Support Stewardship of the Region’s Environmental Resources

The region’s management of water resources is committed to the preservation of the Lower American River (LAR) and tributary watersheds as demonstrated by the historic Water Forum Agreement enacted in 2000. The LAR_Lower American River is a federally designated Wild and Scenic River running through a metropolitan area of over 2 million people that still supports

one of the prime cold water fisheries in the State and is home to Chinook Salmon and threatened Central Valley Steelhead.

Policy Principles

- Support flow management standards that protect the ecosystem of the Lower American River, prevent low storage in Folsom Reservoir that would interfere with this region's water supplies, and improve flood safety.
- Promote legislative and regulatory initiatives supporting conjunctive use that will make more surface water available for the Lower American River in dry years.
- Support implementation of ~~implement~~ infrastructure projects that will improve temperature control and access to cold water at Folsom Reservoir.
- Promote regulatory practices and budget reforms that improve forest management and prioritize funding to support such practices. Ensure all beneficiaries fund the practices.

RWA Legislative Analysis Process

Process for Adopting Positions on Introduced Legislation

The Priority Issues and Policy Principles will be adopted by the RWA Board of Directors and serve as the Advocacy Platform, for which RWA works from in the legislative and regulatory arenas.

Each new legislative session, RWA staff and the contract lobbyist will screen newly introduced legislation using the adopted Advocacy Platform as a guide. Bills that are relative to RWA's platform or are otherwise considered noteworthy to RWA interests are presented to the ~~Lobbyist Subscription Program (LSP)~~ Regulatory and Advocacy Program (RAP) committee for analysis and consideration.

Through this collaborative process, the LSP RAP committee determines a recommended position on each bill and then assigns a priority (see the list of formal positions and priorities below). During this process, bills may be removed from further consideration and additional bills may be added to RWA's list based on input from the LSP RAP committee or other factors. The committee's recommendations are taken to the RWA Executive Committee for further discussion and approval, consistent with RWA Policy 100.5.

Many of these initial positions and priorities will change as bills are amended throughout the course of the legislative process. The LSP RAP committee will be routinely updated on the status of bills as they move through the legislative process and will decide upon changes in position and priority as the process dictates. In time sensitive situations, RWA staff may change a current position and/or priority with the approval of the RWA Executive Director and concurrence of general counsel. Such changes will be done using the adopted Priority and Policy Issues Platform as guidance. The LSP RAP committee will be updated of changes as soon as possible and the Executive Committee will be asked to ratify such changes at its first meeting following the changes.

Formal Positions

Support - A bill that would benefit RWA or one or more RWA members (without detriment to others), and/or is generally good public policy

Support if Amended - A bill that could benefit RWA, or one or more RWA members, if amended. This position implies that RWA is ready to offer specific amendments.

Oppose - A bill detrimental to RWA or one or more RWA members.

|

Oppose Unless Amended - A bill that is detrimental to RWA or one or more RWA members, that could be amended to remove the detrimental provisions. This position implies that RWA is ready to offer specific amendments, and will move to a neutral position if accepted.

Watch - A bill of interest to RWA and its members that does not affect RWA directly, or for other reasons does not yet merit a position. May be a “spot” or “intent” bill that does not yet have meaningful language.

Neutral - Generally a bill from which we have removed an Oppose or Oppose Unless Amended position due to amendments or other factors.

Bill Priorities

High Priority - A bill of major significance with direct impact to RWA or a number of RWA members. RWA has a formal position and is actively lobbying, writing letters, offering amendments, testifying in committee, and taking other direct actions as necessary. “Watch” bills can be considered high priority, especially early in the legislative process, depending on the topic, the author, or other factors that warrant heightened monitoring.

Medium Priority - A bill of interest but not anticipated to have major significance to RWA or more than a few of its members. RWA has a formal position but is not actively lobbying legislators. RWA and/or RWA members may submit letters, provide testimony or take other actions as part of other groups or coalition or, in some situations, directly. Individual RWA members may be more active depending on the topic of the bill.

