

**REGIONAL WATER AUTHORITY
SPECIAL MEETING OF THE BOARD OF DIRECTORS**

Thursday, January 9, 2020, 9:00 a.m.

Conference Rooms 2 and 3
Roseville Corporation Yard
2005 Hilltop Circle
Roseville, CA 95747
(916) 774-5770

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. Adopt proposed RWA Board Meetings Scheduled for 2020
Action: Adopt proposed RWA Board Meetings scheduled for 2020
- b. Grant Funded Water Efficiency Irrigation Controller Program
Action: Direct Executive Director to contract with Rachio for a regional irrigation controller program
- c. IN Communications Contract
Action: Direct Executive Director to contract with IN Communications for both Water Efficiency and Public Relations Programs

4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS

- a. Information: Final minutes of the October 23, 2019 Executive Committee meeting

5. RWA LEGISLATIVE AND REGULATORY POLICY PRINCIPLES

Presentation and Discussion: Ryan Ojakian, Legislative and Regulatory Program Manager

Action: Approve the RWA Legislative and Regulatory Priority and Policy Issues

6. RWA FEDERAL PLATFORM

Discussion: Jim Peifer, Executive Director

Action: Adopt the RWA Federal Platform

7. ELECT 2020 RWA EXECUTIVE COMMITTEE

Action: Elect the 2020 Executive Committee of the RWA Board of Directors

8. ELECT 2020 RWA CHAIR AND VICE-CHAIR

Action: Elect 2020 Chair and Vice-Chair of the RWA Executive Committee and RWA Board of Directors

9. EXECUTIVE DIRECTOR'S REPORT

10. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Regular Board Meeting: Thursday, March 12, 2020, 9:00 a.m., at the RWA Office.

AGENDA ITEM 3a: CONSENT CALENDAR

BACKGROUND:

Regular RWA Board meetings are held on the second Thursday of every other month. The meetings begin at 9:00 a.m. Following is the current schedule of meetings for 2020. There are no potential meeting conflicts to the regular schedule for 2020.

Board meetings will be held in the RWA Board Room at 5620 Birdcage Street, Citrus Heights, CA 95610.

Regular Board Meetings

Current RWA Board Meeting Schedule	Meeting Conflict	Proposed 2020 RWA Board Meeting Schedule
March 12, 2020		March 12, 2020
May 14, 2020	(Note: ACWA Spring Conference May 5 – May 8, 2020)	May 14, 2020
July 9, 2020		July 9, 2020
September 10, 2020		September 10, 2020
November 12, 2020		November 12, 2020

RECOMMENDATION:

Action: Adopt proposed RWA Board Meetings Scheduled for 2020

AGENDA ITEM 3b: GRANT FUNDED WATER EFFICIENCY IRRIGATION CONTROLLER PROGRAM

Discussion: Amy Talbot, Water Efficiency Program Manager

The RWA's Water Efficiency Program (WEP) is interested in implementing a Regional Irrigation Controller Program (Program). The region's residential outdoor water use is estimated to be between 50-60% of a household's total use. The goal of the Program is to convert higher water use households to more water efficient households through the distribution of weather-based "smart" irrigation controllers directly to customers to manage outdoor water use. The Program will be available to all RWA WEP member water suppliers until funding is exhausted. Residential customers will benefit from a reduced controller cost share structure in which both the RWA (through grant funding) and the customer partially pay for the controller. The Program timeline is February 2020 through February 2021 with an opportunity to renew on an annual basis, pending RWA approval and available funding. The public launch of the Program is anticipated in April 2020 to coincide with the WEP's 2020 public outreach campaign launch that will provide additional Program marketing support through press releases and social media, online and radio advertising. Currently the WEP funding for the Program is \$150,000 and is provided through a grant from the California Department of Water Resources. The budget may be expanded if additional grant or local water supplier funding becomes available. RWA will be partnering on this Program with the Bay Area Water Supply & Conservation Agency (BAWSCA) and its 26 member agencies for economies of scale pricing, program management and marketing benefits. There may be additional opportunities to expand the Program into other parts of northern California, in partnership with the RWA, pending partner water agency approval and available funding.

RWA released a Request for Proposals (RFP) to secure a contractor to implement this Program on April 11, 2019 (<https://rwah2o.org/request-for-proposal-rfp-for-the-regional-water-authority-rwas-regional-smart-controller-program/>). The contractor will be providing the irrigation controllers, customer website for program participation, customer technical support and limited marketing support. The contractor will not be providing controller installation services. Customers will be self-installing the controllers on their property or independently hiring an installation professional. RWA sent the RFP directly to thirteen contractors, posted the RFP on the RWA website and sent out an eblast notification through the RWA list serv to those contacts that selected contracting interest. RWA received one RFP response from Rachio. RWA staff coordinated a RFP response evaluation team that consisted of Elk Grove Water District (Sarah Jones), City of Folsom (Don Smith), BAWSCA (Andree Johnson) and RWA (Amy Talbot). The committee confirmed that Rachio could perform the work in a satisfactory manner and agreed to move forward with recommending Rachio as the Program contractor.

Action: Direct Executive Director to contract with Rachio for a regional irrigation controller program.

**REGIONAL WATER AUTHORITY
SERVICES AGREEMENT**

THIS AGREEMENT is entered into as of the date last signed and dated below by and between Regional Water Authority, a public agency (“Authority”), and Rachio, Inc., a Delaware corporation (“Contractor”) (Contractor and Authority may be collectively referred to herein as “Parties” and individually as “Party”), who agree as follows:

1. Scope of Work. Contractor shall render the services and deliver the goods described in the attached Exhibit A (the “Work”). Contractor shall provide all labor, services, equipment, tools, material and supplies required or necessary to properly, competently and completely perform the Work. Contractor shall determine the method, details and means of doing the Work.

2. Payment.

a. Authority shall pay to Contractor a fee based on:

___ Contractor’s time and expenses necessarily and actually expended or incurred on the Work in accordance with Contractor’s fee schedule on the attached Exhibit A.

X The fee arrangement described on the attached Exhibit A.

The total fee for the Work shall not exceed \$150,000 (the “Total Fee”). The scope of the Work and amount of the fee may be increased by Authority in a later-issued task order. There shall be no compensation for extra or additional work or services by Contractor unless approved in advance in writing by Authority and Contractor; provided further, once the Total Fee for the Work has been spent pursuant to Exhibit A, Contractor shall cease any further Work unless there is a later issued task order increasing the Total Fee. Contractor’s fee includes all of Contractor’s costs and expenses related to the Work except as otherwise set forth in a task order.

b. At the end of each month, Contractor shall submit to Authority an invoice for the Work performed during the preceding month. The invoice shall include a brief description of the Work performed, the dates of Work, number of hours worked and by whom (if payment is based on time), number of products sold or installed (as applicable), payment due, and an itemization of any reimbursable expenditures. Authority shall pay the invoice within 30 days of its receipt.

3. Term.

a. This Agreement shall take effect on the above date and continue in effect until completion of the Work, unless sooner terminated as provided below. Time is of the essence in this Agreement. If Exhibit A includes a Work schedule or deadline, then Contractor will use commercially reasonable efforts to complete the Work in accordance with the specified schedule or deadline, which may be extended by Authority for good cause shown by Contractor. If Exhibit A does not include a Work schedule or deadline, then Contractor will use commercially reasonable effort to perform the Work diligently and as expeditiously as

possible, consistent with the professional skill and care appropriate for the orderly progress of the Work.

b. This Agreement may be terminated at any time by Authority upon 10 days advance written notice to Contractor. In the event of such termination, Contractor shall be fairly compensated for all work performed to the date of termination as calculated by Authority based on the above fee and payment provisions. Compensation under this subsection shall not include any termination-related expenses, cancellation or demobilization charges, or lost profit associated with the expected completion of the Work or other such similar payments relating to Contractor's claimed benefit of the bargain.

4. Professional Ability and Warranty of Contractor.

a. Contractor represents that it is specially trained and experienced, and possesses the skill, ability, knowledge and certification, to competently perform the Work provided by this Agreement. Authority has relied upon Contractor's training, experience, skill, ability, knowledge and certification as a material inducement to enter into this Agreement. All Work performed by Contractor shall be in accordance with applicable legal requirements and meet the standard of care and quality ordinarily to be expected of competent professionals in Contractor's field.

b. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 4, THE CONTRACTOR SERVICES, SOFTWARE, EQUIPMENT, SYSTEMS AND PRODUCTS ARE PROVIDED "AS IS" AND CONTRACTOR HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE. CONTRACTOR SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE. CONTRACTOR MAKES NO WARRANTY OF ANY KIND THAT THE CONTRACTOR SERVICE, OR ANY PRODUCTS OR RESULTS OF THE USE THEREOF, WILL MEET UTILITY'S OR ANY OTHER PERSON'S REQUIREMENTS, OPERATE WITHOUT INTERRUPTION, ACHIEVE ANY INTENDED RESULT, BE COMPATIBLE OR WORK WITH ANY SOFTWARE, SYSTEM OR OTHER SERVICES, OR BE SECURE, ACCURATE, COMPLETE, FREE OF HARMFUL CODE, OR ERROR FREE.

5. Conflict of Interest. Contractor (including principals, associates and professional employees) represents and acknowledges that (a) it does not now have and shall not acquire any direct or indirect investment, interest in real property or source of income that would be affected in any manner or degree by the performance of Contractor's services under this agreement, and (b) no person having any such interest shall perform any portion of the Work. The parties agree that Contractor is not a designated employee within the meaning of the Political Reform Act and Authority's conflict of interest code because Contractor will perform the Work independent of the control and direction of the Authority or of any Authority official, other than normal contract monitoring, and Contractor possesses no authority with respect to any Authority decision beyond the rendition of information, advice, recommendation or counsel.

6. Contractor Records.

a. Contractor shall keep and maintain all ledgers, books of account, invoices, vouchers, canceled checks, and other records and documents evidencing or relating to the Work and invoice preparation and support for a minimum period of three years (or for any longer period required by law) from the date of final payment to Contractor under this Agreement. Upon at least 48 hours notice and during normal business hours, Authority may inspect and audit such books and records related or connected in any way to the Work, including source documents, to verify all charges, payments and reimbursable costs under this Agreement.

b. In accordance with California Government Code section 8546.7, the parties acknowledge that this Agreement, and performance and payments under it, are subject to examination and audit by the California State Auditor for three years following final payment under the Agreement.

