

**REGIONAL WATER AUTHORITY  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
Thursday, March 12, 2010, 9:00 a.m.**

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

**AGENDA**

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

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT**
- 3. CONSENT CALENDAR**
  - a. Minutes from the November 14, 2019 Regular Board meeting and the January 9, 2020 Regular Board meeting  
**Action: Approve the November 14, 2019 Regular Board meeting minutes and the January 9, 2020 Regular Board meeting minutes**
- 4. FISCAL YEAR 2020 – 2021 BUDGET DEVELOPMENT OVERVIEW**  
Presentation: Josette Reina-Luken, Financial and Administrative Services Manager
- 5. VOLUNTARY AGREEMENT AD HOC COMMITTEE UPDATE**  
Information Update and Discussion: Kerry Schmitz, Ad Hoc Committee Chair
- 6. FEDERAL AFFAIRS AD HOC COMMITTEE UPDATE**  
Information Update and Discussion: Sean Bigley, Ad Hoc Committee Chair
- 7. FEDERAL AFFAIRS PLATFORM**  
Presentation: Jim Peifer, Executive Director  
**Action: Approve Federal Affairs Platform**
- 8. STRATEGIC PLAN DEVELOPMENT UPDATE**  
Information and Discussion: Jim Peifer, Executive Director
- 9. LEGISLATIVE AND REGULATORY UPDATE**  
Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager
- 10. STATE REGULATION UPDATE**  
Presentation: Amy Talbot, Senior Project Manager

## **11. SACRAMENTO REGION WATER UTILITY COLLABORATION/INTEGRATION STUDY**

Presentation: Paul Helliker, General Manager, San Juan Water District

## **12. EXECUTIVE DIRECTOR'S REPORT**

## **13. DIRECTORS' COMMENTS**

### **ADJOURNMENT**

Upcoming meetings:

Executive Committee Meeting: Wednesday, March 25, 2020, 8:30 a.m. at the RWA Office.

Strategic Planning Workshop: Friday, March 27, 2020, 9:00 a.m., at the Regional San Administrative Offices, 10060 Goethe Road, Sacramento, CA 95827

Executive Committee Meeting: Wednesday, April 22, 2020, 8:30 a.m. at the RWA Office.

Regular Board Meeting: Thursday, May 14, 2020, 9:00 a.m., at the RWA Office.

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

## **AGENDA ITEM 3a: CONSENT CALENDAR**

### **BACKGROUND:**

- a. Minutes from the November 14, 2019 Regular Board meeting and the January 9, 2020 RWA Regular Board meeting

**Action: Approve the November 14, 2019 Regular Board meeting minutes and the January 9, 2020 RWA Regular Board meeting minutes**



**1. CALL TO ORDER**

Chair Schubert called the meeting of the Board of Directors to order at 9:00 a.m. at the Regional Water Authority. Individuals in attendance are listed below:

**RWA Board Members**

Ron Greenwood, Carmichael Water District  
Hilary Straus, Citrus Heights Water District  
Marcus Yasutake, City of Folsom  
Ray Leftwich, City of Lincoln  
Sean Bigley, City of Roseville  
Pauline Roccucci, City of Roseville  
Michelle Carrey, City of Sacramento  
Martha Guerrero, City of West Sacramento  
Trish Harrington, Del Paso Manor Water District  
Michael Raffety, El Dorado Irrigation District  
Tom Nelson, Elk Grove Water District  
Mark Madison, Elk Grove Water District  
Tom Gray, Fair Oaks Water District  
Paul Schubert, Golden State Water Company  
Jim Lemley, Orange Vale Water Company  
Joe Duran, Orange Vale Water Company  
Brent Smith, Placer County Water Agency  
Andy Fecko, Placer County Water Agency  
Mark Martin, Rancho Murieta Community Services District  
Christopher Gifford, Rio Linda/Elverta Community Water District  
Tim Shaw, Rio Linda/Elverta Community Water District  
Kerry Schmitz, Sacramento County Water Agency  
Dan York, Sacramento Suburban Water District  
Pam Tobin, San Juan Water District  
Paul Helliker, San Juan Water District

**RWA Associate Members**

Arthur Starkovich and Ansel Lundberg, SMUD

**RWA Affiliate Members**

Charles Duncan, West Yost Associates and Jafar Faghieh, HDR, Inc.

**Staff Members**

Jim Peifer, Rob Swartz, Ryan Ojakian, Nancy Marrier, Josette Reina-Luken, Cecilia Partridge, Monica Garcia and Ryan Bezerra, Legal Counsel

**Others in Attendance:**

Rich Plecker, David Gordon, Brett Ewart, Michael Johnson, Dane Wadlé, Ellen Cross, Jeff Ramos, Linda Higgins and Nicole Krotoski

**2. PUBLIC COMMENT**

Mr. Madison introduced Jeff Ramos who will be with Elk Grove Water District on a part-time basis dealing with legislative issues.

**3. CONSENT CALENDAR**

a. Approve Minutes of the September 12, 2019 RWA regular board meeting.

Motion/Second/Carried (M/S/C) Mr. Greenwood moved, with a second by Ms. Rocucci, to approve the September 12, 2019 RWA regular board meeting minutes. The motion carried by the unanimous voice vote of all directors present.

**4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**

a. Information: Final minutes of the August 28, 2019 and September 25, 2019 Executive Committee meetings

**5. APPOINTMENT OF JOSETTE REINA-LUKEN TO RWA BOARD SECRETARY AND TREASURER**

Ms. Josette Reina-Luken began employment on October 8<sup>th</sup> as the new Finance and Administrative Services Manager. As this position acts in the capacity of RWA Board Secretary and Treasurer, staff requested the Board approve her appointment to this role.

M/S/C Mr. Straus moved, with a second by Ms. Harrington, to appoint Josette Reina-Luken to become the RWA Board Secretary and Treasurer. The motion carried by the unanimous voice vote of all directors present.

**6. LEGISLATIVE/REGULATORY UPDATE**

Ryan Ojakian, Legislative and Regulatory Affairs Manager, gave an update on the Legislative session concluded on September 13<sup>th</sup>. There were 2,625 bills introduced with 1,037 passed. The Governor ultimately signed 870 of those bills. RWA took positions on 19 bills; three bills that RWA supported will become law and only one bill that RWA opposed will become law.

The Legislature is out of session and will reconvene Monday January 6<sup>th</sup>. The year will start off quickly with two-year bills needing to pass out of their house of origin by January 31<sup>st</sup> and new bills introduced by February 21<sup>st</sup>. The session ends August 31<sup>st</sup>. While it is not known at this time, it is likely there will be 2,500 new bills introduced. The speculation is that there will be legislation related to water resiliency, bond funds to implement resiliency, and water affordability.

The Office of Environmental Health Hazard Assessment (OEHHA) released a draft human right to water tool in August and took comments through November 8th. The tool attempts to look at the water quality, accessibility, and affordability. RWA submitted comments on the tool that largely makes three points: first, an effective tool is necessary and can be beneficial; second, the tool has significant flaws; and third, that working with the water community is critical to correcting those flaws and developing an effective tool. It appears that the tool will be used as a foundation for an affordability policy debate.

A draft of the Administration's Water Resilience Portfolio report is expected to be released sometime in November. It is not known exactly what will be in the portfolio. It is, however, expected to drive policy discussions on water resiliency and have impacts on bond discussions occurring in the early part of next year.

Mr. Ojakian explained the definition of resiliency as we define it at a watershed level and that within the watershed a conversation occurs that defines both what the challenge is going to be, including climate change and infrastructure needs. RWA is also tracking issues relevant to PFAS contamination and will continue to update the Board.

Mr. Madison asked if there is an update on water loss standards. Mr. Ojakian said that how the state will account for any water loss is not clear at this time. It was suggested that Amy Talbot, RWA Water Efficiency Program Manager, be contacted for answers as she is knowledgeable on water loss issues. Ms. Talbot has just been appointed to the water loss committee as the California-Nevada AWWA section chair.

## **7. AGENCY AWARD**

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

The Executive Director has proposed a new award that could be received by an agency at the annual Holiday Social. The proposed award would be granted for an agency's efforts to work collaboratively with others within the region on initiatives that are innovative and improve the management of water resources or improve the reliability of water resources. The Executive Committee provided input into the proposed policy revision at its September 25, 2019 meeting. A copy of RWA Policy 100.4 and a copy with the proposed changes were included in the packet.

M/S/C Ms. Tobin moved, with a second by Mr. Greenwood, to recommend adoption of revisions to Policy 100.4 (RWA Awards) by the RWA Board. The motion carried by the unanimous voice vote of all directors present.

## **8. PROPOSITION 1 INTEGRATED REGIONAL WATER MANAGEMENT GRANT**

Mr. Swartz gave an information update saying that in April 2019, the Department of Water Resources (DWR) released an application for the Round 1 Integrated Regional Water Management (IRWM) Grant Program. Following a call for projects to stakeholders in the American River Basin (ARB) IRWM region, RWA staff developed a recommended suite of projects to pursue the funding opportunity. RWA is the designated the Regional Water Management Group by DWR, so it is the eligible applicant to pursue funding on behalf of the ARB. Because the ARB overlies portions of two Proposition 1 funding areas (the Sacramento River and the San Joaquin River), RWA is submitting two applications to DWR. The first application for a single project in the San Joaquin River Funding Area is due on November 15, 2019. The second application is for ten projects in the Sacramento River Funding Area, with a due date of December 6, 2019. The table listing the combined projects of the two proposals was included in the packet.

Martha Guerrero exited the meeting.

One of the requirements of the application process is a resolution authorizing a designated representative to apply for funding and enter into a funding agreement, if awarded. Resolution 2019-11, which authorizes the Executive Director to act on RWA's behalf, was included in the packet. Staff requested the Board to consider adoption of Resolution 2019-11.

M/S/C Mr. Gray moved, with a second by Ms. Tobin, to adopt Resolution 2019-11 authorizing Submittal of a Proposal to the California Department of Water Resources for an Integrated Regional Water Management Implementation Grant and Execution of a Funding Agreement Upon Award. The motion carried by the unanimous voice vote of all directors present.

## **9. WATER MANAGEMENT OPTIONS PILOT**

Mr. Swartz reported that RWA successfully applied for funding assistance through the United States 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.

M/S/C Ms. Tobin moved, with a second by Ms. Roccucci, 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.

## **10. BAY DELTA VOLUNTARY AGREEMENT UPDATE**

Ms. Schmitz, ad hoc committee chair gave a brief update saying that Chair Paul Schubert appointed an ad hoc committee to address the RWA's role in the Bay Delta Water Quality Control Plan (WQCP) and the Voluntary Agreements (VA). The ad hoc committee's charge is to oversee the participation of RWA and the Executive Director in the ongoing negotiations and proceedings concerning the State Water Resources Control Board's (SWRCB) proposal to amend the WQCP. The ad hoc committee made recommendations to the RWA Board and Executive Committee for defining the RWA role and commitments of resources. The committee is working on a draft program agreement and a program description that they anticipate presenting to the Board in January.

The members of the ad hoc committee include Kerry Schmitz, (Chair), Marcus Yasutake, Anne Sanger, Sean Bigley, Dan York, Paul Helliker, Steve Nugent, Andy Fecko and Jim Abercrombie.

The ad hoc committee agreed that another update was timely for those who are not involved in the ongoing process. Andy Fecko, Director of Strategic Affairs for the Placer County Water Agency, made a presentation to the Board on the current status of the VAs. The SWRCB is in a process of updating the water policy standards for the Bay-Delta that has not been updated for many years. The VA committee is trying to figure out an alternative path to the unimpaired paradigm. Work began with other water purveyors in the state putting together an offer including agriculture interests. Upstream reservoir operators, PCWA, Forest Hill Public Utility District, Georgetown Public Utility District and EID together will work on reservoir reoperation transfers. A component is existing groundwater substitution capabilities where agencies who are on surface water can shift to groundwater in dry years, back the water into Folsom Lake and the Bureau would re-operate it as a pulse flow down into the Delta for the Delta Outflow piece. A component is essentially a payment from the State of California to develop new groundwater banking capabilities in the region. At this time, the SWRCB needs to accept the VA paradigm as a substitute for what their staff wants to do. In order to make that happen we have to provide an analysis. The State team includes DWR, the California Department of Fish and Wildlife and the SWRCB. The team will decide if what we have proposed is at least equivalent to what their staff proposal is. Over

the past year, there has not been a great deal of progress on the analysis. The statewide environmental community is pushing the SWRCB to accept a regulatory solution.

In addition to the water portfolio, each of the tributaries has a nonflow action such as habitat for fish and tributaries and the Delta. In coordination with the Bureau of Reclamation, we have committed to construct 50 acres of spawning habitat in the Lower American River over a 15-year term. The State has committed to 150 acres of fish rearing habitat in the Lower American River.

The goal is to avoid anything state led that decides what is best for our region diminishing our efforts while the Water Forum governance remains whole and stays intact.

## **11. FEDERAL AFFAIRS AD HOC COMMITTEE UPDATE**

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

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

Mr. Bigley recapped the five questions that Chair Schubert requested the committee address to present to the Executive Committee and the Board. Results of the member survey provided valuable information and gave insight into what RWA's potential role in federal affairs should be. A final draft memo has been circulated among the ad hoc committee members that cover what type of venue the committee recommends to the Executive Director and Board and what the participation should be at the federal level. A second recommendation is for a federal platform for RWA, with a document that is updated annually. There was discussion regarding RWA's potential leadership role in national and state associations that are involved in federal affairs and strengthening communication and collaboration within RWA as it pertains to federal affairs and evaluation of setting the stage for how RWA wants to move forward.

Chair Schubert provided direction to the ad hoc committee to develop a federal platform.

## **12. EXECUTIVE DIRECTOR'S REPORT**

**Grants Update** – Staff is currently managing five grant awards totaling \$28.6 million. During the past quarter, \$376,127 in reimbursements were received from the various grants.

**RWA Outreach** – Rob Swartz presented on the Water Bank to the Groundwater Resources Association of California’s Western Groundwater Congress on September 19<sup>th</sup> and to the City of Sacramento Water Committee on September 24<sup>th</sup>.

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 30<sup>th</sup>.

RWA staff participated on a regional congressional staff tour on October 8<sup>th</sup>. 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 11<sup>th</sup> 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 16<sup>th</sup>.

Jim Peifer gave a presentation on Groundwater Management to the Sacramento Local Agency Formation Commission on November 6<sup>th</sup>. Darrell Eck, Executive Director for the Sacramento Central Groundwater Authority, Linda Dorn, Sacramento County Water Agency and Dave Underwood were present for the presentation.

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

**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 requested comments on the proposed standards with a deadline of October 25<sup>th</sup>. The larger water supplier community and RWA have some significant concerns with the proposed standards and economic model. RWA submitted a comment letter on behalf of the region and signed on to a coalition comment letter (organized by CMUA) with 55 other water

suppliers throughout the state. Both letters are included in the Board packet. The State Board is expected to release an updated version of the economic model for further comment in the near future. The State Board is required to adopt water loss performance standards on or before July 1, 2020.

Amy Talbot was selected as the CA NV AWWA Water Loss Committee Chair at the CA NV AWWA Fall Conference in San Diego.

**Powerhouse Science Center** -- Staff met with Powerhouse Science Center and Water Office Exhibit Design staff to review preliminary design plans for RWA's two sponsored exhibits. The exhibits focus on teaching indoor and outdoor water efficiency practices and highlighting integrated partnerships and projects in the region. Exhibit design is expected to continue into early 2020, with exhibit production and installation continuing into early 2021. The Center is estimated to be open to public by in 2021.

**Other Post Employer Benefits (OPEB) Funding** – In preparation for the FY21 budget process, RWA staff has begun working with RWA's actuary, Catherine MacLeod, to provide an updated biennial calculation for future OPEB/retiree health obligations funding requirements. Based upon the July 2017 report, RWA's estimated OPEB funding status for June 30, 2019 was projected to be approximately 92% funded. RWA's favorable OPEB funding status is primarily due to RWA's large initial trust deposit into California Employers' Retiree Benefits Trust (CERBT) occurring at a depressed point in the market, favorable market returns due to then subsequent market recovery, and RWA's commitment to paying the annual determined contributions since 2009. Currently, RWA is invested in CalPERS CERBT Strategy 1, the most aggressive strategy.

On October 23, 2019, RWA staff requested direction from the Executive Committee (EC) regarding the assumptions that should be used in determining future funding requirements. These assumptions include exploring the financial impact if RWA moves its OPEB trust investments to a more conservative CalPERS investment strategy (either Strategy 2 or 3) using a customized discount rate from RWA's expected future cash flows combined with the stated CERBT discount rates for those strategies; a customized rate specific to RWA's future retiree health obligations keeping investments in Strategy 1, and potentially using a slightly lower rate in Strategy 1 customized rate. RWA has historically used a slightly lower discount rate with Strategy 1 to help mitigate the volatility of Strategy 1. As a general rule, the lower the discount rate, the higher the cash flow needed to fund the retiree benefits.

The Executive Committee concurred with staff's recommendation to direct the actuary to 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, staff will direct the actuary to determine the customized rate for funding Strategies 2 and 3 and the resulting cash flow and liability analysis for comparison to Strategy 1. All other remaining assumptions would stay the same as the previous actuarial report.

Staff plans to present the actuarial analysis findings during the January EC Board Meeting and then for approval by the full RWA Board during the FY21 budget process.

**Holiday Social Holiday Social** – The RWA/SGA Holiday Social is scheduled for December 12, 2018 at 6:00 p.m. at the North Ridge Country Club.

**Financial Documents** – The financial reports for the month ending September 30, 2019 were included in the packet.

### **13. DIRECTORS' COMMENTS**

Mr. Lundberg mentioned that SMUD had a meeting with RWA staff to discuss state legislative issues.

Mr. York said that Sacramento Suburban Water District held a public hearing for a proposed five-year rate increase. The rate increase was approved and will start January 2020.

Mr. Greenwood reported that Carmichael Water District continues their search for a general manager.

Mr. Smith said that PCWA went through three separate power supply planned shutdown (PSPS) events in October. The cost including diesel fuel to keep their plants in service during these events was substantial. They were without their primary source of water for several weeks beginning October 15<sup>th</sup>. This was challenging because their backup supply relies on pumps at the American River stations. PG&E supplied equipment to assist PCWA to run some of their pump stations during the time they were without power. City of Lincoln and City of Roseville assisted PCWA with portable generators. Einar Maisch has announced his retirement effective February 28<sup>th</sup>.

Ms. Tobin has been campaigning throughout California and attended a water meeting in Southern California that addressed fire preparedness and contingency plans that are being considered including fuel storage. There is a deadline established by PG&E to file loss claims for the power outages. Some agencies have contracts with PG&E indicating a no service interruption clause while they are dealing with costs associated with the power shut offs. She experienced a tour of Shasta Dam and the hydroelectric generation. The dam's four million-acre feet of water is feed strictly by rain water while they supply approximately 35% of all the power to California. For those planning to attend the ACWA Fall Conference, each agency is required to designate who will be representing their agency and voting in the ACWA elections.

Ms. Roccucci said that during the power outages City of Roseville worked closely with agencies in the region providing assistance.

Mr. Starkovich said that SMUD was asked to shut down some transmission lines during the recent PG&E power outages. SMUD has been meeting with different groups to determine how they can become more involved in partnerships in the region.

Chair Schubert said that agencies being as prepared as possible is vital with contingency plans in place. There is a significant impact on employees coming to work during power outages.

### **Adjournment**

With no further business to come before the RWA Board of Directors, Chair Schubert adjourned the meeting at 10:44 a.m.

By:

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Chairperson

Attest:

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Josette Reina-Luken, Board Secretary/Treasurer



**Regional Water Authority**  
BUILDING ALLIANCES IN NORTHERN CALIFORNIA

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RWA Board Meeting  
Final Minutes  
January 9, 2020

## 1. CALL TO ORDER

Chair Schubert called the meeting of the Board of Directors to order at 9:00 a.m. at the City of Roseville. Individuals in attendance are listed below:

### **RWA Board Members**

Ron Greenwood, Carmichael Water District  
Ray Riehle, Carmichael Water District  
Hilary Straus, Citrus Heights Water District  
Marcus Yasutake, City of Folsom  
Ray Leftwich, City of Lincoln  
Sean Bigley, City of Roseville  
Bruce Houdesheldt, City of Roseville  
Pauline Roccucci, City of Roseville (Alternate)  
Michelle Carrey, City of Sacramento  
John Lenahan, Del Paso Manor Water District  
Michael Raffety, El Dorado Irrigation District  
Tom Nelson, Elk Grove Water District  
Mark Madison, Elk Grove Water District  
Paul Schubert, Golden State Water Agency  
Jim Lemley, Orange Vale Water Company  
Joe Duran, Orange Vale Water Company  
Robert Dugan, Placer County Water Agency  
Brent Smith, Placer County Water Agency  
Christopher Gifford, Rio Linda/Elverta Community Water District  
Tim Shaw, Rio Linda/Elverta Community Water District  
Kerry Schmitz, Sacramento County Water Agency  
Dave Jones, Sacramento Suburban Water District  
Dan York, Sacramento Suburban Water District  
Paul Helliker, San Juan Water District  
Marty Hanneman, San Juan Water District

### **RWA Associate Members**

Brett Storey, Placer County; Ken Payne, El Dorado County Water Agency; Art Starkovich, Sacramento Municipal Utility District; and José Ramirez, Sacramento Regional County Sanitation District

**RWA Affiliate Members**

Charles Duncan, Jim Mulligan and Kelye McKinney, West Yost Associates; Alyssa Leidel, GEI Consultants; and Vanessa Nishikawa, Stantec

**Staff Members**

Jim Peifer, Ryan Ojakian, Josette Reina-Luken, Amy Talbot, Cecilia Partridge, Monica Garcia and Ryan Bezerra, Legal Counsel

**Others in Attendance:**

Ted Costa, David Gordon, Debra Sedwick, Mike Vasquez, Dave Beauchamp, Lynette Moreno, Ed Crouse, Kevin Kennedy, William Roberts, Pam Tobin

**2. PUBLIC COMMENT**

None.

**3. CONSENT CALENDAR**

- a. Adopt proposed RWA Board Meetings scheduled for 2020
- b. Direct Executive Director to contract with Rachio for a regional irrigation controller program
- c. Direct Executive Director to contract with IN Communications for both Water Efficiency and Public Relations Programs

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

**4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**

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

Mr. Peifer reported that at the December 11, 2019 Executive Committee meeting an item was tabled that was to be a Memorandum of Agreement for the Voluntary Agreement (VA) Assistance program. The proposed subscription program was intended to hire a consultant to assist in the development of the VAs and was being proposed by a number of agencies that are involved in VAs. A request was received from Andy Fecko with Placer County Water Agency that the RWA evaluate the potential for a staff person at the RWA to assist with that program. This will be discussed during the upcoming Strategic Plan workshop.

Mr. Houdesheldt entered the meeting.

## **5. RWA LEGISLATIVE AND REGULATORY POLICY PRINCIPLES**

Mr. Ojakian said that 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. The Policy Principles were intended to be regularly updated. RWA Policy 100.5 requires that they be updated at least once every three years.

Included in the Board packet for the Board's consideration was 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 document as the updated RWA Legislative and Regulatory Priority and Policy Issues.

It was suggested that on the second page of the document under Policy Principles that the language be changed to read "to promote and support the development regulations that enhance water supply reliability and protect groundwater resources." On page four of the document the heading "Protect Local Authority to Set Water Rates Appropriate for Accessible, Reliable Services" be changed to read "...Accessible and Reliable Services." In the first sentence on page four the word "extracted" be changed to "required". On page seven the fourth bullet under Policy Principles the word "requirements" be changed to "goals and objectives" and in the sixth bullet the word "local" deleted. The third bullet on page eight will be changed to "Support implementation of..."

M/S/C Mr. Helliker moved, with a second by Mr. Yasutake, to recommend RWA Board approval of the RWA Legislative and Regulatory Priority and Policy Issues with the suggested amendments. The motion carried by the unanimous voice vote of all directors present.

## **6. RWA FEDERAL PLATFORM**

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.

Mr. Peifer said that RWA has had increasing interactions with the federal government, such as federal acknowledgement of the Sacramento Regional Water Bank and the acquisition of grants and appropriations on behalf of RWA members. RWA has led the Metro Chamber's annual Cap-to-Cap program and is involved in the effort this year. Historically, position papers have been prepared on an ad hoc basis for Cap-to-Cap. This year, the position papers were being brought to the RWA Board for adoption. It would be beneficial to have the Federal Affairs Platform completed and submitted to the Metro Chamber in time to have the Metro Chamber Policy Committee adopt the position paper.

The purposes of the Federal Platform are to assist in further prioritizing the RWA resources on Federal advocacy efforts, 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. Mr. Peifer said that the papers at Cap-to-Cap provide a way to communicate the region's needs in seeking federal funds.

Mr. Peifer explained the Federal Platform was referred to the Regulatory and Advocacy Program committee, but acknowledged the process was rushed. The Federal Platform is intended to tie off the RWA Legislative and Regulatory Priority and Policy Principles.

Mr. Peifer explained that Anne Sanger, an RWA alternate representative from City of Sacramento, wrote the first draft of the platform using her considerable congressional office knowledge and experience. The thinking was that Ms. Sanger had experience in knowing how congressional offices take in information and she would be ideal in initiating the document.

Mr. Shaw expressed concerns over the adoption of the Platform. Chair Schubert noted that the document can be amended and refined at a later date if needed.

Mr. Bigley, Chair of the ad hoc committee said that in terms of prioritizing RWA staff time and focus this type of document is not only beneficial for RWA, but for the region in clarifying what is our regional perspective. Currently, we do not have anything that defines that. A document like this helps find clarity in terms of what our shared regional perspective is, which is helpful for member agencies. The platform will help bring consistency in the region.

Mr. Dugan said that this is not a new concept and RWA has discussed this every year for several years. The platform helps define issues and policies with RWA being the voice for the region on water issues. In the years that RWA did not engage, others organizations filled the void and that became problematic. Getting the entire business community to listen to the RWA as the voice is a major tool to

advance our collective interests. Mr. Dugan indicated that everything in the platform is consistent with the policy adoption.

Mr. Madison suggested that an update on Federal Affairs should be given to the RWA Board every four months.

Chair Schubert recommended that any comments be sent to the ad hoc committee prior to their meeting on January 14, 2020, those comments will be incorporated into a final draft to be submitted to the Executive Committee at their January meeting. The final approved draft will be sent to the full RWA Board for final approval.

M/S/C Mr. Dugan moved, with a second by Mr. Yasutake, to approve of the RWA Federal Platform in concept, subject to possible amendments at the January Executive Committee meeting, with final approval at the March RWA Board meeting. The motion carried by the unanimous voice vote of all directors present.

## **7. ELECT 2020 RWA EXECUTIVE COMMITTEE**

A copy of the procedures for selection of the Executive Committee of the Board of Directors was included in the packet. The election process involves multiple rounds of balloting to achieve a total of nine members.

Mr. Bezerra, RWA legal counsel, gave a brief overview of the election process. Chair Schubert appointed Ryan Bezerra and Josette Reina-Luken to act as the Election Committee. Each candidate was allowed two minutes to make a statement, if they desired. Hard copies of all final ballots will be kept in the RWA office for anyone who wishes to review them.

Pursuant to the RWA Policy 200.3, the Board of Directors elected the following members to the 2020 Executive Committee:

- Ron Greenwood, Carmichael Water District
- Marcus Yasutake, City of Folsom
- Michelle Carrey, City of Sacramento
- Paul Schubert, Golden State Water Company
- Brent Smith, Placer County Water Agency
- Kerry Schmitz, Sacramento County Water Agency
- Dan York, Sacramento Suburban Water District
- Marty Hanneman, San Juan Water District
- Sean Bigley, City of Roseville

M/S/C Mr. Hanneman moved, with a second by Mr. Dugan, to approve the election of the Executive Committee. The motion carried by the unanimous voice vote of all directors present.

## 8. ELECT 2020 RWA CHAIR AND VICE-CHAIR

Pursuant to RWA Policy 200.3, the Board of Directors elected the Chair and Vice-Chair from the membership of the Executive Committee.

Kerry Schmitz was elected as the 2020 Chair.

Sean Bigley was elected as 2020 Vice-Chair.

M/S/C Mr. Greenwood moved, with a second by Mr. Dugan, to approve the election of Kerry Schmitz as Executive Committee Chair. The motion carried by the unanimous voice vote of all directors present.

M/S/C Mr. Schubert moved, with a second by Mr. York, to approve the election of the Sean Bigley as Executive Committee Vice Chair. The motion carried by the unanimous voice vote of all directors present.

## 9. EXECUTIVE DIRECTOR'S REPORT

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

**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 was attached.

Mr. Peifer announced 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 was attached.

**Office Flooding** - On the evening of December 26<sup>th</sup>, 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 6<sup>th</sup> 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 and 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.

**RWA Outreach** – Mr. Peifer and Mr. Ojakian attended the fall ACWA Conference in San Diego from December 3<sup>rd</sup> to December 5<sup>th</sup>. 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 11<sup>th</sup>. Mr. Peifer was asked to present on the current relationship between the Regional Water Authority and Sacramento Groundwater Authority.

**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 as Friday, February 21, 2020 and Friday, March 27, 2020. A questionnaire will be emailed to members around January 10<sup>th</sup>. Responses to the questionnaire are requested by January 24<sup>th</sup>.

**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. The updated pay scales will be included in the March Board packet and will be posted at [www.rwah2o.org](http://www.rwah2o.org) to comply with CalPERS requirements.

## 10. DIRECTORS' COMMENTS

Mr. Nelson expressed concern over the formation of a group of general managers, but not the full board. Mr. Peifer said that there is a proposal to form a group of general managers to help with regional communication within the group. The proposal was being reviewed for consistency and compliance with the Brown Act. It was noted that it would be problematic if the general managers, who could make up a quorum of the board, made decisions on behalf of the RWA Board.

Mr. Madison asked that the general managers meeting be agendaized for discussion at the next RWA Board meeting. Mr. Peifer explained this would occur during the strategic planning process.

Mr. Hanneman thanked everyone for the opportunity to serve on the Executive Committee. He thanked Ms. Tobin for her many years of service on the Executive Committee and congratulated her on her successful election as ACWA Vice Chair.

Ms. Tobin thanked everyone for their support while she was campaigning for the ACWA Vice Chair position. She also thanked Chair Schubert for serving as 2019 RWA Chair and Mr. Peifer for stepping in and stepping up as Executive Director.

Mr. Helliker said that this month comments are due on the state's proposed regulations on monthly conservation reporting.

Mr. Bigley thanked everyone for their confidence in voting him on the Executive Committee and electing him as the Vice Chair.

Mr. Houdesheldt welcomed everyone to City of Roseville. He said that this is going to be a dynamic year of accomplishments for the RWA.

Ms. Roccucci said that the changes RWA is making on a state and federal level are necessary to keep up with changing times.

Ms. Schmitz thanked everyone for electing her as the 2020 RWA Executive Committee Chair. She commented that Chair Schubert has done a fantastic job as the 2019 Chair.

Mr. Brent announced that Einar Maisch is retiring the end of February. Andy Fecko will be the next General Manager for Placer County Water Agency.

Ms. Carrey said she is looking forward to 2020 and working on the Executive Committee again.

Mr. York said that Chair Schubert did a great job in 2019.

Mr. Greenwood said he agreed with everything that has been said. Carmichael Water District is in the process of interviewing for the general manager position.

Chair Schubert said that on January 21<sup>st</sup> there will be a retirement celebration for Steve Nugent at the Porchlight Brewery from 4:30 to 7:00 p.m. He thanked Ms. Tobin for her long service to RWA and the Executive Committee.

### **Adjournment**

With no further business to come before the Board, Chair Schubert adjourned the meeting at 11:04 a.m.