Low Priority - A bill in an area of interest to RWA, but with little potential impact. RWA will only have a Watch position on such bills. No immediate action is planned but these bills will be monitored to assure they don’t evolve into a high priority status. Individual RWA members may be more active depending on the nature of the bill.

The California Legislative Process Calendar

Below is a general guideline to the legislative calendar. Both the Senate and Assembly develop (coordinated) calendars each year and those calendars should be referenced for specifics.

January – February

- Bills are introduced in their houses of origin. All introduced bills must be drafted in Legislative Counsel form by the Legislative Counsel's Office. Legislative Counsel's deadline for submission is three weeks prior to the bill introduction deadline. ~~Most bills first go to the Legislative Counsel's Office where they are drafted into formal legislative language.~~
- Deadline for introducing bills to be heard that year is the end of the third week of February.
- Bill is given a "first reading" in its house of origin, and must be in print for 30 days before they can be acted on.
- In even numbered years bills still in their house of origin must pass through that house by the end of January.

March – April

- Bills are heard in their respective policy committees.
 - Bills with a fiscal impact must be out by the beginning of May.
 - Bills without fiscal impact must be out by ~~the beginning of the second week of~~ late May.

May

- Fiscal committees in house of origin hear bills
- Bills go to the "floor" for vote by full house by last week of May.

June – August

- Process is repeated in the other house.
 - June through early July in policy committees
 - Recess for most of July
 - Mid-August considered by fiscal committees.

August-September

- Floor sessions held in both houses.
- All bills must be out of the Legislature and to the Governor's desk by August 31st in even numbered years and early September in odd numbered year.

Governor has 30 days from the end of session to take action on bills.

State Regulatory Agencies and Processes

State Water Resources Control Board

- Water Rights
- Water Conservation
- Drinking Water Program
- Grants
- Discharge Programs (through the Regional Water Quality Control Boards)

Department of Water Resources

- Sustainable Groundwater Management Act Regulations and Implementation
- Water Efficiency
- State Water Project
- Grants - IRWM

January 22, 2020

AGENDA ITEM 8: FEDERAL AFFAIRS PLATFORM

BACKGROUND:

At the January 9th RWA Board Meeting, the Board adopted the Federal Platform in principle, and requested the Federal Affairs Ad Hoc Committee revise the platform to address any changes the RWA members may want to propose. The Ad Hoc committee met on January 14th and edited the document.

A markup copy is attached along with a clean copy.

STAFF RECOMMENDATION:

Discussion: Jim Peifer, Executive Director

Action: Recommend the Board of Directors approve the RWA Federal Affairs Platform

Regional Water Authority

DRAFT Federal Legislative Platform

Approved by the Board on _____

Who We Are

The Sacramento region is home to the American River, Consumnes River, Bear River, Feather River and Sacramento River watersheds where our water resources are captured from Sierra Nevada and Cascade Range snowmelt. The Regional Water Authority (RWA) represents the interests of twenty-one water ~~purveyors and suppliers~~ agencies within the greater Sacramento Region, serving close to 2 million people. RWA supports these agencies in the management of ~~our~~ natural resources in a sustainable manner. RWA's mission is "to serve and represent regional water supply interests and assist [RWA] members with protecting and enhancing the reliability, availability, affordability and quality of water resources. "

Collectively, RWA members ~~We~~ are guided by the co-equal goals of water supply reliability and the preservation and enhancement of our natural and recreational assets. We consider ourselves ~~as the~~ stewards of our watersheds and their ecosystems that originate in the headwaters and flow through our rivers. That stewardship is challenged by a changing climate that impacts water supply reliability and the general health of our watersheds.