7. Ownership of Documents. The Authority acknowledges that, as between the Authority and Contractor, Contractor owns all right, title, and interest, including all intellectual property rights, in and to Contractor's intellectual property and the Software and related equipment and Materials. All works of authorship and every report, study, spreadsheet, worksheet, plan, design, blueprint, specification, drawing, map, photograph, data, and any other document or thing prepared, developed or created by Contractor under this Agreement and provided to Authority ("Work Product") shall be the property of Authority, and Authority shall have the rights to use, modify, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to Contractor or any other party. Contractor may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and distribute any Work Product and prepare derivative and additional documents or works based on any Work Product; provided, however, that Contractor shall not provide any Work Product to any third party without Authority's prior written approval, unless compelled to do so by legal process. If any Work Product is copyrightable, Contractor may copyright the same, except that, as to any Work Product that is copyrighted by Contractor, Authority reserves a royalty-free, nonexclusive and irrevocable license to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product. If Authority reuses or modifies any Work Product for a use or purpose other than that intended by the scope of work under this Agreement, then Authority shall hold Contractor harmless against all claims, damages, losses and expenses arising from such reuse or modification. For any Work Product provided to Authority in paper format, upon request by Authority at any time (including, but not limited to, at expiration or termination of this Agreement), Contractor agrees to provide the Work Product to Authority in a readable, transferable and usable electronic format generally acknowledged as being an industry-standard format for information exchange between computers (e.g., Word file, Excel spreadsheet file, AutoCAD file) at no additional cost. If an Authority Member Agency or BAWSCA Member Agency (defined below) cancels or terminates its program with Contractor, Contractor will provide all agency-specific Work Product, including customer usage data, to the cancelling agency within 30 days of cancellation or termination at no additional cost.

8. Confidentiality of Information.

a. Each Party shall keep in strict confidence all confidential, privileged, trade secret, and proprietary information, data and other materials in any format furnished by one Party to the other Party (the "Confidential Material"). The term "Confidential Material" does not include information which (i) is or becomes generally available to the public other than as a result of a disclosure by the receiving Party or its representatives, (ii) was within the receiving Party's possession prior to its being furnished to the receiving Party by or on behalf of the disclosing Party pursuant hereto, provided that the source of such information was not known by the receiving Party to be bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the disclosing Party or any other Party with respect to such information, (iii) becomes available to the receiving Party on a non-confidential basis from a source other than the disclosing Party or any of its representatives, provided that such source is not bound by a confidentiality agreement with or other contractual, legal, or fiduciary obligation of confidentiality to the disclosing Party or any other Party with respect to such information, (iv) is not clearly identified as confidential or was not clearly understood by the Parties to have been disclosed on a confidential basis, (v) is independently developed by the receiving Party without use of or reference to the Confidential Material, or (vi) is legally required to be disclosed in accordance with the California Public Records Act ("CPRA"). Neither Party shall use any Confidential Material for any purpose other than the performance of the Work under this Agreement or the furtherance or enforcement of this Agreement (the "Purpose"), unless otherwise authorized in writing by the disclosing Party. Neither Party shall disclose any Confidential Material to any person or entity not connected with the Purpose, unless otherwise authorized in advance in writing by the disclosing Party. If there is a question if Confidential Material is protected from disclosure or is a public record or in the public domain, the Party considering disclosure of such materials shall consult with the other Party concerning the proposed disclosure.

b. Each Party, and its officers, employees, agents, and subcontractors, shall at all times take all steps that are necessary to protect and preserve all Confidential Material. Other than for the Purpose, at no time shall a receiving Party, or its officers, employees, agents, or subcontractors in any manner, either directly or indirectly, use for personal benefit or divulge, disclose, or communicate in any manner, any Confidential Material to any person or entity unless specifically authorized in writing by the disclosing Party or by order of a court or regulatory entity with jurisdiction over the matter or in legally required government filings, legal proceedings, subpoena, civil investigative demand, or other similar process), or if required by the CPRA. Each Party, and its officers, employees, agents, representatives, and subcontractors shall protect the Confidential Material and treat it as strictly confidential in accordance with applicable law, the disclosing Party's policies and directives, and best industry security practices and standards.

c. If any person or entity, other than Authority or Contractor, requests or demands, by subpoena, discovery request, CPRA request or otherwise, Confidential Material or its contents, the Party to whom the request is made will immediately notify the other Party, so that the parties may collectively consider appropriate steps to protect the disclosure of those Confidential Materials. The Parties agree to take all steps reasonably necessary to preserve the confidential and privileged nature of the Confidential Material and its content. In the event that the Parties cannot agree whether to oppose or comply with a disclosure demand, the opposing Party may oppose the demand at its sole cost and expense, in which event the

Party favoring disclosure will refrain from disclosing the demanded Confidential Material until such time as a final agreement regarding disclosure is reached or, if an agreement is not reached, a judicial determination is made concerning the demand. If the Contractor believes that any communication contains information exempt from disclosure under the CPRA, including trade secrets or other proprietary information that the Contractor believes would cause substantial injury to the Contractor's competitive position if disclosed, the Contractor must request that the agency withhold from disclosure the exempt information by submitting: (i) a redacted copy of the documents that redacts the purportedly exempt information; and (ii) a separate "confidentiality index" including all of the following information: (a) the section and page number of the proposal where the information is located; and (b) an explanation of why the information is exempt from disclosure under the CPRA. In the event of conflicts between the redacted version, the confidentiality index, and confidentiality designations in the body of the document, the redacted version prevails. Contractor agrees to indemnify, defend, and hold harmless the Authority, the Authority Member Agencies, BAWSCA, the BAWSCA Member Agencies, and their directors, officers, employees and agents, from any and against all damages (including but not limited to attorneys' fees that may be awarded to the party requesting the proposer information), and pay any and all cost and expenses, including attorneys' fees, related to the withholding of the information included in the confidentiality index or in the redacted version of the proposal. If Contractor fails to accept a tender of a defense, the agency responding to the CPRA request reserves the right to resolve all claims at its sole discretion, without limiting any rights stated herein.

d. Unless otherwise directed in writing by the disclosing Party, upon contract completion or termination, the receiving Party must destroy all Confidential Materials (written, printed and/or electronic) and if requested, shall provide a written statement to the disclosing Party that such materials have been destroyed.

9. BAWSCA Participation. The Bay Area Water Supply and Conservation Agency ("BAWSCA") and its member agencies ("BAWSCA Member Agencies") are partnering with Authority in this program, but are not parties to this Agreement and shall sign a separate MOU with RWA; provided however, that any such MOUs shall be subject to the terms and conditions of this Agreement. BAWSCA and the BAWSCA Member Agencies shall provide their own funding sources for purchase of Contractor smart controllers and work directly with any installation subcontractors that they select independent of Rachio or this Agreement, on BAWSCA Member Agencies customers' installation requests. Contractor shall directly invoice BAWSCA for all smart controllers sold to customers of BAWSCA Member Agencies.

10. Compliance with Laws.

a. General. Contractor shall perform the Work in compliance with all applicable federal, state and local laws and regulations. Contractor shall possess, maintain and comply with all federal, state and local permits, licenses and certificates that may be required for it to perform the Work. Contractor shall comply with all federal, state and local air pollution control laws and regulations applicable to the Contractor and its Work (as required by California Code of Regulations title 13, section 2022.1). Contractor shall be responsible for the safety of its workers and Contractor shall comply with applicable federal and state worker safety-related laws and regulations.

b. Contractor may perform some of the Work pursuant to funding provided to the Authority by various federal and/or state grant and/or loan agreement(s) that impose certain funding conditions on Authority and its sub-recipients (the "Funding Conditions"). For any such Work, if Authority informs Contractor about the Funding Conditions, then Contractor agrees to determine, comply with and be subject to the Funding Conditions that apply to Authority's Contractors and contractors performing the Work, including, but not limited to, provisions concerning record keeping, retention and inspection, audits, state or federal government's right to inspect Contractor's work, nondiscrimination, workers' compensation insurance, drug-free workplace certification, and, compliance with the Americans with Disabilities Act and related State laws.

11. Indemnification. Contractor shall indemnify, defend, protect, and hold harmless Authority, Authority's member agencies, BAWSCA, the BAWSCA member agencies (BAWSCA Member Agencies), and all of their directors, officers, employees and agents (Indemnitees) from and against any and all third party claims, liability, losses, damages, expenses (including attorney, expert witness and Contractor fees, and litigation costs), and liability of any kind or nature arising out of any of the following:

a. Any injury to persons or property that may occur, or that may be alleged to have occurred, arising from the performance of this Contract by the Contractor caused by a negligent act or omission or willful misconduct of the Contractor or its employees, subcontractors or agents; or

b. Any allegation that materials or services provided by the Contractor under this Contract infringe or violate any copyright, trademark, patent, trade secret, or any other intellectual-property or proprietary right of any third party; or

c. Any disclosure or allegation thereof of Authority PII (defined below) by Contractor or its employees, subcontractors, subconsultants or agents.

However, this indemnity provision will not apply to any claims, liability, losses, damages and expenses arising from the sole negligence or willful misconduct of Authority or its employees or agents. Contractor's obligations under this indemnification provision shall survive the termination of, or completion of Work under, this Agreement.