By:

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Chairperson

Attest:

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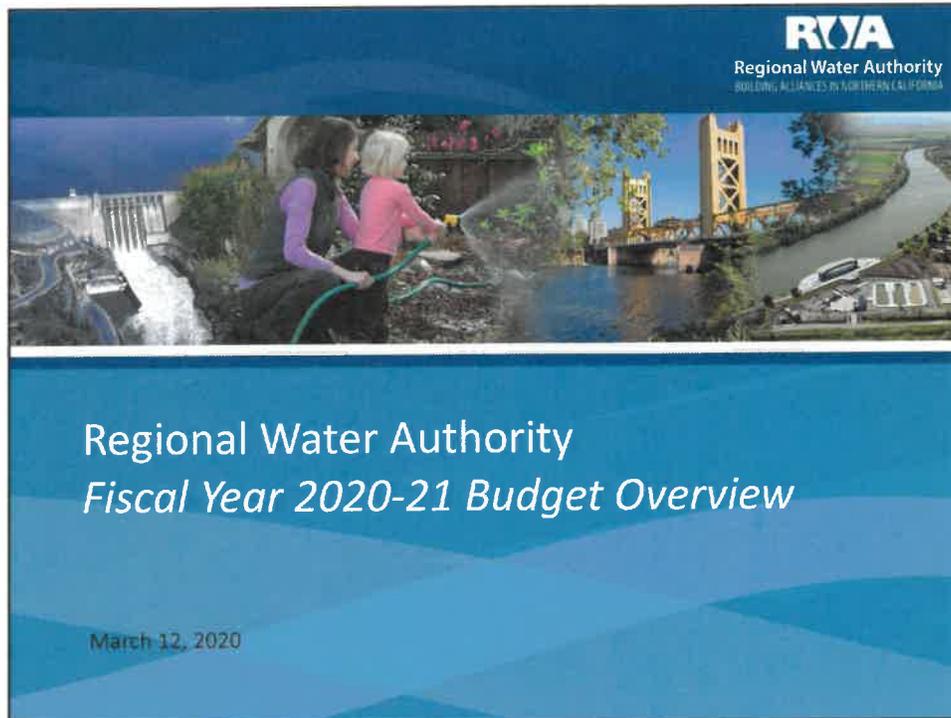
Josette Reina-Luken, Board Secretary / Treasurer

## **AGENDA ITEM 4: FISCAL YEAR 2020-2021 BUDGET DEVELOPMENT OVERVIEW**

### **BACKGROUND:**

Staff is beginning preparation of the 2020-21 RWA budget. The presentation will go over some of the budget highlights, policies and assumptions. A copy of the presentation, Fiscal Year 2019-2020 budget, and RWA Policy 500.1 are attached for reference.

Presentation: Josette Reina-Luken, Financial and Administrative Services Manager



1

## Overview

- Benefits of RWA Membership
- Membership & Dues
- Significant Historical Assumptions
- Budget Designations
- Budget Projections
- Budget Drivers for the FY21 Budget
  - Unfunded Pension Plan Funding
  - Strategic Plan Implementation & Outcomes
- Budget Savings for the FY21 Budget
- Timeline



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## Benefits of RWA Membership

- Forum for Regional Collaboration on Water Policy and Projects
- Venue for Information Sharing
- Regional Voice/Presence on Statewide Issues
- Legislative/Regulatory Representation
- Facilitate Regional Planning
- Regional Implementation of Projects and Programs
  - Collaborative savings (chemicals, labor compliance)
  - Successful model for grant funding



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## Membership & Dues

**RWA MEMBERSHIP – 21 Members**

- Dues are based on number of retail connections
- FY19 budget projected 15% increase for FY20
- FY20 budget increased dues by 5%
- FY21, FY22 and FY23 projected dues increase at 18%, 17% and 15%, respectively
  - Delayed increase may result in higher increases in out years

**ASSOCIATE MEMBERSHIP – 5 Members**

- No voting
- Associates pay annual fee equal to .1% of their annual operating budget rounded up to the next even thousand (maximum being \$13,802 in FY20)
- FY20 Associate Dues – 3% increase

**AFFILIATE MEMBERSHIP – 10 Members**

- FY20 Affiliate Dues - \$750



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## Significant Historical Assumptions

- SGA shares 50% in common office/admin costs
  - Administrative and Management Service Agreement Policy 100.2
  - Expenses are RWA only to RWA; SGA only to SGA
  - SGA pays its own PERS
- Administrative 4.8 FTEs for RWA (of 7)
  - Compensation Policy 400.2
  - Salaries within range of salary survey plus potential for COLA (2%) and merit (4%)
  - Staff pays the full 7% employee share of their pension contributions.
- Approving budget does not approve subscription-based programs
  - Subscription programs support RWA core costs – 10%
- Assumes no change in membership



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## Budget Designations

- Financial Commitment and Assignment Policy 500.1 – Framework for operating fund and other additional commitments (“designation”)
  - Operating fund – 4 to 6 month
  - Membership Dues Stabilization – 15%
  - Subscription Program Stabilization – 10%
  - Powerhouse Science Center – \$200k remaining
  - Some designations were moved to expense budget in FY20 (office move, **strategic plan**, pension plan, etc.)
  - Other additional funds – special projects, sponsorships, etc.
  - Non-designated Cash



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## Budget Projections

Budget Result	FY20	FY21
Core Program	(\$156,800)	(\$142,300)
Subscription Program	\$89,900	\$117,165
Combined Total	(\$66,900)	(\$25,135)

FY20 Core Budget deficit was offset mostly by depletion of the **Strategic Plan Fund (\$50k)** and Non-designated cash (\$98k).

FY21 Core Budget deficit is to be offset by reduction of Operating Fund designation 4.5 months or higher increase in dues (already at 18%).



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## Budget Drivers

FY21 Budget Drivers:

- Lobbying Program is fully funded from core dues – planned **\$50,000** increase
- Continue shifting 10% per year of WEP staffing and office costs to RWA core program – capped at 50% in FY21 and going forward
- Computer equipment replacements – advance \$15,000 from FY22 budget for server (est. \$20k)
- Pension Liability Increase
- Potential OPEB Trust Contribution Changes
- Strategic Plan Implementation and Outcomes



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## Unfunded Pension Plan Funding

- Budget follows Policy 500.15
- CalPERS 7.26.18 letter estimates 6.30.19 balance at \$58,000 (after FY19 \$63K payment)
- Resulted in an Approved Budget of \$15,000 per year over the next four years – paid in full by end of FY23

October 2019 Revised CalPERS estimate in:

- FY19 balance is \$125,318 (before FY20 \$15k payment)
- Increase is due to change in CalPERS methodology, change in discount rate projections, and updated mortality studies
- \$110,318 remaining balance is now split amongst remaining three years at \$36,773 – increase of approx. \$22,000 per year until end of FY23
- Ensures adherence to Policy 500.15



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## Strategic Plan Implementation & Outcomes

- Strategic Plan Workshop 2
  - March 27<sup>th</sup> – funding objectives
- Possible Opportunities for Increasing Revenues
  - Revenue Generating Programs
  - Grants/Special Revenues
  - New Members
- Possible Outcomes for Increasing Expenditures
  - Additional Programs (Core/Subscription)
  - Additional Staff and/or Consultant Costs



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## Budget Savings

FY21 Potential Budget Savings:

- Staffing cost savings
- Advancement of Strategic Plan Expense
- RFP/RFQ for Professional/Consultant Services
- Insurance Reimbursement



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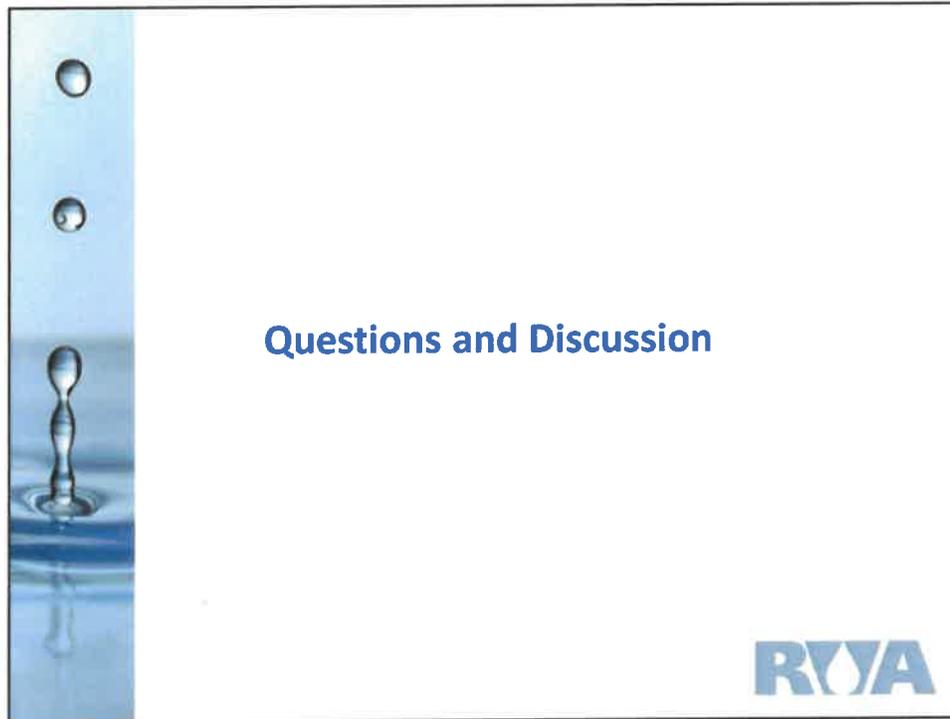
## Timeline

Date	Action
March 25, 2020	Exec. Comm. Budget Workshop
April 22, 2020	Draft budget to the EC
May 14, 2020	Draft budget to RWA Board for possible adoption
May 27, 2020	Budget back to EC if not adopted
Special Meeting – in June*	Budget to RWA Board for adoption

\* Budget Policy 500.11 – approve a budget within 90 days of July 1



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**2019 - 2020 FYE Budget Summary**

**Projected Fee Increase**

**5.00%**

**Summary Core only program - includes WEP staffing**

**See Budget Notes for Budget assumptions**

	Actual FY18	Budget FY19	Projected FY19	Proposed FY20	Comments
<b>Revenues</b>					
Dues	\$ 922,713	\$ 959,000	\$ 959,400	\$ 1,006,100	Increase to cover strategic plan staffing costs
SGA Service Fee	\$ 474,542	\$ 624,800	\$ 550,000	\$ 592,300	Based upon shared costs.
Subscription Programs					
WEP (C)	\$ 204,357	\$ 162,300	\$ 148,300	\$ 136,400	Cost reimbursement fees from WEP subscription program
Other (C)	\$ 75,319	\$ 88,600	\$ 48,310	\$ 57,500	Cost reimbursement fees from other subscription programs
Powerhouse Science Center - Members	\$ 58,994	\$ 60,000	\$ 68,800	\$ -	Powerhouse Science Center - Member payment
IRWM	\$ 43,483	\$ 60,000	\$ 16,500	\$ -	IRWM is part of the CORE Program
Other	\$ 57,912	\$ 27,600	\$ 40,900	\$ 38,700	Interest, holiday social revenues, storm water
<b>Total Revenues</b>	<b>\$ 1,837,320</b>	<b>\$ 1,982,300</b>	<b>\$ 1,832,210</b>	<b>\$ 1,831,000</b>	
<b>Expenses</b>					
Staff	\$ 1,203,936	\$ 1,429,200	\$ 1,365,200	\$ 1,416,600	Includes 7 FTEs and CalPERS payment for unfunded liability in out years
Office	\$ 111,941	\$ 139,300	\$ 141,100	\$ 147,400	General 3% cost increases assumed unless specifically identified increase
Professional Fees	\$ 208,157	\$ 333,100	\$ 329,300	\$ 370,300	Audit, actuarial, PR, accounting, legal, IRWM, human resources, water advocacy
Core Project Expenses	\$ 154,800	\$ 45,000	\$ 33,900	\$ 38,500	Powerhouse payment and reimbursements in FY20. FY18 includes IRWM costs
Other	\$ 6,539	\$ 2,800	\$ 4,700	\$ 15,000	Office Furniture
<b>Total Expenses</b>	<b>\$ 1,685,373</b>	<b>\$ 1,949,400</b>	<b>\$ 1,874,200</b>	<b>\$ 1,987,800</b>	
<b>Core Revenue less Expenses (A)</b>	<b>\$ 151,947</b>	<b>\$ 32,900</b>	<b>\$ (41,990)</b>	<b>\$ (156,800)</b>	Excludes Subscription programs. Positive result = core revenues <
<b>Transfer to Regional Reliability</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	FY18 Budget IRWM to be used for regional reliability in FY19
<b>Total Source (Use) of Funds</b>	<b>\$ 151,947</b>	<b>\$ 32,900</b>	<b>\$ (41,990)</b>	<b>\$ (156,800)</b>	expenses; negative amount = expenses > revenues
<b>Cash, beginning</b>	<b>\$ 1,087,550</b>	<b>\$ 1,131,949</b>	<b>\$ 1,239,497</b>	<b>\$ 1,197,507</b>	
Source (Use) of Funds (A)	\$ 151,947	\$ 32,900	\$ (41,990)	\$ (156,800)	
Net change	\$ 151,947	\$ 32,900	\$ (41,990)	\$ (156,800)	
<b>Cash, ending</b>	<b>\$ 1,239,497</b>	<b>\$ 1,164,849</b>	<b>\$ 1,197,507</b>	<b>\$ 1,040,707</b>	
<b>DESIGNATIONS</b>					<b>Increase (decrease)</b>
					<b>in Cash</b>
Designations					
Operating Fund	\$ 628,100	\$ 671,000	\$ 672,700	\$ 708,100	\$ 35,400
Membership Dues Fund	\$ 137,200	\$ 142,700	\$ 142,700	\$ 149,700	\$ 7,000
Subscription Program Stabilization	\$ 25,400	\$ 25,100	\$ 19,700	\$ 19,400	\$ (300)
Pension Plan Unfunded Liability	\$ 45,000	\$ -	\$ -	\$ -	\$ -
Powerhouse Science Center	\$ 155,753	\$ 190,759	\$ 199,553	\$ 161,053	\$ (38,500)
Strategic Plan Fund	\$ 109,748	\$ 90,648	\$ 49,748	\$ -	\$ (49,748)
Office Move	\$ 14,000	\$ 14,000	\$ 12,100	\$ -	\$ (12,100)
Non-designated cash	\$ 124,296	\$ 30,642	\$ 101,006	\$ 2,454	\$ (98,552)
<b>Subtotal core cash</b>	<b>\$ 1,239,497</b>	<b>\$ 1,164,849</b>	<b>\$ 1,197,507</b>	<b>\$ 1,040,707</b>	<b>\$ (156,800)</b>



**2019 - 2020 FYE Budget Summary**  
**Summary Program only**  
**See Program Notes for Budget Assumptions**

<b>Subscription Programs</b>		Actual FY18	Budget FY19	Projected FY19	Proposed FY20	
Revenues		\$ 5,461,395	\$ 7,358,600	\$ 5,624,415	\$ 4,405,400	Prop 84, IRWMP, Regional Reliability, Drought, Aquifer Storage, 2018 CalFED Meter Grant & WEP
Expenses - Direct Program		\$ 5,152,407	\$ 7,390,400	\$ 5,604,480	\$ 4,121,600	Prop 84, IRWMP, Regional Reliability, Drought, Aquifer Storage, 2018 CalFED Meter Grant & WEP
WEP Expenses - Allocated Program	(C)	\$ 204,357	\$ 162,300	\$ 148,300	\$ 136,400	Staffing and office costs allocated to subscription programs - WEP
Other Expenses - Allocated Program	(C)	\$ 75,319	\$ 88,600	\$ 48,310	\$ 57,500	Staffing and office costs allocated to other subscription programs
		\$ 5,432,083	\$ 7,641,300	\$ 5,801,090	\$ 4,315,500	
Net subscription income (loss)	(D)	\$ 229,312	\$ (282,700)	\$ (176,675)	\$ 89,900	
<b>Cash, beginning</b>		\$ 1,239,173	\$ 908,773	\$ 884,747	\$ 708,072	
Source (Use) of Funds		\$ 29,312	\$ (282,700)	\$ (176,675)	\$ 89,900	
Advance adjustments		\$ (383,738)	\$ -	\$ -	\$ -	Adjusting for cash used versus accrual accounting of costs
<b>Cash, ending</b>		\$ 884,747	\$ 626,073	\$ 708,072	\$ 797,972	
						Increase (decrease) in Cash (FY19 to FY20)
<b>Restrictions and advances</b>						
2015 IRWM Grant (P84 Round 3)		\$ 17,964	\$ 40,049	\$ 23,464	\$ 33,504	\$ 10,040
2015 IRWM Grant (WEP R3)		\$ 6,272	\$ 7,263	\$ 1,172	\$ -	\$ (1,172)
2018 Calfed Meter Mgmt Fees (WEP)		\$ -	\$ -	\$ 9,365	\$ -	\$ (9,365)
Prop 50 Grant Management		\$ 8,593	\$ 7,415	\$ 793	\$ 790	\$ (3)
Prop 84 Grant Management		\$ 68,478	\$ 38,572	\$ 54,628	\$ 40,848	\$ (13,780)
ARB Study		\$ 376	\$ -	\$ -	\$ -	\$ -
2014 Drought Management		\$ 29,482	\$ 17,699	\$ 29,972	\$ 22,252	\$ (7,720)
Water Energy Grant		\$ 200,000	\$ 3,400	\$ -	\$ -	\$ -
Regional Reliability		\$ 54,500	\$ 43	\$ 66	\$ 66	\$ -
Government Relations Contract Lobbyist		\$ 86,806	\$ 6	\$ 26,806	\$ 26,806	\$ -
SRCS D		\$ -	\$ (2,475)	\$ 3,200	\$ 2,200	\$ (1,000)
Landscape Imagery		\$ (31,327)	\$ -	\$ 3	\$ 3	\$ -
Water Efficiency Program - Cat 1		\$ 571,860	\$ 662,872	\$ 687,460	\$ 800,360	\$ 112,900
Water Efficiency Program - Cat 2		\$ (128,257)	\$ (148,771)	\$ (128,857)	\$ (128,857)	\$ -
		\$ 884,747	\$ 626,073	\$ 708,072	\$ 797,972	\$ 89,900

Reconcile Summary Split to Summary Table		Projected FY19	Proposed FY20	
Core Program Income (Loss)	(A)	\$ (41,990)	(A) \$ (156,800)	
Subscription Program Income (loss)	(B)	\$ (176,675)	(B) \$ 89,900	
<b>RWA Total</b>	(D)	\$ (218,665)	(D) \$ (66,900)	See Summary Combined Table

% increase in fees: actual & projected FY20 general		4.00%		5.00%		18.00%	17.00%	15.00%	10.00%			
% increase in fees: actual & projected FY19		10.00%		15.00%		22.00%	8.00%	5.00%				
% increase in expenses		3.00%		3.00%		3.00%	3.00%	3.00%	3.00%			
Total FTE	7	7		7		7	7	7	7			
RWA FTE	4.8	4.8		4.8		4.8	4.8	4.8	4.8			
<b>RWA PROPOSED FY' 2019-2020 BUDGET PROJECTION</b>						<b>5-Year Projection</b>						
	<b>RWA FY 18 Actual Per Audit</b>	<b>RWA FY 19 Budget</b>	<b>RWA FY 19 Actual at Dec. 2018</b>	<b>RWA Total FY 19 Projected</b>		<b>RWA FY 20 Budget</b>	<b>Notes</b>		<b>RWA Projected FY 21</b>	<b>RWA Projected FY 22</b>	<b>RWA Projected FY 23</b>	<b>RWA Projected FY 24</b>
<b>ANNUAL REVENUES</b>												
<b>OPERATING REVENUES</b>												
General Assessments/Fees	\$ 863,538	\$ 897,800	\$ 897,831	\$ 897,800		\$ 943,300	1		\$ 1,113,100	\$ 1,302,300	\$ 1,497,600	\$ 1,647,400
Associate Membership Fee	\$ 51,300	\$ 53,300	\$ 53,300	\$ 53,300		\$ 54,900	2		\$ 56,500	\$ 58,200	\$ 59,900	\$ 61,700
Affiliate Membership Fee	\$ 7,875	\$ 7,900	\$ 8,250	\$ 8,300		\$ 7,900	3		\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900
SGA Service Agreement Fee	\$ 474,542	\$ 624,800	\$ 264,933	\$ 550,000		\$ 592,300	4		\$ 615,000	\$ 657,200	\$ 687,800	\$ 716,800
Storm Water	\$ 9,932	\$ -	\$ -	\$ -		\$ -	5		\$ -	\$ -	\$ -	\$ -
WEP Subscription Program	\$ 204,357	\$ 162,300	\$ 70,012	\$ 148,300		\$ 136,400	6		\$ 122,100	\$ 127,200	\$ 131,800	\$ 137,400
Subscription Program - other	\$ 75,319	\$ 88,600	\$ 25,840	\$ 48,310		\$ 57,500	6		\$ 19,500	\$ 2,400	\$ 2,400	\$ 2,400
Powerhouse Science Center - Members	\$ 58,994	\$ 60,000	\$ 68,764	\$ 68,800		\$ -	7		\$ -	\$ -	\$ -	\$ -
IRWM	\$ 43,483	\$ 60,000		\$ 16,500		\$ -	42		\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues	\$ 15,541	\$ 8,000	\$ 6,029	\$ 7,100		\$ 8,000	8		\$ 8,200	\$ 8,400	\$ 8,700	\$ 9,000
Interest Income	\$ 32,439	\$ 19,600	\$ 22,010	\$ 33,800		\$ 30,700	9		\$ 23,800	\$ 18,600	\$ 14,000	\$ 10,100
<b>TOTAL REVENUE</b>	<b>\$ 1,837,320</b>	<b>\$ 1,982,300</b>	<b>\$ 1,416,969</b>	<b>\$ 1,832,210</b>		<b>\$ 1,831,000</b>			<b>\$ 1,966,100</b>	<b>\$ 2,182,200</b>	<b>\$ 2,410,100</b>	<b>\$ 2,592,700</b>
<b>STAFF EXPENSES (General):</b>												
Staff Salaries/Wages - 100%	\$ 834,823	\$ 922,300	\$ 379,266	\$ 907,800		\$ 974,000	10		\$ 1,011,000	\$ 1,071,200	\$ 1,135,000	\$ 1,202,700
Benefits	\$ 247,611	\$ 333,100	\$ 161,414	\$ 293,800		\$ 312,700	11		\$ 381,700	\$ 409,700	\$ 434,900	\$ 459,000
Pension Plan Unfunded Liability	\$ 42,000	\$ 63,000	\$ 63,000	\$ 63,000		\$ 15,000	12		\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Payroll Taxes	\$ 58,115	\$ 73,800	\$ 19,998	\$ 72,600		\$ 77,900	13		\$ 80,900	\$ 85,700	\$ 90,800	\$ 96,200
Travel/Meals/Conferences	\$ 17,392	\$ 30,000	\$ 7,490	\$ 25,000		\$ 30,000	14		\$ 30,900	\$ 31,800	\$ 32,800	\$ 33,800
Professional Development/Training	\$ 3,995	\$ 7,000	\$ 100	\$ 3,000		\$ 7,000	15		\$ 7,200	\$ 7,400	\$ 7,600	\$ 7,800
<b>TOTAL GENERAL STAFF EXPENSES</b>	<b>\$ 1,203,936</b>	<b>\$ 1,429,200</b>	<b>\$ 631,268</b>	<b>\$ 1,365,200</b>		<b>\$ 1,416,600</b>			<b>\$ 1,526,700</b>	<b>\$ 1,620,800</b>	<b>\$ 1,716,100</b>	<b>\$ 1,799,500</b>

% increase in fees: actual & projected FY20 general		4.00%		5.00%		18.00%	17.00%	15.00%	10.00%
% increase in fees: actual & projected FY19		10.00%		15.00%		22.00%	8.00%	5.00%	
% increase in expenses		3.00%		3.00%		3.00%	3.00%	3.00%	3.00%
Total FTE	7	7		7		7	7	7	7
RWA FTE	4.8	4.8		4.8		4.8	4.8	4.8	4.8
<b>RWA PROPOSED FY' 2019-2020 BUDGET PROJECTION</b>						<b>5-Year Projection</b>			

	RWA FY 18 Actual Per Audit	RWA FY 19 Budget	RWA FY 19 Actual at Dec. 2018	RWA Total FY 19 Projected		RWA FY 20 Budget	Notes		RWA Projected FY 21	RWA Projected FY 22	RWA Projected FY 23	RWA Projected FY 24
<b>OFFICE EXPENSES:</b>												
Rent & Utilities Contract	\$ 19,497	\$ 32,300	\$ 15,555	\$ 32,300		\$ 32,300	16		\$ 35,600	\$ 35,600	\$ 35,600	\$ 35,600
General Liability Insurance	\$ 25,854	\$ 26,500	\$ 27,887	\$ 28,200		\$ 29,000	17		\$ 29,900	\$ 30,800	\$ 31,700	\$ 32,700
Office Maintenance	\$ 650	\$ 500	\$ -	\$ 500		\$ 600	18		\$ 700	\$ 800	\$ 900	\$ 1,000
Postage and Postal Meter	\$ 2,704	\$ 3,000	\$ 2,084	\$ 2,800		\$ 2,900	19		\$ 3,000	\$ 3,100	\$ 3,200	\$ 3,300
Telephone/internet/web hosting	\$ 12,085	\$ 12,700	\$ 4,911	\$ 12,500		\$ 12,900	20		\$ 13,300	\$ 13,700	\$ 14,100	\$ 14,500
Meetings & Annual Banquet	\$ 12,816	\$ 15,500	\$ 9,208	\$ 13,000		\$ 13,400	21		\$ 13,800	\$ 14,200	\$ 14,600	\$ 15,000
Printing/Supplies	\$ 15,063	\$ 20,600	\$ 6,895	\$ 20,600		\$ 21,200	22		\$ 21,800	\$ 22,500	\$ 23,200	\$ 23,900
Dues & Subscriptions	\$ 8,655	\$ 11,300	\$ 3,701	\$ 11,300		\$ 11,600	23		\$ 11,900	\$ 12,300	\$ 12,700	\$ 13,100
Computer hardware/software	\$ 485	\$ 5,600	\$ 198	\$ 5,400		\$ 5,600	24		\$ 5,800	\$ 6,000	\$ 6,200	\$ 6,400
Computer maintenance	\$ 14,132	\$ 11,300	\$ 5,384	\$ 14,500		\$ 17,900	25		\$ 18,400	\$ 19,000	\$ 19,600	\$ 20,200
<b>TOTAL OFFICE EXPENSE</b>	<b>\$ 111,941</b>	<b>\$ 139,300</b>	<b>\$ 75,823</b>	<b>\$ 141,100</b>		<b>\$ 147,400</b>			<b>\$ 154,200</b>	<b>\$ 158,000</b>	<b>\$ 161,800</b>	<b>\$ 165,700</b>
<b>PROFESSIONAL FEES</b>												
RWA Legal	\$ 50,589	\$ 68,300	\$ 21,518	\$ 50,000		\$ 52,500	26		\$ 55,100	\$ 57,900	\$ 60,800	\$ 63,800
RWA/SGA Audit	\$ 21,170	\$ 32,000	\$ 25,900	\$ 26,900		\$ 27,500	27		\$ 28,100	\$ 28,700	\$ 29,300	\$ 30,200
ADP Payroll Services/banking	\$ 2,246	\$ 2,700	\$ 1,861	\$ 2,600		\$ 2,700	28		\$ 2,800	\$ 2,900	\$ 3,000	\$ 3,100
RWA Consultants	\$ 134,152	\$ 230,100	\$ 41,748	\$ 249,800		\$ 287,600	29		\$ 313,500	\$ 307,200	\$ 327,300	\$ 326,700
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 208,157</b>	<b>\$ 333,100</b>	<b>\$ 91,027</b>	<b>\$ 329,300</b>		<b>\$ 370,300</b>			<b>\$ 399,500</b>	<b>\$ 396,700</b>	<b>\$ 420,400</b>	<b>\$ 423,800</b>
<b>OTHER EXPENSES</b>												
Office furniture & Fixed Assets - Net	\$ 789	\$ 2,800	\$ -	\$ 2,800		\$ 2,900	30		\$ 3,000	\$ 3,100	\$ 3,200	\$ 3,300
Office Move	\$ 5,750	\$ -	\$ -	\$ 1,900		\$ 12,100	30		\$ -	\$ -	\$ -	\$ -
New Server	\$ -	\$ -	\$ -	\$ -		\$ -	30		\$ -	\$ 15,000	\$ -	\$ -
<b>TOTAL Other Expenses</b>	<b>\$ 6,539</b>	<b>\$ 2,800</b>	<b>\$ -</b>	<b>\$ 4,700</b>		<b>\$ 15,000</b>			<b>\$ 3,000</b>	<b>\$ 18,100</b>	<b>\$ 3,200</b>	<b>\$ 3,300</b>
<b>CORE PROJECT EXPENSES</b>												
IRWM	\$ 104,800	\$ 20,000	\$ 8,899	\$ 8,900		\$ -	42		\$ -	\$ -	\$ -	\$ -
Powerhouse Science Center	\$ 50,000	\$ 25,000	\$ -	\$ 25,000		\$ 38,500	31		\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
<b>Total Core Project Expenses</b>	<b>\$ 154,800</b>	<b>\$ 45,000</b>	<b>\$ 8,899</b>	<b>\$ 33,900</b>		<b>\$ 38,500</b>			<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,685,373</b>	<b>\$ 1,949,400</b>	<b>\$ 807,017</b>	<b>\$ 1,874,200</b>		<b>\$ 1,987,800</b>	32		<b>\$ 2,108,400</b>	<b>\$ 2,218,600</b>	<b>\$ 2,326,500</b>	<b>\$ 2,417,300</b>
<b>Net Income (Loss) - Total</b>	<b>\$ 151,947</b>	<b>\$ 32,900</b>	<b>\$ 609,952</b>	<b>\$ (41,990)</b>		<b>\$ (156,800)</b>	33		<b>\$ (142,300)</b>	<b>\$ (36,400)</b>	<b>\$ 83,600</b>	<b>\$ 175,400</b>

<b>% increase in fees: actual &amp; projected FY20 general</b>		4.00%		5.00%		18.00%	17.00%	15.00%	10.00%			
% increase in fees: actual & projected FY19		10.00%		15.00%		22.00%	8.00%	5.00%				
% increase in expenses		3.00%		3.00%		3.00%	3.00%	3.00%	3.00%			
<b>Total FTE</b>	7	7		7		7	7	7	7			
<b>RWA FTE</b>	4.8	4.8		4.8		4.8	4.8	4.8	4.8			
<b>RWA PROPOSED FY' 2019-2020 BUDGET PROJECTION</b>					<b>5-Year Projection</b>							
	<b>RWA FY 18 Actual Per Audit</b>	<b>RWA FY 19 Budget</b>	<b>RWA FY 19 Actual at Dec. 2018</b>	<b>RWA Total FY 19 Projected</b>		<b>RWA FY 20 Budget</b>	<b>Notes</b>		<b>RWA Projected FY 21</b>	<b>RWA Projected FY 22</b>	<b>RWA Projected FY 23</b>	<b>RWA Projected FY 24</b>
<b>Total source (used) funds</b>	\$ 151,947	\$ 32,900	\$ 609,952	\$ (41,990)		\$ (156,800)	33		\$ (142,300)	\$ (36,400)	\$ 83,600	\$ 175,400

% increase in fees: actual & projected FY20 general		4.00%		5.00%		18.00%	17.00%	15.00%	10.00%
% increase in fees: actual & projected FY19		10.00%		15.00%		22.00%	8.00%	5.00%	
% increase in expenses		3.00%		3.00%		3.00%	3.00%	3.00%	3.00%
Total FTE	7	7		7		7	7	7	7
RWA FTE	4.8	4.8		4.8		4.8	4.8	4.8	4.8
<b>RWA PROPOSED FY' 2019-2020 BUDGET PROJECTION</b>						<b>5-Year Projection</b>			

	RWA FY 18 Actual Per Audit	RWA FY 19 Budget	RWA FY 19 Actual at Dec. 2018	RWA Total FY 19 Projected		RWA FY 20 Budget	Notes		RWA Projected FY 21	RWA Projected FY 22	RWA Projected FY 23	RWA Projected FY 24
<b>CALCULATED CASH RESERVES</b>												
CASH available, Beginning	\$ 1,087,550	\$ 1,131,949	\$ 1,239,497	\$ 1,239,497		\$ 1,197,507	34		\$ 1,040,707	\$ 898,407	\$ 862,007	\$ 945,607
SOURCE (USE) OF FUNDS	\$ 151,947	\$ 32,900	\$ 609,952	\$ (41,990)		\$ (156,800)	33		\$ (142,300)	\$ (36,400)	\$ 83,600	\$ 175,400
CASH available, Ending	\$ 1,239,497	\$ 1,164,849	\$ 1,849,449	\$ 1,197,507		\$ 1,040,707	35		\$ 898,407	\$ 862,007	\$ 945,607	\$ 1,121,007
Operating Fund (4 to 6 months)	\$ 628,100	\$ 671,000	\$ 269,000	\$ 672,700		\$ 708,100	36		\$ 572,800	\$ 533,900	\$ 612,600	\$ 789,600
Membership Dues Stabilization @ 15%	\$ 137,200	\$ 142,700	\$ 142,700	\$ 142,700		\$ 149,700	37		\$ 175,400	\$ 204,100	\$ 233,600	\$ 256,400
Subscription Progr. Stabilization @ 10%	\$ 25,400	\$ 25,100	\$ 25,100	\$ 19,700		\$ 19,400	38		\$ 14,200	\$ 13,000	\$ 13,400	\$ 14,000
Pension Plan Unfunded Liability	\$ 45,000	\$ -	\$ -	\$ -		\$ -	39		\$ -	\$ -	\$ -	\$ -
Powerhouse Science Center Fund	\$ 155,753	\$ 190,759	\$ 224,517	\$ 199,553		\$ 161,053	40		\$ 136,053	\$ 111,053	\$ 86,053	\$ 61,053
Strategic Plan Fund	\$ 109,748	\$ 90,648	\$ 109,748	\$ 49,748		\$ -	41		\$ -	\$ -	\$ -	\$ -
Office Move	\$ 14,000	\$ 14,000	\$ 14,000	\$ 12,100		\$ -	45		\$ -	\$ -	\$ -	\$ -
Non-designated Cash	\$ 124,296	\$ 30,642	\$ 1,064,384	\$ 101,006		\$ 2,454	43		\$ (46)	\$ (46)	\$ (46)	\$ (46)
Total Cash in bank	\$ 1,239,497	\$ 1,164,849	\$ 1,849,449	\$ 1,197,507		\$ 1,040,707	35		\$ 898,407	\$ 862,007	\$ 945,607	\$ 1,121,007
# of months core + non-designated cash covers expenses	8.9	6.0		6.9		6.0	44		4.5	4.0	4.4	5.4

# REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

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Policy Type : Fiscal Management  
Policy Title : Financial Designation/Reserve Policy  
Policy Number : 500.1  
Date Adopted : May 12, 2005  
Date Amended : November 8, 2007  
July 12, 2012  
May 14, 2015  
March 8, 2018

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## FINANCIAL DESIGNATION/RESERVE POLICY

The policy establishes financial designation funds to mitigate current and future risks due to revenue shortfalls and unanticipated expenses, or to designate funds for specific purposes. Designation funds are discretionary funds designated by the Regional Water Authority (RWA) Board of Directors to accomplish financial obligations and objectives of the organization. These balances are a crucial consideration in long-term financial planning. The adequacy of the target designation balance and/or annual contributions will be reviewed annually during the RWA budgeting process and may be revised accordingly as necessary, including but not limited to temporary suspension or reduction of minimum or maximum target balances. The following designation categories are established:

I. Operating Fund:

- A. Purpose: To ensure cash resources are available to fund daily administration and operations for RWA member services. Additionally, this fund may provide resources for the matching fund component for partnership funding opportunities not previously anticipated during the annual budget process.
  