Purpose and Role of the RWA Federal Legislative Agenda

~~The RWA's Legislative and Regulatory Advocacy Program has been created as part of the commitment to regional collaboration and unity in pursuit of the region's common goals as identified by the RWA's Strategic Plan. The intent of the Advocacy Program is to positively influence legislative and regulatory actions to support the achievement of the co-equal goals.~~

~~The RWA Federal Legislative Platform tiers off the Legislative and Regulatory Priority and Policy Issues document adopted by the RWA Board on January 9, 2020, and provides direction and priorities for Federal Legislative and Regulatory matters. If there is a conflict between the two documents, the RWA Legislative and Regulatory Advocacy Program will govern~~^[KS1].

A Warmer Future

To better prepare for challenges, we have partnered with the Bureau of Reclamation to conduct the American River Basin Study to improve information water managers have about current and future conditions of the basin and how to adapt to the changing climate conditions. Our collaborative work reveals that in the future:

- Temperatures within the upper American River watershed will increase by up to 6 degrees.
- The basin's mountain snowpack (our natural reservoir) will significantly decrease.

- The timing of water runoff will be up to 45 days earlier.

These changes will increase the threats of flood, fire, and drought. Unaddressed there will be increased conflict between water supply, environmental health, and potential for flood. We have a plan to address these threats and decrease conflicts under this changing climate.

Adapting to a Changing Climate

A key to adapting to changing climate and optimizing managing our water resources for both water supply and the environment is enhanced management and storage through development of a more diversified and resilient water supply portfolio. ~~of our water supply.~~

Our region is fortunate to have access to both surface water and groundwater resources, but our ability to store water-it, convey it and regulate its temperature are limited.

We are working to ensure that our region's natural resources remain healthy and that we develop solutions that provide for a sustainable and reliable water supply. Informed by regional plans and studies, ~~T~~there are several efforts underway to accomplish this including both natural and constructed infrastructure, operational changes to help improve water temperature management, and conveyance alternatives to take pressure off our more fragile ecosystems.

Building Resiliency

Through a collaboration known as the Water Forum Agreement, the Sacramento region has worked hard to maintain healthy groundwater levels over the last 20 years. Water agencies voluntarily alternate between surface water and groundwater to allow our groundwater basins to recharge in wet years, so that more groundwater supplies are available to meet local needs in dry years. But we can do more.

The Sacramento Regional Water Bank

We are fortunate to have a 1.8 million acre foot capacity natural reservoir under our feet that can sustainably and resiliently store water. To take advantage of this opportunity, RWA is spearheading a project known as the Sacramento Regional Water Bank expansion, which increases the Region's ability to use more groundwater in dry years and free up surface water for other purposes. This project is currently operating on a limited basis. However, it has the capacity to allow water providers to store 60,000 acre feet annually of additional water in the basin in wet years for future use in dry years and could potentially expand beyond 90,000 acre feet in the near future. It can provide water resource reliability and resiliency to local agencies as well as the Central Valley Project. ~~USBR~~Reclamation has provided financial assistance to support our technical work related to the Water Bank's development, demonstrating Reclamation's USBR support for our efforts to develop the Water Bank. Federal recognition of this project is critical as well ~~-as federal funding~~ to help build out its infrastructure.

We supportrequest: Federal financial support of the Sacramento Regional Water Bank for technical, governance and operational framework development, as well as funding for related infrastructure. The federal nexus for this project is that it can alleviate pressure on Central Valley Project and ecosystem demands, particularly during dry periods.

~~Potential Federal Funding Focus -- RWA will seek, in collaboration with its member agencies, a federal partnership to secure assistance through: USBR WIIN water storage program and USEPA's WIFIA program.~~

RiverArc

The Lower American River is designated as both a state and federal wild and scenic river, which helps to protect the listed and struggling fish species that call it home, including Steelhead and Fall Run Chinook Salmon. In order to plan for a future of warmer temperatures, including shorter wet seasons, less opportunities to bank groundwater and more severe droughts, the RiverArc project would enable large parts of both Sacramento and Placer counties to take their water supplies off the Sacramento River instead of the American River. This capability is critical for environmental management when flows need to be maintained on the American and more cold water needs to be preserved at Folsom Reservoir. RiverArc can also provide flexibility to Reclamation's USBR's Central Valley Project operations by adjusting the demands on Folsom Reservoir. Reclamation USBR has shown support by helping to fund initial technical studies. Reclamation's USBR's active involvement in this project is key to our success.