12. Insurance.

Types & Limits. Contractor at its sole cost and expense shall procure and maintain for the duration of this Agreement the following types and limits of insurance:

<i>Type</i>	<i>Limits</i>	<i>Scope</i>
Commercial general liability	\$2,000,000 per occurrence & \$5,000,000 aggregate	at least as broad as ISO CG 0001
Automobile liability	\$2,000,000 per accident	at least as broad as ISO CA 0001, code 1 (any auto)
Workers' compensation	Statutory limits	
Employers' liability	\$1,000,000 per accident	

Professional liability*	\$1,000,000 per claim	

*Required only if Contractor is a licensed engineer, land surveyor, geologist, architect, doctor or attorney.

a. Professional Liability Insurance. If the Contractor can obtain it, Contractor shall obtain Professional Liability Insurance coverage that includes Network Security, Privacy & Media coverage with limits of \$2,000,000 per claim or occurrence and \$2,000,000 annual aggregate covering errors and omissions and the resulting damages including, but not limited to, economic loss to the Authority, Authority's member agencies, BAWSCA, and the BAWSCA Member Agencies. The policy shall include coverage for all services and work performed under this Agreement. Such policy shall contain cyber risk coverages including network and internet security liability coverage, privacy coverage and media coverage. If such coverage is not available, Contractor will obtain the broadest form cyber liability insurance policy possible with the limits set forth in this paragraph.

b. Other Requirements. The general and automobile liability policy(ies) shall be endorsed to name Authority, Authority's member agencies, BAWSCA, the BAWSCA Member Agencies, and their officers, employees, volunteers and agents as additional insureds regarding liability arising out of the Work. Contractor's coverage shall be primary and apply separately to each insurer against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Authority's insurance or self-insurance, if any, shall be excess and shall not contribute with Contractor's insurance. Each insurance policy shall be endorsed to state that coverage shall not be canceled, except after 30 days (10 days for non-payment of premium) prior written notice to Authority. Insurance is to be placed with admitted insurers with a current A.M. Best's rating of A-:VII or better unless otherwise acceptable to Authority. Workers' compensation insurance issued by the State Compensation Insurance Fund is acceptable. Contractor agrees to waive subrogation that any insurer may acquire from Contractor by virtue of the payment of any loss relating to the Work. Contractor agrees to obtain any endorsement that may be necessary to implement this subrogation waiver. The workers' compensation policy must be endorsed to contain a subrogation waiver in favor of Authority for the Work performed by Contractor.

c. Proof of Insurance. Upon request, Contractor shall provide to Authority the following proof of insurance: (a) certificate(s) of insurance evidencing this insurance; and (b) endorsement(s) on ISO Form CG 2010 (or insurer's equivalent), signed by a person authorized to bind coverage on behalf of the insurer(s), and certifying the additional insured coverage.

13. Data Security and Privacy.

a. Data Privacy

(1) The Contractor may have access to personally identifiable information ("PII") in connection with the performance of the Agreement. PII is any information that identifies or describes a person or can be directly linked to a specific individual, including ridership and usage data. Examples of PII include, but are not limited to, name, address, phone or fax number, signature, date of birth, e-mail address, method of payment, and water usage data.

Personally Identifiable Information of Authority and BAWSCA member agencies' customers, or Customer PII, means any PII relating to the Authority's member agencies' customers or BAWSCA Member Agency customers.

(2) The Contractor must ensure and maintain the confidentiality, security, safety, and integrity of all Customer PII, including physical, electronic, and procedural safeguards designed to prevent unauthorized access or use and protect against known or anticipated threats to the security or integrity of such data. This includes, but is not limited to, the secure transport, transmission and storage of Customer PII used or acquired in the performance of this Agreement. The Contractor agrees to comply with the information handling and confidentiality requirements outlined in the California Information Practices Act (Civil Code sections 1798 et. seq.) and California Civil Code section 1798.81.5. In addition, the Contractor warrants and certifies that in the performance of this Agreement, it will comply with all applicable statutes, rules, regulations and orders of the United States, and the State of California relating to the handling and confidentiality of Customer PII, including the terms and conditions contained in this Section.

(3) This Section will survive termination or expiration of the agreement.

b. Notice of Security Breach

The Contractor must immediately notify the Authority, Authority member agencies, BAWSCA, and the BAWSCA Member Agencies when it discovers that there may have been a data security incident that has or may have resulted in compromise to Customer PII. For purposes of this Section, immediately is defined as within two business days of discovery. The Contractor must immediately take such actions as may be necessary to preserve forensic evidence and eliminate the cause of any suspected breach or security vulnerability—and must promptly alert the Authority, Authority member agencies, BAWSCA and the BAWSCA Member Agencies of any such circumstances, including information sufficient for the impacted agency to assess the nature and scope of any suspected data breach. In the event of an unauthorized disclosure of Customer PII, except to the extent caused by Authority, Authority member agencies, BAWSCA and the BAWSCA Member Agencies and any other agency that buys under this Agreement, the Contractor will be liable for paying for the following costs to remediate any such unauthorized disclosure:

(1) The reasonable cost of providing notice of the breach to individuals affected by such breach;

(2) The reasonable cost of providing required notice of the breach to government agencies, credit bureaus, and/or other required entities;

(3) The cost of providing individuals affected by such breach with credit protection services designed to prevent fraud associated with identity theft crimes for a specific period not to exceed 12 months; and

(4) Any other service required by applicable law.

The Contractor must provide any information and/or support to the Authority, Authority member agencies, BAWSCA, and/or the BAWSCA Member Agencies in issuing the

actual notification and, at each of the agencies' sole discretion, the Contractor must itself provide actual notification if each of the agencies desire. This Section will survive termination or expiration of this Contract.

14. Limitations of Liability. IN NO EVENT WILL CONTRACTOR BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE, FOR ANY: (a) CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, ENHANCED, OR PUNITIVE DAMAGES; (b) INCREASED COSTS, DIMINUTION IN VALUE OR LOST BUSINESS, PRODUCTION, REVENUES, OR PROFITS; (c) LOSS OF GOODWILL OR REPUTATION; OR (d) COST OF REPLACEMENT GOODS OR SERVICES, IN EACH CASE REGARDLESS OF WHETHER CONTRACTOR WAS ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE. IN NO EVENT WILL CONTRACTOR'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE EXCEED THE AMOUNT FINALLY RECOVERED BY CONTRACTOR UNDER ANY INSURANCE COVERAGE POLICY, PROVIDED THAT CONTRACTOR ENGAGES IN ALL COMMERCIALY REASONABLE EFFORTS TO ENSURE THAT IT RECEIVES THE MAXIMUM RECOVERY DUE UNDER THE RELEVANT. NOTWITHSTANDING THE FOREGOING, THIS LIMITATION OF LIABILITY CLAUSE DOES NOT APPLY TO CONTRACTOR'S INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTIONS 8 AND 11 HEREOF.

15. Intellectual Property Provisions

a. Definitions.

(1) The term "Contractor Software" means any software reasonably necessary to operate or maintain any portions of the System that is a product or application of Contractor that pre-existed the execution of this Agreement.

(2) The term "Contractor Software Customizations" means any software reasonably necessary to operate or maintain any portions of the System that is a customization, modification, or other change or addition of or to Contractor Software made under this Agreement.

(3) The term "Third Party Software" means any software reasonably necessary to operate or maintain any portions of the System that does not constitute Contractor Software or Contractor Software Customizations.

(4) The term "Materials" means any recorded information, whether or not copyrighted, that is delivered or specified to be delivered under the Agreement—with examples including, but not being limited to: computer software documentation; change logs; engineering drawings; specifications; standards; process sheets; manuals; technical reports; catalog item identifications; and related information—and for clarity, excluding financial, administrative, and cost and pricing information incidental to the work.

b. Grant of License. The Contractor grants to the Authority, Authority member agencies, BAWSCA and the BAWSCA Member Agencies (Agencies) a perpetual, unlimited, royalty-free, non-exclusive and irrevocable license for Agencies (including without limitation its officers, directors, employees, and agents) to install, use, copy, modify, and maintain the Contractor Software and the Contractor Software Customizations, with no limitation on the number of sites or users.

(1) In providing the System, the Contractor will use only that Third Party Software that has been expressly approved in writing by Agencies. Contractor will procure, maintain, and otherwise be responsible for all licenses for Agencies, in Agencies' name, for any such Third Party Software reasonably necessary to operate or maintain the System. Contractor will provide to Agencies copies of such licenses, along with any related software or license documentation.

(2) To the extent that any other licenses or permissions are reasonably desirable or necessary for Agencies to operate or maintain the System, Contractor hereby grants to Agencies to the maximum extent within its rights—or will procure for Agencies, in Agencies' name, to the maximum extent reasonably negotiable—any such licenses and permissions.

(3) All rights and licenses granted under or pursuant to this Agreement are and will be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to “intellectual property,” as defined under Section 101 of the U.S. Bankruptcy Code. The parties agree that the Agencies, as a licensee of such rights under this Agreement, will retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code; however, nothing herein will be deemed to constitute a present exercise of such rights and elections.

c. Patent and Copyright Warranties. The Contractor represents and warrants that any use of the System (or any portion of the System) by Agencies (or its officers, directors, agents, employees, or transit users) will not infringe or violate the patent, copyright, trade-secret, or other intellectual-property or proprietary rights of any third party.

(1) The Contractor further represents and warrants that it has or will have all appropriate licenses, agreements, or ownership rights pertaining to all patent, copyright, trade-secret, or other intellectual-property or proprietary rights needed for the performance of its obligations under this Agreement—including without limitation that it will have all necessary rights to use patentable or copyrightable materials, equipment, devices, or processes not furnished by the Agencies used on or incorporated in the work under this Agreement. The Contractor assumes all risks arising from the use of any such patented or copyrighted materials, equipment, devices, or processes.

(2) In case any such software, materials, equipment, devices, processes, or other materials are held to constitute an infringement and their use enjoined, the Contractor, at Contractor's sole cost and expense will: (a) secure for the Agencies the right to continue using the materials, equipment, devices or processes by suspension of the injunction or by procuring a royalty-free license, or licenses, or (b) replace such materials, equipment, devices, or processes with non-infringing materials, equipment, devices, or processes, or (c) modify them so that they become non-infringing or remove the enjoined materials, equipment, devices or processes and refund the sums paid for them without prejudice to any other rights

of the Agencies. If the amount of time necessary to proceed with one of these options is deemed excessive by the Agencies, the Agencies may direct the Contractor to select another option or risk default.

d. **Patent Rights.** If any invention, improvement, or discovery of Contractor is conceived or first actually reduced to practice in the course of or under this Agreement, which invention, improvement, or discovery may be patentable under the Patent Laws of the United States or any foreign country, Contractor will immediately notify Agencies and provide a detailed report. The rights and responsibilities of Agencies, Contractor [and the federal government (if federally-funded)] with respect to such invention will be determined in accordance with applicable federal laws, regulations, policies and any waivers thereof.

e. **Precedence.** In the event of any conflict between the provisions of this Section and the provisions of any separate software license, escrow, or otherwise related agreement, this Section will take precedence.