- B. Use of Funds: These funds will be used to pay for expenses according to budget and spending authority. This fund may also be used as the matching fund component for partnership opportunities with other local, state or federal organizations that were not anticipated during the budget process. Additionally, this fund will be used to cover the timing lag of invoicing for fees versus receipts of fees. Funds in excess of the maximum target balance may be used to offset future member fees. This

fund will be reviewed on an annual basis to determine the fund's adequacy.

- C. Rationale: RWA has a fiduciary responsibility to maintain adequate cash flow to meet its operating expenses in a timely manner. Additionally, matching funds are sometimes needed on short notice to take advantage of state and/or federal partnership funding opportunities. Government Code Section 53646(b) (3) suggests that an agency should have sufficient cash flow to meet the next six months of budgeted expenses. The next six months of projected cash revenues can be included as a source of cash flow to satisfy this requirement. The Government Finance Officers Association ("GFOA") recommends a baseline of ninety days' worth of working capital (designations) and then adjusts the target based on the particular characteristics of the enterprise fund<sup>1</sup>.
- D. Target Balance: A minimum target balance will be 33% or four months of cash to fund budgeted operating expenses. A maximum target balance will be approximately 50% of annual budgeted operating expenses (approximately six months of operating expenses). Since SGA reimburses RWA for common costs, these estimated reimbursements are deducted from total budgeted operating expenses to determine RWA's net cash requirement for operating expenses. Additionally, non-recurring expenditures are not included in the operating expense calculation to determine the target balance.
- E. Replenishment: Annual replenishment will vary, depending upon other designation requirements and current year expense requirements. As part of the annual operating budget process, the operating fund should be budgeted to comply with the target balance. However, the Board may consider suspending the target balance when evaluating the overall budget on an annual basis.

## II. Membership Fees Stabilization Fund:

- A. Purpose: To mitigate the financial impact of membership non-renewal.
- B. Use of Funds: These funds will be used to supplement operating cash flow in the event a member does not renew. Alternatively, this fund can be used for pro-rated refunds for membership termination (subject

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<sup>1</sup> From GFOA best practices, "Determining the Appropriate Levels of Working Capital in Enterprise Funds", February 2011.

to a proper notice period)<sup>2</sup>. This fund will be reviewed on an annual basis to determine the fund's adequacy.

- C. Rationale: RWA derives its financial support from membership fees. Membership fees are based upon the assumption that current year members renew in the subsequent year. The membership base is small and could easily be adversely affected by one or two members choosing not to renew membership. This fund could mitigate requiring additional contributions for membership fees in the year of occurrence. It provides RWA and renewing members a one year planning horizon to address the financial impact of these occurrences.
- D. Target Balance: The minimum target balance is approximately 15% of total membership fees (equal to approximately one large agency, one medium agency, and one small agency).
- E. Replenishment: Annual replenishment will vary, depending upon other designation requirements, current year expense requirements and use of this fund.

### III. Subscription Program Revenue Fund:

- A. Purpose: To mitigate the financial impact of uncertain collection of operating fund revenues paid through subscription program funding.
- B. Use of Funds: These funds will be used to supplement operating cash flow in the event subscription program net revenue does not materialize as planned.
- C. Rationale: A portion of RWA's financial support is derived from subscription based programs. Membership fees are based upon some net subscription revenues contributing to the RWA operations. To the extent these net revenues do not materialize as planned, RWA needs additional resources to maintain basic operations.
- D. Target Balance: The minimum target balance of 10% of net subscription program revenues is designated for this fund.
- E. Replenishment: Annual replenishment will vary, depending upon other designation requirements and current year expense requirements.

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<sup>2</sup> Only current year fees could be subject to potential refunds and would require Executive Committee approval.

#### IV. Subscription Program Fund:

- A. Purpose: To set aside subscription program operating funds for the purposes of administering the subscription programs. These funds are committed by individual contract obligations between the various participating agencies.
- B. Use of Funds: These funds will be used to administer the specific subscription programs.
- C. Rationale: In administering a subscription program, the program often expands beyond one fiscal year. The unused and unspent funds of an active subscription program are restricted for use within that program by contract.
- D. Target Balance: No target balance needed as these funds will be dependent upon the life cycle and existence of a subscription program.
- E. Replenishment: Replenishment will come from the subscription program agreements as needed.

#### V. Retirement Benefits Fund:

- A. Purpose: To set aside funds for the purpose of funding the cost of the retirement benefits earned for prior service of retired and current employees.
- B. Use of Funds: These funds will be used specifically for funding payment of retirement benefits.
- C. Rationale: This fund is used to set aside non-recurring contributions for retirement related benefits, such as other post-employment benefits or additional lump sum payments for unfunded pension plan liabilities.
- D. Target Balance: The target balance will be dependent upon the actuarial calculation of any actual liability accrued for unfunded retirement benefits of any kind. The valuation will be dependent upon RWA's timing of funding this liability. RWA may fund the historically determined liability over several years.
- E. Replenishment: Replenishment will come from the RWA membership fees.

## VI. Sponsorship Contribution Fund:

- A. Purpose: To help offset the costs of special events such as educational workshops, seminars, the annual holiday social and/or long-term collaborative partnerships and projects<sup>3</sup>.
- B. Use of Funds: Whenever possible, RWA will use all of the funds collected for each special event on the specific event for which those funds were solicited. In the event that not all of the sponsorship funds collected for a specified event are used for the event, any excess funds will be deposited in this fund for use at RWA's next scheduled special event.
- C. Rationale: Sponsorship contributions should be applied toward the costs of hosting and conducting the specific event for which the contributions were solicited. Appropriate costs include: food and non-alcoholic beverages; speaker costs; and miscellaneous event costs such as room rental, audio visual equipment, direct project collaboration costs, long-term partnership costs, etc.
- D. Target Balance: No target balance is required because this fund should be used only when all sponsorship funding for a special event cannot be spent. Excess funds will be used to the next special event.
- E. Replenishment: There is no formal replenishment process for this fund. Contributions for this fund come from private firms, companies and/or public agencies from solicitations for these events.

## VII. Strategic Plan Fund

- A. Purpose: To designate resources needed to achieve multi-year objectives and goals that arise from RWA's strategic plan.<sup>4</sup>
- B. Use of Funds: These funds will be used specifically for launching or expanding programs and projects to achieve strategic plan objectives and goals. Designation of contributions of funds, and use of the funds, will be approved by the Board of Directors during the annual budget process as recommended by the Executive Committee.

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<sup>3</sup> An example would be the Powerhouse Science Center partnership started in fiscal year 2015.

<sup>4</sup> Establishing this fund does not preclude RWA from immediate implementation of strategic plan objectives as part of the annual budget adoption.

- C. Rationale: Over the years, RWA has evolved and provides increased services for its members and influence on regional water issues. As RWA continues to expand services, the cost of these services may require significant increase in membership fees. Since RWA members adopt annual budgets and have varied fiscal years that may be different than RWA, setting aside incremental resources to implement these additional services will aid the membership in fiscal budgeting and planning with their various governing bodies.
- D. Target Balance: No target balance is required and will depend upon the Board's approval of which strategic objective to fulfill, the timing of when to start it, and the pace at which to implement it. These factors will influence the required cash flow.
- E. Replenishment: Annual replenishment will vary, depending upon the required costs to achieve the strategic objectives, the timing and pace at which to implement them.

## **AGENDA ITEM 5: VOLUNTARY AGREEMENT AD HOC COMMITTEE UPDATE**

### **BACKGROUND:**

In 2019, Past Chair Schubert appointed an ad hoc committee to address the RWA's role in the Bay-Delta Water Quality Control Plan (WQCP) and the Voluntary Agreements (VA). The committee's charge was to oversee the participation of RWA and its Executive Director in the ongoing negotiations and proceedings concerning the State Water Resources Control Board's proposal to amend the WQCP. The ad hoc committee was directed to make recommendations to the RWA Board and Executive Committee for defining the RWA role and commitments of resources.

The members of the ad hoc committee include:

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

The VA Ad Hoc committee has prepared a memo of recommendations and presented the memo to the Executive Committee on February 19, 2020. The memo, which is enclosed in the Board packet, recommends that further consideration be taken up during the RWA Strategic Plan update process.

Information Update and Discussion: Kerry Schmitz, Ad Hoc Committee Chair

**DATE:** February 18, 2020  
**TO:** RWA Executive Committee  
**FROM:** RWA Voluntary Agreement Ad-hoc Committee  
**SUBJECT:** Voluntary Agreement Ad-hoc Committee Recommendations

**Background:**

A number of RWA member agencies have been working together under a Joint Defense Agreement (JDA) to participate in the Bay-Delta Water Quality Control Plan Voluntary Agreement (VA) process for the last several years, which has involved a significant time investment to cover the necessary meetings. The participating agencies include:

- Sacramento County Water Agency
- City of Sacramento
- Placer County Water Agency
- El Dorado Irrigation District
- City of Roseville
- Carmichael Water District
- San Juan Water District
- City of Folsom
- Sacramento Suburban Water District

The majority of the representation for these efforts was provided by staff from Placer County Water Agency (PCWA) and the City of Sacramento, with support from the Water Forum, San Juan and the City of Roseville. The City of Sacramento and PCWA are no longer able to provide this level of involvement in the VA process, and it has been suggested that RWA have some role moving forward.

During the June 26 2019 Executive Committee (EC) meeting, the EC Chair created a Voluntary Agreement Ad-hoc Committee (VA Committee) to investigate the possibility of an RWA program to provide the necessary consultant support for the VA process. The VA Committee developed a consultant scope of work and engaged ICF Consultants (specifically Pablo Arroyave) through PCWA to support the water purveyors engaged in the VA process, with the plan of transitioning the contract to RWA in the future as part of a subscription program. Shortly thereafter, Pablo took a position with another company, and is no longer available for this role.

During the December 11 2019 Executive Committee (EC), the VA Committee updated the EC on the status of committee efforts in an effort to move the VA subscription program forward. At that meeting, Andy Fecko from PCWA brought up difficulties relative to consultant assistance as well as that given the multiple processes/challenges to surface water rights in particular, perhaps RWA should contemplate staff resources rather than consultant resources. The EC then gave direction to the Executive Director to investigate the need for a staff position that could take lead on matters that affect the surface water reliability of the member water agencies.

## Purpose and Need:

RWA's membership consists of water providers in the El Dorado, Sacramento, Placer, Sutter and Yolo county areas who provide water to their customers from a variety of sources including water rights, CVP contracts, SWP contracts and groundwater. Currently the State of California is beginning an initiative titled the Water Resilience Portfolio that is intended to change water policy moving forward to work toward better statewide water supply reliability. This initiative has the potential to impact RWA member agency access to water supplies through regulatory actions, legislation and budget decisions. It would be beneficial to dedicate RWA resources to engaging with state and federal entities on water issues to protect RWA member agency interests.

The management of surface water resources is enormously complex and prone to conflict, but our region's ability to thrive is dependent on our continued access to reliable surface water supplies. The region needs to continue to engage collectively and in a coordinated fashion to ensure continued access to the water agencies water rights, contracts and entitlements. RWA provides a forum to address these issues, and may want to consider expanding its efforts on existing and future water supply issues facing the region.

Potential areas of coordinated engagement:

1. **VA Process** – currently engagement is covered by representatives from the member agencies. Coordinating this engagement through RWA would provide better organization and more consistent representation. Consists of engagement with Bureau of Reclamation, State agencies, local and state environmental organizations among others. This is a statewide effort and has the potential to need considerable staff or consultant resources over the next two years.
2. **VA Implementation** – once the VA is adopted, RWA member agencies will need to determine how to implement the VA. This will include regional agreements, funding arrangements for infrastructure improvements, coordination of water transfers, reporting, etc. RWA is the best organization to help facilitate this process for the region.
3. **Coordination with Water Forum** – RWA member agencies are also members of the Water Forum and as part of the VA, will make commitments to habitat improvement projects and the funding of these projects. Close coordination between Water Forum habitat efforts and water purveyor efforts will be required to ensure compliance with terms of VA.
4. **Sacramento Regional Water Bank (Groundwater Bank)** – RWA member agencies are interested in creating and utilizing a regional water bank to make the most efficient use of local water resources and infrastructure while complying with the Sustainable Groundwater Management Act. This effort will require coordination among the local partners in addition to coordination with external partners, environmental interests, Bureau of Reclamation, etc. [The effort would support the existing Manager of Technical Services in development and implementation of the Water Bank]
5. **SWRCB Actions** – As the State moves forward with the Resiliency Portfolio, it is likely that there will be actions considered at the SWRCB that could affect RWA member agency water supplies. If RWA had the resources, it could take the lead on engagement in these issues for the member agencies.
6. **Climate Change** – RWA member agencies have worked closely with the Bureau of Reclamation to analyze the impacts of climate change to the American River basin. These impacts will have significant impacts to local water supplies, and responding to this issue should be a focus of RWA in the future.

7. **Water Quality Regulations** – Water quality regulations continually evolve and become more stringent, and RWA could provide more engagement in this process. [Note: this is in the job description for the Legislative and Regulatory Affairs Manager (LRAM). This effort could support the LRAM but it would need to be developed more]
8. **Federal Legislation** – The effort would support the Legislative and Regulatory Affairs Manager by reviewing Federal Legislation that is specific to the operation of the Central Valley Project or the State Water Project. The effort would coordinate input from the member agencies.
9. **Water Transfers** – as the Water Bank becomes a reality, the region would benefit from RWA taking the lead in water transfers.
10. **2020 Water Resilience Portfolio** – this is the State’s latest effort to prioritize projects and programs related to water supply. This document will drive decisions related to funding of projects and programs in future years and it is important that RWA member agencies are positioned to be eligible for funds from this program.
11. **Groundwater** – RWA could play a larger role in groundwater management if the SCGA looks to change the current staffing arrangement.
12. **Reclamation Coordination** – Maintain and enhance the region’s relationship with the Great Basin Office and the Central California Area Office to further the region’s goals, preferred regional projects and help local Reclamation Offices accept regional projects and work to take advantage of additional Reclamation funding. This is funding by chance and also by virtue of purposeful advocacy in Washington DC by the region. RWA could help to successfully implement these funding opportunities, working through Reclamation processes, to benefit the American River region. RWA would facilitate relations between American River Division contractors and Reclamation.

## Discussion Summary

The Committee discussed three options for fulfilling the identified needs, and did not reach consensus on a single recommendation. The options are as follows:

1. Status quo – RWA should continue to rely on participation in the VA by agency representatives and not consider engagement in the broader suite of issues identified.
2. Create a new RWA subscription program to carry out functions that will be part of the implementation of the Region’s VA proposal and address the water supply reliability issues identified in this document. Per RWA Policy 100.1, a subscription program can be created for two or more members.
3. Create a new RWA core program to address the issues identified in this document since all of the membership agencies would benefit from the program.

The committee discussed the three options and members expressed the following concerns and opinions:

- Concerned with status quo option – relying on volunteer labor is not sustainable or best for the region.
- RWA should focus on current priorities rather than take on something new.
- Concerned that it would be difficult to find consultant with needed skill set (mix of technical/policy).
- Need solid justification for staff or consultant to provide resources for new RWA program.

- Need to better define the need, and perhaps wait until resolution of VA to fully understand the need.
- Delta issues will not go away. Climate change, water supply reliability, north/south conflict – even if the VAs go away, this work will continue.
- Our region needs a policy face – who is this? MWD has Roger Patterson for example. RWA should be this face but currently does not have capacity to fill the role. Need to expand RWA capacity to provide leadership to be a regional powerhouse, which will provide benefit to all RWA member agencies.
- VA is an extremely important process, and success is critical. We need to be working as a region in order to achieve success and make ourselves known.
- This should be a core program rather than subscription since all RWA member agencies would benefit.
- It was discussed that a subscription program can be developed if two or more agencies are willing to support it. Several agencies expressed a readiness to support a subscription program.
- With respect to the VA, the region has been successful in managing these activities under the JDA and has adjusted staffing and consultant support to address personnel transitions.
- Others expressed that staffing is not the intent of the JDA, and this is not the appropriate vehicle for managing staff resources for the effort.

## **Recommendations**

All committee members feel that the RWA Strategic Planning process is the appropriate venue for considering changes to the RWA objectives and most members of the committee are willing to consider a program to address the issues summarized in this document. However, committee members feel that additional work is needed to better define the program before any action is taken. For this reason the committee recommends that the Executive Director work with the committee to:

- **Utilize the Strategic Planning process to learn about member agency priority issues.**
- **Better define the purpose and need of the program using information provided in Strategic Planning process while considering work that is being performed by RWA staff currently.**
- **Consider resource options and if a program is recommended, provide a recommendation for consultant assistance or staff resources.**
- **Provide a recommendation as to whether any new program should be a core program, a subscription program, or a combination of the two.**

## **AGENDA ITEM 6: FEDERAL AFFAIRS AD HOC COMMITTEE UPDATE**

### **BACKGROUND:**

In 2019, Past Chair Schubert appointed an ad hoc committee to address the RWA's role in Federal Affairs. The ad hoc committee's charge was to 1) to make recommendations to the RWA Board on the role of the RWA on federal matters; and 2) to provide direction to the Executive Director on federal matters. The committee will terminate upon completion of the updated strategic plan.

The ad hoc committee produced a memorandum that provides recommendations to the Board for its consideration as part of the Strategic Plan process. In addition to several recommendations, the ad hoc committee believed it could be helpful for the Board to see a range of costs for different levels of RWA participation in Federal Affairs efforts. The memorandum is included in the Board packet.

Ad Hoc Committee Chair Bigley will provide an overview of the memorandum on behalf of the ad hoc committee.

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

Date: November 29, 2019

To: RWA Board Chairman Paul Schubert, Vice-Chair Kerry Schmitz and members of the RWA Board;  
Jim Peifer RWA Executive Director

From: Sean Bigley, RWA Federal Affairs Ad Hoc Committee Chair & Anne Sanger, RWA Federal Affairs Ad Hoc Committee Vice-Chair and Members of the RWA Federal Affairs Ad Hoc Committee

## **Re: Findings and recommendations re: RWA's appropriate role in Federal affairs**

### **Summary of recommendations**

After gathering RWA member agency feedback and hours of discussion, the RWA Federal Affairs Ad Hoc Committee Chair recommends that that RWA Executive Director take the following actions to develop some structure and process around RWA's role in the federal affairs policy space:

**Recommendation #1 – The RWA should form a volunteer standing committee as a dedicated forum for coordination, collaboration, education and vetting on federal policy areas of regional interest.**

**Recommendation #2 – The RWA should establish a concise federal policy platform that is adopted by the RWA Board and updated annually.**

**Recommendation #3 – RWA should play a leadership role in statewide associations that touch federal affairs, like the Association of California Water Agencies and other national organizations, with the RWA Executive Director as lead in these activities.**

**Recommendation #4 – RWA should consider initiating a facilitated effort to strengthen its communication with outside organizations, federal agencies and Congressional offices. In the past, there has been some confusion with these entities as to whom is speaking for the region. This would allow the RWA member members to speak with one voice and one message.**

**Recommendation #5 - The RWA Board should evaluate the effectiveness of the standing committee in Recommendation #1, 12-18 months after establishing the standing committee and suggest recommendations to the RWA Board on what, if any, changes should be made – up to and including consideration of a subscription or core program.**

### **Background**

In the summer of 2019, the RWA Board Chair Paul Schubert created the RWA Federal Affairs Ad Hoc Committee in order to answer some key questions about RWA's role in federal affairs and develop recommendations to be presented to the RWA Executive Director and the RWA Board.

The key questions asked were:

1. What should the RWA's role be in federal affairs, if any?

2. What are the limits of the involvement? Funding, Policy, Relations with federal agencies/regulators (e.g., Reclamation, COE, EPA, NMFS, FWS)?

3. If the RWA gets involved in federal affairs, what resources would the RWA need? Should the RWA rely on the member's advocates (with or without contribution from the RWA), or hire an advocate? Are other resources needed such as communication, legal, other?

4. How should a program be structured at the RWA? Subscription or core program? Should there be a standing committee? What would the staff requirements be for this? Could the RWA hire a consultant to assist with this?

5. What are the immediate needs of the effort? What are the priorities?

The RWA Federal Affairs Ad Hoc Committee was made up of the following RWA member agencies:

Sean Bigley, Chair, City of Roseville

Anne Sanger, Vice Chair, City of Sacramento

Hilary Straus, Citrus Heights Water District

Marcus Yasutake, City of Folsom

Dan York, Sacramento Suburban Water District

Andy Fecko, Placer County Water Agency

Evan Jacobs, California American Water

In developing this recommendation memo to the RWA Board, the Ad Hoc committee wanted to gain a general sense of where the RWA member agencies were in both policy perspectives and their specific thoughts on the appropriate role for RWA in federal affairs. The RWA member survey was sent out in October 2019 and in total the committee received 18 responses and one email. This RWA member survey helped the committee gain context and member perspective which we felt was critical to formulating well-informed and balanced recommendations to the RWA Board. In the analysis of the survey and the one email, the Committee was left with the following key takeaways:

- The level of RWA member agency engagement at the federal level varies and is largely dependent upon its water supply portfolio and source; specifically – are they a CVP contractor or have surface water supplies that are conveyed through Folsom Reservoir or are impacted by Folsom Reservoir operations.
- RWA member agencies generally recognize and value the need for RWA to engage in federal affairs.
- RWA member agencies recognize the need for an RWA policy platform document that is updated on a regular schedule and adopted by the RWA Board (annually).

- RWA member agencies prefer to develop more formal RWA engagement in an iterative fashion – specifically forming a no-cost volunteer effort (standing Federal Affairs Committee) to prove the concept and its value, before considering more formal program models – like a subscription or core program.
- RWA member agencies generally agree that no involvement in federal affairs by RWA is not preferable.
- Some RWA member agencies may be more reliant upon statewide associations, like ACWA, to serve their agencies advocacy needs. This is likely a function of the resources available to each RWA member agency to engage in Federal affairs.
- RWA needs to educate member agencies on where statewide associations are impactful and where they are not as it relates to advancing Sacramento regional interests.
- RWA has a role in influencing the statewide associations, like ACWA, in federal policy matters, to better represent the region’s interests and how they can provide statewide benefits.
- RWA also needs to educate RWA member agencies on where and what the federal relationship is; and what is the Federal Government’s interest in our region.
- Although progress has been made, RWA member agencies recognize the need for better coordination, consistency and communication in the federal affairs policy space, based upon past experiences.
- RWA member agencies identified the following federal policy issues in priority order for the Sacramento urban region: (1) groundwater banking and related infrastructure, (2) adoption and implementation of the Voluntary Agreements; and, (3) surface water planning and related infrastructure.

## General recommendations

After gathering feedback and hours of discussion, the RWA Federal Affairs Ad Hoc Committee Chair recommends that that RWA Executive Director take the following actions to develop some structure and process around RWA’s role in the federal affairs policy space:

**Recommendation #1 – The RWA should form a standing committee as a dedicated forum for coordination, collaboration, education and vetting on federal policy areas of regional interest.**

The standing committee should meet at least monthly, or more often as needed, and should be led by a Committee Chair (volunteer RWA member) appointed by the RWA Board Chair with a clear and defined mandate. The RWA Executive Director and staff should participate as determined by the RWA Executive Director. It is important to acknowledge; however, that both the Executive Director and RWA staff have limited bandwidth and involvement in a volunteer standing committee would be limited.

Such a committee can be formed and structured by volunteer member agencies and we do not believe a consultant is needed to develop a volunteer standing committee.

Additionally, the RWA Federal Affairs Ad Hoc Committee recommends that RWA member agencies invite their federal lobbyists to participate and also use this as a venue for further coordination, information-sharing and collaboration.

Based on research, here are estimated costs for varying levels of RWA engagement:

Options	Voluntary Standing Committee	Subscription Program	Core Program	Assumptions
Staff Costs - Salaries plus benefits	Assumes using existing RWA staff with volunteer RWA member assistance	Assumes using existing RWA staff with volunteer RWA member assistance	\$213,758	Principal Project Manager @ Top Step (\$149,064 x 1.434 (Benefits) = \$213,758
Contract lobbyist		\$ 108,000	\$108,000	\$9,000 per month retainer x 12 months
Travel Costs (RWA staff person)	\$ 10,650	\$ 10,650	\$ 10,650	3 trips to Washington DC annually (4 nights @ \$400/night plus; \$1,500 airfare, plus \$260 per diem, plus cab fare (\$150), plus airport parking (\$40)) = \$3,550 per person per trip
Other misc. costs (recurring)			\$ 2,800	Mileage @ \$100 per month; office supplies at \$1,000; cell phone plan at \$50 per month
Other misc. costs (one-time)			\$ 500	Computer (\$500)
<b>TOTAL ESTIMATED COST</b>	<b>\$ 10,650</b>	<b>\$ 118,650</b>	<b>\$335,708</b>	
Funded by 5 RWA members		\$ 23,730		Per member
Funded by 10 RWA members		\$ 11,865		Per member
Funded by 15 RWA members		\$ 7,910		Per member
Funded by all RWA members (21 Primary; 5 Associate)	\$ 410		\$ 12,912	Per member

Note: To be effective in regional advocacy in federal affairs, the RWA Federal Affairs Ad Hoc Committee recommends that that region engage in advocacy in at least three trips per year to Washington DC, and thus the chart above assumes that as a standard.

**Recommendation #2 – The RWA should establish a concise federal policy platform that is adopted by the RWA Board and updated annually.**

This federal policy platform will help provide general RWA Board direction and provide staff and RWA agencies with a sense of what policy areas are considered to be of regional concern.

To be effective and nimble, the RWA Federal Affairs Ad Hoc Committee recommends that the RWA federal policy platform be concise and focused on the top 3-5 key issue areas of most importance to the RWA member agencies.

**Recommendation #3 – RWA should play a leadership role in statewide associations that touch federal affairs, like the Association of California Water Agencies and other national organizations, with the RWA Executive Director as lead in these activities.**

The RWA Federal Affairs Ad Hoc Committee recommends that the RWA Executive Director should be active in this area, representing the region. We also believe it is important for RWA to gain an informed understanding of what role associations do play and what areas that associations won't be able to add value to in regards to specific Sacramento regional interests.

The RWA Federal Affairs Ad Hoc Committee does not feel that participation in statewide association's federal programs alone is a substitute for direct Sacramento regional engagement in federal affairs.

**Recommendation #4 – RWA should consider initiating a facilitated effort to strengthen its communication with outside organizations, Federal agencies and Congressional Offices to overcome a conclusion by many RWA member agencies that the region does not speak with "one voice" and there is confusion on the region's identity (i.e., key policymakers don't know who is speaking for the region on regional issues).**

It is the sense of the RWA Federal Ad Hoc Committee that there are some valid concerns by RWA member agencies regarding the lack of coordination and consistency of the region's key messages due to the largely decentralized nature of federal affairs engagement and advocacy in the region.

The RWA Federal Affairs Ad Hoc Committee recommends that (1) RWA develop a more defined role for the RWA Executive Director as a key regional spokesperson; and, (2) develop clear protocols and rules among RWA member agencies as it pertains to representation of key federal policy issues; and (3) leverage the recommended Standing Committee to be a venue for federal policy positions (speaking points, letters, etc.) by individual RWA member agencies to be vetted, and if appropriate, endorsed by RWA as a regional federal policy priority.

**Recommendation #5 - The RWA Board should evaluate the effectiveness of the standing committee in Recommendation #1, 12-18 months after establishing the standing committee and request recommendations to the RWA Board on what, if any, changes should be made – up to and including consideration of a subscription or core program.**

The RWA Federal Affairs Ad Hoc Committee believes that the RWA members see the value of having RWA have a role in federal affairs. That involvement; however, should start off with a volunteer standing committee, allow the standing committee to undertake activities in the next 12-18 months and at the end of that period, the RWA Federal Affairs Ad Hoc Committee recommends that the RWA do an evaluation of whether the volunteer standing committee on Federal affairs should evolve into a program that is formalized (subscription or core program).