We support request: Federal financial support of the RiverArc pP Project for technical, governance and operational framework development, as well as funding for the conveyance, treatment and related infrastructure. The federal nexus for this project is that it can alleviate pressure on the Central Valley Project and ecosystem demands.

~~Potential Federal Funding Focus -- RWA will seek, in collaboration with its member agencies, a federal partnership to secure assistance through: USBR WIIN water recycling program, USEPA Alternative Water Sources Act (if enacted), RIFIA (if enacted), and USACE Environmental Infrastructure Assistance Program and Aquatic Ecosystem Restoration Program.~~

Habitat

Our region is committed to a healthy river ecosystem by increasing fish spawning and rearing habitat and improving the overall ecosystem health. Our watershed has coordinated habitat projects through the Water Forum Agreement, which has successfully developed habitat over the last 20 years. More habitat projects are needed, but the permitting process to accomplish these projects is in desperate need of modernization to allow for a predictable permitting process that reduces the time and resources RWA members must dedicate to develop and implement these environmentally protective projects.

We support request: More predictable and timely federal permitting from the Army Corps of Engineers. The federal nexus for this project is that it will help recover fish species that are listed and help maintain a healthy ecosystem.

~~Potential Federal Funding Focus -- RWA will seek, in collaboration with its member agencies, a federal partnership to secure assistance through: USBR WIIN Delta protection programs, USFWS fisheries protection programs, and not-for-profit fisheries protection programs such as National Fish and Wildlife Foundation.~~

Operating with a Resilient Priority

Folsom Cold water pool management

During the drought period that ended in 2016, elevated water temperatures on the American River were devastating to fisheries. We anticipate with a warmer climate and earlier runoff, cold water will become more critically important. The mortality rate over three migration seasons pushed species close to the edge of no return. To manage this better in the future, we are working closely with ReclamationUSSR on how best to plan for a minimum level of storage behind Folsom Reservoir at the end of every December. This planning minimum will provide a cold water buffer going into the next water year.

To also help ~~Folsom Reservoir~~ manage ~~the its~~ cold water pool at Folsom Reservoir, the Army Corps of Engineers has authorized a Temperature Control Device (TCD) to help regulate how water is used for releases. ~~We hope that this TCD will be funded in the next appropriations cycle.~~

We support request: Reclamation continue to support our efforts to establish a planning minimum at Folsom Reservoir and that the TCD be funded in the next appropriations cycle. The federal nexus is that it will help recover fish species that are listed and help maintain a healthy ecosystem.

Legislative proposals continue to support water supply reliability for the water users and the environment within the RWA members watersheds.

~~Potential Federal Funding Focus -- RWA will seek, in collaboration with its member agencies, a federal partnership to secure assistance through: USEPA watershed management programs, USFWS fisheries protection programs, and -- USSR WaterSmart and Bay Delta Programs~~

Watershed Stewardship and Forest Management

Managing our water resources from their origin at the headwaters is critical. Our region has paid a price due to unhealthy forests with extended fire seasons and more intense wildfires in the upper watershed over the last few years. Heavy rain events after these wildfires contaminate our water resources with runoff containing topsoil, contaminants and ash. We must dedicate more resources to manage forests and to allow for greater investments in ecological forest management practices. Increased and predictable funding for such management practices on U.S. forest lands is critical.