16. Entire Agreement; Amendment. The parties intend this writing to be the sole, final, complete, exclusive and integrated expression and statement of the terms of their contract concerning the Work. This Agreement supersedes all prior oral or written negotiations, representations, contracts or other documents that may be related to the Work, except those other documents (if any) that are expressly referenced in this Agreement. This Agreement may be amended only by a subsequent written contract approved and signed by both parties.

17. Independent Contractor. Contractor's relationship to Authority is that of an independent contractor. All persons hired by Contractor and performing the Work shall be Contractor's employees, subcontractors, or agents. Contractor and its officers, employees and agents are not Authority employees, and they are not entitled to Authority employment salary, wages or benefits. Contractor shall pay, and Authority shall not be responsible in any way for, the salary, wages, workers' compensation, unemployment insurance, disability insurance, tax withholding, and benefits to and on behalf of Contractor's employees. Contractor shall, to the fullest extent permitted by law, indemnify Authority, and its officers, employees, volunteers and agents from and against any and all liability, penalties, expenses and costs resulting from any adverse determination by the federal Internal Revenue Service, California Franchise Tax Board, other federal or state Authority, or court concerning Contractor's independent contractor status or employment-related liability.

18. Subcontractors. No subcontract shall be awarded nor any subcontractor engaged by Contractor without Authority's prior written approval. Notwithstanding the foregoing, the parties do not intended that Contractor's subcontractors and vendors that build, support, ship and otherwise service Contractor's water saver systems, equipment, and related software are deemed as subcontractors under this Agreement. Contractor shall be responsible for requiring and confirming that each approved subcontractor meet the minimum insurance requirements specified in Section 12 of this Agreement. Any approved subcontractor shall obtain the required insurance coverages and provide proof of same to Authority in the manner provided in Section 12 of this Agreement.

19. Assignment. This Agreement and all rights and obligations under it are personal to the parties. The Agreement may not be transferred, assigned, delegated or subcontracted in whole or in part, whether by assignment, subcontract, merger, operation of law or otherwise,

by either party without the prior written consent of the other party. Any transfer, assignment, delegation, or subcontract in violation of this provision is null and void and grounds for the other party to terminate the Agreement.

20. No Waiver of Rights. Any waiver at any time by either Party of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default. No payment by Authority to Contractor shall be considered or construed to be an approval or acceptance of any Work or a waiver of any breach or default.

21. Severability. If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, provided that each party still receives the benefits of this Agreement.

22. Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the State of California. The county and federal district court where Authority's office is located shall be venue for any state and federal court litigation concerning the enforcement or construction of this Agreement.

23. Third Party Beneficiaries. BAWSCA, BAWSCA Member Agencies, and any other partner agencies that the Authority enters into contracts with to piggyback on this Agreement are direct beneficiaries of this Agreement.

24. Notice. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement must be in writing and delivered either (a) in person, (b) by prepaid, first class U.S. mail, (c) by a nationally-recognized commercial overnight courier service that guarantees next day delivery and provides a receipt, or (d) by email with confirmed receipt. Such notices, etc. shall be addressed as follows:

Authority:

Regional Water Authority
Attn: James Peifer
5620 Birdcage Street, Suite 180
Citrus Heights, CA 95610
E-mail: jpeifer@rwah2o.org

Contractor:

Rachio, Inc.
Attn: Eric Lougher
1321 15th St.
Denver, CO 80202
E-mail: eric.lougher@rachio.com

Notice given as above will be deemed given (a) when delivered in person, (b) three days after deposited in prepaid, first class U.S. mail, (c) on the date of delivery as shown on the overnight courier service receipt, or (d) upon the sender's receipt of an email from the other party confirming the delivery of the notice, etc. Any party may change its contact information by notifying the other party of the change in the manner provided above.

25. Signature Authority. Each party warrants that the person signing this Agreement is authorized to act on behalf of the party for whom that person signs. The Parties may execute and deliver this Agreement and documents necessary to perform it, including task orders and amendments, in any number of original or facsimile counterparts. When each Party has signed and delivered at least one counterpart to the other Party, each counterpart shall be deemed an original and, taken together, the counterparts shall constitute one and the same document, which shall be binding and effective.

REGIONAL WATER AUTHORITY:

Dated: _____

By: _____

James Peifer
Executive Director

RACHIO, INC.:

Dated: _____

By: _____

[Name/Title]

Exhibit A
SCOPE OF RACHIO SERVICES

The Authority is implementing a Regional Smart Controller Program (“Program”). Situated in the central valley of California, the Sacramento region’s residential outdoor water use is estimated to be between 50-60% of a household’s total use. The goal of the Program is to convert higher water use households to more water efficient households through the installation of smart controllers to manage outdoor water use. The Program timeline is August 2019-August 2020 with an opportunity to extend further into 2020 and beyond, pending the Authority approval and available funding. Currently RWA funding for the Program is \$150,000 (the “Total Fee”) and is provided through a grant from the California Department of Water Resources. The anticipated project schedule is February 2020 through February 2021, with an option to renew on an annual basis upon mutual agreement of the Parties.

Contractor has been selected as the consultant to support this effort. Contractor will be providing the smart controllers and customer website for program participation. Contractor will not provide smart controller installation and landscape audit services.

The Authority will be partnering on this Project with the Bay Area Water Supply & Conservation Agency (BAWSCA) and its 26 member agencies (BAWSCA Member Agencies). There may be additional opportunities to expand the Program into other parts of northern California, in partnership with the Authority, pending partner water agency approval and available funding.

The Program will implement the following tasks pursuant to agreed upon task orders:

1. Provide Program design and administration framework, including an online platform to facilitate the Authority’s Program oversight and management
2. Provide marketing, online sign up platform, customer assistance, and training and installation services necessary to implement a “turnkey” multiagency smart controller program.
3. Develop and provide Program evaluation metrics
4. Provide Program status and completion reports

Program details, term and conditions, grant program and reporting requirements, and expanded task descriptions will be provided through the issuance of one or more subsequent task orders agreed upon, in writing by the Parties.

AGENDA ITEM 3c: IN COMMUNICATIONS CONTRACT

BACKGROUND:

On December 11, 2019 the RWA Executive Committee approved a contract validation/extension with IN Communications for the Water Efficiency Program (WEP) and for the Public Relations Programs (RWA Outreach) through December 31, 2020 to allow for continuity of services while staff initiates a procurement process. As such, IN Communications has provided two Task Orders to be completed within this time period: Task Order 27 for WEP in the amount of \$110,300.00 and Task Order 28 for RWA Outreach in the amount of \$59,165.00 for a total amount of \$159,165.00. Per Section I of RWA Policy 300.2 Professional Services Selection and Contracting, “a contract for such services will be subject to: (1) approval of the Executive Committee, and (2) for a contract for services that would cost more than \$150,000, approval of the Board of Directors”. Copies of the task orders are attached. Since its original contract in 2009, IN Communications’ expertise and services have been integral to the success of the Water Efficiency Program and Public Relations program. Their service offerings include award winning public outreach campaigns, legislative tours, science-based water conservation outreach strategies and the development of key partnerships. Additionally, IN Communications has active contracts with several RWA member agencies and other statewide and local partners providing an additional layer of coordination for RWA’s programs. IN Communications’ knowledge of this region, its member water agencies and local, regional and state media is invaluable and directly relates to the success of RWA’s programs.

For the reasons stated above, staff recommends that the Board of Directors authorize the Executive Director to execute Task Orders 27 and 28 with IN Communications.

EXECUTIVE COMMITTEE RECOMMENDATION:

Action: Direct Executive Director to contract with IN Communications for both Water Efficiency and Public Relations Programs

AGENDA ITEM 4a: EXECUTIVE COMMITTEE REPORT AND RECOMMENDATION

Information: Final minutes of the October 23, 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
Sean Bigley, City of Roseville
Michelle Carrey, City of Sacramento
Paul Schubert, Golden State Water Company
Kerry Schmitz, Sacramento County Water Agency
Dan York, Sacramento Suburban Water District
Pam Tobin, San Juan Water District

Staff Members

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

Others in Attendance

Kelye McKinney, Charles Duncan, John Woodling and Marisa Tricas

2. PUBLIC COMMENT

Mr. Swartz distributed an interview of Stanford Water in the West researchers entitled "Making California's Water Supply Resilient." On the last page of the interview, it refers to keys of resilience, forming governance structures, and how to take small systems and have them work together to build resilient systems. Mr. Swartz explained to the committee that the RWA organizational model and the proposed water bank are the types of collaboration needed for resilience success. Mr. Swartz continued to explain that the RWA is at the forefront of dealing with the issues mentioned in the article.

3. CONSENT CALENDAR

- a. The minutes from the September 25, 2019 Executive Committee meeting
- b. Adopt Resolution 2019-11

Motion/Second Carried (M/S/C) Mr. Greenwood moved, with a second by Mr. York, to approve the September 25, 2019 Executive Committee meeting minutes and 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. The motion carried by the unanimous voice vote of all directors present.

4. RWA STRATEGIC PLAN UPDATE

James Peifer, Executive Director, said that the RWA prepared a strategic plan in 2013 and adopted minor plan updates in 2017. An update of the Strategic Plan has been recommended by the Executive Director and Executive Committee with input that has been received. Similar to the 2013 update, the Executive Committee will guide the development of the process to update the plan, including schedule, the processes used to solicit input from members and stakeholders, and other considerations.

Pam Tobin entered the meeting.

Mr. Peifer said that he has nearly completed the member listening sessions and plans to meet with Fair Oaks Water District, Orange Vale Water Company and Golden State Water Company soon. The initial strategic plan framework is a good base to work from for updating for 2024 and beyond. Assessments need to be made, perhaps using a SWOT (strengths, weaknesses, opportunities and threats) analysis.

Hiring a consultant would be beneficial to complete the strategic plan by the end of the fiscal year and prior to the approval time of the next fiscal budget. The focus will be to create a strategic plan for what the RWA needs to be in the next five to 10 years.

Mr. Peifer explained that on his listening tour, he heard common themes from a number of members including unfunded mandates, erosion of local control, aging infrastructure funding, having sufficient water supply for growth, having adequate rates, creating awareness of the value of water, water supply reliability and adaption to climate control, implementing the Sustainable Groundwater Management Act, contaminants in water supply and groundwater, and regulatory uncertainty.