The standing committee should immediately focus on advancing potential federal funding opportunities for the Sacramento Regional Groundwater Bank in appropriations bills, the potential 2020 Water

Resources Development Act, the Water Infrastructure for Improvements to the Nation (WIIN) Act, Storage and other opportunities. RWA has made significant inroads in the federal space for the Sacramento Regional Groundwater Bank in 2019, sustained, coordinated activities in 2020 should be the priority. Other federal activities should be tracked and advocated on as well, based on the bandwidth available by the standing committee and RWA staff.

## **Recommendations in regards to the RWA Strategic Plan**

With the RWA Strategic Plan about to be re-opened for updates, the RWA Federal Affairs Ad Hoc Committee recommends the following language be added under the “Advocacy Goal” as follows:

### **Objective C. Develop a venue to assist RWA member agencies in engaging federal policymakers and influencing federal legislative and regulatory water policy areas.**

1. Develop, implement and update a regional federal policy platform.
2. Establish RWA as a venue to coordinate and collaborate on federal policy issues, advocacy and related regional communication.
3. Establish an RWA Standing Committee on Federal Affairs made up of volunteer RWA member agencies, implement activities by the RWA Standing Committee and evaluate the value of those activities within 12-18 months and develop recommendations for any additional programmatic changes, if any.

## **Proposed next steps and action items**

The RWA Federal Affairs Ad Hoc Committee recommends that the RWA Board consider these recommendations in late 2019/early 2020 and provide RWA Board direction to the RWA Executive Director on any actions that should be developed and implemented.

Ideal timing for implementation is no later than February 2020 as spring is typically a time of year that the Sacramento region and other interests in the water industry are particularly active in Washington D.C.

**FUTURE Drought Resiliency Act Discussion Draft**  
**Section by Section Summary**

**TITLE I—INFRASTRUCTURE DEVELOPMENT**

**Sec. 101: Competitive Grants for Water Recycling Program Authorization:** Incorporates Rep. Napolitano’s Water Recycling Investment and Improvement Act (H.R. 1162) to support a grant program for water recycling projects.

- Raises the Title XVI water recycling program funding authorization to \$500 million through 2024 **to support the creation of approximately 650,000 acre-feet of water each year in additional average yield**
- Raises the \$20 million federal funding cap for individual Title XVI water recycling projects to \$30 million

**Sec. 102: Storage Infrastructure Report to Congress:** Creates a water storage project authorization process designed to authorize major water storage projects. The process is closely modeled on the existing process used to authorize U.S. Army Corps of Engineers water projects through the Water Resources Development Act (WRDA) process. The Department of the Interior would submit an annual report to Congress listing major potential water storage projects for congressional authorization.

**Sec. 103: Surface and Groundwater Storage Project Authorization:** Authorizes \$750 million for storage projects that meet certain standards. New authorization is also provided for natural water storage projects that use natural materials to increase aquifer recharge or floodplain water storage and watershed restoration projects that increase water storage yield.

**Sec. 104: Modified Approval Process for Grandfathered Storage Projects:** Extends the existing federal storage project approval process under current law to certain storage projects that are currently in the middle of the existing project approval process.

**Sec. 105: Desalination Infrastructure Development:** Incorporates Rep. Levin’s Desalination Development Act (H.R. 3723) to support a grant program for desalination projects. The bill raises the existing desalination program funding authorization to \$240 million through 2024 **to support the creation of approximately 100,000 acre-feet of water each year in additional average yield.**

**Sec. 106: Water Infrastructure Fund:** Establishes the Water Infrastructure Fund with \$300 million in annual funding for fiscal years 2031 through 2061 with revenues that would otherwise be deposited into the Reclamation Fund. The Reclamation Fund was established to support Western water projects and now has a surplus of more than \$17 billion because of insufficient congressional appropriations from the Fund. The following infrastructure investments will be made each year:

- \$100 million per year for Title XVI water recycling projects
- \$100 million per year for WaterSMART water-use efficiency projects
- \$100 million per year for Bureau of Reclamation dam safety projects

**Sec. 107: WaterSMART Extension and Expansion:** Permits non-governmental organizations to apply for water-use efficiency grants under the WaterSMART Water and Energy Efficiency Grant Program. Adds direction to incentivize funding for water-use efficiency projects that benefit both consumptive water users and non-consumptive ecological or recreational values. Increases authorization of appropriations through 2025.

**Sec. 108: Assistance for Disadvantaged Communities without Adequate Drinking Water:** Authorizes \$100 million for a new grant program to help disadvantaged communities facing significant declines in drinking water quantity or quality. Funding can be used for a variety of drinking water relief activities, including to help households connect to existing water distribution facilities and to pay for emergency drinking water supply projects.

## **TITLE II—IMPROVED TECHNOLOGY AND DATA**

**Sec. 201: Tax Rebate for Water Harvesting Systems:** Incorporates Rep. Huffman’s H.R. 2313 to expand the income tax exclusion for homeowners who receive rebates from water utilities to purchase and install water conservation or stormwater management systems in residential homes.

**Sec. 202: Water Availability and Use Assessment:** Amends and authorizes funding for the Water Availability and Use Science (WAUSP) program. The WAUSP program helps states and stakeholders assess existing and future water availability for beneficial uses, including through the evaluation of water quantity and quality, the identification of long-term trends in water availability, and improved forecasting of future water availability for economic and environmental uses. Sec. 202 provides additional direction for the United States Geological Survey to evaluate national water availability trends in water reuse and desalination, reauthorizes appropriations for grants to improve states’ water data, expands data grant eligibility to Tribes, and removes the permanent cap in grant funding awards for states in order to permit continued data collection in future years.

**Sec. 203: Desalination Technology Development:** Expands the Department of the Interior’s support for desalination research to include research on brine management. Increases the research funding authorization from \$3 million to \$20 million annually through 2024.

**Sec. 204: X-Prize for Desalination Breakthroughs:** Establishes an expanded X-Prize for the development of new water desalination technologies.

**Sec. 205: Study Examining Sediment Flows from Removal of Sediment-filled Dams:** Directs the National Academies of Sciences to examine sediment flows related to dam removal and to identify appropriate actions to mitigate environmental impacts from these flows.

**Sec. 206: Water Supply Allocations:** Directs the Department of the Interior to incorporate data from emerging technologies for snowpack measurement such as LIDAR when determining water supply allocations.

**Sec. 207: Federal Priority Streamgages:** Directs the Department of the Interior to make all streamgages identified by the USGS as “Federal Priority Streamgages” operational within 10 years. Authorizes appropriations to achieve this directive.

**Sec. 208: Improved Reclamation Crop Data:** Directs the Bureau of Reclamation to compile data for congressional authorizing committees on the planting of water-intensive permanent crops with Reclamation-provided water in areas experiencing extreme or exceptional drought. Requires an annual report to the authorizing committees on the impact of new plantings on Reclamation’s ability to meet competing water demands while reducing water-related conflicts in the Western States.

**Sec. 209: Study Examining Climate Vulnerabilities at Dams:** Directs the National Academies of Sciences to assess the impact of climate change on the safety of Bureau of Reclamation dams and identify the Reclamation dams most vulnerable to climate-related safety risks in upcoming years.

### **TITLE III—ECOSYSTEM PROTECTION AND RESTORATION**

**Sec. 301: Combating Water Theft for Illegal Marijuana Cultivation:** Directs several federal agencies to develop a plan to address illegal water diversions for marijuana cultivation in California and other drought-prone states. Creates a structure for funding remediation of trespass marijuana grow sites that threaten to impact watersheds and water quality.

**Sec. 302: Waterfowl Habitat Creation Program:** Establishes a grant program to provide incentives to farmers to create temporary habitat by flooding farmlands at crucial times for bird migration. The program would be authorized at \$3.5 million annually through 2026.

**Sec. 303: Sustaining Biodiversity During Droughts:** Directs the Bureau of Reclamation to analyze drought impacts on native biodiversity in major Western river basins and to consider and develop strategies to help sustain native biodiversity during future droughts.

**Sec. 304: Cooperative Watershed Management Extension and Expansion:** Authorizes funding for the Department of the Interior’s Cooperative Watershed Management Program. Adds direction to include disadvantaged communities in cooperative watershed management decision-making and encourages the development of cooperative management projects that generate water supply and environmental benefits.

**Sec. 305: Multi-benefit Projects to Improve Watershed Health:** Directs the Department of the Interior to establish a grant program for habitat restoration projects designed to improve watershed health, mitigate against climate change, and benefit ecosystems.

**Sec. 306: Actions to Support Refuge Water Deliveries:** Directs the Department of the Interior to provide information on the impediments to compliance with the Central Valley Project Improvement Act's required water deliveries to wildlife refuges. Also requires the development of an ecological monitoring and evaluation program for Central Valley wildlife refuges and the development of a construction priority list for the completion of conveyance construction projects at wildlife habitat areas.

**Sec. 307: Drought Planning and Preparedness for Critically Important Fisheries:** Requires federal agencies to develop proactive plans to sustain the survival of commercially and recreationally important fisheries and listed fish during future droughts in the Western states. Provides a list of strategies that should be investigated and authorizes funding for fish, stream, and hatchery activities related to fish recovery efforts.

**Sec. 308: Dam Removal and Fish Passage Projects:** Authorizes a new Department of the Interior program modeled on an existing U.S. Army Corps of Engineers program to fund voluntary, broadly supported fish passage projects.

**Sec. 309: Reauthorization of the Fisheries Restoration and Irrigation Mitigation Act:** Authorizes \$25 million through 2027 for fish passage projects under the Fisheries Restoration and Irrigation Mitigation Act to support voluntary fish screen and passage projects in Oregon, Washington, California, Montana, and Idaho.

#### TITLE IV—MISCELLANEOUS

**Sec. 401: Offset:** Establishes a one-time process to identify and deauthorize inactive Bureau of Reclamation water projects where no application for federal funding has been received and no construction has occurred in the previous 10 years. Project sponsors would have the opportunity to provide notice of intent to initiate construction of the project to forestall deauthorization. The deauthorization process is closely modeled on a deauthorization process used for U.S. Army Corps of Engineers water projects.

**Sec. 402: Water Industry Career Training:** Directs the Department of the Interior to establish a grant program for water sector career training. Authorizes \$25 million annually through 2026 to address water industry concerns about a looming "brain drain" in the water sector and help train the next generation of water managers.



February 7, 2020

Kerry Schmitz, Chair  
Sean Bigley, Vice Chair

**Members**

California American Water  
Carmichael Water District  
Citrus Heights Water District  
Del Paso Manor Water District  
El Dorado Irrigation District  
Elk Grove Water District  
Fair Oaks Water District  
Folsom, City of  
Golden State Water Company  
Lincoln, City of  
Orange Vale Water Company  
Placer County Water Agency  
Rancho Murieta Community Services District  
Roseville, City of  
Rio Linda / Elverta Community Water District  
Sacramento, City of  
Sacramento County Water Agency  
Sacramento Suburban Water District  
San Juan Water District  
West Sacramento, City of  
Yuba City, City of

**Associates**

County of Placer  
El Dorado County Water Agency  
Sacramento Area Flood Control Agency  
Sacramento Municipal Utility District  
Sacramento Regional County Sanitation District

The Honorable Jared Huffman  
Chairman  
Subcommittee on Water, Oceans and Wildlife  
Committee on Natural Resources  
U.S. House of Representatives  
Washington, D.C. 20515

Re: Comments on draft FUTURE Drought Resiliency Act

Dear Chairman Huffman,

The Regional Water Authority, representing the interests of 21 public water agencies within the Sacramento, California region is pleased to provide our comments on the draft FUTURE Drought Resiliency Act. RWA's mission is to protect and enhance the reliability, availability, affordability and quality of water resources for our members. RWA's mission and the achievement of resilience directly align. In order for the RWA region to achieve resilience, adapting to climate change and the threats of increased flood, fire and drought is among RWA's top priorities. We appreciate your leadership and the Subcommittee's focus on improving water supply reliability for all uses of water.

We deeply appreciate the opportunity to provide input on the measure and look forward to working with the Subcommittee as the proposal is refined. Overall, we endorse the draft's focus on efforts to improve our ecosystems while addressing safe and reliable water supplies for our region but have a few suggestions on ways to improve the bill before official introduction. The following comments are submitted consistent with our region's priority to promote federal water resources management that is complementary to our ongoing efforts to ensure sustainable and resilient water supplies for our region.

**Section 2. Findings**

We support the draft's overall findings with particular support for §2(10) and §2(16). These paragraphs should be core elements of any federal policy to ensure that a clearly articulated role and responsibility for federal involvement is enshrined.

**Section 103. Funding for Storage and Supporting Projects**

**Section 103(a)(5)** – pg. 25 – We believe §103(a)(5) should be amended to further clarify the definition of “Natural Water Storage Project”. An aquifer is a “natural water storage element”, however, the current definition of “natural water storage project” included in the bill does not include or incorporate the groundwater basin/aquifer actually being

Letter to The Honorable Jared Huffman, Chair  
Committee on Natural Resources  
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recharged. A groundwater basin and/or aquifer that is to be recharged through means other than “natural” would be ineligible for assistance. This is a flaw that should be fixed to add support for conjunctive use programs that can contribute to the overarching multi-benefit goals that are foundational to this proposed legislation. Groundwater recharge activities undertaken through aquifer storage and recovery (ASR) efforts; in-lieu recharge programs that could be effectuated or expanded through additional infrastructure investments, including interties; or the establishment and use of recharge ponds within an urban environment, seemingly would not satisfy the criteria established under §103(a)(5). Priority should be placed on optimizing the sustainable use of groundwater basins, and as a climate adaptation strategy, supporting infrastructure investments that increase utilization of groundwater beyond only recharge through “natural materials” or “ecological processes” should be clarified and incorporated within the definition. Recharge and conjunctive use programs that support, directly or indirectly, environmental management benefits by substituting groundwater for scarce surface water during droughts that can then be dedicated to instream uses should be eligible to seek federal financial support. The bill should be amended to include and provide support for such programs.

**Section 103(c)(4)(B) and Section 103(d)(4)(B)** – pg. 28 and pgs. 33-34 respectively – The condition on federal construction assistance included in §103 (d)(4)(B) should be clarified to ensure that promising, sustainable projects are not rejected from consideration. The condition requires that “net ecosystem benefits in excess of required environmental mitigation measures or compliance obligations under State and Federal law” be met for a storage project to secure funding. Our concern centers on the issue of compliance with the Endangered Species Act (ESA). We interpret this condition to essentially require projects to satisfy ESA Section 10 NCCP requirements. However, currently, resource agencies have significant discretion to reject proposals as insufficient based on ill-defined restoration and enhancement standards that could similarly befall determinations of “net benefits”, as opposed to Section 7 analyses of mitigation requirements which are generally more objectively determined. Thus, good projects could be ruled ineligible based on the more subjective “net benefit” determination either because the level of “benefit” sought by the resource agencies beyond “mitigation” is not constrained or defined vis-à-vis how much “net benefit” is required to meet the proposed standard, or because to satisfy imposed requirements would be cost prohibitive and/or simply fail a cost/benefit assessment.

**Section 103 (c)(4)(D)** – pg. 29 – As a condition to receive federal construction funding for a storage project, §103(c)(4)(D) mandates that “an agreement providing such upfront funding as is necessary to pay the non-Federal share of the capital costs of the Federal storage project” exist. We recommend that this provision be clarified to note that compliance is met through a demonstration of a binding cost-share agreement and that all of the non-Federal cost share need not be available upfront but can be provided over the course of the project.

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**Section 103 (c )(7)(A)(i)** – pg. 30 – We suggest amending this section to clarify how a watershed or forest restoration project will “quantifiably” increase water supply to a federal water storage project. We would appreciate the opportunity to work with the subcommittee to establish criteria in this regard.

**Section 103 (c )(7)(A)(ii)** – pg. 30 – Similarly, §(c)(7)(A)(ii) should be amended to tighten the definition of “environmental benefits” as a supplement to consistency with Reclamation laws.

**Section 103(d)(2)(B) and Section 103(e)(2)(B)** – pg. 32 and pg. 38 respectively – We further recommend §103(d)(2)(B), lines 23-24, and §103(e)(2)(B), lines 9-10, be revised by incorporating the following: “...by providing a more reliable water supply, including through increased groundwater substitution capabilities, for fish and wildlife...”

**Section 103(d)(4)(A)** – pg. 39 – We believe the provision on conditions to secure federal assistance could limit assistance to beneficial water storage projects that would serve the purposes of this proposed legislation. We arrive at this conclusion because the requirement of “at least two or more” defined environmental benefits may preclude conjunctive use projects as a means to deliver in-stream environmental enhancements, because although such projects can provide for the “stream flow changes beneficial to watershed health” under §103(d)(4)(A)(i), the other three criteria cannot be satisfied by such flow modifications or enhancements unless “restoration” or “improvement” in §103(d)(4)(A)(iv) are defined to include flow modifications that benefit riparian habitat and/or can be considered to support “fish and wildlife habitat or migration corridor restoration” pursuant to §103(d)(4)(A)(ii). In order to address these concerns, we suggest including language that explicitly includes conjunctive use projects and enhancements as within the scope of the storage project funding sections, as well as ensuring consistent language throughout the bill to ensure groundwater substitution activities resulting in improved water management flexibility and contribution to enhanced instream flow management for fishery resources can satisfy proposed environmental benefit thresholds. We believe this approach is appropriate because it would provide for more water instream during drier periods when the value of such flows is highest.

**Section 103(g)(1)(D)(i)** – pg. 52 – While it is appreciated that the bill incorporates peer review of the determination of the net ecosystem benefit of a proposed project in §103(g)(1)(D)(i), we encourage increased opportunities for pre-peer review and pre-public review to enhance engagement with the Fish and Wildlife Service (FWS). These opportunities may provide additional context or information that could be helpful in establishing net ecosystem benefits.

**Section 103(i)** – pg. 54. – The reauthorization of CALFED through 2024 is appropriate to ensure a core program for California is in place during this important time.

Letter to The Honorable Jared Huffman, Chair  
Committee on Natural Resources  
RE: Comments on draft FUTURE Drought Resiliency Act  
February 7, 2020  
Page four of five

#### **Section 104. Extension of Existing Requirements for Grandfathered Storage Projects**

**Section 104(c)(2)** – pg. 56 – We are concerned about the prioritization of projects outlined in §104(c)(2), and in particular, about the priority given to projects that provide dry year benefits to wildlife refuges, ESA listed species, or to commercially harvested salmon species. We believe multi-benefit projects should enjoy parity with wildlife refuges and other ecosystem needs. We recommend either setting aside a portion of any funding to ecosystem-related storage benefits or amending the language to ensure that multi-benefit projects are equally prioritized.

#### **Section 209. Study Examining Climate Vulnerabilities at Reclamation Dams**

We believe Section 209 (pg. 87-88) could be improved by adding a direction that previous studies and evaluations conducted or completed by Reclamation on climate change impacts to dams, facilities, and watersheds be used as a reference and source of information for the National Academies in the development of the study and report to Congress. Many local agencies have been partnering with Reclamation to study the impacts and vulnerabilities of climate change on their regions and develop strategies to address them. The previous work by Reclamation and these local partners should be used to enhance the work of the National Academies.

#### **Section 305. Multibenefit Projects to Improve Watershed Health**

Section 305 (pg. 99) provides an important priority for any program to deliver enhanced benefits.

#### **Section 307. Drought Planning and Preparedness for Critically Important Fisheries**

**Section 307(b)(3)** – pg. 104 – We suggest amending this section to ensure an expanded suite of potential actions could be considered and stakeholders could engage in efforts to provide additional instream resources during times of drought. To this end, we propose the following language at lines 22-23; “...regarding voluntary water transfers, including through groundwater substitution activities, to determine if water releases...”

**Section 308(b)(2)(A)** – pg. 106 – We believe this section imposes a requirement to ensure that a project that proceeds will not result in a significant water supply loss for water users. We suggest that the term “significant” be further defined to avoid protracted legal challenges. Consistent with this concern, we believe the term “water users” needs to be further defined. For example, a fish passage barrier “owner”, who could also be a “water user”, may agree to a project under §308(b)(2)(C), but there may be other “water users” that might be impacted “significantly”. Such a situation does not seem to be addressed through this language.

Letter to The Honorable Jared Huffman, Chair  
Committee on Natural Resources  
RE: Comments on draft FUTURE Drought Resiliency Act  
February 7, 2020  
Page five of five

**Section 402. Water Career Training Grant Program**

We support Section 402 (pgs. 115-125) in the bill and its authorization of a federal grant program to assist public water organizations and agencies interested in building talent pipelines for water professionals. We believe the program would deliver benefits to individuals interested in critical jobs that maintain the physical operations of facilities. Providing them with training and educational opportunities, would also encourage such individuals to further their careers within public agencies.

As we stated at the outset, we appreciate the opportunity to submit these comments and the transparency provided in the development of this draft proposal. In the coming weeks, we look forward to working with the subcommittee and you to ensure expeditious consideration of federal policies and programs that will contribute to balanced and effective water resources policy for California and the nation.

Please do not hesitate to call me if you have questions at (916) 847-7589.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Peifer', with a long horizontal flourish extending to the right.

James Peifer  
Executive Director

## **AGENDA ITEM 7: FEDERAL AFFAIRS PLATFORM**

### **BACKGROUND:**

At the January 11, 2020 Board Meeting, a proposed Federal Affairs Platform was proposed. The Board approved the Federal Platform in concept, subject to possible amendments at the January 22, 2020 Executive Committee meeting, with final approval at the March RWA Board meeting.

The Federal Affairs Ad Hoc committee met on January 14, 2020 to revise the Federal Platform, which was then discussed at the Executive Committee January 22, 2020. The latest draft of the Platform is attached in both mark-up and clean versions.

Subsequent to the January 11, RWA Board, the Rio Linda/Elverta Community Water District sent a letter stating its concerns over RWA's potential roles in Federal Affairs and the process in determining that role. The letter is attached.

Staff requests that the Board approve the attached RWA Federal Platform.

Presentation: Jim Peifer, Executive Director

**Action: Approve Federal Affairs Platform**

# Regional Water Authority

## DRAFT Federal Legislative Platform

Approved by the Board on \_\_\_\_\_

### Who We Are

The Sacramento region is home to the American River, 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 ~~purveyors and suppliers~~ agencies within the greater Sacramento Region, serving close to 2 million people. RWA supports these agencies in the management of ~~our~~ natural resources in a sustainable manner. RWA's mission is "to serve and represent regional water supply interests and assist [RWA] members with protecting and enhancing the reliability, availability, affordability and quality of water resources. "

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

### ~~Purpose and Role of the RWA Federal Legislative Agenda~~

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

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

### A Warmer Future

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

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

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

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

### Adapting to a Changing Climate

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

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

We are working to ensure that our region's natural resources remain healthy and that we develop solutions that provide for a sustainable and reliable water supply. Informed by regional plans and studies, there are several efforts underway to accomplish this including both natural and constructed infrastructure, operational changes to help improve water temperature management, and conveyance alternatives to take pressure off our more fragile ecosystems.

### Building Resiliency

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

#### The Sacramento Regional Water Bank

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

We support 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, less opportunities to bank groundwater and more severe droughts, the RiverArc project would enable large parts of both Sacramento and Placer counties to take their water supplies off the Sacramento River instead of the American River. This capability is critical for environmental management when flows need to be maintained on the American and more cold water needs to be preserved at Folsom Reservoir. RiverArc can also provide flexibility to Reclamation's USBR's Central Valley Project operations by adjusting the demands on Folsom Reservoir. Reclamation USBR has shown support by helping to fund initial technical studies. Reclamation's USBR's active involvement in this project is key to our success.

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

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

## Habitat

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

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

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

## Operating with a Resilient Priority

### **Folsom ~~C~~old water pool management**

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

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

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

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

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

### **Watershed Stewardship and Forest Management**

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

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

## Legacy groundwater issues

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

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

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

## Regional Water Authority

### DRAFT Federal Legislative Platform

Approved by the Board on \_\_\_\_\_

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#### 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:

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### Building Resiliency

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We support: 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.

## **RiverArc**

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

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

## **Habitat**

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

We support: 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.

## Operating with a Resilient Priority

### **Folsom cold water pool management**

During the drought period that ended in 2016, elevated water temperatures on the American River were devastating to fisheries. We anticipate with a warmer climate and earlier runoff, cold water will become more critically important. To manage this better in the future, we are working closely with Reclamation 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 manage the cold water pool at Folsom Reservoir, the Army Corps of Engineers has authorized a Temperature Control Device (TCD) to help regulate how water is used for releases.

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

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

### **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.

## **Legacy groundwater issues**

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

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



# RIO LINDA ELVERTA COMMUNITY WATER DISTRICT

730 L Street  
Rio Linda, CA 95673  
916 991-1000

February 24, 2020

Jim Peifer  
Executive Director  
Regional Water Authority  
5620 Birdcage Street, Suite 180  
Citrus Heights, CA 95610

**Re: Concern for Recent Contemplations of Expanding Scope**

Mr. Peifer:

The Rio Linda Elverta Community Water District (District) is writing to express concerns for the recent undertakings by the Regional Water Authority (RWA). Specially, the District is concerned with the contemplated expansion of scope by RWA into new focus areas. Among these are the contemplated expansion of RWA into federal affairs. The District is not only concerned with the diverting of limited RWA resources away from important, existing objectives of RWA. The District is also concerned with the occluded transparency and governance short cycling employed by RWA for the purposes of attaining RWA Board approval of the expansion.

RWA resources are limited. Allocating resources, attention and time to federal affairs leaves many important and unanimous-benefit issues with less resources. The District believes collaboration among interested RWA member agencies is a more worthy allocation of RWA resources. The District believes collaboration to help mitigate the impacts of a seemingly relentless stream of new mandates and requirements would be more uniformly beneficial to RWA member agencies.

The District also believes expanding the RWA scope into federal affairs is fanning the flames of growing divergence among member agencies. Instead of unifying member agencies, expanding into federal affairs will lead to factions of member agencies. Factions lead to pushing the limits to achieve victory of one faction at the detriment of another. Eventually, the divisive and extreme measures will lead to secession. Suffice to say, all RWA member agencies do not want the same outcomes from RWA exerting influence on the federal government. Those RWA member agencies in the minority faction will eventually ask themselves, 'why fund an advocacy which runs counter to our agency's objectives?'

The District has additional concern for the methods RWA staff and RWA committees used to advance the federal affairs item. This would be a District concern with any consequential item similarly advanced via, omitting documents and failing to embrace the need to enable Board Members to set policy with all the relevant information. The January 9th RWA Board packets did

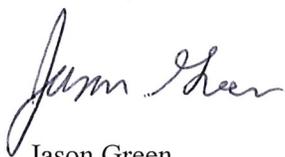
not include the Federal Affairs Ad Hoc Committee recommendations, which were in a document addressed to the RWA Board Members, dated November 23, 2019, i.e. the document was not included even though it was prepared well in advance of the January 9th meeting. The recommendations from the

ad hoc committee included cost estimations for the various options and a more comprehensive discussion of the methods and means RWA would exercise if the RWA Board approves the expansion of RWA scope into federal affairs. What could justify omitting this document? What could justify an ad hoc committee for discussion of this issue instead of discussing this issue at, and only at, public meetings of RWA.

The District respectfully requests that copies of this letter be provided to each RWA member agency. The District believe the most appropriate method of distributing this letter and allowing for transparent, beneficial discussion among RWA member agencies is to include this letter in the Board packets for the March 2020 RWA regular Board meeting.

Question or concerns may be directed to the District's General Manager, Tim Shaw.

Sincerely,

A handwritten signature in cursive script that reads "Jason Green".

Jason Green  
President  
RLECWD Board of Directors

## **AGENDA ITEM 8: STRATEGIC PLAN DEVELOPMENT UPDATE**

### **BACKGROUND:**

The RWA had a strategic planning workshop on February 21, 2020 where the organization's Mission, Vision, Values and Goals were discussed. During the meeting, the Board discussed the Mission, Vision, Values and Goals, and provided direction to staff to bring proposed changes back for the Board's consideration. Attached are staff proposals that will be brought to the next strategic planning workshop, currently scheduled for March 27, 2020.

Information and Discussion: Jim Peifer, Executive Director

**REGIONAL WATER AUTHORITY  
STRATEGIC PLAN 2020-2025+  
POST-WORKSHOP #1 UPDATE**

**MISSION**

*Original:*

To serve and represent regional water supply interests, and to assist Members in protecting and enhancing the reliability, availability, affordability and quality of water resources.

*From the Workshop: RWA serves and represents the interests of its members who are responsible for managing the region's water resources.*

***Staff Recommended Modification:***

RWA seeks to improve the members' abilities to manage the region's water resources.

**VISION**

*Original:*

Through regional cooperation and collaboration, we improve our members' abilities to effectively manage water resources to provide high quality water supplies to the public at a reasonable cost, to promote a sustainable environment, and to support a vibrant economy.

*From the Workshop: As leaders, we demonstrate through expanding cooperation and collaboration, we facilitate our regional members' abilities to effectively manage water resources to provide high quality, cost-effective water related services that promote a vibrant economy and resiliency through environmental stewardship and climate adaptation.*

***Staff Recommended Modification:***

The Regional Water Authority is recognized as a leader for its integrated and collaborative approach in effectively managing the region's water resources in support of a sustainable environment, healthy communities, a vibrant economy, and resilience under future climate conditions.

**VALUES (NV means Not a Value)**

*Original:*

**TRANSPARENT**

We are open and honest in internal and external dealings.  
We encourage open participation and communication among all interested members and potentially affected people in policies, procedures and activities.

**FORWARD-THINKING NV**

We are visionary and strategic on our approach to meeting challenges.  
We look for opportunities to address changing circumstance in proactive and innovative ways.

**KNOWLEDGEABLE**

We maintain an understanding of current and relevant issues on local, regional, state, and national levels, and we evaluate how they may affect members and the region.

**RESPONSIVE** We are focused on and committed to anticipating and responding to the needs of our members in accomplishing regional goals and objectives.

**REGIONAL NV** We take individual and collective actions to support mutual interests throughout the region. We communicate collective positions in a manner that both strengthens and is strengthened by the voices of the members.

**EFFECTIVE** We accomplish meaningful outcomes for the benefit of our members and the region. We leverage collective resources provided by members to meet the agreed upon objectives at a lower cost than could be achieved individually.

**CREDIBLE** We are recognized as a trusted and reliable source of information and as an organization whose actions are consistent with its stated intentions.

*Staff Recommended Modification:*

**VALUES - The Five "I" s** 

**INTEGRITY** **We are respectful and transparent in internal and external interactions.**  
*We are an organization whose actions are consistent with its stated intentions.*

**INNOVATIVE** **We are visionary and strategic in our approach to meeting challenges.**  
*We look for opportunities to address changing circumstances in proactive, cost-effective, and technically advanced ways.*

**INFORMED** **We are a trusted and reliable source of information.**  
*We maintain an understanding of current and relevant issues and we evaluate how they may affect members and the region.*

**INCLUSIVE** **We encourage open participation and equitable treatment amongst all stakeholders.**  
*We leverage collective resources provided by members to meet the agreed upon objectives than could be achieved individually.*

**IMPACTFUL** **We accomplish meaningful outcomes for the benefit of our members, the region, and future generations.**  
*We communicate collective positions in a manner that both strengthens and is strengthened by the voices of the members.*

**GOALS**

**A. Planning Goal**

*Original:*

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

*From the Workshop: Remove IRWMP*

**Staff Recommended Modification:**

Continuously improve regional water management planning that is comprehensive in scope and guides effective water resources management in the region.