~~Potential Federal Funding Focus: RWA will seek, in collaboration with its member agencies, a federal partnership to secure assistance through USACE FIRO Program, USDA/USFS wildfire suppression and forestry health programs, FEMA pre-disaster mitigation assistance, USEPA/USBR water recycling programs, and -- USEPA Green Infrastructure and stormwater capture grants programs.~~

Legacy groundwater issues

Groundwater is a critical part of our water portfolio, but it doesn't come without its own challenges. One of these challenges is contamination, with the family of PFAS chemicals being one of the latest issues to arise. Contaminants have percolated into our groundwater basin from both federal facilities and private industry activities. We are now paying the price of these legacy actions. The federal government must continue to take ownership of the adverse impacts to water quality that occur from past and current federal activities and federal facility operations and fund clean-up needs.

We support request: ~~T~~Where applicable, the federal government accepting responsibility and partnering with communities to clean up legacy contamination from the operation of military bases. take ownership of the damage that came from operations on their land and fund the necessary clean-up. Legislative proposals should support clean water infrastructure assistance with a role for the originators of the pollution to financially support these efforts.

~~Potential Federal Funding Focus -- RW A will seek, in collaboration with its member agencies, a federal partnership to secure assistance through: USEPA Drinking Water SRF grants assistance to support appropriate studies and plans to design cleanup actions.~~

Regional Water Authority

DRAFT Federal Legislative Platform

Approved by the Board on _____

Who We Are

The Sacramento region is home to the American River, Cosumnes River, Bear River, Feather River and Sacramento River watersheds where our water resources are captured from Sierra Nevada and Cascade Range snowmelt. The Regional Water Authority (RWA) represents the interests of twenty-one water purveyors and suppliers within the greater Sacramento Region, serving close to 2 million people. RWA supports these agencies in the management of natural resources in a sustainable manner. RWA's mission is "to serve and represent regional water supply interests and assist [RWA] members with protecting and enhancing the reliability, availability, affordability and quality of water resources"

Collectively, RWA members are guided by the co-equal goals of water supply reliability and the preservation and enhancement of our natural and recreational assets. We consider ourselves stewards of our watersheds and their ecosystems that originate in the headwaters and flow through our rivers. That stewardship is challenged by a changing climate that impacts water supply reliability and the general health of our watersheds.

A Warmer Future

To better prepare for challenges, we have partnered with the Bureau of Reclamation to conduct the American River Basin Study to improve information water managers have about current and future conditions of the basin and how to adapt to the changing climate conditions. Our collaborative work reveals that in the future:

- Temperatures within the upper American River watershed will increase by up to 6 degrees.
- The basin's mountain snowpack (our natural reservoir) will significantly decrease.
- The timing of water runoff will be up to 45 days earlier.

These changes will increase the threats of flood, fire, and drought. Unaddressed there will be increased conflict between water supply, environmental health, and potential for flood. We have a plan to address these threats and decrease conflicts under this changing climate.

Adapting to a Changing Climate

A key to adapting to changing climate and optimizing our water resources for both water supply and the environment is enhanced management and storage through development of a more diversified and resilient water supply portfolio.

Our region is fortunate to have access to both surface water and groundwater resources, but our ability to store water, convey it and regulate its temperature are limited.

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We support: Federal financial support of the RiverArc project for technical, governance and operational framework development, as well as funding for the conveyance, treatment and related infrastructure. The federal nexus for this project is that it can alleviate pressure on the Central Valley Project and ecosystem demands.

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Our region is committed to a healthy river ecosystem by increasing fish spawning and rearing habitat and improving the overall ecosystem health. Our watershed has coordinated habitat projects through the Water Forum Agreement, which has successfully developed habitat over the last 20 years. More habitat projects are needed, but the permitting process to accomplish these projects is in desperate need of modernization to allow for a predictable permitting process that reduces the time and resources RWA members must dedicate to develop and implement these environmentally protective projects.

We support: More predictable and timely federal permitting from the Army Corps of Engineers. The federal nexus for this project is that it will help recover fish species that are listed and help maintain a healthy ecosystem.

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To also help manage the cold water pool at Folsom Reservoir, the Army Corps of Engineers has authorized a Temperature Control Device (TCD) to help regulate how water is used for releases.