Mr. Peifer noted that the members' visions for the RWA are to develop and implement the Sacramento Regional Water Bank and for RWA to become the coordinator with a leadership role for the region. RWA should become the face of the region and should provide opportunities to share information, resources, and entitlements. The RWA should explore opportunities for reducing costs and gaining

efficiencies. Members would like to see more education, communication and sharing of information, assistance for members with common planning elements, technical support, and RWA to become more involved in regulatory proceedings. To defray costs, especially for small agencies, it was suggested that a common billing system be explored that could be utilized by all agencies.

The greatest value that members see in the RWA include grants, coordination, a place to network, and the benefits of the Legislative Affairs Program. All agencies had said that they receive value as members of the RWA. There is room for improvement, but overall members are satisfied with the RWA services.

Mr. Peifer suggested a staff proposal for revisions to the mission and vision will be presented at the January 2020 RWA Board meeting. Mr. York said the Board should consider revisions to the Mission and Vision without a staff proposal and Mr. Shubert agreed. A workshop is anticipated to be scheduled after the first of the year.

It was suggested that, for comparison, RWA look at what similar organizations are doing with their strategic plans and what is working for them. Organizations outside of RWA agencies could provide new ideas and additional information. At least once a year, periodic checks are made to make sure the strategic plan action items are being implemented and achieved.

Mr. Peifer will continue to work with the RWA Chair, Vice Chair and the committee to finalize some structure and thoughts to lay out for the proposed workshops. A guide for the Strategic Plan needs to be finalized prior to the next fiscal year budget.

5. OTHER POST-EMPLOYMENT BENEFITS (OPEB) FUNDING POLICY REPORT

Nicole Krotoski, RWA's financial and accounting consultant, gave a power point presentation explaining the Other Post-Employment Benefits (OPEB) Funding Policy. 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.

- Currently, RWA is invested in CERBT 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%).

- In October 2018, the CERBT adjusted the discount rate used to calculate Strategy 1. 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.
- 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.
- 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 the 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 2022.

RWA staff requested input from the Executive Committee (EC) on two key assumptions for the actuary use in determining future funding requirements. These include RWA moving their OPEB investments to a more conservative CalPERS investment strategy (Strategy 2 or 3) and applying different CERBT discount rates.

Some agencies been moving assets into the more conservative Strategy 2 and 3. Since Strategies 2 or 3 are less aggressive, 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, but that may change in the future.

Based on a quick analysis using RWA's cash flows, the actuary believes RWA's discount rate to be around 6.85%. 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, the actuary can provide an

additional analysis using a slightly lower rate (current practice) and provide the comparative results at the next Executive Committee meeting.

Staff recommends that the actuary provide OPEB cash flow and liability analysis using the customized blended rate for Strategy 1 (as determined by the actuary) and then an additional analysis with a lower discount rate for comparative purposes. In addition, the actuary shall also determine the customized rate for funding Strategies 2 and 3 and the resulting cash flow and liability analysis for comparison to Strategy 1; keeping all other remaining assumptions the same as the previous actuarial report.

M/S/C Ms. Schmitz moved, with a second by Ms. Tobin, for the Executive Committee to provide the requested input regarding OPEB cash flow and liability analysis and funding strategies. The motion carried by the unanimous voice vote of all directors present.

6. VOLUNTARY AGREEMENT AD HOC COMMITTEE UPDATE

Ms. Schmitz reported that Placer County Water Agency (PCWA) has hired ICF to assist staff efforts on the Voluntary Agreement process. The ad hoc committee has worked with PCWA to assign the first tasks to ICF by assembling a list of everything happening with the Voluntary Agreements. One of the challenges is deciding what to focus on at any given time as things continue to change. ICF will draft a document to identify what the priorities should be and where staff time and resources should be spent moving forward.

7. VOLUNTARY AGREEMENT PROGRAM AGREEMENT

Committee Chair Ms. Schmitz said that a program description and draft agreement have been prepared by the committee that will be presented to the Executive Committee in December and the full RWA board in January.

Ms. Schmitz also reported that Andy Fecko with Placer County Water Agency will give an update on the Voluntary Agreement process to the full board at the November 14th board meeting.

8. FEDERAL AFFAIRS AD HOC COMMITTEE UPDATE

Committee Chair Mr. Bigley reported that a survey was sent out to the general managers with 18 responses received. A committee meeting is scheduled for tomorrow to compile the survey results and determine how the results will factor into the committee recommendations to the RWA board. All members are invited to attend the meeting. The committee will also incorporate a Washington DC and federal affairs update for the board.

Mr. Peifer said that the federal affairs effort will be part of the RWA strategic plan. The committee vice chair will make a presentation to the board to educate the members on what the ad hoc committee has developed and how that will be worked into the strategic plan.

9. DISPOSAL OF SURPLUS PROPERTY

Mr. Peifer said that 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.

M/S/C Ms. Schmitz moved, with a second by Mr. Bigley, to approve the sale of 2012 Dell desktop to the outgoing Finance and Administrative Services Manager consistent with RWA Policy 300.3. The motion carried by the unanimous voice vote of all directors present.

10. WATER MANAGEMENT OPTIONS PILOT

Rob Swartz, Manager of Technical Services, said that 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 was included in the packet.

To meet the local cost share, existing commitments of funding were being used with work that is being done through the Sacramento Groundwater Authority to develop the Integrated Water Flow model for the North American Subbasin.

M/S/C Ms. Tobin moved, with a second by Ms. Schmitz, to 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. The motion carried by the unanimous voice vote of all directors present.

11. RWA NOVEMBER 14, 2019 BOARD OF DIRECTORS MEETING AGENDA

After discussion, it was agreed to change the Voluntary Agreement Ad Hoc Committee Update to Bay Delta Voluntary Agreement Update on the November 14th RWA Board meeting agenda.

M/S/C Ms. Tobin moved, with a second by Mr. Greenwood, to approve the November 14, 2019 Board of Directors Meeting Agenda with the suggested change. The motion carried by the unanimous voice vote of all directors present.

12. EXECUTIVE DIRECTOR'S REPORT

Annual Holiday Social – The 2019 RWA Holiday Social is scheduled for Thursday, December 12th at North Ridge Country Club.

Finance and Administrative Services Manager Recruitment – Ms. Josette Reina-Luken started on October 8th as the new Finance and Administrative Services Manager.

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.

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.

Mr. Peifer has been requested to make a presentation at the November LAFCO meeting.

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.

13. DIRECTORS' COMMENTS

Mr. Bezerra said that Alan Lilly from Bartkiewicz, Kronick & Shanahan has been appointed to the State Water Resources Control Board as the first administrative hearing officer.

Mr. York said that Sacramento Suburban Water District's 218 Public hearing for a five-year water rate increase was approved by their board.

Mr. Bigley announced that City of Roseville was invited by the US EPA to apply under the Water Infrastructure Finance and Innovation Act with a

required letter of interest and to participate in a follow up screening process. This includes a funding loan for a suite of groundwater and recycled water projects.

Ms. Carrey said that City of Sacramento submitted a comment letter to the State on the Water Loss Audit Compliance Standards.

Mr. Greenwood said that Carmichael Water District is working with Kennedy Jenks on replacing their La Vista water tank. The District continues their search for a new General Manager. He is not running for LAFCO chair this year, so the seat will be open for others to apply.

Chair Schubert said that Golden State Water Company has been working State Division of Drinking Water with consolidation of some small water systems. If anyone knows of small systems that need assistance please contact Mr. Schubert.

ADJOURNMENT

Chair Schubert adjourned the meeting at 9:48 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer

AGENDA ITEM 5: RWA LEGISLATIVE AND REGULATORY POLICY PRINCIPLES

BACKGROUND:

To advance the advocacy program, the RWA Legislative and Regulatory Priority and Policy Principles (Policy Principles) were adopted in the fall of 2015. The purpose of the Policy Principles is to maintain a focused set of long-term priorities and supporting policy principles to guide advocacy efforts. That Policy Principles were intended to be regularly updated. RWA policy 100.5 requires that they be updated at least once every three years.

Attached for the Board's consideration is an update to the Policy Principles. Its use will help determine the importance of, and positions on State and Federal legislative and regulatory matters as well as guiding RWA's general advocacy.

This document has been circulated and refined with input from the Legislative and Advocacy program and the Executive Committee. This platform is intended to build on previous advocacy work to proactively and selectively engage in the legislative and regulatory processes and continue building RWA's reputation as a well-respected organization of water agencies.

Staff recommends that the Board approve the attached document as the updated RWA Legislative and Regulatory Priority and Policy Issues.

Action: Recommend RWA Board approval of the RWA Legislative and Regulatory Priority and Policy Issues

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 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, 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. 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 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 that consider local supplies.
- 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.
- 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.

DRAFT

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.

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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 for 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

AGENDA ITEM 6: RWA FEDERAL PLATFORM

BACKGROUND:

At the November RWA Board Meeting, the Chair directed the Federal Affairs Ad Hoc Committee to prepare a Federal Platform to guide RWA Legislative and Regulatory efforts. At the December Executive Committee (EC) meeting, the EC gave the Ad Hoc Committee Chair and the Executive Director direction to bring a platform to the January RWA Board Meeting for the Board's consideration and approval.

The purpose of the Federal Platform is to assist in:

1. Further prioritizing the RWA resources on Federal advocacy efforts.
2. To provide direction on annual regional Federal advocacy efforts such as the Metro Chamber Cap to Cap program and occasional advocacy trips coordinated collectively by some of the member agencies and the RWA.

The Federal Platform was refined with input from the Legislative Advocacy Program workgroup.

The Federal Platform is intended to tier off the RWA Legislative and Regulatory Priority and Policy Principles.

Staff recommends that the Board approve the attached document as the RWA Federal Platform.

Action: Approve of the RWA Federal 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, Consumes 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 agencies within the greater Sacramento Region. 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."

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.

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 managing our water resources for both water supply and the environment is enhanced management and storage of our water supply.

Our region is fortunate to have access to both surface water and groundwater resources, but our ability to store 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. 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 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 to local agencies as well as the Central Valley Project. USBR has provided financial assistance to support our technical work related to the Water Bank's development, demonstrating 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 request: 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 and more 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 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 USBR's Central Valley Project operations by adjusting the demands on Folsom Reservoir. USBR has shown support by helping to fund initial technical studies. USBR's active involvement in this project is key to our success.