**B. Implementation Goal**

*Original:*

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

*From the Workshop: Assist members with implementing successful water resources management strategies and related programs. This includes identifying, acquiring and administering external sources of funding. Move this to objectives.*

**Staff Recommended Modification:**

Assist members with implementing successful water resources management strategies and related programs.

**C. Change: Information/Education Goal to Communication Goal**

*Original:*

Inform and educate members and interested parties by providing a forum for discussion of issues, outreach to stakeholders, and a clearinghouse for sharing information.

*From the Workshop: Move original Goal for Information and Education to a possible objective. Communicate with one voice and with transparency based on shared values that coalesce region to serve all members with benefits to all.*

**Staff Recommended Modification:**

Based on shared values, communicate with one voice and with transparency.

**D. Advocacy Goal**

*Original:*

Represent Regional needs and concerns to positively influence legislative and regulatory policies and actions. This includes working to preserve the water rights and entitlements of members, maintain area of origin protections, and protect and ensure water supply reliability.

*From the Workshop: Represent Regional needs and concerns to positively influence legislative and regulatory policies and actions. ~~This includes working to preserve the water rights and entitlements of members, maintain area of origin protections, and protect and ensure water supply reliability.~~*

**Staff Recommended Modification:**

Represent Regional needs and member concerns to positively influence legislative and regulatory policies and actions.

## **AGENDA ITEM 9: LEGISLATIVE AND REGULATORY UPDATE**

### **BACKGROUND:**

The bill introduction deadline was February 21st. There were over 2,300 bills introduced this year and there are approximately 200 bills that staff is currently tracking. Approximately half of those bills are “spot” bills. At this time, the bills generally cover the topics of water quality and water affordability, though there are many issues that these bills touch on.

Some of those bills would require small systems to have a drought contingency plan (SB 971, Hertzberg), address a lawsuit related to water systems ability to charge for fire hydrants (SB 1386, Moorlach), expand water board authority to force consolidation of small systems (SB 1280 Monning), and a bill (sponsored by Elk Grove Water District) to address water theft (AB 2095, Cooper).

It would appear that the highest profile issue will be a measure to put a general obligation bond to fund climate resilience on the November ballot. There are three efforts to place that measure. SB 45 (Allen, \$5.5 billion), AB 3256 (E. Garcia, unspecified funding), budget trailer bill (Newsom Administration, \$4.75 billion).

There have been several actions occurring in the regulatory realm, all through the Water Board. The Water Board released its AB 401 report on affordability February 25th. This report includes recommendations for funding that incorporate some version of a water tax. The Water Board released an economic feasibility analysis on Chrome 6 MCL on February 24th. The Water Board had its second meeting of the safe drinking water advisory group on February 19th. The safe drinking water advisory group is advising the full Water Board on establishment of water system affordability threshold as part of its fund expenditure plan recommendations.

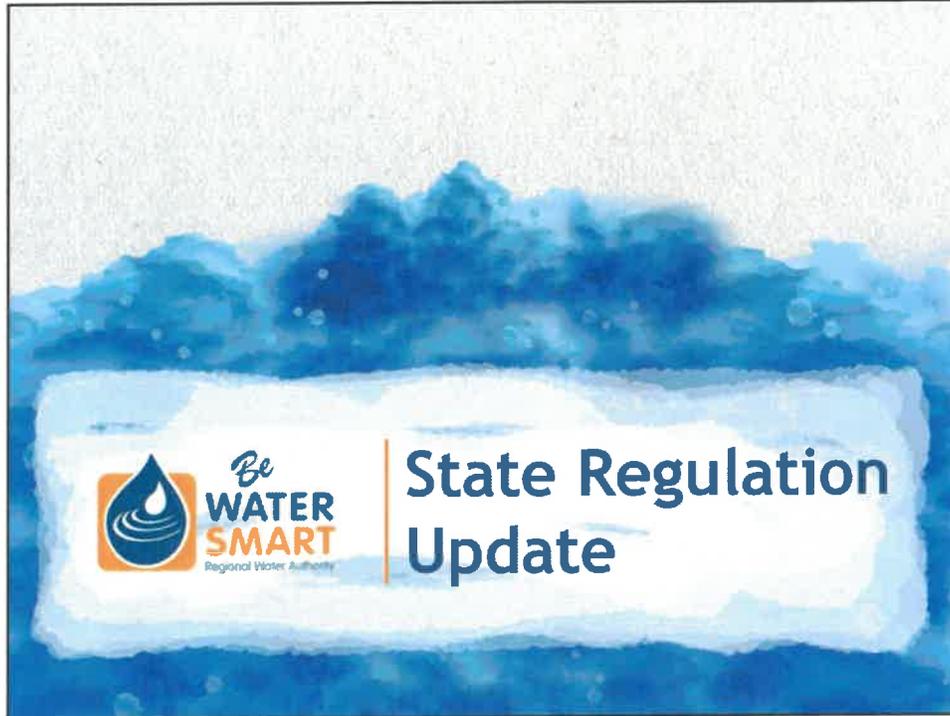
Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager

## **AGENDA ITEM 10: STATE REGULATION UPDATE**

### **BACKGROUND:**

The Department of Water Resources (DWR) is conducting outreach on: 1) the Annual Water Supply and Demand Assessment required as part of AB 1668 and SB 606; 2) Urban Water Management Plan Guidebook Development; and 3) Landscape Area Measurement Project Technical Workshops. Staff will provide a brief presentation on these items including the purpose, main outcomes and next steps for each meeting. Specific examples of topics from the Landscape Area Measurement Project Technical workshop will be presented including landscape categories (irrigated, irrigable, and not irrigable), frequently asked questions, and the data validation process. Lastly a brief update will be provided on the retail water loss regulation that is managed by the State Water Board.

Presentation: Amy Talbot, Senior Project Manager



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**SB 606 and AB 1668**

DWR Regulation Development Committees

1. Annual Water Supply and Demand Assessment
2. Urban Water Management Plan Guidebook
3. Landscape Area Measurement
4. Wholesale Water Loss
5. Water Use Studies
6. Data Streamlining
7. Standards, Methodologies, and Performance Measures

  
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2

BE WATER SMART

## Annual Water Supply & Demand Assessment

- Date: Monday, March 9<sup>th</sup>
- Purpose: To explain new requirement for annual water supply and demand assessments and gather feedback on best practices for developing assessment reports
- Main outcomes: *(to be filled in after Mar 9th)*
  
- Next steps: *(to be filled in after Mar 9th)*



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3

BE WATER SMART

## Urban Water Management Plan Guidance

- Date: Tuesday, March 10<sup>th</sup>
- Purpose: To explain changes in state law that impact UWMPs and gather feedback on developing guidance for these changes
- Main outcomes: *(to be filled in after Mar 10th)*
  
- Next steps: *(to be filled in after Mar 10th)*



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4

BE WATER SMART

## Landscape Area Measurement

Purpose: Review developing DWR methodology for creating landscape water budgets and provide feedback

- **Recent Meeting:**
  - February 12<sup>th</sup> Sacramento
  - Outcome: Validation and Accuracy
- **Upcoming Dates:**
  - May 13<sup>th</sup> Irvine Ranch Water District
  - August 20, 2020 Sacramento
  - November 19, 2020 Irvine Ranch Water District



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**Irrigated landscape**

- Green Grass
- Trees and Shrubs
- Swimming Pools

**Irrigable- Not Irrigated**

**Not Irrigable—hardscape and undeveloped land**

6

## 1. How will parkway strips be handled?

- ▶ **Description of question:** Parkway strips are areas of vegetation that do not fall within a parcel boundary but are adjacent to the parcel and are often watered by the homeowner. How will they be handled?
- ▶ **Response:**
  - ▶ Currently the DWR does not intend to include parkway strip irrigation into the Program since their watering is very variable based on water district
  - ▶ DWR is conducting an analysis to assess the impact of not including parkway strips on overall water allowance for a range of districts

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## Confidence Interval - Irrigable

	DWR			QUANTUM		
	Mean	95% Conf. Int.		Mean	95% Conf. Int.	
		Upper	Lower		Upper	Lower
North Marin	467	499	436	524	555	494
Rancho California	729	789	668	713	771	655
ARROYO GRANDE	372	409	334	328	358	299
CWS BAKERSFIELD	327	353	300	268	294	242
CWS EAST LA	148	162	135	144	158	130
DESERT WA	249	274	223	254	280	228
FOLSOM CITY OF	392	418	367	359	385	333
LAS VIRGENES MWD	729	872	587	670	791	548
OLIVENHAIN MWD	1021	1158	886	937	1052	823
PLEASANTON WSA	417	454	379	351	377	326
REDWOOD CITY	342	366	318	352	379	325
SANTA CRUZ	266	289	243	272	296	249

8

BE WATER SMART

## Retail Water Loss

**Purpose:** To create individual agency water loss performance standards (gallons per connection per day)

- Originates from SB 555, but tied to SB 606/AB 1668
- Managed by the State Water Board
- Deadline: July 1, 2020
- Next stakeholder meeting in a couple months
- Wildcard



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## Overwatering?

## Questions?

Amy Talbot  
atalbot@rwah2o.org  
916.967.7692

Find tips on how much water your yard really needs at  
**BeWaterSmart.info**



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## **AGENDA ITEM 11: SACRAMENTO REGION WATER UTILITY COLLABORATION/INTEGRATION STUDY**

### **BACKGROUND:**

The Sacramento Suburban Water District (SSWD) Board of Directors approved implementing a Water Management/Re-Organization Ad Hoc Committee (Committee) with the San Juan Water District (SJWD) in May 2018.

The Committee directed the SSWD and SJWD General Managers to extend an invitation to all General Managers in the Sacramento Region with the objective of identifying ways agencies can become more efficient by working together to minimize costs to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies.

The following agencies are participating in the ongoing discussions: SSWD, SJWD, Citrus Heights Water District, Carmichael Water District, Rio Linda/Elverta Community Water District, Del Paso Manor Water District, and the City of Folsom.

Presentation: Paul Helliker, General Manager, San Juan Water District

# SACRAMENTO REGION WATER UTILITY COLLABORATION / INTEGRATION STUDY

Paul Helliker  
General Manager  
San Juan Water District  
March 12, 2020

## BACKGROUND

2013 agreement between Sacramento Suburban Water District (SSWD) and San Juan Water District (SJWD) to identify collaboration opportunities and potential merger

- Phase 1 Study – looked at no change, enhanced contracting and merger
- Approved by both Boards in 2014
- Phase 2A Study- identified governance and organizational design of merged agencies
- Completed in 2015

## PHASE 2A STUDY

- June 2015 Joint Board Meeting – SJWD Board approved 2A study, SSWD Board did not
- SSWD Board wanted further follow up on comments from SJWD Wholesale Customer Agencies (FOWD, CHWD, OVWC, Folsom)
- SSWD management collected further input

## 2018/19 ACTIVITIES

- March 2018 letter from SJWD to SSWD
- 2x2 Committee reconstituted
- Committee directed GMs to solicit broader participation in new analysis
- RFP issued in October 2019
  - Scope of work includes analysis of existing operations and finances, with assessment of how to improve services and reduce costs
  - Alternatives include business as usual, joint contracting, joint powers authorities, integration of certain units and full merger
- Five teams bid and Raftelis/Tully and Young were selected after interviews in mid-December

## PARTICIPANTS

To date, the Board of Directors/City Councils of the following agencies have approved participating in this effort:

- Carmichael Water District
- Citrus Heights Water District
- City of Folsom
- Rio Linda/Elverta Community Water District
- Sacramento Suburban Water District
- San Juan Water District

Del Paso Manor WD in process

Fair Oaks Water District and Orangevale Mutual Water Company were part of the original group, and will have another opportunity to join

## WORK ACTIVITY TASKS

- Work Activity 1 - Describe the utilities, background; Inventory services offered by each Agency; Inventory current collaborations; Describe existing financial approaches; Review and Revise Problem Statements.
- Work Activity 2 – Conduct peer benchmarking; Identify performance measures to evaluate collaboration/integration alternatives/options.
- Work Activity 3 - Identify economies of scale; Identify opportunities and challenges for service integration; Identify opportunities and challenges for facilities integration.

## PROJECT PLAN, COST AND SCHEDULE

- Management Committee (GMs and staff) will manage the project
- Ad-hoc Board/Council committee will meet to review each deliverable, meeting of full Boards/Councils at the conclusion of the work
- Budget for the project - \$200,000.
- Costs shared proportional to agency operating budgets
- Nine month schedule
- Adding other participants will require revision of scope and budget

## WORK ACTIVITY 4 - OPTIONAL

Enhancement and implementation activities can be undertaken at the conclusion of the first three Work Activities, as desired by the Agencies.

- Raftelis will identify and prioritize the potential improvements and shared services to tackle first and will prepare recommendations and an implementation plan. The intent is to achieve the desired breakthrough performance through innovative and creative solutions. Together with the Committee, Raftelis will establish measures of success to help the parties influence the outcome of the shared service effort and provide implementation assistance as needed.

**AGENDA ITEM 12: EXECUTIVE DIRECTOR'S REPORT**

**MARCH 12, 2020**

**TO: REGIONAL WATER AUTHORITY BOARD OF DIRECTORS**

**FROM: JIM PEIFER**

**RE: EXECUTIVE DIRECTOR'S REPORT**

- a. **Water Transfers** – Discussions are starting to occur on water transfers. A draft SWC 2020 Dry Year Transfer Program agreement has been included. The agreement indicates \$300 per acre foot, but it is possible that the price could change depending on the amount of precipitation received in the next few weeks.
- b. **RWA Outreach** – Staff has been invited to participate on an ACWA Integrated Regional Water Management (IRWM) Subcommittee to discuss updating ACWA's IRWM Policy Principles. Staff has been invited to participate in a small group Public Policy Institute of California (PPIC) workshop on "Water Trading, Water Banking, and Sustainable Groundwater Management" on April 19 in Sacramento.

Mr. Peifer and Mr. Ojakian met with Thomas Gibson, deputy secretary and special counsel for water at the California Natural Resources Agency to discuss the RWA comments on the Water Resilience Portfolio.

Mr. Peifer and Mr. Ojakian attended the ACWA DC Conference. While in DC, Mr. Peifer and Mr. Ojakian met with staff from the congressional delegation and Reclamation officials to discuss the Sacramento Regional Water Bank and potential funding opportunities.

Mr. Peifer participated in the ACWA Federal Affairs Committee meeting and Groundwater Committee meeting. Mr. Peifer and Ms. Talbot observed the ACWA Water Management Committee meeting.

Mr. Peifer participated in a briefing to Ernest Conant and Reclamation staff at the annual Reclamation Water Users Conference on the Water Bank and American River Basin Study along with RWA member agency staff

Mr. Peifer, Mr. Swartz and Mr. Ojakian met with Reclamation staff to explore grant opportunities and to identify how RWA member agency projects could be included in the Reclamation work plan.

Mr. Swartz and Mr. Peifer met with EBMUD staff to explore water banking and water transfer opportunities

Mr. Ojakian, Mr. Swartz and Mr. Peifer along with RWA member agency staff and Water Forum Staff met with Mr. Kris Tjernell and DWR staff to exchange information on

the American River Basin Study and DWR's similar efforts on the Tuolumne and Merced River systems

Mr. Peifer and Mr. Ojakian along with RWA member agency staff presented the American River Basin Study climate change impacts to State Water Resource Control Board members Dorene D'Adamo, Laurel Firestone, Sean Maguire (in separate meetings) and to Water Board staff.

Mr. Peifer, Mr. Swartz and Mr. Ojakian met with SWRCB water rights and transfers staff to discuss the Sacramento Regional Water Bank.

- c. **Grants Update** – Staff is managing five grants totaling \$28.6 million. During the last quarter, \$483,728 in reimbursement was received. A copy of the grants status table is attached.
- d. **Office Flooding** - During the last week of February, staff was coordinating services in anticipation of relocating back to RWA's normal place of business. These services include post-remediation mold testing, coordination of return of office contents, set-up/configuration of office furniture and cubicles, and necessary IT services (server and desktop installations, rewiring and cabling, and test/tone of all network connections) to establish operations at the Birdcage office. Staff has generally resumed normal working conditions, but we are still working with our insurance adjuster to determine reimbursement amounts associated with damaged furniture. A copy of the post-remediation mold testing is attached.
- e. **Conflict of interest code** - As a result from staff's review, RWA posted a Notice of Intention to amend its Conflict of Interest Code on February 14, 2020. This is to amend RWA's Designated Position listing and Assigned Disclosure Category with the addition/reclassification of the Manager of Technical Services position, which was approved by the RWA Board on March 26, 2014. Once the comment period for this Notice concludes on April 3, 2020 and if there are no requests for a hearing on these changes, then the RWA Board of Directors can adopt the amendments at their next regularly scheduled meeting in May without holding a public hearing.
- f. **Board Member Training** - As a result of staff meeting with ACWA JPIA, we have been informed that RWA Board members have certain training requirements to complete since RWA's insurance policy extends coverage to their board members/public officials. The following training classes are required of all RWA Board Members including Sexual Harassment Prevention Training, Driver Safety Training, and Ethics Training. If Board members have taken these classes at their respective agency, then please email a copy of the certificate of completion to Josette Reina-Luken, Finance and Administrative Services Manager, at [josette@rwah2o.org](mailto:josette@rwah2o.org).

ACWA JPIA has encouraged RWA maintain a copy of the training certificates as part our records. If you have not taken these classes, please let us know and we will send you information on how to complete these classes either in-person or on-line. Failure to

complete these courses may jeopardize RWA's ability to provide insurance coverage to Board members in the event it is needed.

- g. OPEB Update** - During the February Executive Committee (EC), staff reported back with the confirmation that CalPERS is not allowing bifurcation amongst their offered OPEB Trust Funding Options. Meaning, RWA must select one of three funding strategies (Strategy 1, 2, or 3) to invest their OPEB assets. RWA's current OPEB Trust balance is approximately \$1.1 million and is invested in Strategy 1, is the most aggressive funding option available containing the highest percentage of global equity and global real estate asset classifications.

The Executive Committee had requested additional information regarding potential outcomes if RWA moved to a more conservative strategy, like Strategy 2, in order to protect RWA's trust balance from potential market volatility. Since the projected return on investment would be lower in Strategy 2, RWA's would experience a \$20,000 increase in the Actuarial Determined Contribution (ADC). The Executive Committee inquired if there was any way to reduce the ADC to a lesser amount. Staff reported that there are two ways to reduce the ADC: 1. Increase the discount rate up to CalPERS suggested discount rate instead RWA's customized rate or 2. Consider removing implicit liability in the overall calculation. As Option 1 is a known outcome to have less than expected results, the Executive Committee directed staff to explore the removal of implicit liability and report back the results at the next EC meeting prior to fiscal year 2020-2021 draft budget presentation.

- h. River Arc** – Included in this report is information on the River Arc project.
- i. Water Forum Negotiations** – The Water Forum will start a renegotiation of the Water Forum Agreement in the near future. Julia Golomb from Consensus Builders Institute (CBI) has conducted a stakeholder interviews and presented her findings to the Water Caucus on November 12 and the Water Forum Plenary on November 13. Jim Peifer was asked to identify five members of the Water Caucus that would participate in the main negotiating group. The Public Caucus, which typically caucuses with the Water Caucus would include two members.

The topics for the initial phase would include identifying the negotiating representatives, geographical extent of the agreement, decision making rules, ground rules, co-equal objectives, and outreach strategy.

- j. Water Resilience Portfolio** – The Newsom Administration has released a draft of the 2020 Water Resilience Portfolio (Portfolio). The RWA has provided a comment letter on the draft Portfolio. A copy of the letter is attached.
- k. 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 updated pay scales are also attached and have been posted at [www.rwah2o.org](http://www.rwah2o.org) to comply with CalPERS requirements.

**I. Financial Reports** – Financial reports through December 31, 2019 are attached.

## Regional Water Authority Status of Grant Awards

March 2020

	Prop 84 2011 Implementation Grant (1)	Prop 84 2014 Drought Grant	Prop 84 2015 Implementation Grant	USBR CalFed 2018 Meter Grant (2)	USBR 2018 Drought Resiliency Grant (3)	Total
<b>Awarding Agency</b>	DWR	DWR	DWR	USBR	USBR	
<b>Award/Effective Date</b>	8/16/2011	1/17/2014	1/13/2016	9/21/2018	9/17/2019	
<b>Completion Date</b>	6/30/2019	6/30/2020	6/30/2020	3/31/2020	12/31/2020	
<b>Grant Award Amount</b>	\$16,030,766	\$9,765,000	\$1,757,000	\$750,000	\$300,000	\$28,602,766
<b>Reimbursement Requests Currently Being Reviewed</b>	\$3,383,963	\$0	\$0	\$0	\$0	\$3,383,963
<b>Reimbursements Received During Previous Quarter</b>	\$0	\$125,640	\$79,088	\$279,000	\$0	\$483,728
<b>Reimbursements Paid to Date</b>	\$12,478,524	\$8,099,164	\$700,923	\$279,000	\$0	\$21,557,610
<b>Grant Award Outstanding</b>	\$168,279	\$1,665,836	\$1,056,077	\$471,000	\$300,000	\$3,661,193

(1) Grant agreement has expired. Final invoicing and reporting being completed over next quarter.

(2) Awarded to Sacramento Suburban WD on behalf of the region. RWA developed the application and is managing the grant.

(3) Awarded to San Juan WD and includes Sacramento County WA as subrecipient. RWA developed application and is managing grant.



SERVPRO of Fair Oaks / Folsom  
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2/22/2020

Regional Water Authority  
5620 Bird Cage St  
STE 180  
Citrus Heights, CA 95610

ATTN:  
Josette Reina – Luken

**Non Salvageable Contents List**

Jim's Office:  
Large cherry color wooden 3 pc desk with hutch  
Brown vinyl 6' couch with wooden legs

Ryan's Office:  
Medium cherry color wooden 2pc desk  
2- Wooden 6' tall book cases

Josette's Office:  
Wooden 2' tall book case

Monica's Cube:  
2- Wooden 4' tall book cases  
Wooden 3' tall book case

Reception Cube:  
2- Wooden 5' tall book cases  
Wooden 2' tall book case

Wood framed 8x10 painting

February 24, 2020

Regional Water Authority  
Josette Reina-Luken  
5620 Birdcage Street, Suite 180  
Citrus Heights CA, 95610

**SERVICE:**

Mold Clearance & Report

**DATE AND TIME:**

February 24, 2020 | 9:30 AM

**LOCATION | AREA:**

5620 Birdcage Street, Citrus Heights, CA 95610

**CONSULTANT:**

David Acosta

Dear Ms. Reina-Luken,

This report is in regards to the mold air sampling for ventilated buildings using Viable/Non-Viable sampling analysis, conducted at the above listed site. A mold visual assessment and ambient air sampling was performed in order to determine the level of mold present at the time of inspection. The results of the samples are based on the conditions as they occurred on this particular sampling day and are only pertinent to the specific areas that were remediated and tested at the site.

**RESULTS:**

*Based on the results of the analyzed samples, the impacted areas are “Not Above Normal Background Levels” and are found to be within “Normal Indoor Air Quality Standards”. The concentrations of mold present in the samples, do not present a problem or concern, as they fall within the “Normal Range”.*

**SAMPLING AND ANALYSIS:**

Indoor spore levels usually average 30% to 80% of the outdoor spore levels at the time of sampling, with the approximate same distribution of spore types. An indicator of mold growth is problematic interiors that are reflected by a substantial increase in one or two spore types, which are inconsistent and not reflective of the outside spore distribution.

Upon arrival at the site, Consultant proceeded with the visual inspection and ambient air sampling using a 37mm cassette calibrated with a Dwyer series VFB Visi-Float Flowmeter. The air sampler was turned on and operated for 5 minutes at 15 lpm for a total volume of 75 liters.

## **SWC 2020 Dry Year Transfer Program (DYTP) TERMS AND CONDITIONS**

1. **Water Purchase Payment** – Subject to approval of the Parties’ governing bodies, and State Water Resources Control Board (SWRCB) or CEQA permit completion (where applicable), Buyers will pay Seller a total purchase payment of \$300 for each acre-foot of transfer supplies DWR determines is transferrable in accordance with the Draft Technical Information for Water Transfers in 2020. The price will be independent of source of water (i.e. crop idling vs. groundwater substitution vs. reservoir reoperation).
  
2. **Seller Price Protection** – The price per acre-foot and, except as set forth in paragraph 11, the CEQA-SWRCB/Administration payment in paragraph 3(a) will not be lower than the price that any participating Buyer of the SWC DYTP pays to any other Seller in 2020 for any type of water transfer. Seller shall invoice Buyers on a monthly basis after the transfer water has been made available and Buyers shall pay such invoices within 30 days of Buyers’ receipt of the invoice. In addition, the Buyers will retain ten percent of invoice amounts pending DWR’s final confirmation that Seller’s supply was produced as intended and was made available to Buyers at the point of delivery.
  
3. **Seller Administrative & Litigation Cost Coverage**
  - a. **CEQA-SWRCB/Administration** - Seller will be responsible for preparing necessary CEQA and SWRCB documentation. Buyers will reimburse Seller’s reasonable and documented out-of-pocket administrative expenses, subject to the limitations below, specifically for DYTP transfers in 2020. These expenses may include, but are not limited to legal, environmental, and engineering consultants’ fees and expenses incurred by Seller for developing and administering mitigation and monitoring programs for groundwater substitution transfer, and preparing, negotiating, administering, implementing, supporting, and obtaining any necessary approvals for the proposed transfer, regardless of whether water is transferred, unless the Seller fails to provide any water after the Buyers provide notification to purchase water in paragraphs 4 and 5. Subject to the foregoing and except as set forth in paragraph 11, Seller shall be entitled to this reimbursement for such costs incurred after March 2, 2020, and upon the Buyers’ and Seller’s executing a Buyer-Seller agreement. Except as set forth in paragraphs 3(b)(ii) and 11, the maximum amount that Seller will be reimbursed for their out-of-pocket CEQA-SWRCB/Administration expenses is \$50,000 (for actual net deliveries greater than 10,000 acre-feet); \$30,000 (for deliveries between 9,999 acre-feet and 5,000 acre-feet); and \$20,000 (for deliveries between 4,999 acre-feet and 1,000 acre-feet).
  
  - b. **Litigation** – If a third party files a petition with the SWRCB or with a court challenging the proposed 2020 water transfer, Seller and Buyers will promptly meet and confer to perform a risk assessment of the challenge, and

cooperate in good faith to determine whether to terminate the agreement due to the challenge. If such a challenge is pending as of April 20, 2020, either party may elect to terminate the agreement due to any such challenge. If either party elects to terminate the agreement prior to April 20, 2020, the Buyers shall still be obligated to pay for the CEQA-SWRCB/Administration Payment to the extent provided in paragraph 3(a). If such a challenge is initiated after April 20, 2020, Seller and Buyers will promptly meet and confer to assess the risk of the challenge, but termination of the agreement may only occur through agreement of both Buyers and Seller. If both Buyers and Seller elect to terminate the agreement after April 20, 2020, the Buyers shall still be obligated to pay for the CEQA-SWRCB/Administration Payment to the extent provided in paragraph 3(a); the EIR surcharge for certain Sellers set forth in paragraph 11; for all of the water transferred to Buyers prior to such termination; and for any litigation expenses in having the challenge dismissed or otherwise resolved. Seller will take all necessary and appropriate actions to defend the transfer on behalf of Buyers and Seller. Except as set forth in paragraph 3(b)(ii), Buyers will reimburse 100% of Seller's actual out-of-pocket expenses incurred in defending the proposed 2020 water transfer. Buyers shall cooperate in defending the litigation as requested by Seller.

- (i) Subject to paragraph 3(b)(ii), Buyers shall bear their own costs of the proceeding and shall pay any remedial award associated therewith, whether levied against Buyers or Seller.
- (ii) As to claims solely challenging Seller's conduct within Seller's service area or above the point of delivery for Seller, and excepting claims governed by paragraph 3(b)(i), Seller shall have primary responsibility for defending such claims on behalf of both Seller and Buyers, and Buyers shall participate in defending against such claims to the extent it deems necessary or appropriate, in Buyers' sole discretion. Buyers shall bear their own fees and costs of defending against such claims. Except as provided in paragraph 3(a), Seller shall bear its own fees and costs of defending against such claims and shall pay any monetary awards associated therewith.

c. **Invoicing** – Seller shall invoice Buyers for CEQA/Administration expenses (supported by invoices and documentation) after all transfer water has been made available and Buyer shall pay such invoices within 30 days of Buyer's receipt of the invoice.

4. **Crop Idling Transfers** – Seller will notify Buyers and DWR of the amount of water offered by April 13, 2020. Buyers will notify Seller if Buyers want to purchase the water on or before 5:00 p.m. on April 27, 2020. Until either Buyers notify Seller or April 27, 2020, whichever occurs first, Seller may in its sole discretion reduce the amount of transfer water it wishes to make available, down to 0 acre-feet. If Buyers purchase the water, Buyers will have a "take or pay" obligation for the water, and Buyers may not elect to order or pay for less than the amount specified in the notice to Seller.

5. **Groundwater Substitution or Reservoir Reoperation Transfers** - Seller will notify Buyers and DWR of the amount of water offered by April 13, 2020. Buyers will notify Seller if Buyers wants to purchase the water on or before 5:00 p.m. on May 1, 2020. If Buyers purchase the water and delivery has started, Buyers may suspend or terminate (with a 72-hour notice) the groundwater pumping due to limitations on the ability to divert/deliver and/or use groundwater substitution water. Groundwater substitution transfers will be subject to 13% depletion losses or the amount of depletion losses established in DWR/USBR's latest water transfer guidelines or as accepted by DWR based on site specific past transfers or aquifer analysis. The Parties' agreement as to depletion losses associated with 2020 groundwater substitution transfers will in no respect be binding on or a precedent for the Seller as to future groundwater substitution transfers. Buyers' payment to Seller will be based on the amount of water Seller makes available after the aforementioned depletion losses are applied.
6. **Shortage Provisions Protection** – In the event a Seller's supply is reduced or curtailed, Seller will meet and confer with Buyers, but Seller will reserve the right in its sole and absolute discretion to terminate the 2020 water transfer agreement. However, the obligations set forth in paragraphs 3(a), 3(b), 3(c), and 11 will still apply.
7. **Refunds** - In the event Seller fails to provide the amount of water purchased in paragraph 1, subject to any reductions in paragraph 6, Seller will promptly refund to Buyers any payments made for purchased water not provided by Seller. Any refunds shall include interest at the Local Agency Investment Fund rate for the time period the money was held.
8. **Point of Delivery** - The point of delivery for the transfer water will be at the Seller's diversion point(s). Buyers will be responsible for all other losses, including Delta carriage water loss, and expenses associated with transfer water between the Seller's point of delivery and the Buyers' service areas.
9. **Approvals** – Except as provided in paragraph 3(a) with respect to reimbursement of administrative costs and paragraph 11 concerning EIR surcharge, the Parties' performance under the 2020 water transfer agreement will be contingent on the Parties obtaining any necessary approvals. Seller will be responsible for obtaining necessary approvals from DWR, SWRCB, and other relevant government entities for transfer of the water. Buyers will be responsible for obtaining all authorizations for conveyance of the transfer water to each Buyer's place of use. If necessary approvals are not obtained by April 20, 2020, for crop idling transfers pursuant to paragraph 4, and by May 1, 2020, for groundwater substitution and reservoir reoperation transfers pursuant to paragraph 5, Seller and Buyers will promptly meet and confer to determine if these dates should be extended.
10. **Mutually Agreeable Off-ramp** – If, after Buyers notify Seller that they want to purchase water pursuant to paragraphs 4 and 5, hydrologic conditions are wetter

than anticipated, resulting in no capacity to convey the transfer supplies through the Delta, Buyers and Seller will meet to determine if there are financial considerations Buyers could provide which would relieve the Seller from making the water transfer supplies available under the 2020 water transfer agreement.