We support: Reclamation continue to support our efforts to establish a planning minimum at Folsom Reservoir and that the TCD be funded in the next appropriations cycle. The federal nexus is that it will help recover fish species that are listed and help maintain a healthy ecosystem.

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We support: The federal government accepting responsibility and partnering with communities to clean up legacy contamination from the operation of military bases. . Legislative proposals should support clean water infrastructure assistance with a role for the originators of the pollution to financially support these efforts.

January 22, 2020

AGENDA ITEM 9: URBAN WATER MANAGEMENT PLAN SUPPORT

BACKGROUND:

The purpose of this item is to discuss if a subscription program should be established to support the development of a regional urban water management plan or assist in the development of portions of urban water management plans for the member agencies.

STAFF RECOMMENDATION:

Discussion: Amy Talbot, Water Use Efficiency Program Manager

January 22, 2020

AGENDA ITEM 10: EXECUTIVE DIRECTOR’S REPORT

JANUARY 22, 2020

TO: REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE

FROM: JIM PEIFER

RE: EXECUTIVE DIRECTOR'S REPORT

- a. RWA Outreach** – Thanks to all those who attended the 19th Annual RWA/SGA Holiday Social on December 12, 2018. We were pleased to honor Paul Schubert with the Water Statesperson Award. We were equally pleased to honor Einar Maisch and Steve Nugent who received the Distinguished Service Award.

Mr. Peifer has been appointed to the ACWA Groundwater Committee and will continue to serve as Vice Chair of the Federal Affairs Committee in 2020. Mr. Ojakian was appointed to serve in the State Legislative Committee.

Mr. Ojakian was invited to meet Congressman Jared Huffman along with a few water purveyor member agency representatives to discuss the Water Bank and the regions needs on December 21, 2020.

Mr. Peifer was invited to make a presentation to Ernest Conant, Mid Pacific Director for the Bureau of Reclamation along the partners in the American River Basin Study at the Mid Pacific Water Users Conference on January 22, 2020.

- b. Audit** – The RWA and SGA audits are not completed but we expect completion before the statutory deadline which is the end of the fiscal year. A non-intentional disruption in consultant services has delayed progression of the audits. Staff is procuring additional accounting services to aid in the completion of audits.
- c. November 2019 COLA** – Consistent with RWA policy, pay scales were increased January 1, 2020 by 2.5% based on the November consumer price index for small western cities (attached). The update pay scales are also attached and will be posted at rwah2o.org to comply with CalPERS requirements.
- d. Voluntary Agreement Ad Hoc Committee** – The Executive Committee during the December 11th meeting directed staff and the Ad Hoc Committee to investigate the potential for a permanent staff position to assist on Bay Delta Efforts. That work is ongoing.

**EXHIBIT A
RWA POLICY 400.2**

MONTHLY SALARY SCHEDULE OF RWA POSITIONS

January 1, 2020

Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Manager of Technical Services	\$12,971	\$13,490	\$14,009	\$14,528	\$15,047	\$15,566
Principal Project Manager	\$10,611	\$11,035	\$11,460	\$11,884	\$12,308	\$12,733
Senior Project Manager	\$8,922	\$9,279	\$9,634	\$9,992	\$10,348	\$10,705
Associate Project Manager	\$6,330	\$6,584	\$6,838	\$7,090	\$7,344	\$7,597
Finance & Administrative Services Manager I	\$7,943	\$8,260	\$8,578	\$8,895	\$9,213	\$9,531
Executive Assistant	\$5,316	\$5,529	\$5,741	\$5,954	\$6,166	\$6,380
Project Research Assistant	\$4,757	\$4,946	\$5,136	\$5,327	\$5,518	\$5,707

There is no range for the Executive Director position. The Executive Director's compensation is \$16,932 per month.

Exhibit A will be updated annually based on the November Consumer Price Index and/or when a new salary survey is completed. (2020 ranges include COLA per November 2019 CPI Index of 2.5%)

January 22, 2020

AGENDA ITEM 11: DIRECTORS' COMMENTS