We request: 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.

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 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

Cold water management

During the drought period that ended in 2016, elevated water temperatures on the American River were devastating to fisheries. 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 USBR 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 its cold water pool 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 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 USBR 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 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 request: Where applicable, the federal government 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 -- RWA 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.

AGENDA ITEM 7: ELECT 2020 RWA EXECUTIVE COMMITTEE

BACKGROUND:

A copy of the procedures for selection of the Executive Committee of the Board of Directors is attached. The election process involves multiple rounds of balloting to achieve a total of nine members with the following:

- At least two seats on the Executive Committee will be held by members of the Board of Directors who are members of a governing board of a Member of RWA (as defined in Articles 2 and 3(i) of the JPA).
- At least two seats on the Executive Committee will be held by members of the Board of Directors who are members of management staff of a Member of RWA.
- At least one seat on the Executive Committee will be held by a member of the Board of Directors who represents a City or County Member of RWA.
- At least one seat on the Executive Committee will be held by a member of the Board of Directors who represents a Contracting Entity of RWA (as defined in Article 3(d) of the JPA).
- A majority of the seats on the Executive Committee (i.e., five seats on a nine-member Executive Committee) will be held by members of the Board of Directors who represent a Member of RWA.

STAFF RECOMMENDATION:

Action: Elect the 2020 Executive Committee of the RWA Board of Directors

REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type	:	Board of Directors
Policy Title	:	Procedures for Selection of the Executive Committee
Policy Number	:	200.3
Date Adopted	:	November 19, 2001
Date Amended	:	March 10, 2005
Date Amended	:	November 13, 2014

REGIONAL WATER AUTHORITY PROCEDURES FOR SELECTION OF THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS AND THE CHAIR AND VICE-CHAIR OF THE EXECUTIVE COMMITTEE AND THE BOARD OF DIRECTORS

Background

The Joint Exercise of Powers Agreement (“JPA”) under which the Regional Water Authority (“RWA”) was formed and operates provides for the selection of (1) the members of the Executive Committee of the Board of Directors, and (2) the Chair and Vice-Chair of the Board of Directors. (See Articles 10 and 18, respectively, of the JPA.) The Board of Directors will follow the procedures set forth in this document for the selection of the members of the Executive Committee and the Chair and Vice-Chair. This document may be amended at any time by the Board of Directors.

In accordance with Article 8 of the JPA, each Member and Contracting Entity (as defined in Article 3 of the JPA) will have two representatives on the Board of Directors, either of whom may cast a single vote on behalf of his or her Member or Contracting Entity. It will be the responsibility of a Member and Contracting Entity to notify RWA in writing from time to time of (1) its designated representatives to the Board of Directors, including alternates who may act in the absence of a representative, and (2) the priority for voting of its representatives to the Board of Directors of RWA. In the absence of such written notification, the Secretary of RWA will determine that an elected representative of a Member will have voting priority over the Member’s non-elected representative to the Board of Directors, and a Member or Contracting Entity’s senior management staff will have priority over the Member or Contracting Entity’s junior management staff, in the event that the Member or Contracting Entity’s two representatives disagree as to who should cast a vote on behalf of the Member or Contracting Entity concerning a particular matter.

Reference in this document to a majority vote of the Board of Directors will refer to the affirmative vote of a majority of the representatives (one for each Member and Contracting Entity) on the Board of Directors who are entitled to vote on a matter and

who are present at the Board meeting during the vote. A seat on the Board of Directors of RWA will become vacant when a representative of a Member or Contracting Entity no longer meets the qualifications set forth in Article 8 of the JPA, or upon the happening of any of the events set forth in Government Code section 1770.

I. **Procedures for Election of the Executive Committee of the Board of Directors**

1. The Executive Committee will be a standing committee of the Board of Directors of RWA, and will be selected as individuals from the membership of the Board of Directors, except that, no Member or Contracting Entity of RWA will have more than one representative on the Executive Committee.
2. In accordance with the Brown Act (Government Code section 54952), the Executive Committee will comprise less than a quorum of the number of members of the Board of Directors. The Executive Committee of RWA will consist of nine members, subject to the Board of Directors approving a smaller odd-number of members of the Executive Committee to avoid a violation of the Brown Act. These procedures assume that the Executive Committee will comprise nine members.
3. The nine members of the Executive Committee will be selected by the Board of Directors according to the following procedures:
 - a. At least two seats on the Executive Committee will be held by members of the Board of Directors who are members of a governing board of a Member of RWA (as defined in Articles 2 and 3(i) of the JPA).
 - b. At least two seats on the Executive Committee will be held by members of the Board of Directors who are members of management staff of a Member of RWA.
 - c. At least one seat on the Executive Committee will be held by a member of the Board of Directors who represents a City or County Member of RWA.
 - d. At least one seat on the Executive Committee will be held by a member of the Board of Directors who represents a Contracting Entity of RWA (as defined in Article 3(d) of the JPA).
 - e. A majority of the seats on the Executive Committee (i.e., five seats on a nine-member Executive Committee) will be held by members

of the Board of Directors who represent a Member of RWA.

- f. The Chair of the Board of Directors will conduct the election of the Executive Committee. The Chair may appoint an elections committee to assist the Chair and the RWA Secretary in preparing and counting ballots. No secret ballot will be used for the election. (See Government Code section 54953(c) of the Brown Act: "No legislative body will take action by secret ballot, whether preliminary or final.")
- g. For each ballot, the Chair will ask which members of the Board want to be included on that ballot for election for membership on the Executive Committee. A Board member who is not present at the time of the election will not be included as a candidate unless the Board member or the RWA entity that he or she represents has notified the Executive Director that the Board member wishes to be included as a candidate.
- h. Candidates for election to the Executive Committee may prepare and distribute to the members of the Board of Directors a statement of their qualifications. Prior to the vote on a ballot on which a candidate's name appears, a candidate for election to the Executive Committee will have an opportunity to make an oral presentation of not more than two minutes concerning his or her qualifications to serve on the Executive Committee.
- i. The first election will be to fill two seats on the Executive Committee to be held by members of a governing board of a Member of RWA. The RWA Secretary will prepare a ballot comprising the names of the members of the RWA Board of Directors who are eligible to fill these seats, excluding from the ballot any member of the Board of Directors who has indicated that he or she does not wish to serve on the Executive Committee. The ballot will state: "Vote for two seats," and it will have on it the name of the Member or Contracting Entity that is casting the ballot. The representatives on the Board of Directors will cast votes on the ballot on behalf of the Member or Contracting Entity that they represent, i.e., each Member and Contracting Entity can return one ballot. In order to be counted as a valid ballot, a ballot must have a vote cast for each seat that is to be voted on, e.g., if there are two seats to be voted on, a ballot will not be counted if it is returned with a vote for one or none of the candidates. No cumulative voting will be allowed, i.e., a Member or Contracting Entity cannot cast two votes on the same ballot for the same candidate. In order to be elected on the first ballot, a candidate must receive no less than a

majority of the votes of the Board of Directors who are present at the time of the vote. The two candidates who receive the highest number of votes will be elected to the Executive Committee. One or more runoff elections will be held among the three remaining candidates (plus ties) who received the highest number of votes if the election does not fill both seats on the ballot. For a runoff election, the candidate who receives the highest number of votes will be elected, even if it represents less than a majority vote of the Board of Directors. If an election on a ballot with only three candidates does not result in the election of a member of the Executive Committee, then the next runoff ballot will include the two candidates who received the highest number of votes on the previous ballot, and (1) the candidate who receives the higher number of votes (even if less than a majority) will be elected; and (2) in case of a tie, a coin flip will determine the winner.

- j. Upon the filling of the first two seats on the Executive Committee, the Chair will call for the election to fill two seats on the Executive Committee to be held by members of management staff of a Member of RWA. The Chair will follow the voting procedures set forth above to fill these seats on the Executive Committee.
- k. The Chair will next call for the election to fill one seat on the Executive Committee to be held by a member of the Board of Directors who represents a City or County Member of RWA, to the extent that this seat has not already been filled. The Chair will follow the voting procedures set forth above to fill this seat on the Executive Committee.
- l. The Chair will next call for the election to fill one seat on the Executive Committee to be held by a member of the Board of Directors who represents a Contracting Entity of RWA. The Chair will follow the voting procedures set forth above to fill this seat on the Executive Committee.
- m. The Chair will next determine whether a majority of the seats on the Executive Committee are held by members of the Board of Directors who represent Members of RWA. (Under the above-referenced procedures, a minimum of four seats on the Executive Committee would have already been filled by representatives of Members of RWA.) If they have not, then the Chair will call for the election for the seat on the Executive Committee needed to result in a majority of the seats being held by members of the Board of Directors who represent Members of RWA. In that case, the Chair will follow the voting procedures set forth above to fill this seat on

the Executive committee.

- n. The Chair will next call for the election to fill the remaining seats on the Executive Committee. The Chair will follow the voting procedures set forth above to fill these seats on the Executive Committee.
 - o. In the event that vacancies arise from time to time on the Executive Committee, such vacancies will be filled following these procedures concerning the composition and selection of the Executive Committee.
 - p. There will be no alternate members of the Executive Committee.
- 4. Prior to January 31 each year, the Board of Directors will elect the members of the Executive Committee for the following year. The members of the Executive Committee will serve a term that commences at the conclusion of the Board meeting during which they were selected, and runs until their successors take office.
 - 5. The RWA Board of Directors will select from the Executive Committee membership a Chair and Vice-Chair, who will also serve as the Chair and Vice-Chair of the RWA Board of Directors. The procedures for selecting the Chair and the Vice-Chair are set forth below.
 - 6. Executive Committee meetings will be open to the public (except for authorized closed sessions), noticed and conducted in accordance with applicable law. A majority of all of the members of the Executive Committee (i.e., five members on a nine-member Executive Committee) will (a) constitute a quorum for the purpose of transacting business, and (b) be required for an affirmative vote to take action.
 - 7. Members of the RWA Board of Directors who are not members of the Executive Committee may attend an Executive Committee meeting only as observers, and they will not participate in the committee meeting, ask questions or sit with the committee members at the Board table. (See subsection (c)(6) of Government Code section 54952.2 and 81 Ops.Cal.Atty.Gen. 156 (1998).)