11. **EIR Surcharge** – In addition to the Seller Administrative & Litigation Cost Coverage set forth in paragraph 3(a), Buyers shall reimburse Western Canal Water District and Richvale Irrigation District 1/5<sup>th</sup> of their total documented out-of-pocket costs associated with their 5-year water transfer EIR, up to a maximum of \$40,000 each.

**SWC 2020 Dry Year Transfer Program (DYTP)  
TERMS AND CONDITIONS**

1. **Water Purchase Payment** – Subject to approval of the Parties’ governing bodies, and State Water Resources Control Board (SWRCB) or CEQA permit completion (where applicable), Buyers will pay Seller a total purchase payment of \$300 for each acre-foot of transfer supplies DWR determines is transferrable in accordance with the Draft Technical Information for Water Transfers in 2020. The price will be independent of source of water (i.e. crop idling vs. groundwater substitution vs. reservoir reoperation).
  
2. **Seller Price Protection** – The price per acre-foot and, except as set forth in paragraph 11, the CEQA-SWRCB/Administration payment in paragraph 3(a) will not be lower than the price that any participating Buyer of the SWC DYTP pays to any other Seller in 2020 for any type of water transfer. Seller shall invoice Buyers on a monthly basis after the transfer water has been made available and Buyers shall pay such invoices within 30 days of Buyers’ receipt of the invoice. In addition, the Buyers will retain ten percent of invoice amounts pending DWR’s final confirmation that Seller’s supply was produced as intended and was made available to Buyers at the point of delivery.
  
3. **Seller Administrative & Litigation Cost Coverage**
  - a. **CEQA-SWRCB/Administration** - Seller will be responsible for preparing necessary CEQA and SWRCB documentation. Buyers will reimburse Seller’s reasonable and documented out-of-pocket administrative expenses, subject to the limitations below, specifically for DYTP transfers in 2020. These expenses may include, but are not limited to legal, environmental, and engineering consultants’ fees and expenses incurred by Seller for developing and administering mitigation and monitoring programs for groundwater substitution transfer, and preparing, negotiating, administering, implementing, supporting, and obtaining any necessary approvals for the proposed transfer, regardless of whether water is transferred, unless the Seller fails to provide any water after the Buyers provide notification to purchase water in paragraphs 4 and 5. Subject to the foregoing and except as set forth in paragraph 11, Seller shall be entitled to this reimbursement for such costs incurred after March 2, 2020, and upon the Buyers’ and Seller’s executing a Buyer-Seller agreement. Except as set forth in paragraphs 3(b)(ii) and 11, the maximum amount that Seller will be reimbursed for their out-of-pocket CEQA-SWRCB/Administration expenses is \$50,000 (for actual net deliveries greater than 10,000 acre-feet); \$30,000 (for deliveries between 9,999 acre-feet and 5,000 acre-feet); and \$20,000 (for deliveries between 4,999 acre-feet and 1,000 acre-feet).
  
  - b. **Litigation** – If a third party files a petition with the SWRCB or with a court challenging the proposed 2020 water transfer, Seller and Buyers will promptly meet and confer to perform a risk assessment of the challenge, and

cooperate in good faith to determine whether to terminate the agreement due to the challenge. If such a challenge is pending as of April 20, 2020, either party may elect to terminate the agreement due to any such challenge. If either party elects to terminate the agreement prior to April 20, 2020, the Buyers shall still be obligated to pay for the CEQA-SWRCB/Administration Payment to the extent provided in paragraph 3(a). If such a challenge is initiated after April 20, 2020, Seller and Buyers will promptly meet and confer to assess the risk of the challenge, but termination of the agreement may only occur through agreement of both Buyers and Seller. If both Buyers and Seller elect to terminate the agreement after April 20, 2020, the Buyers shall still be obligated to pay for the CEQA-SWRCB/Administration Payment to the extent provided in paragraph 3(a); the EIR surcharge for certain Sellers set forth in paragraph 11; for all of the water transferred to Buyers prior to such termination; and for any litigation expenses in having the challenge dismissed or otherwise resolved. Seller will take all necessary and appropriate actions to defend the transfer on behalf of Buyers and Seller. Except as set forth in paragraph 3(b)(ii), Buyers will reimburse 100% of Seller's actual out-of-pocket expenses incurred in defending the proposed 2020 water transfer. Buyers shall cooperate in defending the litigation as requested by Seller.

- (i) Subject to paragraph 3(b)(ii), Buyers shall bear their own costs of the proceeding and shall pay any remedial award associated therewith, whether levied against Buyers or Seller.
    - (ii) As to claims solely challenging Seller's conduct within Seller's service area or above the point of delivery for Seller, and excepting claims governed by paragraph 3(b)(i), Seller shall have primary responsibility for defending such claims on behalf of both Seller and Buyers, and Buyers shall participate in defending against such claims to the extent it deems necessary or appropriate, in Buyers' sole discretion. Buyers shall bear their own fees and costs of defending against such claims. Except as provided in paragraph 3(a), Seller shall bear its own fees and costs of defending against such claims and shall pay any monetary awards associated therewith.
  - c. **Invoicing** – Seller shall invoice Buyers for CEQA/Administration expenses (supported by invoices and documentation) after all transfer water has been made available and Buyer shall pay such invoices within 30 days of Buyer's receipt of the invoice.
4. **Crop Idling Transfers** – Seller will notify Buyers and DWR of the amount of water offered by April 13, 2020. Buyers will notify Seller if Buyers want to purchase the water on or before 5:00 p.m. on April 27, 2020. Until either Buyers notify Seller or April 27, 2020, whichever occurs first, Seller may in its sole discretion reduce the amount of transfer water it wishes to make available, down to 0 acre-feet. If Buyers purchase the water, Buyers will have a "take or pay" obligation for the water, and Buyers may not elect to order or pay for less than the amount specified in the notice to Seller.

5. **Groundwater Substitution or Reservoir Reoperation Transfers** - Seller will notify Buyers and DWR of the amount of water offered by April 13, 2020. Buyers will notify Seller if Buyers wants to purchase the water on or before 5:00 p.m. on May 1, 2020. If Buyers purchase the water and delivery has started, Buyers may suspend or terminate (with a 72-hour notice) the groundwater pumping due to limitations on the ability to divert/deliver and/or use groundwater substitution water. Groundwater substitution transfers will be subject to 13% depletion losses or the amount of depletion losses established in DWR/USBR's latest water transfer guidelines or as accepted by DWR based on site specific past transfers or aquifer analysis. The Parties' agreement as to depletion losses associated with 2020 groundwater substitution transfers will in no respect be binding on or a precedent for the Seller as to future groundwater substitution transfers. Buyers' payment to Seller will be based on the amount of water Seller makes available after the aforementioned depletion losses are applied.
6. **Shortage Provisions Protection** – In the event a Seller's supply is reduced or curtailed, Seller will meet and confer with Buyers, but Seller will reserve the right in its sole and absolute discretion to terminate the 2020 water transfer agreement. However, the obligations set forth in paragraphs 3(a), 3(b), 3(c), and 11 will still apply.
7. **Refunds** - In the event Seller fails to provide the amount of water purchased in paragraph 1, subject to any reductions in paragraph 6, Seller will promptly refund to Buyers any payments made for purchased water not provided by Seller. Any refunds shall include interest at the Local Agency Investment Fund rate for the time period the money was held.
8. **Point of Delivery** - The point of delivery for the transfer water will be at the Seller's diversion point(s). Buyers will be responsible for all other losses, including Delta carriage water loss, and expenses associated with transfer water between the Seller's point of delivery and the Buyers' service areas.
9. **Approvals** – Except as provided in paragraph 3(a) with respect to reimbursement of administrative costs and paragraph 11 concerning EIR surcharge, the Parties' performance under the 2020 water transfer agreement will be contingent on the Parties obtaining any necessary approvals. Seller will be responsible for obtaining necessary approvals from DWR, SWRCB, and other relevant government entities for transfer of the water. Buyers will be responsible for obtaining all authorizations for conveyance of the transfer water to each Buyer's place of use. If necessary approvals are not obtained by April 20, 2020, for crop idling transfers pursuant to paragraph 4, and by May 1, 2020, for groundwater substitution and reservoir reoperation transfers pursuant to paragraph 5, Seller and Buyers will promptly meet and confer to determine if these dates should be extended.
10. **Mutually Agreeable Off-ramp** – If, after Buyers notify Seller that they want to purchase water pursuant to paragraphs 4 and 5, hydrologic conditions are wetter

than anticipated, resulting in no capacity to convey the transfer supplies through the Delta, Buyers and Seller will meet to determine if there are financial considerations Buyers could provide which would relieve the Seller from making the water transfer supplies available under the 2020 water transfer agreement.

11. **EIR Surcharge** – In addition to the Seller Administrative & Litigation Cost Coverage set forth in paragraph 3(a), Buyers shall reimburse Western Canal Water District and Richvale Irrigation District 1/5<sup>th</sup> of their total documented out-of-pocket costs associated with their 5-year water transfer EIR, up to a maximum of \$40,000 each.

## Regional Water Authority Status of Grant Awards

March 2020

	Prop 84 2011 Implementation Grant (1)	Prop 84 2014 Drought Grant	Prop 84 2015 Implementation Grant	USBR CalFed 2018 Meter Grant (2)	USBR 2018 Drought Resiliency Grant (3)	Total
<b>Awarding Agency</b>	DWR	DWR	DWR	USBR	USBR	
<b>Award/Effective Date</b>	8/16/2011	1/17/2014	1/13/2016	9/21/2018	9/17/2019	
<b>Completion Date</b>	6/30/2019	6/30/2020	6/30/2020	3/31/2020	12/31/2020	
<b>Grant Award Amount</b>	\$16,030,766	\$9,765,000	\$1,757,000	\$750,000	\$300,000	\$28,602,766
<b>Reimbursement Requests Currently Being Reviewed</b>	\$3,383,963	\$0	\$0	\$0	\$0	\$3,383,963
<b>Reimbursements Received During Previous Quarter</b>	\$0	\$125,640	\$79,088	\$279,000	\$0	\$483,728
<b>Reimbursements Paid to Date</b>	\$12,478,524	\$8,099,164	\$700,923	\$279,000	\$0	\$21,557,610
<b>Grant Award Outstanding</b>	\$168,279	\$1,665,836	\$1,056,077	\$471,000	\$300,000	\$3,661,193

(1) Grant agreement has expired. Final invoicing and reporting being completed over next quarter.

(2) Awarded to Sacramento Suburban WD on behalf of the region. RWA developed the application and is managing the grant.

(3) Awarded to San Juan WD and includes Sacramento County WA as subrecipient. RWA developed application and is managing grant.



**Fire & Water – Cleanup & Restoration™**

*Independently Owned and Operated  
By T. R. T. B. Inc*

2/22/2020

Regional Water Authority  
5620 Bird Cage St  
STE 180  
Citrus Heights, CA 95610

ATTN:  
Josette Reina – Luken

**Non Salvageable Contents List**

Jim's Office:  
Large cherry color wooden 3 pc desk with hutch  
Brown vinyl 6' couch with wooden legs

Ryan's Office:  
Medium cherry color wooden 2pc desk  
2- Wooden 6' tall book cases

Josette's Office:  
Wooden 2' tall book case

Monica's Cube:  
2- Wooden 4' tall book cases  
Wooden 3' tall book case

Reception Cube:  
2- Wooden 5' tall book cases  
Wooden 2' tall book case

Wood framed 8x10 painting

SERVPRO of Fair Oaks / Folsom  
SERVPRO of Elk Grove / Laguna  
SERVPRO of Danville  
SERVPRO of West Concord

9743 Kent Street Elk Grove, CA 95624  
B: (916) 525-1241 • Fax: (916) 525-1773

**Like it never even happened.®**

February 24, 2020

Regional Water Authority  
Josette Reina-Luken  
5620 Birdcage Street, Suite 180  
Citrus Heights CA, 95610

**SERVICE:**

Mold Clearance & Report

**LOCATION | AREA:**

5620 Birdcage Street, Citrus Heights, CA 95610

**DATE AND TIME:**

February 24, 2020 | 9:30 AM

**CONSULTANT:**

David Acosta

Dear Ms. Reina-Luken,

This report is in regards to the mold air sampling for ventilated buildings using Viable/Non-Viable sampling analysis, conducted at the above listed site. A mold visual assessment and ambient air sampling was performed in order to determine the level of mold present at the time of inspection. The results of the samples are based on the conditions as they occurred on this particular sampling day and are only pertinent to the specific areas that were remediated and tested at the site.

**RESULTS:**

*Based on the results of the analyzed samples, the impacted areas are “Not Above Normal Background Levels” and are found to be within “Normal Indoor Air Quality Standards”. The concentrations of mold present in the samples, do not present a problem or concern, as they fall within the “Normal Range”.*

**SAMPLING AND ANALYSIS:**

Indoor spore levels usually average 30% to 80% of the outdoor spore levels at the time of sampling, with the approximate same distribution of spore types. An indicator of mold growth is problematic interiors that are reflected by a substantial increase in one or two spore types, which are inconsistent and not reflective of the outside spore distribution.

Upon arrival at the site, Consultant proceeded with the visual inspection and ambient air sampling using a 37mm cassette calibrated with a Dwyer series VFB Visi-Float Flowmeter. The air sampler was turned on and operated for 5 minutes at 15 lpm for a total volume of 75 liters.

**REGASGROUP**  
ENVIRONMENTAL CONSULTANTS

Included at the end of this letter, you will find a table containing the analytical results for the various areas sampled today.

If you require additional information regarding this report or if I can be of further assistance, please feel free to contact me directly.

Reviewed and Submitted by:



**David Acosta**  
**Site Surveillance Technician**

RegasGroup  
Environmental Consultants  
CAC #13-5082  
CDPH #24356  
NV #IM1151  
Mycometer  
MMA-0226-US; MMS-1258-US; BQS-0118-US



**Dominick Sager**  
**Senior Consultant**

RegasGroup  
Environmental Consultants  
CAC #13-5082  
CDPH #24356  
NV #IM1151  
Mycometer  
MMA-0226-US; MMS-1258-US; BQS-0118-US



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**Project ID**  
**MT01202718**

**CLIENT INFORMATION**

**Company** RegasGroup  
**Name** Dominick Sager  
**Address** 705 E. Bidwell St. 2-244  
 Folsom CA, 95630  
**Phone** (916) 235 - 3110  
**Email** service@regasgroup

**SAMPLE**

**Date** Monday, February 24, 2020  
**Time** 09:30 AM

**Micro Test  
 Laboratories**

**JOB SITE INFORMATION**

**Sampler** David Acosta  
**Project** Property  
**Address** 5620 Birdcage Street  
 Citrus Heights, CA 95610

Analytical Data

**Non-Viable Bioaerosol Analysis**

Accession No. Sample Location	2718-1 N. Entrance			2718-2 Conference Room, Center Area			2718-3 Reception Area, Center Area		
	Raw Count	Count/m <sup>3</sup>	% of Area	Raw Count	Count/m <sup>3</sup>	% of Area	Raw Count	Count/m <sup>3</sup>	% of Area
<b>Spore Types:</b>									
Alternaria	2	27	0.38						
Ascospores	273	3639	51.51	9	120	42.85	24	320	54.51
Aspergillus/Penicillium	27	360	5.09	6	80	28.57	3	40	6.81
Basidiomycetes	30	400	5.66	3	40	14.29	3	40	6.81
Cercospora									
Chaetomium									
Cladosporium	84	1120	15.85	2	27	9.64	12	160	27.25
Curvularia									
Drechslera/Bipolaris									
Epicoccum									
Fusarium									
Nigrospora	1	13	0.19				1	13	2.21
Other Hyaline									
Pithomyces									
Pollen	72	960	13.58	1	13	4.64	1	13	2.21
Rusts	2	27	0.38						
Scopulariopsis									
Smuts/Periconia/Myxomycetes	32	427	6.04						
Stachybotrys									
Stemphyllum									
Torula									
Ulocladium									
<b>Total Fungi</b>	<b>523</b>	<b>6972</b>	<b>100%</b>	<b>21</b>	<b>280</b>	<b>100%</b>	<b>44</b>	<b>587</b>	<b>100%</b>
<b>Amorphous Debris</b>									
Background	2			2			2		
Fibrous Particulate	2			2			1		
Hyphal Fragments	2			1			1		
Insect Fragments									
Particulate Debris									
Skin Fragments	1			2			2		

**Report**  
**Date** Monday, February 24, 2020

**Authorized Signatory:**   
 Kelly Favero - Lab Manager



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**Project ID**  
**MT01202718**

**CLIENT INFORMATION**

**Company** RegasGroup  
**Name** Dominick Sager  
**Address** 705 E. Bidwell St. 2-244  
 Folsom CA, 95630  
**Phone** (916) 235 - 3110  
**Email** service@regasgroup

**SAMPLE**

**Date** Monday, February 24, 2020  
**Time** 09:30 AM

**MicroTest  
 Laboratories**

**JOB SITE INFORMATION**

**Sampler** David Acosta  
**Project** Property  
**Address** 5620 Birdcage Street  
 Citrus Heights, CA 95610

**Analytical Data**

**Non-Viable Bioaerosol Analysis**

Accession No. Sample Location	2718-1 N. Entrance			2718-4 Ryan's Office, Center Area			2718-5 Amy's Office, Center Area		
	Raw Count	Count/m <sup>3</sup>	% of Area	Raw Count	Count/m <sup>3</sup>	% of Area	Raw Count	Count/m <sup>3</sup>	% of Area
<b>Spore Types:</b>									
Alternaria	2	27	0.38						
Ascospores	273	3639	51.51	24	320	64.90	36	480	57.14
Aspergillus/Penicillium	27	360	5.09	6	80	16.23	6	80	9.52
Basidiomycetes	30	400	5.66	3	40	8.11	3	40	4.76
Cercospora									
Chaetomium									
Cladosporium	84	1120	15.85	3	40	8.11	18	240	28.57
Curvularia									
Drechslera/Bipolaris									
Epicoccum									
Fusarium									
Nigrospora	1	13	0.19						
Other Hyaline									
Pithomyces									
Pollen	72	960	13.58	1	13	2.64			
Rusts	2	27	0.38						
Scopulariopsis									
Smuts/Periconia/Myxomycetes	32	427	6.04						
Stachybotrys									
Stemphylium									
Torula									
Ulocladium									
<b>Total Fungi</b>	<b>523</b>	<b>6972</b>	<b>100%</b>	<b>37</b>	<b>493</b>	<b>100%</b>	<b>63</b>	<b>840</b>	<b>100%</b>
<b>Amorphous Debris</b>									
Background	2			2			2		
Fibrous Particulate	2			2			1		
Hyphal Fragments	2			1			1		
Insect Fragments									
Particulate Debris									
Skin Fragments	1			2			2		

**Report**  
**Date** Monday, February 24, 2020

**Authorized Signatory:**   
 Kelly Favero - Lab Manager



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**Project ID**  
**MT01202718**

**CLIENT INFORMATION**

**Company** RegasGroup  
**Name** Dominick Sager  
**Address** 705 E. Bidwell St. 2-244  
 Folsom CA, 95630  
**Phone** (916) 235 - 3110  
**Email** service@regasgroup

**SAMPLE**

**Date** Monday, February 24, 2020  
**Time** 09:30 AM

**MicroTest**  
**Laboratories**

**JOB SITE INFORMATION**

**Sampler** David Acosta  
**Project** Property  
**Address** 5620 Birdcage Street  
 Citrus Heights, CA 95610

**Analytical Data**

**Non-Viable Bioaerosol Analysis**

Accession No. Sample Location	2718-1 N. Entrance			2718-6 Jim's Office, Center Area			2718-7 Josie's Office, Center Area		
	Raw Count	Count/m <sup>3</sup>	% of Area	Raw Count	Count/m <sup>3</sup>	% of Area	Raw Count	Count/m <sup>3</sup>	% of Area
Spore Types:									
Alternaria	2	27	0.38						
Ascospores	273	3639	51.51	45	600	65.22	3	40	59.70
Aspergillus/Penicillium	27	360	5.09	3	40	4.35	2	27	40.30
Basidiomycetes	30	400	5.66	18	240	26.08			
Cercospora									
Chaetomium									
Cladosporium	84	1120	15.85	2	27	2.9			
Curvularia									
Drechslera/Bipolaris									
Epicoccum									
Fusarium									
Nigrospora	1	13	0.19						
Other Hyaline									
Pithomyces									
Pollen	72	960	13.58						
Rusts	2	27	0.38						
Scopulariopsis									
Smuts/Periconia/Myxomycetes	32	427	6.04						
Stachybotrys									
Stemphylium									
Torula									
Ulocladium				1	13	1.4			
<b>Total Fungi</b>	<b>523</b>	<b>6972</b>	<b>100%</b>	<b>69</b>	<b>920</b>	<b>100%</b>	<b>5</b>	<b>67</b>	<b>100%</b>
Amorphous Debris									
Background	2			3			1		
Fibrous Particulate	2			2			1		
Hyphal Fragments	2			1					
Insect Fragments									
Particulate Debris									
Skin Fragments	1			2			2		

**Report**  
**Date** Monday, February 24, 2020

**Authorized Signatory:**   
 Kelly Favero - Lab Manager  
 Analytical Page 3 of 4.



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**Project ID**  
**MT01202718**

**CLIENT INFORMATION**

**Company** RegasGroup  
**Name** Dominick Sager  
**Address** 705 E. Bidwell St. 2-244  
 Folsom CA, 95630  
**Phone** (916) 235 - 3110  
**Email** service@regasgroup

**SAMPLE**

**Date** Monday, February 24, 2020  
**Time** 09:30 AM

**MicroTest**  
**Laboratories**

**JOB SITE INFORMATION**

**Sampler** David Acosta  
**Project** Property  
**Address** 5620 Birdcage Street  
 Citrus Heights, CA 95610

**Analytical Data**

**Non-Viable Bioaerosol Analysis**

Accession No. Sample Location	2718-1 N. Entrance			2718-8 Rob's Office, Center Area			Raw Count	Count/m <sup>3</sup>	% of Area
	Raw Count	Count/m <sup>3</sup>	% of Area	Raw Count	Count/m <sup>3</sup>	% of Area			
<b>Spore Types:</b>									
Alternaria	2	27	0.38						
Ascospores	273	3639	51.51	3	40	43.0			
Aspergillus/Penicillium	27	360	5.09	1	13	13.98			
Basidiomycetes	30	400	5.66	2	27	29.03			
Cercospora									
Chaetomium									
Cladosporium	84	1120	15.85						
Curvularia									
Drechslera/Bipolaris									
Epicoccum									
Fusarium									
Nigrospora	1	13	0.19						
Other Hyaline									
Pithomyces									
Pollen	72	960	13.58						
Rusts	2	27	0.38						
Scopulariopsis									
Smuts/Periconia/Myxomycetes	32	427	6.04	1	13	13.98			
Stachybotrys									
Stemphylium									
Torula									
Ulocladium									
<b>Total Fungi</b>	<b>523</b>	<b>6972</b>	<b>100%</b>	<b>7</b>	<b>93</b>	<b>100%</b>			
<b>Amorphous Debris</b>									
Background	2			1					
Fibrous Particulate	2			2					
Hyphal Fragments	2								
Insect Fragments									
Particulate Debris									
Skin Fragments	1			2					

**Report**  
**Date** Monday, February 24, 2020

**Authorized Signatory:**   
 Kelly Favero - Lab Manager



**RegasGroup Environmental Consultants**  
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**Project ID**  
 MT01202718

**CLIENT INFORMATION**

**Company** Regional Water Authority  
**Name** Josette Reina-Luken  
**Address** 5620 Birdcage Street, Suite 180  
 Citrus Heights, CA 95610  
**Phone** (916) 539 - 3510  
**Email** josette@rwah2o.org

**Sample**  
**Date** Monday, February 24, 2020  
**Time** 09:30 AM



**JOB SITE INFORMATION**

**Site** Property  
**Address** 5620 Birdcage Street  
 Citrus Heights, CA 95610  
**Name**  
**Claim#**  
**Job #** 14835  
**Chain #** 1

**Analysis:** Mold | Baseline  
**Turn Around Time:** Rush

Sample Number	Liters Per Minute			Total	Total	Location	Description
	On	Off	Aver	Min	Vol		
5620-1M	09:30	09:35	15	5	75	N. Entrance	Baseline
5620-2M	09:30	09:35	15	5	75	Conference Room, Center Area	Clearance
5620-3M	09:35	09:40	15	5	75	Reception Area, Center Area	Clearance
5620-4M	09:35	09:40	15	5	75	Ryan's Office, Center Area	Clearance
5620-5M	09:40	09:45	15	5	75	Amy's Office, Center Area	Clearance
5620-6M	09:40	09:45	15	5	75	Jim's Office, Center Area	Clearance
5620-7M	09:45	09:50	15	5	75	Josie's Office, Center Area	Clearance
5620-8M	09:45	09:50	15	5	75	Rob's Office, Center Area	Clearance

Relinquished by (Client)	Date/Time

Relinquished by (Tech)	Date/Time
	02/24/2020 09:30 AM

Received by (Tech)	Date/Time

Received by (Lab)	Date/Time
	02/24/2020 10:40 AM

Sampler: David Acosta

Analyst: \_\_\_\_\_

Total Number of Samples 8

NOTICE OF INTENTION TO AMEND THE CONFLICT OF INTEREST CODE  
OF THE REGIONAL WATER AUTHORITY

NOTICE IS HEREBY GIVEN that the Regional Water Authority pursuant to the authority vested in it by section 87306 of the Government Code, proposes amendment to its conflict of interest code. A comment period has been established commencing on February 14, 2020 and closing on April 3, 2020. All inquiries should be directed to the contact listed below.

The Regional Water Authority proposes to amend its conflict of interest code to include employee positions that involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of section 87302 of the Government Code. The amendment carries out the purposes of the law and no other alternative would do so and be less burdensome to affected persons.

Changes to the conflict of interest code include: add designated position of Manager of Technical Services and its Assigned Disclosure Category and also makes other technical changes.

The proposed amendment and explanation of the reasons can be obtained from the agency's contact.

Any interested person may submit written comments relating to the proposed amendment by submitting them no later than **April 3, 2020**, or at the conclusion of the public hearing, if requested, whichever comes later. At this time, no public hearing is scheduled. A person may request a hearing no later than **March 18, 2020**.

The Regional Water Authority has determined that the proposed amendments:

1. Impose no mandate on local agencies or school districts.
2. Impose no costs or savings on any state agency.
3. Impose no costs on any local agency or school district that are required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.
4. Will not result in any nondiscretionary costs or savings to local agencies.
5. Will not result in any costs or savings in federal funding to the state.
6. Will not have any potential cost impact on private persons, businesses or small businesses.

All inquiries concerning this proposed amendment and any communication required by this notice should be directed to: Josette Reina-Luken, Finance and Administrative Services Manager, (916) 967-7692, [josette@rwah2o.org](mailto:josette@rwah2o.org).

# REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES

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Policy Type : Board of Directors  
Policy Title : Conflict of Interest Code  
Policy Number : 200.4  
Date Adopted :  
Date Amended : November 8, 2012;  
March 13, 2014;  
August 28, 2019

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## ARTICLE 13. REGIONAL WATER AUTHORITY CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Section 81000. et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix (or Appendices), designating positions and establishing disclosure categories, shall constitute the conflict-of-interest code of the **Regional Water Authority (Authority)**.

Individuals holding designated positions shall file their statements of economic interests with the **Authority**, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) All statements will be retained by the **Authority**.

**REGIONAL WATER AUTHORITY  
CONFLICT OF INTEREST CODE  
APPENDIX A  
DESIGNATED POSITIONS**

<u>Designated Position</u>	<u>Assigned Disclosure Category</u>
Board of Directors and Alternates	1, 2, 3, 4
Associate Members	1, 2, 3, 4
Executive Director	1, 2, 3, 4
Legal Counsel	1, 2, 3, 4
Manager of Technical Services	1, 2, 3
Finance and Administrative Services Manager/Treasurer	1, 2, 3
Legislative and Regulatory Affairs Program Manager	1, 2, 3
Principal Project Manager	1, 2, 3
Senior Project Manager	1, 3
Associate Project Manager	1, 3
Project Research Assistant	1, 3
<u>Consultants/New Positions*</u>	

Note: The Legal Counsel position is filled by an outside consultant, but acts in a staff capacity.

Consultants/New Positions\*

\*Consultants/New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation:

The Executive Director may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's/ new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code (Gov. Code Section 81008).

**REGIONAL WATER AUTHORITY  
CONFLICT OF INTEREST CODE  
APPENDIX B  
DISCLOSURE CATEGORIES**

Designated positions must report financial interests in accordance with the assigned disclosure categories.

Category 1: Investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources, that provide services, supplies, materials, machinery, or equipment of the type utilized by the Authority.

Category 2: Interests in real property located within the jurisdiction or within two miles of the boundaries of the jurisdiction or within two miles of any land owned or used by the Authority as well as investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources, that provide real estate services (e.g. consulting, appraisal, development, construction) of the type used by the Authority.

Category 3: Investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from entities of the type to receive grants from or through the Authority.

Category 4: Investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources, that filed a claim, or have a claim pending, against the Authority during the previous two years.

Sources of the type utilized by the district include:

- Engineering and environmental consulting firms
  - Transportation equipment and parts
  - Water and soil testing products and services
  - Services for energy pricing/demand, legal and labor relations
- (Non-inclusive list)

**DECLARATION OF CHIEF EXECUTIVE OFFICER**  
**Multi-County Agency Conflict of Interest Code for**

Regional Water Authority

Name of Agency

The proposed conflict of interest code specifically includes each agency position that involves the making or participation in the making of decisions which may foreseeably have a material financial effect on an economic interest. Positions that do not make or participate in decisions are not included.

The disclosure categories are written to address the agency's current programs and require disclosure of only foreseeable interests that may create a conflict of interest.

The agency has satisfied all of the requirements of Title 2, Division 6 of the California Code of Regulations Section 18750 preliminary to approval of the proposed code, including providing a comment period for both employees and the public.



Signature

2/14/2020

Date

James Poifer

Printed Name

Executive Director

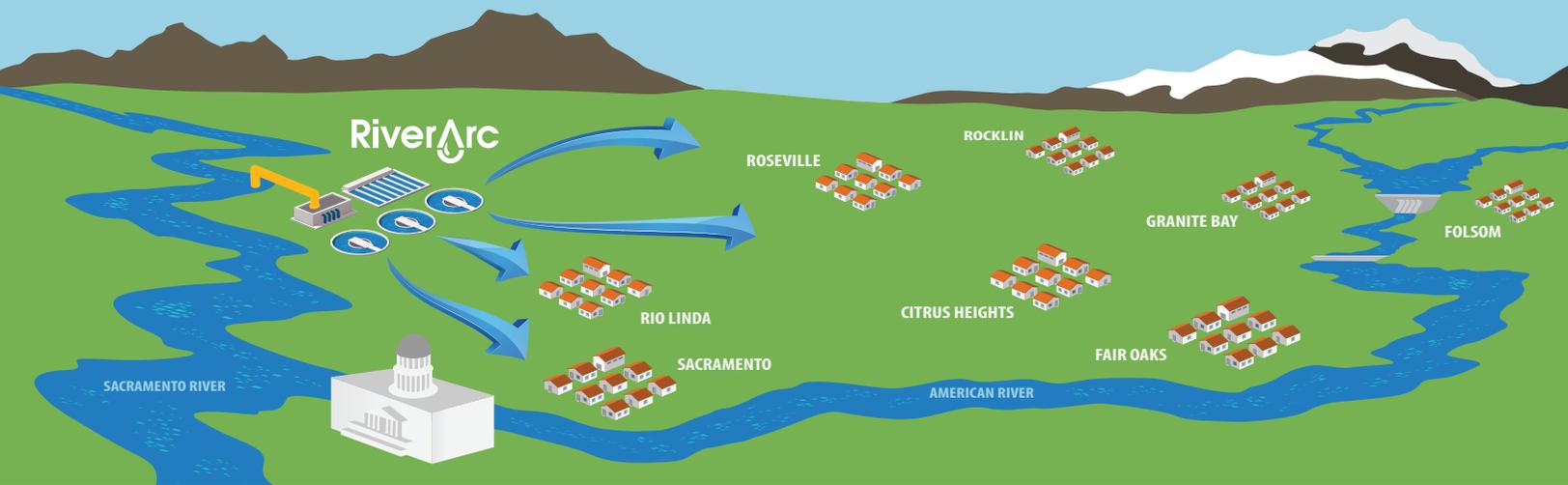
Title



# River Arc Project

Most Sacramento-area water agencies rely solely on the American River as their single water source. Given the need to diversify water supplies in the region, a concerted effort is underway to shift a portion of the region’s water demand from the American River to the Sacramento River.

Known as the RiverArc project, this transformative water reliability project includes a new conveyance and water treatment facility using an existing diversion point on the Sacramento River. Once constructed, the project will improve water supply reliability for Sacramento and Placer counties north of the American River.



## RiverArc creates added water supply flexibility



A mix of existing and new pipelines will distribute the water to most of the Sacramento and West Placer region north of the American River all the way to Granite Bay.



New system will integrate groundwater and surface water supplies for agencies to share across the region.



It enhances and protects groundwater sustainability and capacity through increased opportunities for conjunctive use, the coordinated use of groundwater and surface water, between agencies, and will assist with the full development of the American Basin Water Bank.



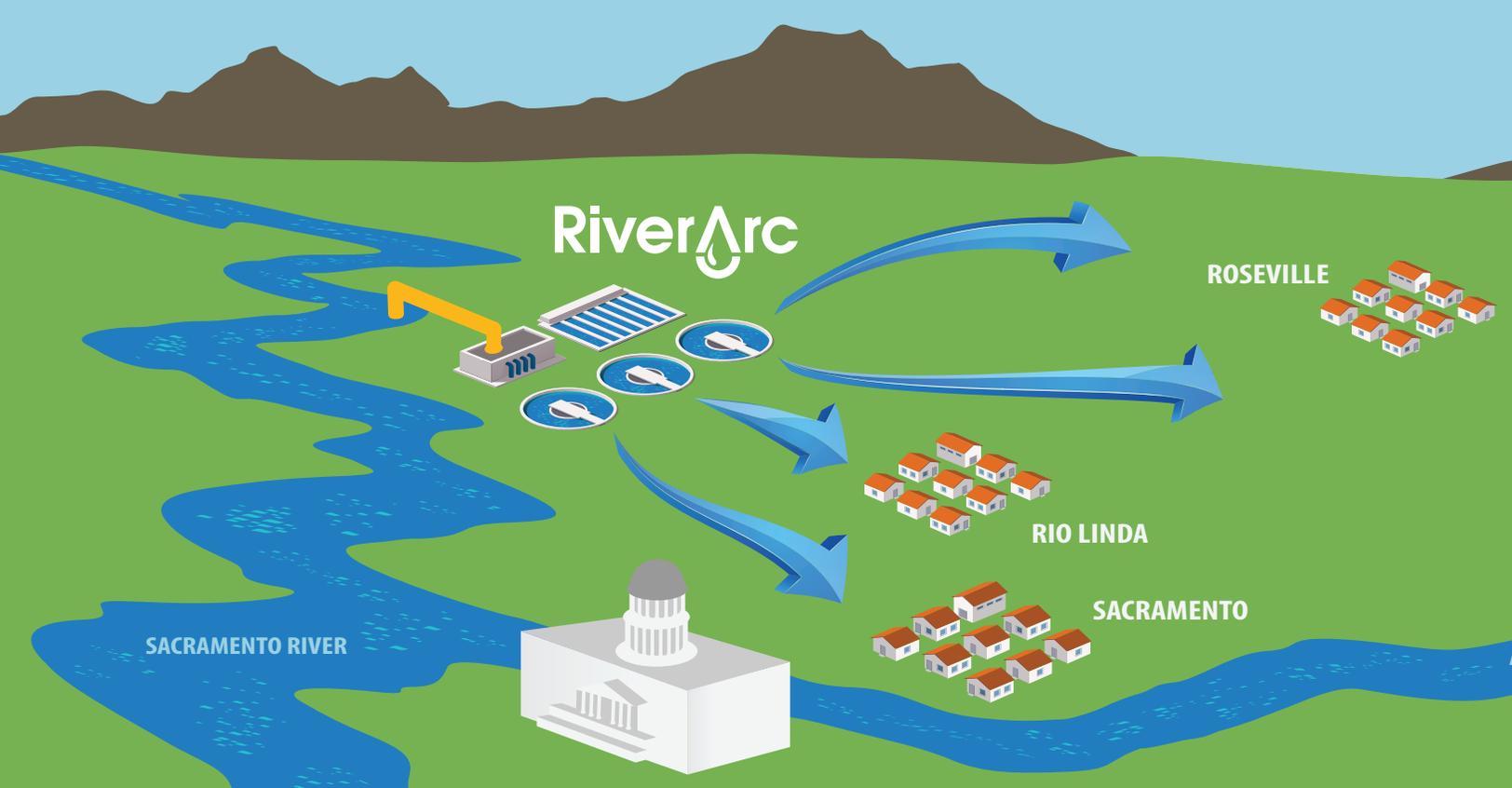
Project will offset demands on the American River with the integration of surplus Sacramento River water.



Reduces demands on the American River and Folsom Lake for a healthier environment and allows for lower water temperatures for native species.



Allows the U.S. Bureau of Reclamation to change the operations schedule to accommodate different needs like water temperature, quality and demand, thereby improving the Central Valley Project yield in its entirety.



## PROJECTED TIMELINE

The project is scalable and is expected to be completed in three phases.

### PHASE 1: 2020-30

Develop the backbone infrastructure necessary to connect the Sacramento River to the American River and incorporate the region's groundwater along the way.

### PHASE 2: 2030-40

Expand the water supply network to sustain a growing population in northern Sacramento and western Placer County.

### PHASE 3: 2040-50

Complete remaining infrastructure to allow for expansion of the American Basin Water Bank. This will provide additional regional benefits while allowing for broader statewide benefit.



## **TECHNICAL MEMORANDUM**

DATE: June 15, 2018

Project No.: 803-20-17-34  
SENT VIA: EMAIL

TO: Drew Lessard  
Lee Mao  
Kristin White  
Russ Callejo  
Donna Garcia  
Brad Hubbard

FROM: Walter Bourez, PE, RCE #54794

REVIEWED BY: Chris Malone, PE, RCE #51009  
Lindsay Smith, PE, RCE #72996

SUBJECT: Preliminary Analysis of Proposed RiverArc Project Benefits and Impacts

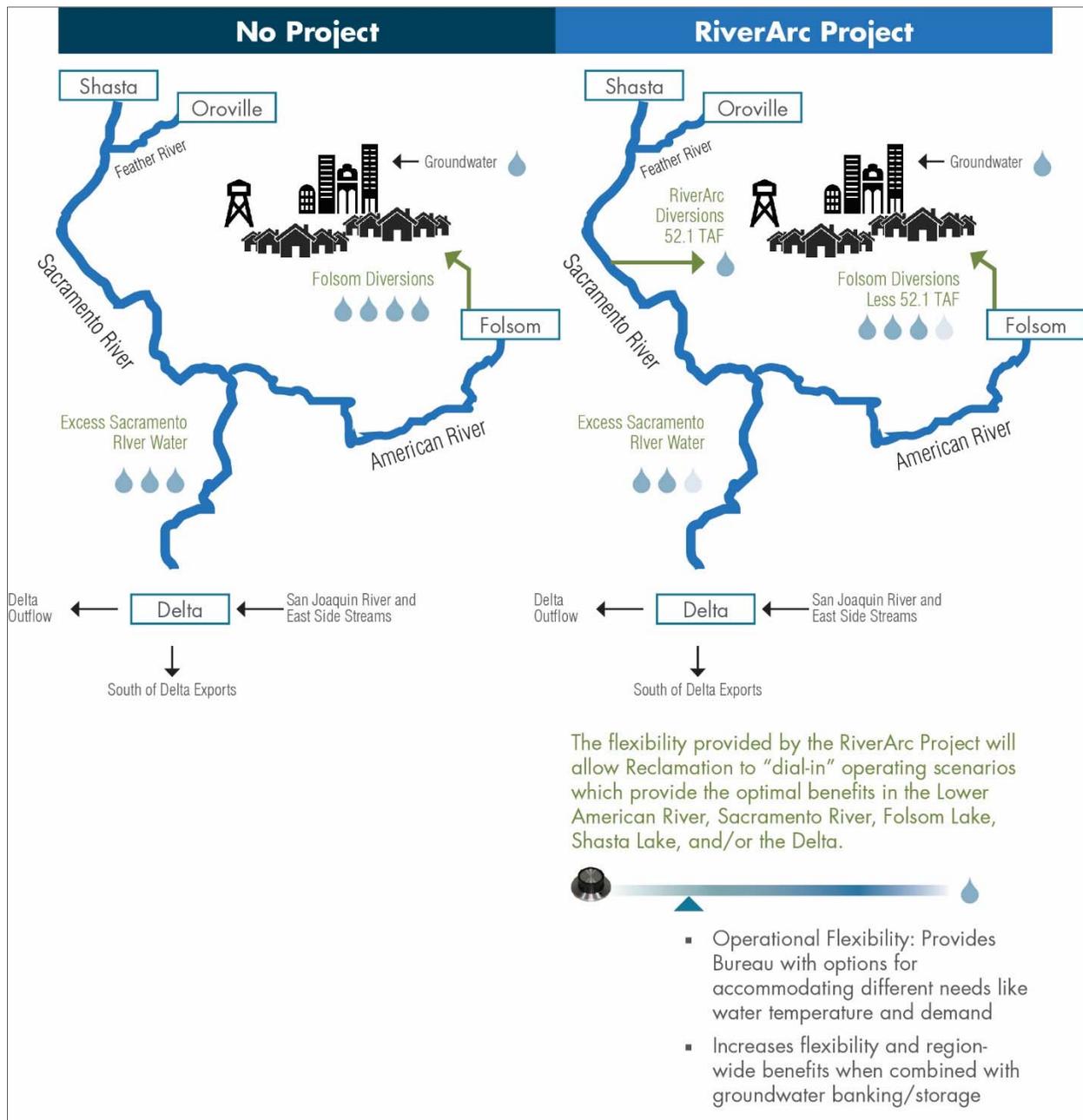
The purpose of this document is to present the results of a preliminary analysis of the anticipated benefits and impacts of the proposed RiverArc Project. Accordingly, the following topics are presented in this document:

- RiverArc Project Overview
- Operational Scenarios
- Summary and Conclusion

### **RIVERARC PROJECT OVERVIEW**

The RiverArc Project is a multi-agency endeavor that would shift a portion of existing regional water demand from Folsom Reservoir and the lower American River, and from the Sacramento River below the Sacramento/American River confluence to a location upstream of the confluence of the two rivers. Specifically, the relocated diversions would take place through the existing Natomas Mutual Water Company (NMWC) intakes located upstream of the Sacramento/American River confluence. A schematic comparison of current diversions versus proposed RiverArc Project diversions is shown on Figure 1.

The RiverArc Project is expected to enhance water supply reliability, increase the resiliency of regional groundwater supplies, increase system-wide supply for the Central Valley Project (CVP), enhance Lower American River flows for fish habitat and spawning, and improve temperature management on both the American and Sacramento Rivers. The project would also provide Reclamation flexibility in the operations of the CVP system in several different ways, depending on hydrologic conditions and operations.



**Figure 1. Schematic of Current Diversions versus Proposed RiverArc Project Diversions**

While the analysis presented in this document focuses on and quantifies potential benefits associated with the fully completed RiverArc Project, it is important to note that proportional benefits will also be realized in earlier phases of the Project. Additionally, the analysis shows no adverse impacts to storage and deliveries. While minor changes in Delta outflow are anticipated during Delta excess conditions, these impacts are expected to be insignificant.

The average annual volume of diversions affected by the RiverArc Project is 104 thousand acre-feet (TAF). Under the No Project condition, the 104 TAF diversion volume is equally split between the American River/Folsom Reservoir, and a point downstream of the Sacramento/American River confluence. Under the proposed RiverArc Project, these diversions would be discontinued, and instead, the full 104 TAF of diversions would be shifted to the NMWC intakes. The increased volumes in the American River/Folsom Reservoir could be either stored in Folsom Reservoir or released to the American River depending on whether the Delta is in excess or balanced conditions, and depending on the availability of storage capacity in Folsom Reservoir.

By shifting diversions from the American River/Folsom Reservoir to the NMWC intakes, flows in the Lower American River would be increased by 52 thousand acre-feet (TAF) annually. In critical years, storage in Folsom Reservoir could be maximized to provide an increase in storage of as much as 20 TAF annually. These flow and storage increases would provide Reclamation with the flexibility to increase system-wide CVP water supply, enhance Lower American River flows for fish habitat and spawning, and/or improve temperature management on both the American and Sacramento Rivers.

The RiverArc Project would reduce Sacramento River flows between the NMWC intakes and the existing diversion point on the lower Sacramento River. Specifically, the project would reduce flows between the NMWC intakes and the Sacramento/American River confluence by 104 TAF annually, and would reduce Sacramento River flows between the confluence and the existing diversion point on the lower Sacramento River by 52 TAF annually.

## **OPERATIONAL SCENARIOS**

A numerical analysis of CalSim model outputs documented in the Department of Water Resources (DWR) Delivery Capability Report 2015 (2015 DWR Report) was performed to assess the effects of the RiverArc Project on the CVP system for a variety of scenarios and conditions. CalSim model monthly outputs for water years 1922–2003 serve as the baseline, and were post-processed to assess RiverArc Project effects on the CVP/State Water Project (SWP) system. The post-process tool was used to simulate the following changes in:

- Shasta Reservoir, Folsom Reservoir, and Lake Oroville storage
- Delta outflows and exports
- River flows, diversions, and other relevant parameters

The analysis included evaluation of five scenarios of CVP operations with the RiverArc Project in place, and were compared to the system performance without the RiverArc Project. These five scenarios are summarized in Table 1 and are given the following designations in this document:

- Scenario 1: No Reoperation

- Scenario 2: Increased Volume Stored in Folsom Reservoir
- Scenario 3: Water Released from Folsom Reservoir to Achieve Fall Temperature Benefits
- Scenario 4: Water Released from Folsom Reservoir to Increase South of Delta Exports
- Scenario 5: Water Released from Folsom Reservoir to Enhance Shasta Reservoir Storage

The benefits described in this analysis represent the maximum potential benefits for each scenario, and have not been optimized to consider the balancing of benefits between scenarios. The RiverArc Partners are anticipating that the next phase of analysis and evaluation will bring further refinement of the potential benefits the RiverArc Project would bring to the region.

<b>Table 1. Summary of Operational Scenarios</b>		
<b>Scenario No.</b>	<b>Scenario Title</b>	<b>Description/Effect</b>
1	No Reoperation	Flows that are currently diverted from the American River/Folsom Reservoir would be released into the American River, thereby increasing downstream river flows throughout the season.
2	Increased Volume Stored in Folsom Reservoir	Flows that are currently diverted from the American River/Folsom Reservoir would be held in Folsom Reservoir to the maximum extent possible, thus enhancing cold water conditions in Folsom Reservoir and downstream in the American and Sacramento Rivers.
3	Water Released from Folsom Reservoir to Achieve Fall Temperature Benefits	Flows that are currently diverted from the American River/Folsom Reservoir would be held in Folsom Reservoir until the fall, when they would be released to maximize fall temperature benefits in the American and Sacramento Rivers.
4	Water Released from Folsom Reservoir to Increase South of Delta Exports	Flows that are currently diverted from the American River/Folsom Reservoir would be released to maximize increases in South of Delta exports, thereby increasing downstream flows in the American and Sacramento Rivers during release periods.
5	Water Released from Folsom Reservoir to Enhance Shasta Reservoir Storage	Flows that are currently diverted from the American River/Folsom Reservoir would be released, and an offsetting amount would be held in Lake Shasta, thereby increasing downstream flows in the American River.

For each scenario, the results are segregated by water year type using the following water year categories, as defined in the 2015 DWR Report:

- Wet (W)
- Above Normal (AN)
- Below Normal (BN)

- Dry (D)
- Critical (C)

The differences between each RiverArc Project Scenario and the No Project Scenario for various CVP/SWP parameters and water year types are shown in Table 2. The parameters compared include:

- Change in Folsom Reservoir Storage
- Change in Shasta Reservoir Storage
- Change in Oroville Lake Storage
- Change in American River Flows
- Change in Delta Exports
- Change in Delta Outflows

Figure 2 shows a summary of the maximum increase in storage volume that can be achieved in Folsom Reservoir under the RiverArc Project. As indicated on Figure 2, a greater potential for increased storage in Folsom Reservoir would exist in drier years due to the presence of lower lake levels in such years.

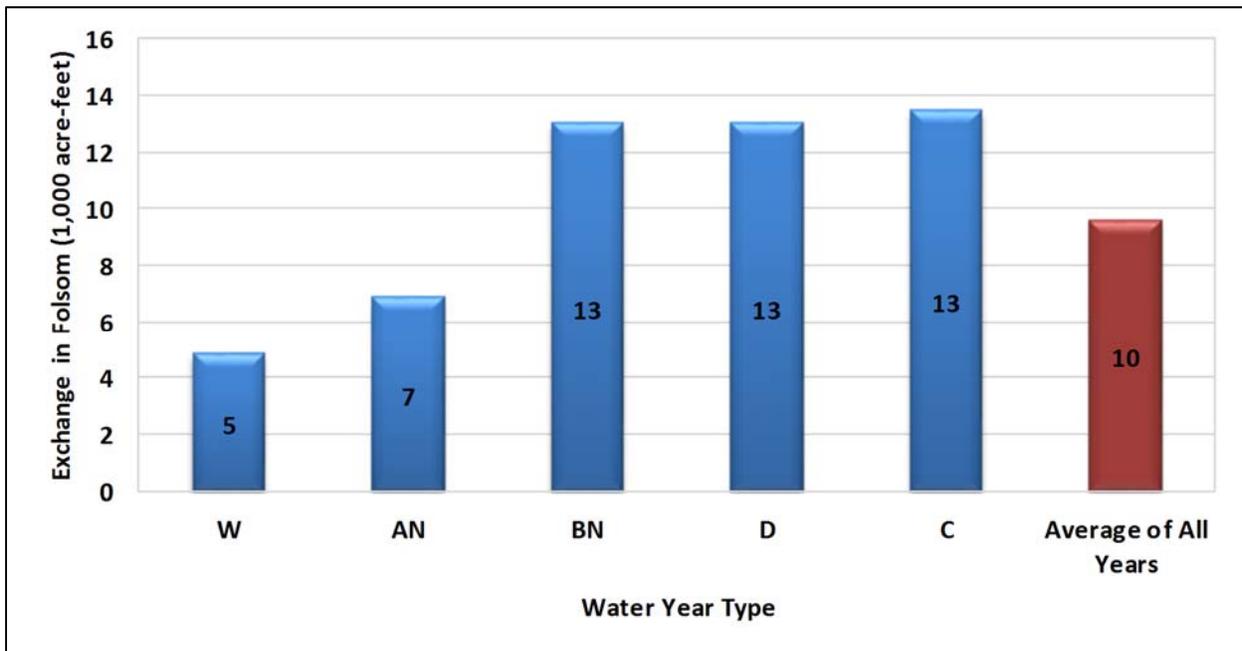


Figure 2. Maximum Storage Increase Folsom Reservoir

<b>Table 2. Summary of Operational Results versus the No Project Scenario</b>						
CVP/SWP System Parameters	Water Year Type	Volume, TAF				
		Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Change in End-of-September Folsom Reservoir Storage	All	0	+6	+5	+1	+1
	Wet	0	+0	+0	0	0
	Above Normal	0	0	0	0	0
	Below Normal	0	+5	+5	+5	+3
	Dry	0	+9	+9	+0	+0
	Critical	0	+20	+13	+1	0
Change in End-of-September Shasta Reservoir Storage	All	0	0	0	0	+10
	Wet	0	0	0	0	+0
	Above Normal	0	0	0	0	0
	Below Normal	0	0	0	0	+14
	Dry	0	0	0	0	+14
	Critical	0	0	0	0	+32
Change in End-of-September Oroville Lake Storage	All	0	0	0	0	0
	Wet	0	0	0	0	0
	Above Normal	0	0	0	0	0
	Below Normal	0	0	0	0	0
	Dry	0	0	0	0	0
	Critical	0	0	0	0	0
Change in American River Flows	All	+52	+52	+52	+52	+52
	Wet	+52	+56	+56	+53	+53
	Above Normal	+52	+60	+55	+54	+53
	Below Normal	+52	+51	+51	+48	+50
	Dry	+52	+49	+49	+53	+52
	Critical	+52	+41	+46	+52	+53
Change in Delta Exports	All	0	0	0	+5	0
	Wet	0	0	0	+1	0
	Above Normal	0	0	0	+1	0
	Below Normal	0	0	0	+2	0
	Dry	0	0	0	+9	0
	Critical	0	0	0	+13	0
Change in Delta Outflows	All	0	0	0	-5	0
	Wet	0	+4	+4	-0	+7
	Above Normal	0	+8	+3	+1	+9
	Below Normal	0	-1	-1	-6	-1
	Dry	0	-3	-3	-9	-6
	Critical	0	-11	-6	-13	-13

### Scenario 1 – No Reoperation

Under Scenario 1, flows that are currently diverted from the American River/Folsom Reservoir would be released into the American River, thereby increasing downstream river flows throughout the season. Figure 3 summarizes the monthly changes in American River flows under Scenario 1 as compared to the No Project scenario. Folsom Reservoir storage and other CVP operations are assumed to remain unchanged in this scenario.

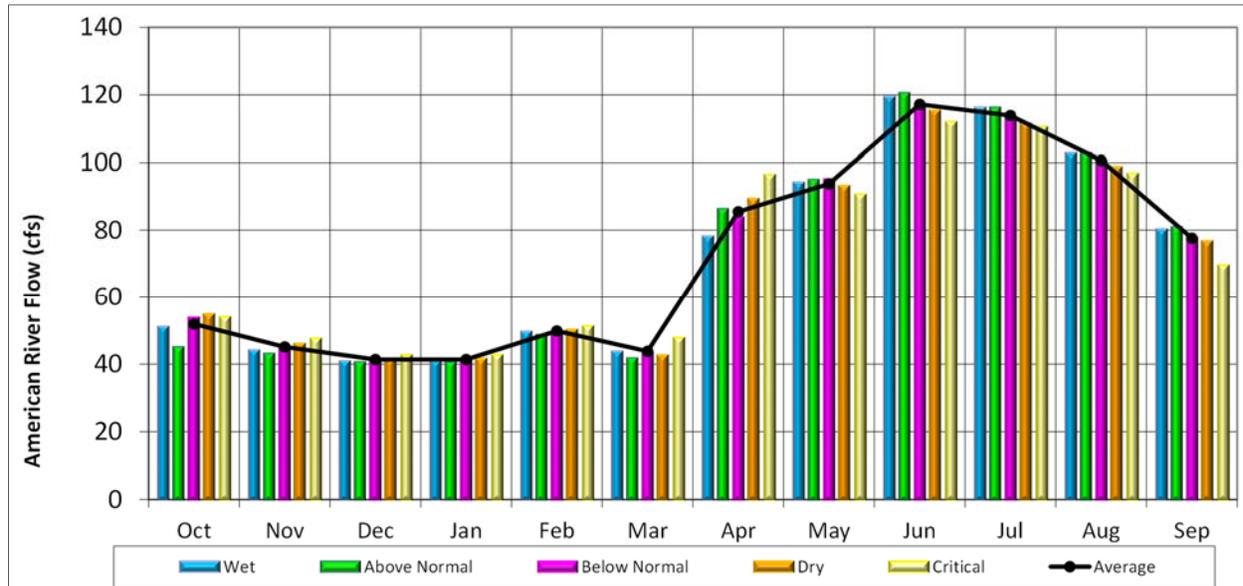


Figure 3. Changes in American River Flows under Scenario 1 versus No Project Scenario

### Scenario 2 – Increased Volume Stored in Folsom Reservoir

Under Scenario 2, volumes that are currently diverted from the American River/Folsom Reservoir would be held in Folsom Reservoir to the maximum extent possible. As indicated in Table 2, this Scenario shows a greater increase in Folsom Reservoir storage during drier years due to the increased capacity brought about by lower lake levels. Figure 4 shows the changes in Folsom Reservoir storage that would occur with the RiverArc Project for the critically dry hydrologic conditions observed during water years 1930 and 1932, where the storage increases by up to 19 TAF. Overall, results show a maximum increase of 47 TAF in Folsom Reservoir storage during the 82-year period of simulation with the RiverArc Project.

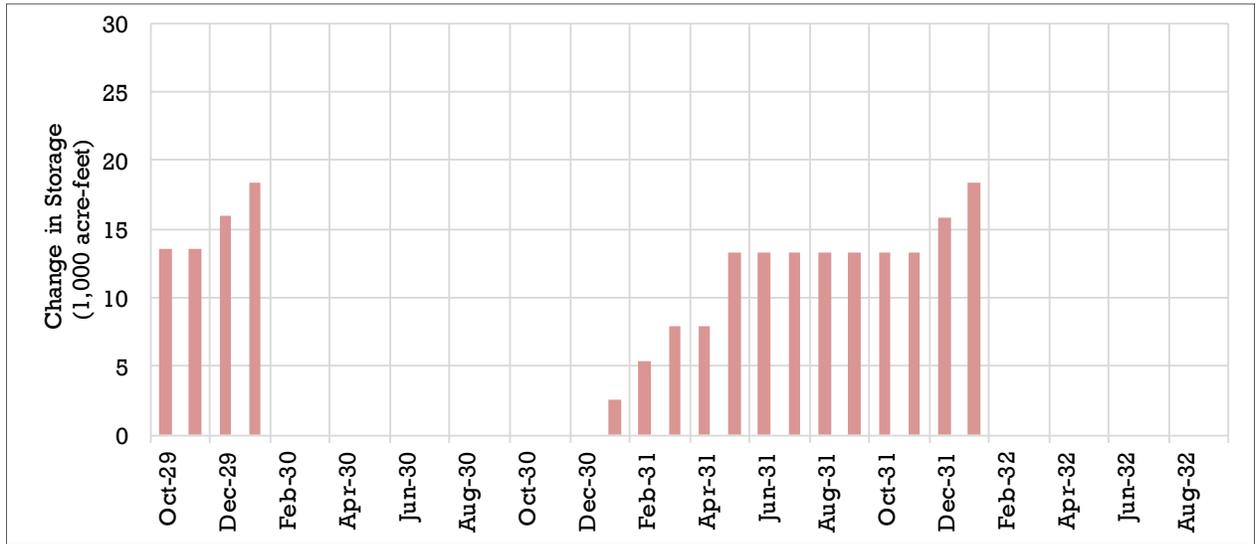


Figure 4. Increases in Cumulative Folsom Reservoir Storage under Scenario 2, Water Years 1930–1932

### Scenario 3 – Water Released from Folsom Reservoir to Achieve Fall Temperature Benefits

Under Scenario 3, flows that are currently diverted from the American River/Folsom Reservoir would be held in Folsom Reservoir until October, when they would be released to maximize fall temperature benefits in the American and Sacramento Rivers. Figure 5 shows how American River flows in October are significantly enhanced under Scenario 3 (as compared to Figure 3 above). Because Table 3 only shows end of September results (i.e., end of water year), the Scenario 3 results in the table do not reflect the October releases from Folsom Reservoir.

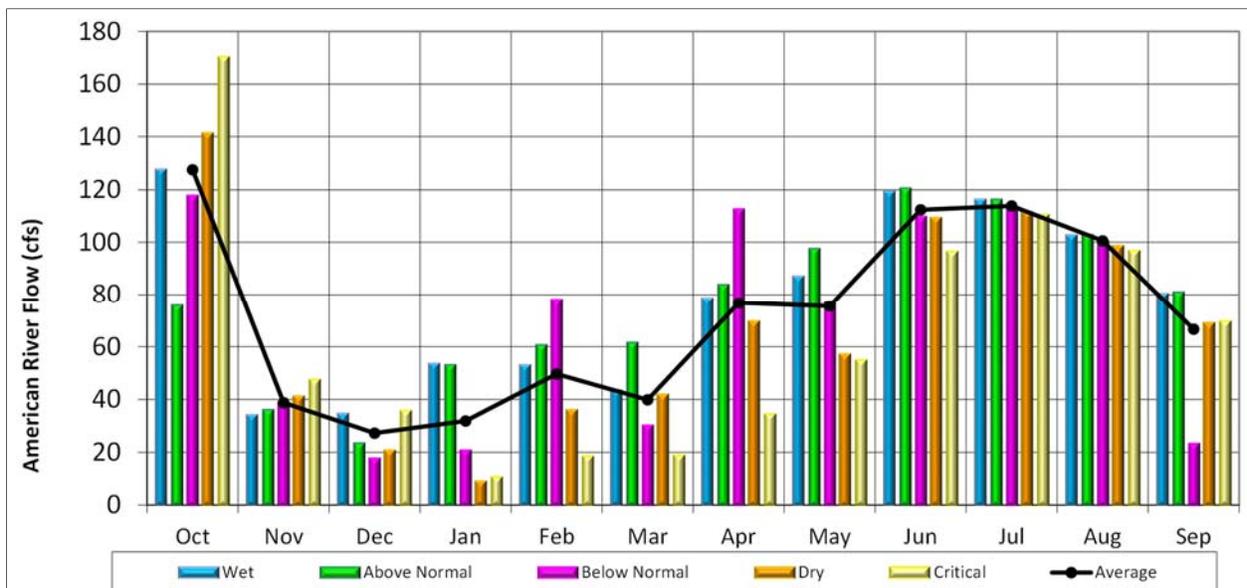


Figure 5. Change in American River Flows under Scenario 3 versus No Project Scenario

### Scenario 4 – Water Released from Folsom Reservoir to Increase South of Delta Exports

Under Scenario 4, flows that are currently diverted from the American River/Folsom Reservoir would be released for South of Delta exports when the Delta is in balanced conditions and when there is available capacity to export water to South of Delta contractors. This Scenario results in an increase in average annual exports of 5 TAF, with maximum benefit occurring during dry and critical years. Figure 6 shows the monthly changes in Delta exports that would occur with Scenario 4 as compared to the No Project scenario. The increase in exports would occur primarily in July and August when exports are not curtailed by Old and Middle River requirements, or by San Joaquin River inflow/export.

Scenario 4 also results in a decrease in average annual Delta outflows, as shown in Figure 7. This Scenario is the only one in which Delta outflows would change. All such changes in Delta outflows would occur under excess conditions, with no change in Delta outflows during balanced conditions.

### Scenario 5 – Water Released from Folsom Reservoir to Enhance Shasta Reservoir Storage

Under Scenario 5, flows that are currently diverted from the American River/Folsom Reservoir would be released, and an offsetting amount would be held in Lake Shasta when storage in the lake is below a set threshold (assumed to be 3.2 million acre-feet for this analysis). The analysis assumes that Shasta Reservoir must be releasing above the minimum flow requirements at Keswick and Navigation Control Point to allow for an exchange with Folsom Reservoir.

On an average annual basis, Shasta Reservoir storage may be increased by 10 TAF. During dry and critical years, Shasta Reservoir storage may be increased by 14 TAF and 32 TAF, respectively.

Figure 8 shows Shasta Reservoir storage by month and water year type under Scenario 5. As indicated in the figure, Shasta Reservoir storage is shown to be enhanced during dry and critical years due to availability of storage capacity in such years. The additional stored water in Shasta Reservoir would provide temperature benefits to the Sacramento River during dry and critical years.