II. Procedures for Election of Chair and Vice-Chair of the Executive Committee and the Board of Directors

- 1. The Chair and Vice-Chair will be elected by the Board of Directors from the membership of the Executive Committee.

2. The current Chair of the Board of Directors will conduct the election of the Chair and Vice-Chair of the Executive Committee as separate elections. The Chair may appoint an elections committee to assist the Chair and the RWA Secretary in preparing and counting ballots. No secret ballot will be used for the election. (See Government Code section 54953(c) of the Brown Act.)
3. The Chair will ask which members of the Executive Committee want to be considered at the election for Chair of the Executive Committee. A Board member who is not present at the time of the election will not be included as a candidate unless the Board member or the RWA entity that he or she represents has notified the Executive Director that the Board member wishes to be included as a candidate.
4. Candidates for election as Chair of the Executive Committee may prepare and distribute to the members of the Board of Directors a statement of their qualifications. Prior to the vote, a candidate will have an opportunity to make an oral presentation of not more than two minutes concerning his or her qualifications to serve as Chair.
5. The RWA Secretary will prepare a ballot for Chair comprising the names of the members of the Executive Committee, excluding from the ballot any member of the Executive Committee who has indicated that he or she does not wish to serve as Chair. To the extent applicable, the procedures set forth above for the election of members of the Executive Committee will be followed for the election of the Chair of the Executive Committee, until the Chair has been elected. The candidate who receives the highest number of votes on the first ballot, and at least a majority of the vote of the Board of Directors who are present at the time of the vote, will be elected Chair. One or more runoff elections will be held, if necessary, among the three candidates (plus ties) who received the highest number of votes on the previous ballot. For a runoff election, the candidate who receives the highest number of votes will be elected, even if it represents less than a majority vote of the Board of Directors. If an election on a ballot with only three candidates does not result in the election of the Chair, then the next runoff ballot will include the two candidates who received the highest number of votes on the previous ballot, and (a) the candidate who receives the higher number of votes (even if less than a majority) will be elected; and (2) in case of a tie, a coin flip will determine the winner.
6. The Chair will follow the same procedures for the election of Vice-Chair of the Executive Committee.
7. Prior to January 31 of each year, the Board of Directors will elect the Chair

and Vice-Chair of the Executive Committee for the following year. The Chair and Vice-Chair will serve a term that commences at the conclusion of the Board meeting during which they were selected, and runs until their successors take office.

8. In the event that the Chair does not serve his or her full term, the Vice-Chair will succeed the Chair, and the Board of Directors will elect a Vice-Chair following these procedures.

III. Procedures for Filling a Post-Election Vacancy on the Executive Committee

1. In the event that a vacancy occurs on the Executive Committee the Member or Contracting Entity whose representative held the Executive Committee seat that was vacated may recommend a replacement by sending the Chair of the Board of Directors a letter making that recommendation.
2. The recommended Executive Committee replacement must be one of the two identified representatives on the Board of Directors for that Member or Contracting Entity, provided the nomination is consistent with the RWA JPA and the Executive Committee Election Policy.
3. The recommended replacement to the Executive Committee may begin to serve immediately, but must be approved by a majority vote of the Board of Directors at its next regularly scheduled meeting.
4. In the event that a recommended replacement is not identified or not approved, the Board of Directors will select a member consistent with the procedures identified in Section I. of this policy.

AGENDA ITEM 8: ELECT 2020 RWA CHAIR AND VICE-CHAIR

BACKGROUND:

The Chair and Vice-Chair are to be elected by the Board of Directors from the membership of the Executive Committee.

STAFF RECOMMENDATION:

Action: Elect 2020 Chair and Vice-Chair of the RWA Executive Committee and RWA Board of Directors

AGENDA ITEM 9: EXECUTIVE DIRECTOR'S REPORT

JANUARY 9, 2020

TO: REGIONAL WATER AUTHORITY BOARD

FROM: JIM PEIFER

RE: EXECUTIVE DIRECTOR'S REPORT

- a. 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.
- b. Water Resilience Portfolio** – The Newsom Administration has released a draft of the 2020 Water Resilience Portfolio (Portfolio). The purpose of the Portfolio is to manage water supplies in ways to avoid the risks posed from Climate Change. As was noted at previous board meetings, RWA had provided a comment letter with recommendations for the content of the Portfolio. In addition, staff had met with members in the Governor's administration and we offered recommendations during our meetings. A copy of the draft Portfolio executive summary is attached.

I am pleased to announce that a number of our recommendations made it into the report. On balance, the Portfolio is largely positive and has a number of recommendations that will allow the region to adapt to climate change.

RWA, SGA, Water Forum and SAFCA released a joint statement on the Portfolio and a copy is attached. A copy is attached.

- c. Office Flooding** - On the evening of December 26th, a leak in one of the bathrooms occurred and the bathroom floor drain did not work properly which flooded much of the first floor of the office building, including RWA's office and board rooms. Until restoration work is completed, the RWA staff will be working from an alternate location.

In the interim, temporary office space has been secured in a nearby location (5750 Sunrise Blvd., Suite 130-AA, Citrus Heights, CA 95610). Staff will be moving offices the week of January 6th and should resume normal working hours shortly thereafter.

It is unknown when office functions of the Birdcage Street location will resume. At the time of the preparation of this report, the owner had not filed an insurance claim or contracted with a restoration company. For a period of time, some office functions will

be temporarily suspended, scaled back or experience delayed responses including answering the main phone line and mail pick-up/distribution. Staff is working with the temporary location manager and RWA's IT support consultant to establish email and computer services as soon as possible.

- d. **RWA Outreach** – Mr. Peifer and Mr. Ojakian attended the fall ACWA Conference in San Diego from December 3rd to December 5th. Meetings were held 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.

Mr. Peifer gave a presentation to the Sacramento Central Groundwater Authority Board on December 11th. Mr. Peifer was asked to present on the current relationship between the Regional Water Authority and SGA.

- e. **Strategic Plan Update** – The services of Strategy Driver (Ellen Cross) have been obtained to assist in the update of the RWA Strategic Plan. Two special board meeting dates for workshops have been identified:

Friday, February 21, 2020 starting at 10:00 am

Friday, March 27, 2020 starting at 10:00 am

A questionnaire will be emailed to members around January 10th. Responses to the questionnaire are requested by January 24th.

- f. **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 will be included in the March board package and will be posted at rwah2o.org to comply with CalPERS requirements.

Executive Summary

Water is central to nearly everything we value in California. Healthy communities, economies, farms, ecosystems and cultural traditions depend on steady supplies of safe and affordable water.

Those values are increasingly at risk as California confronts more extreme droughts and floods, rising temperatures, depleted groundwater basins, aging infrastructure and other challenges magnified by climate change. For some of California's most vulnerable populations, the risks are particularly acute.

Recognizing the need for action, Governor Gavin Newsom issued an Executive Order in April 2019 directing state agencies to develop recommendations to meet these challenges and enable water security for all Californians.

The Governor emphasized the need to harness the best of science, engineering, and innovation to prepare for what's ahead and support long-term water resilience and ecosystem health.

To that end, state agencies have developed this draft water resilience portfolio to improve California's capacity to prepare for disruptions, withstand and recover from climate-related shocks, and adapt into the future.

Building on state and local initiatives already underway and months of public input, the draft portfolio helps empower local and regional entities to meet their unique challenges, while delivering on the state's responsibility to provide tools and leadership, advance projects of statewide scale and importance, and help address challenges that are beyond the scope of any region.

Because no single solution can fully address the state's water challenges, the draft portfolio embraces a broad, diversified approach. Goals and actions are organized into four categories:

- 1. Maintain and diversify water supplies:** State government will continue to help regions reduce reliance on any one water source and diversify supplies to enable flexibility as conditions change. Diversification will look different in each region based on available water resources, but it will strengthen water security and reduce pressure on river systems across the state.
- 2. Protect and enhance natural ecosystems:** State leadership is essential to restore the environmental health of many of our river systems in order to sustain fish and wildlife. This entails effective standard setting, continued investments, and more adaptive, holistic environmental management.

- 3. Build connections:** The state aims to improve physical infrastructure to store, move, and share water more flexibly and integrate water management through shared use of science, data, and technology.
- 4. Be prepared:** Each region must prepare for new threats, including flashier floods, deeper droughts, and hotter temperatures. State guidance will enable preparation, protective actions, and adaptive management to weather these stresses.

It will require time, effort, and funding to carry out this portfolio. The pace of implementation will depend upon the feasibility and availability of resources and competing priorities. But this portfolio sets a direction and creates a collective recognition of the ways we can manage water to build climate adaptability in California that works for people, the environment, and the economy.

Water resilience will be achieved region by region based on the unique challenges and opportunities in each area. Local, regional, and tribal leadership is therefore critical. Moving forward, separate agencies and groups must better integrate their water planning and management to steward shared watersheds and aquifers as threats evolve.

State government must focus on enabling regional resilience while continuing to set statewide standards, enable projects of statewide scale and importance, and help address challenges beyond the scope of any region. This portfolio will improve tools to local and regional entities building resilience, encourage collaboration, and support a cohesive, resilient "water system of systems" across California.

Carrying out this portfolio will require a new emphasis on cooperation across state agencies and with regional groups and leaders. Likewise, this portfolio will advance Newsom Administration priorities to build climate resilience across all sectors and make possible opportunity and prosperity for all Californians. This water resilience portfolio will serve as an important step toward achieving these ambitious goals.



MEDIA STATEMENT

January 3, 2020

CONTACTS

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Sacramento Groundwater
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Newsom Administration's Water Resilience Portfolio Report Underscores Benefits of Regional Collaboration and Need for Investments in Multi-Benefit Solutions

Sacramento, Calif. – Regional organizations that provide water supply, flood protection, groundwater management and ecosystem restoration in the American River watershed today applauded the findings and recommended actions presented in Governor Gavin Newsom's draft Water Resilience Portfolio, the state's first-ever comprehensive and long-term plan on how to manage the state's water resources in the face of climate change. The report recommends developing inclusive solutions that protect the natural and human environment and provide water for our communities. The greater Sacramento region has been at the forefront of this approach for decades.

The Regional Water Authority, Sacramento Groundwater Authority, Sacramento Area Flood Control Agency, and Water Forum are committed to continuing to collaborate with each other and its state and federal government partners to advance long-term, regional planning and projects to maintain and diversify supplies, protect and enhance natural systems, and build more connected, adaptive water management infrastructure to be prepared for more extreme weather and less predictable precipitation patterns.

"Our region has long been preparing to address the impacts from climate change on our water resources at a watershed scale. We believe the water resilience portfolio findings are fully aligned with the solutions we have been developing," said Jim Peifer, executive director for the Regional Water Authority and Sacramento Groundwater Authority. "The region's climate adaptation portfolio re-imagines how water should be managed in the face of a less reliable water supply and a greater flood threat that is expected from reduced snowpack and flashier rainstorms in a narrower wet season. While these challenges are real and daunting, we know our holistic approach will solve them."

—MORE—

2-2-2-2

“Through the Water Forum, our region has a 20-year track record of applying science and innovative management practices to balance water supply reliability with ecosystem health on the lower American River,” said Tom Gohring, executive director of the Water Forum. “The governor’s report underscores that our region can take this same, collaborative approach to building climate resiliency through new projects and practices that make our water management more adaptive and nimble in the face of changing weather conditions.”

“Climate change is posing a serious challenge to the sustainability of the water management system that we currently rely on to control flooding, meet our water demands and protect the American River,” said Rick Johnson, executive director for the Sacramento Area Flood Control Agency. “SAFCA brings a unique perspective and years of experience in addressing this challenge and looks forward to working with the Newsom Administration and our federal and regional partners in taking the bold steps that are needed to make our system more climate-resilient.”

Over the past two decades, more than \$4 billion has been invested in our region in partnership with state, federal, private and other local partners to restore habitat, increase our water use efficiency, expand conjunctive use, reduce our flood risk, and expand the flexibility of the system to adapt to periods of increased drought and serious flood threat.

The regional agencies pointed to the following initiatives that will further build climate resiliency in the American River watershed by enhancing flood protection, diversifying water supplies, allowing for adaptive management practices and promoting species health on the lower American River. All of them will require significant investment from state, federal and regional agencies.

Sacramento Regional Water Bank: The Water Bank is an innovative groundwater storage program that will improve water supply reliability and environmental conditions for the Sacramento region. It utilizes a groundwater reservoir that would have about two times the amount of storage space as Folsom Lake. The bank could enable the region to cut groundwater use in half during wet years through capture of excess surface water and provide an additional groundwater supply during dry years, benefiting the environment and downstream communities beyond the region.

Sacramento River Arc: This project will transform regional water supply by shifting of portion of the municipal supplies away from the American River and toward the Sacramento River. It will better connect the region’s conveyance, treatment and groundwater storage to an existing diversion point on the Sacramento River. Doing so will continue a long-standing regional commitment to protect the aquatic habitat of the lower American River, while at the same time providing needed water supply reliability. It will increase opportunities for groundwater banking and allow for changed Folsom Reservoir operations to accommodate a changing climate. More flexibility in Folsom Reservoir operations will give state and federal water managers another tool for managing Delta water quality.

Ecosystem Restoration: The investments and collaborative work undertaken by the Water Forum have provided new models and approaches to balancing co-equal goals for water management, including optimal reservoir operations, monitoring biological conditions and constructing improved habitat. This work can be enhanced with additional state investments in planning and development of habitat and cold-water infrastructure.

—MORE—

3-3-3-3

Sacramento Area Flood Risk Reduction and Managed Aquifer Recharge: SAFCA is working to increase flood storage capacity in non-federal reservoirs upstream from Folsom Reservoir by using advances in weather and runoff forecasting and modifying the outlet works of these upstream facilities. The increase of atmospheric river events and reduction in snowmelt runoff throughout the winter and spring provides opportunities to leverage system capacity, thereby reducing pressure on Folsom Reservoir and downstream levees, enhancing habitat flows on the American and Cosumnes rivers and redirecting flood flows for groundwater recharge in the south American and Cosumnes basins.

Yolo Bypass Integrated Multi-Benefit Program: This SAFCA-sponsored project is designed to improve ecosystem and flood management system resiliency in the lower Sacramento River by enlarging the Yolo Bypass through levee setbacks and using the floodplain to improve fish passage, expanding fish rearing habitat by inundating the floodplain, and improving terrestrial habitat in the floodplain.

Upper Watershed and Forestry Management: Climate change adaptation must include ensuring healthy headwaters. California faces the overwhelming challenge of overstocked and unhealthy forests, where the consequences are unnecessary evapotranspiration, ecosystems being out of balance, and catastrophic fire, resulting in long-term harm to our environment and water supply. Through projects implemented under multi-stakeholder collaboration, selective thinning of small and medium sized trees, burn treatments and targeted reforestation of climate resilient trees will ensure a healthy future in California headwaters. The targeted outcome is forests that are naturally resilient and better for water supply and natural habitat.

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The Regional Water Authority (RWA) is a joint powers authority representing 21 water providers serving 2 million people in the greater Sacramento region. Formed in 2001, its primary mission is to help its members protect and enhance the reliability, availability, affordability and quality of water resources. Learn more at rwah2o.org.

The Sacramento Groundwater Authority (SGA) is a joint powers authority formed in 1998 to manage the Sacramento County's north area groundwater basin. Recognized as essential to implementing the groundwater management element of the historic Water Forum Agreement, SGA coordinates the regional program to manage and conjunctively use groundwater and surface water to meet water needs through 2030 while reducing diversions from the lower American River to benefit the environment. Learn more at sgah2o.org.

The Sacramento Water Forum is a diverse group of business and agricultural leaders, citizen groups, environmentalists, water managers and local governments working together to balance two co-equal objectives: to provide a reliable and safe water supply for the Sacramento region's long-term growth and economic health; and to preserve the fishery, wildlife, recreational, and aesthetic values of the lower American River. Learn more at waterforum.org.

The Sacramento Area Flood Control Agency (SAFCA) is a joint powers authority that was formed in 1989 to provide the Sacramento region with increased flood protection along the American and Sacramento rivers. Its members include the City of Sacramento, Sacramento County, Sutter County, Reclamation District No. 1000 and the American River Flood Control District. Learn more at safca.org.



December 18, 2019

Mr. James Peifer, Executive Director
Regional Water Authority
Sacramento Groundwater Authority
5620 Birdcage Street, Suite #180
Citrus Heights, California 95610-7691

**RE: LIABILITY, PROPERTY, AND WORKERS' COMPENSATION PROGRAMS
RISK ASSESSMENTS**

Dear Mr. Peifer:

It was good to meet with Josette Reina-Luken, Finance and Administrative Services Manager, on December 11, 2019. The purpose was to discuss Authority operations, review any new claims, and assess risk exposures. Below are highlights of our discussion and related ACWA JPIA resources.

We discussed loss histories and associated Experience Modification (X-mod) rates with both Authorities. In the 2019/20 coverage years, RWA's X-mod in the Workers' Compensation Program is 0.78, Liability Program is 0.87, and while there is no X-mod in the Property Program, the Authority has never experienced a loss since joining this Program in 2004. SGA's X-mod in the Liability Program is 0.97, and it too has not experienced a property loss since joining this Program in 2004. Overall, the Authorities continue to do well with risk control practices in all coverage programs. I will continue to advise each Authority on Commitment to Excellence (C2E) "best practices" that may assist in the reduction of losses.

We reviewed two hotline resources for JPIA members. First, our [HR Hotline](#) is specific to employment practices questions and/or problems, covered by the JPIA's Memorandum of Liability Coverage (MOLC). This hotline provides our member with a direct link to JPIA staff with referral to a labor attorney if necessary. Second, all Liability Program members have access to the JPIA's Risk Transfer Hotline serviced by our Member Services department. If there are questions with particular contracts that our staff cannot answer, the Authority will be referred to an ACWA JPIA attorney. The Risk Transfer Hotline provides three referrals per year, up to two hours per referral - free of charge. If a single consultation takes more than two hours, the attorney will discuss additional services directly with the Authority.

The JPIA provides additional guidance and best practices to its members related to risk transfer. Our Risk Transfer Manual resources are found on our webpage, which has indemnification

Mr. James Peifer, Executive Director
Regional Water Authority
Sacramento Groundwater Authority
December 18, 2019
Page 2

and insurance provisions recommendations, verification checklists, and sample forms. You may view our Risk Transfer webpage [here](#).

Josette shared that the Authority is hiring a part-time annuitant. Member assistance with human resources matters including new employee onboarding may be reviewed on our [HR webpage](#).

We discussed elected officials training requirements. The Authorities are encouraged to obtain certificates of completion for Sexual Harassment Prevention and Ethics training. If Authority directors have not completed these classes at his or her agency, the Authority can share [board training resources](#) through the JPIA.

I highlighted the [JPIA's new Risk Control Grant Program](#), which is designed to promote the **implementation of best practices that will prevent or mitigate losses in the JPIA's Workers' Compensation, Liability, and Property Programs**. The Grant Program incentivizes members to renew their Commitment to Excellence and review the best practices applicable to their operations. This is accomplished by funding specific one-time, non-routine risk management or loss control programs or activities that are intended to address those risks. For information on the Grant Program refer to our [webpage](#). **This year's Grant Program began accepting applications on October 1, 2019, and is being reviewed on a first come, first reviewed basis.**

We discussed risk control grant ideas, and agreed that an application for vulnerability assessment to mitigate potential workplace violence threats, or developing a shelter in place incident response plan, are opportunities for the Authority. Management policies and procedures on workplace violence prevention is a Commitment to Excellence (C2E) *Employment Practices* best practice. The Authority is encouraged to participate in this Grant Program when it is offered next year.

Thank you again for your time, assistance, and participation in the pooled programs. Should you have any questions or need assistance, please contact me at (800) 231.5742, Ext. 3137, or via email at rflint@acwajpia.com.

Sincerely,



Robin Flint, ARM, CSP, CEAS I
Senior Risk Control Advisor

1218:0

c: Josette Renia-Luken, Finance and Administrative Services Manager
JPIA Member Services
JPIA Risk Management Committee
Pam Tobin, JPIA Board Member

AGENDA ITEM 10: DIRECTORS' COMMENTS