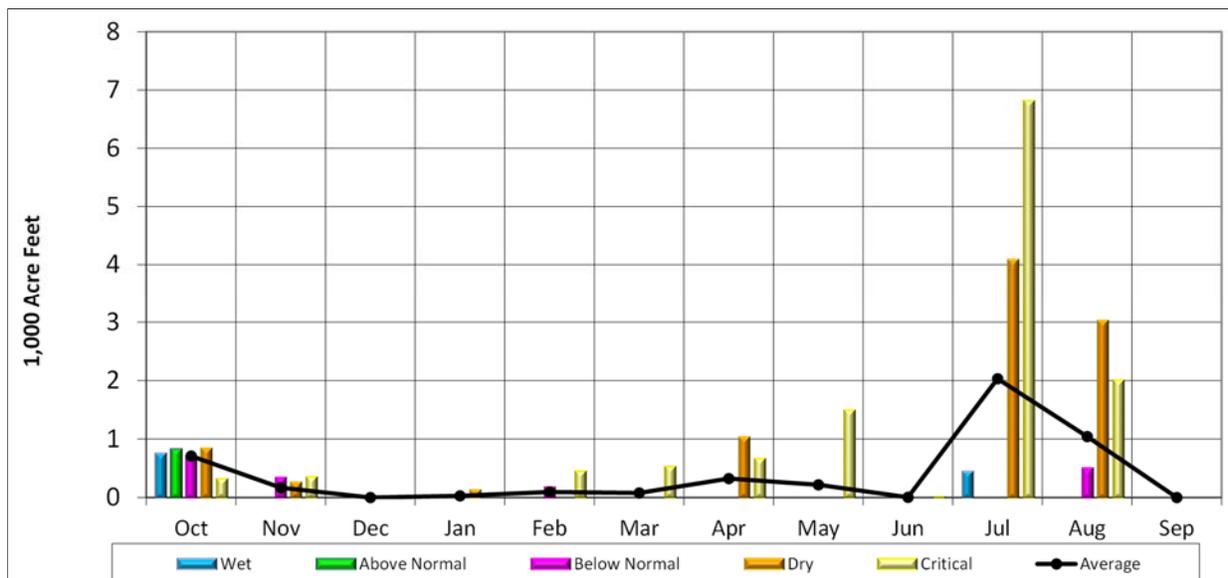


Figure 6. Change in South of Delta Exports under Scenario 4

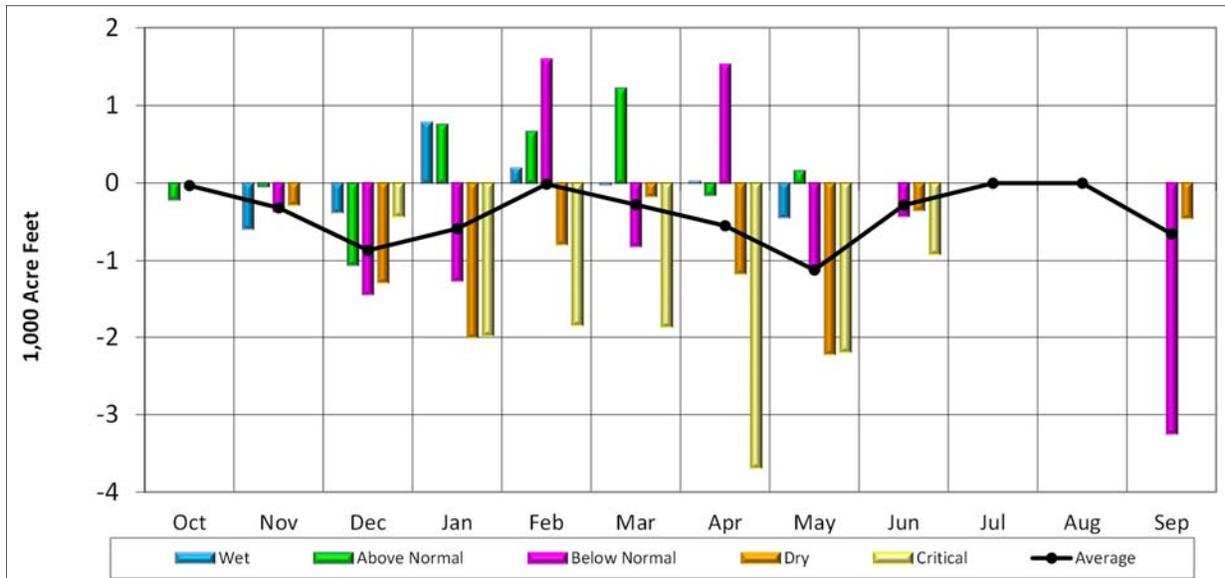


Figure 7. Change in Delta Outflows under Scenario 4

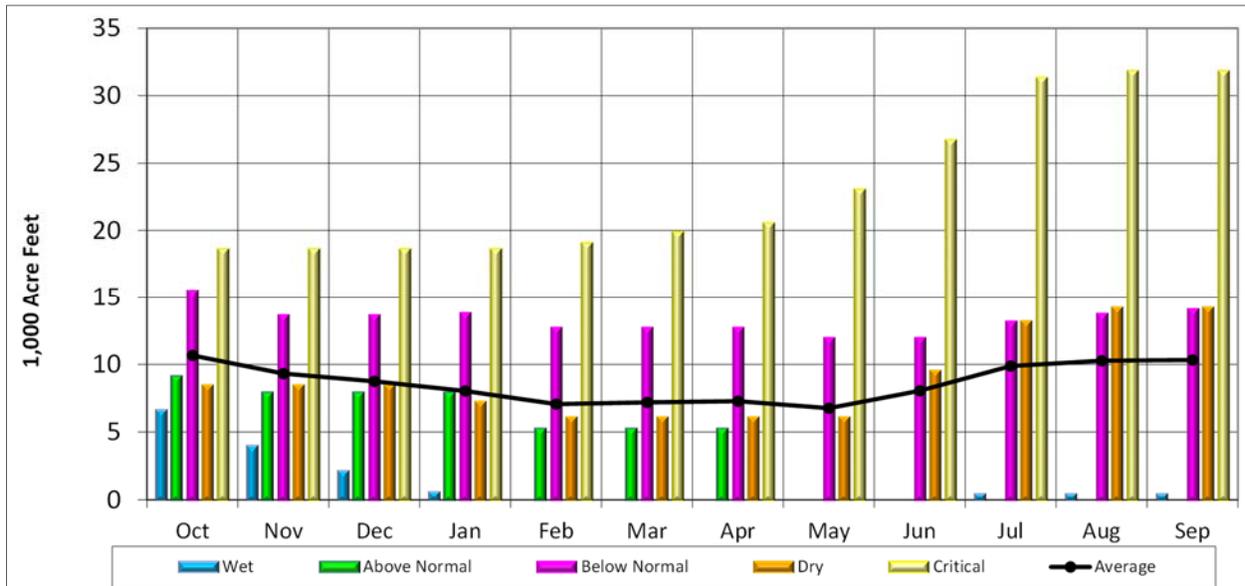


Figure 8. Increases in Lake Shasta Storage under Scenario 5

## SUMMARY AND CONCLUSION

The proposed RiverArc would diversify water supplies by shifting a portion of regional water demand from the American River/Folsom Reservoir to the Sacramento River. This diversification is important to the long-term sustainability and future prosperity of the region. These water supply portfolio improvements allow for greater integration of the CVP and SWP systems and would add flexibility in balancing Folsom Reservoir operations with other CVP operations. Shifting

diversions from American River/Folsom Reservoir to the Sacramento River increases available water supply in the American River, which can be used to improve flow and temperature conditions in the American River and to provide other benefits for the entire CVP/SWP system.

Under the RiverArc Project, Folsom Reservoir could be operated in several ways to enhance water supply reliability, improve ecosystem conditions in terms of river flow and temperature, add flexibility to operations, and increase storage in Folsom Reservoir and Shasta Reservoir. On an average annual basis, American River flow could increase by 52 TAF/year. Folsom Reservoir storage could increase by up to 47 TAF, with the greatest increase occurring during drier years. Potential also exists to enhance South of Delta exports by releasing stored water from Folsom Reservoir during periods when South of Delta demands and export capacity are available.

Overall, RiverArc shows potential for a variety of system-wide benefits. The only negative impact on the CVP/SWP system would be a decrease in the Sacramento River flows between the NMWC intakes and the existing intakes on the lower Sacramento River.

**SWC 2020 Dry Year Transfer Program (DYTP)  
TERMS AND CONDITIONS**

1. **Water Purchase Payment** – Subject to approval of the Parties’ governing bodies, and State Water Resources Control Board (SWRCB) or CEQA permit completion (where applicable), Buyers will pay Seller a total purchase payment of \$300 for each acre-foot of transfer supplies DWR determines is transferrable in accordance with the Draft Technical Information for Water Transfers in 2020. The price will be independent of source of water (i.e. crop idling vs. groundwater substitution vs. reservoir reoperation).
  
2. **Seller Price Protection** – The price per acre-foot and, except as set forth in paragraph 11, the CEQA-SWRCB/Administration payment in paragraph 3(a) will not be lower than the price that any participating Buyer of the SWC DYTP pays to any other Seller in 2020 for any type of water transfer. Seller shall invoice Buyers on a monthly basis after the transfer water has been made available and Buyers shall pay such invoices within 30 days of Buyers’ receipt of the invoice. In addition, the Buyers will retain ten percent of invoice amounts pending DWR’s final confirmation that Seller’s supply was produced as intended and was made available to Buyers at the point of delivery.
  
3. **Seller Administrative & Litigation Cost Coverage**
  - a. **CEQA-SWRCB/Administration** - Seller will be responsible for preparing necessary CEQA and SWRCB documentation. Buyers will reimburse Seller’s reasonable and documented out-of-pocket administrative expenses, subject to the limitations below, specifically for DYTP transfers in 2020. These expenses may include, but are not limited to legal, environmental, and engineering consultants’ fees and expenses incurred by Seller for developing and administering mitigation and monitoring programs for groundwater substitution transfer, and preparing, negotiating, administering, implementing, supporting, and obtaining any necessary approvals for the proposed transfer, regardless of whether water is transferred, unless the Seller fails to provide any water after the Buyers provide notification to purchase water in paragraphs 4 and 5. Subject to the foregoing and except as set forth in paragraph 11, Seller shall be entitled to this reimbursement for such costs incurred after March 2, 2020, and upon the Buyers’ and Seller’s executing a Buyer-Seller agreement. Except as set forth in paragraphs 3(b)(ii) and 11, the maximum amount that Seller will be reimbursed for their out-of-pocket CEQA-SWRCB/Administration expenses is \$50,000 (for actual net deliveries greater than 10,000 acre-feet); \$30,000 (for deliveries between 9,999 acre-feet and 5,000 acre-feet); and \$20,000 (for deliveries between 4,999 acre-feet and 1,000 acre-feet).
  
  - b. **Litigation** – If a third party files a petition with the SWRCB or with a court challenging the proposed 2020 water transfer, Seller and Buyers will promptly meet and confer to perform a risk assessment of the challenge, and

cooperate in good faith to determine whether to terminate the agreement due to the challenge. If such a challenge is pending as of April 20, 2020, either party may elect to terminate the agreement due to any such challenge. If either party elects to terminate the agreement prior to April 20, 2020, the Buyers shall still be obligated to pay for the CEQA-SWRCB/Administration Payment to the extent provided in paragraph 3(a). If such a challenge is initiated after April 20, 2020, Seller and Buyers will promptly meet and confer to assess the risk of the challenge, but termination of the agreement may only occur through agreement of both Buyers and Seller. If both Buyers and Seller elect to terminate the agreement after April 20, 2020, the Buyers shall still be obligated to pay for the CEQA-SWRCB/Administration Payment to the extent provided in paragraph 3(a); the EIR surcharge for certain Sellers set forth in paragraph 11; for all of the water transferred to Buyers prior to such termination; and for any litigation expenses in having the challenge dismissed or otherwise resolved. Seller will take all necessary and appropriate actions to defend the transfer on behalf of Buyers and Seller. Except as set forth in paragraph 3(b)(ii), Buyers will reimburse 100% of Seller's actual out-of-pocket expenses incurred in defending the proposed 2020 water transfer. Buyers shall cooperate in defending the litigation as requested by Seller.

- (i) Subject to paragraph 3(b)(ii), Buyers shall bear their own costs of the proceeding and shall pay any remedial award associated therewith, whether levied against Buyers or Seller.
- (ii) As to claims solely challenging Seller's conduct within Seller's service area or above the point of delivery for Seller, and excepting claims governed by paragraph 3(b)(i), Seller shall have primary responsibility for defending such claims on behalf of both Seller and Buyers, and Buyers shall participate in defending against such claims to the extent it deems necessary or appropriate, in Buyers' sole discretion. Buyers shall bear their own fees and costs of defending against such claims. Except as provided in paragraph 3(a), Seller shall bear its own fees and costs of defending against such claims and shall pay any monetary awards associated therewith.

c. **Invoicing** – Seller shall invoice Buyers for CEQA/Administration expenses (supported by invoices and documentation) after all transfer water has been made available and Buyer shall pay such invoices within 30 days of Buyer's receipt of the invoice.

4. **Crop Idling Transfers** – Seller will notify Buyers and DWR of the amount of water offered by April 13, 2020. Buyers will notify Seller if Buyers want to purchase the water on or before 5:00 p.m. on April 27, 2020. Until either Buyers notify Seller or April 27, 2020, whichever occurs first, Seller may in its sole discretion reduce the amount of transfer water it wishes to make available, down to 0 acre-feet. If Buyers purchase the water, Buyers will have a "take or pay" obligation for the water, and Buyers may not elect to order or pay for less than the amount specified in the notice to Seller.

5. **Groundwater Substitution or Reservoir Reoperation Transfers** - Seller will notify Buyers and DWR of the amount of water offered by April 13, 2020. Buyers will notify Seller if Buyers wants to purchase the water on or before 5:00 p.m. on May 1, 2020. If Buyers purchase the water and delivery has started, Buyers may suspend or terminate (with a 72-hour notice) the groundwater pumping due to limitations on the ability to divert/deliver and/or use groundwater substitution water. Groundwater substitution transfers will be subject to 13% depletion losses or the amount of depletion losses established in DWR/USBR's latest water transfer guidelines or as accepted by DWR based on site specific past transfers or aquifer analysis. The Parties' agreement as to depletion losses associated with 2020 groundwater substitution transfers will in no respect be binding on or a precedent for the Seller as to future groundwater substitution transfers. Buyers' payment to Seller will be based on the amount of water Seller makes available after the aforementioned depletion losses are applied.
6. **Shortage Provisions Protection** – In the event a Seller's supply is reduced or curtailed, Seller will meet and confer with Buyers, but Seller will reserve the right in its sole and absolute discretion to terminate the 2020 water transfer agreement. However, the obligations set forth in paragraphs 3(a), 3(b), 3(c), and 11 will still apply.
7. **Refunds** - In the event Seller fails to provide the amount of water purchased in paragraph 1, subject to any reductions in paragraph 6, Seller will promptly refund to Buyers any payments made for purchased water not provided by Seller. Any refunds shall include interest at the Local Agency Investment Fund rate for the time period the money was held.
8. **Point of Delivery** - The point of delivery for the transfer water will be at the Seller's diversion point(s). Buyers will be responsible for all other losses, including Delta carriage water loss, and expenses associated with transfer water between the Seller's point of delivery and the Buyers' service areas.
9. **Approvals** – Except as provided in paragraph 3(a) with respect to reimbursement of administrative costs and paragraph 11 concerning EIR surcharge, the Parties' performance under the 2020 water transfer agreement will be contingent on the Parties obtaining any necessary approvals. Seller will be responsible for obtaining necessary approvals from DWR, SWRCB, and other relevant government entities for transfer of the water. Buyers will be responsible for obtaining all authorizations for conveyance of the transfer water to each Buyer's place of use. If necessary approvals are not obtained by April 20, 2020, for crop idling transfers pursuant to paragraph 4, and by May 1, 2020, for groundwater substitution and reservoir reoperation transfers pursuant to paragraph 5, Seller and Buyers will promptly meet and confer to determine if these dates should be extended.
10. **Mutually Agreeable Off-ramp** – If, after Buyers notify Seller that they want to purchase water pursuant to paragraphs 4 and 5, hydrologic conditions are wetter

than anticipated, resulting in no capacity to convey the transfer supplies through the Delta, Buyers and Seller will meet to determine if there are financial considerations Buyers could provide which would relieve the Seller from making the water transfer supplies available under the 2020 water transfer agreement.

11. **EIR Surcharge** – In addition to the Seller Administrative & Litigation Cost Coverage set forth in paragraph 3(a), Buyers shall reimburse Western Canal Water District and Richvale Irrigation District 1/5<sup>th</sup> of their total documented out-of-pocket costs associated with their 5-year water transfer EIR, up to a maximum of \$40,000 each.

# 2020 WATER RESILIENT NCE PORTFOLIO

In Response to the Executive Order N-10-19



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# Water Resilience Portfolio

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January 2020

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## 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.

February 7, 2020



Comment Letter Submitted via: [input@waterresilience.ca.gov](mailto:input@waterresilience.ca.gov)

Kerry Schmitz, Chair  
Sean Bigley, Vice Chair

February 7, 2020

**Members**

California American Water  
Carmichael Water District  
Citrus Heights Water District  
Del Paso Manor Water District  
El Dorado Irrigation District  
Elk Grove Water District  
Fair Oaks Water District  
Folsom, City of  
Golden State Water Company  
Lincoln, City of  
Orange Vale Water Company  
Placer County Water Agency  
Rancho Murieta Community Services District  
Roseville, City of  
Rio Linda / Elverta Community Water District  
Sacramento, City of  
Sacramento County Water Agency  
Sacramento Suburban Water District  
San Juan Water District  
West Sacramento, City of  
Yuba City, City of

Ms. Nancy Vogel  
Director of the Governor's Water Portfolio Program  
California Natural Resources Agency  
1416 Ninth Street, Suite 1311  
Sacramento, CA 95814

**RE: Regional Water Authority comments regarding the Draft Water Resilience Portfolio**

Dear Ms. Vogel,

The Regional Water Authority (RWA) appreciates the opportunity to provide comments on the Draft Water Resilience Portfolio (Draft Portfolio). In general, our comments focus on prioritization of the Draft Portfolio recommendations, the need to enhance communications, and the need to invest in source watersheds as a means to adapt to predicted loss of snow pack, which will disrupt water supply reliability statewide.

RWA is a joint powers agency representing 21 public water suppliers in Sacramento, Placer, El Dorado, Yolo, and Sutter counties. RWA's mission is to protect and enhance the reliability, availability, affordability and quality of water resources for our members. RWA's mission and the State's mission to achieve resilience directly align. In order for the RWA region to achieve resilience, adapting to climate change and the threats of increased flood, fire and drought are among RWA's top priorities.

In addition to preparing for water supply resilience, the RWA region is committed to environmental resilience through the Water Forum agreement. The Water Forum agreement was established 20 years ago between water suppliers, environmental NGOs, businesses, and local governments to pursue the co-equal goals of increasing water supply reliability while preserving and enhancing the ecosystem of the lower American River.

The Draft Portfolio covers a lot of ground, and given that water policy is highly controversial, there is likely no way for an effort of this scope to have all of its recommendations supported by all stakeholders across the state and across all

**Associates**

County of Placer  
El Dorado County Water Agency  
Sacramento Area Flood Control Agency  
Sacramento Municipal Utility District  
Sacramento Regional County Sanitation District

viewpoints. There are certainly recommendations of concern, however, RWA supports the majority of the recommendations and appreciates the framing of the Draft Portfolio where it states:

“We must prepare our water systems to support our growing state in a warmer, more variable climate. Four broad approaches are identified 1) Maintain and diversify water supplies; 2) protect and enhance natural systems; 3) build connections; and 4) be prepared.

This water portfolio fails if it suggests a one-size-fits all approach to water resilience across our large state. Instead, water resilience will be achieved region by region based on the unique challenges and opportunities in each area. Leadership at the local and tribal levels is essential. This water portfolio is shaped to provide important tools to local and regional entities building resilience and to encourage collaboration within and across these regions. (Page 7)”.

The Draft Portfolio speaks to priorities generally, but does not specify priorities among its recommendations. For the final Portfolio to provide clear direction and most effectively advance its recommendations, we encourage such prioritization. This letter lays out RWA’s suggested priorities for the Portfolio moving forward.

RWA’s suggested priority recommendations reflect our recently completed Regional Water Supply Reliability Study and resulting comprehensive plan encompassing our entire watershed, from the mountain tops of the American River basin to the valley floor; coordinating surface water planning, groundwater planning, and environmental stewardship to address heightened risks of flood, fire, and drought presented by climate change. Implementation of our comprehensive plan will provide resilience for both the RWA region and statewide as well.

### **Recommendations that Support Smart Supply Actions Should be a Priority**

RWA appreciates recommendation 3.5, which seeks to make funding available for groundwater recharge projects with multiple benefits. RWA suggests that recommendation 3.5 be a clear priority for a climate resilience general obligation bond (recommendation 31.1). RWA further recognizes recommendation 3.4, which proposes to streamline the establishment of groundwater banks and enhance their effectiveness. We believe the State Water Resources Control Board will be integral to the implementation of this recommendation and the RWA would welcome the opportunity to work with the Board in determining how its water-right processes might be optimized to advance groundwater banking programs.

Additionally, RWA recommends exploring ways to expand on recommendation 7.2 to invest in the environmental benefits of groundwater storage projects beyond just the Water Storage Investment Program.

Lastly, there is tremendous value in pursuing integration of funding – as recommended by 20.2 and 28.3 – of the numerous projects being pursued in the American River basin (See Figure #1), which all tie back to flood, fire, and drought, with the prominent

objective of environmental resilience. The biggest challenge to moving forward with those various projects is funding. That said, expanding the ability to put multiple State funding sources together will enhance the ability to advance any one of those projects.

### **Continued Communication Is Key**

As stated in the Draft Portfolio, there is no one-size-fits all solution to water policy in the state. Acknowledging this challenge is recognition that there will be different solutions for different regions. Consequently, the best way for the State and regional water managers to navigate a successful path forward is through regular communication on the development and implementation of the most appropriate solutions in each region.

RWA strongly supports recommendations 29.1, 29.2, 28.3, and 28.2; which we summarize as improving collaboration by the State in support of regional approaches to resilience through improved communication, innovation, evaluation, and multi-jurisdictional funding opportunities. In RWA's view, the administration is already implementing these recommendations, and we applaud that work and support those efforts going forward.

### **Why Communication Matters: The American River Watershed Water Supply Story**

Resilience will not be achieved by continuing the status quo. Nonetheless, it is challenging to pursue efforts outside of the status quo. We value greater collaboration with the State because RWA's comprehensive approach to resilience, captured in Figure #1 below, is best pursued through ongoing dialogue.

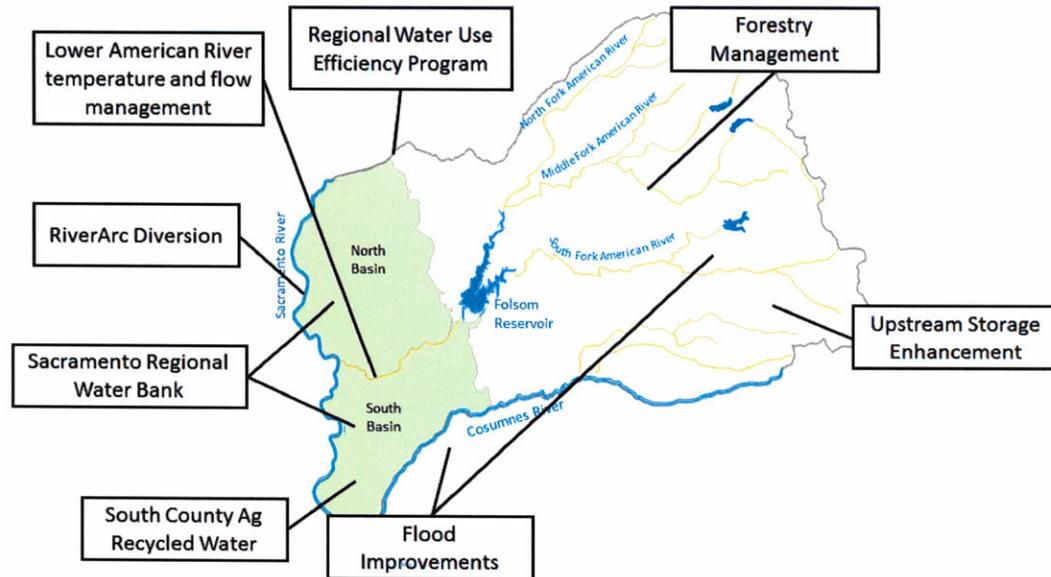
The American River basin may be ahead of other parts of the state as we also recently completed a downscaled assessment of the projected impacts of climate change in the watershed through the end of the century. Result of this American River Basin Study (ARBS) have informed the development of the projects in Figure #1, and are aligned with recommendation 27.1.

The approach that RWA is pursuing is pushing the envelope of greater regional coordination to enhance water supply, increase water use efficiency, and improve environmental sustainability. The individual projects in Figure #1 make up a comprehensive and integrated whole, such that benefits of one project enhance the benefits another.

For example, the Sacramento Regional Water Bank, RiverArc, South County Ag Recycled Water, and some flood improvements, will all contribute to expanded conjunctive use in the region. This will in turn improve the ability of the region to more

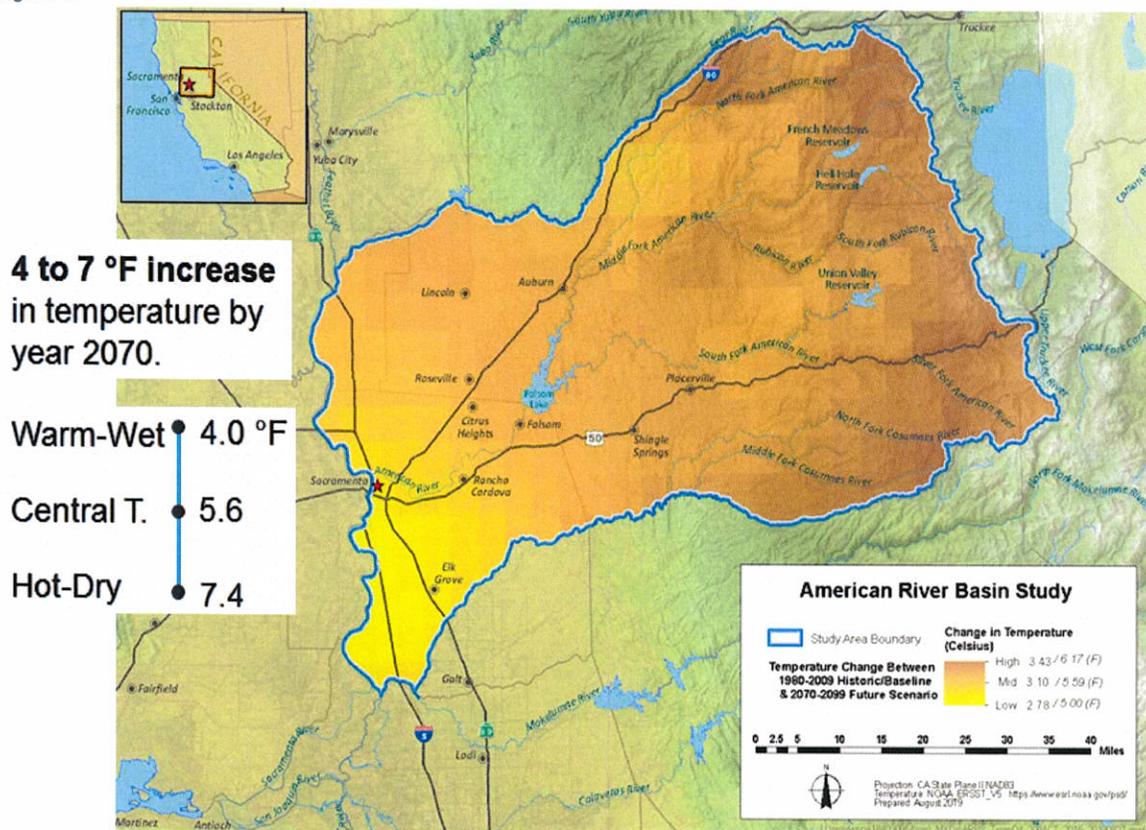
flexibly manage water supplies to enhance temperature management for anadromous fish, flood resilience, and drought resilience, to the point where this region could potentially make supplies available to benefit broader statewide interests. These numerous benefits are only achieved through the agreements and relationships between surface water managers, groundwater managers, flood control managers, and environmental interests in the region.

Figure 1



The ARBS has provided two important findings. First, temperatures will increase significantly in the future (Figure #2), with more serious increases in the upper watershed.

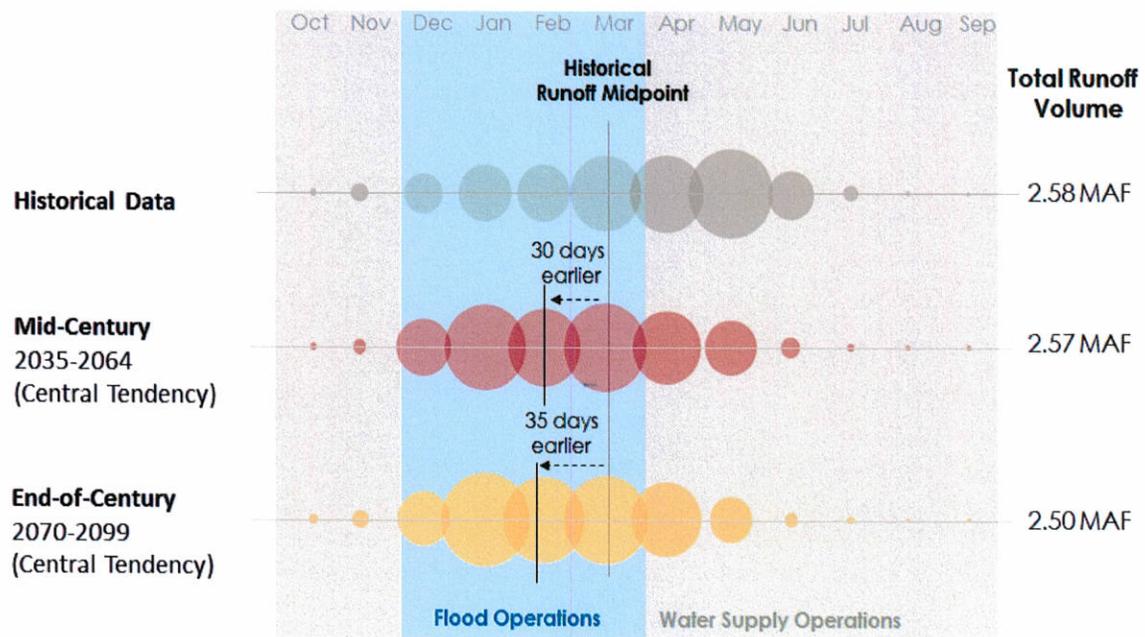
Figure 2



The second important finding in the ARBS is that there will be very slight changes in total annual precipitation, but the amount and timing of runoff that precipitation produces

is expected to change significantly as a consequence of snowfall being replaced by rainfall and rising temperatures accelerating snowmelt. This will place greater emphasis on Folsom Reservoir being operated for flood protection and reduce its water supply functionality (Figure #3).

Figure 3



Earlier runoff would:

- **increase the chance of spills** from Folsom reservoir during flood season.
- **reduce water supply** available during summer and fall for M&I, ecosystem, hydropower, irrigation, recreation, etc.

The region and state rely on three means of storing water: snowpack, surface water reservoirs and groundwater. Warmer temperatures with reduced snowpack, as well as earlier and more intense runoff, means that the watershed will lose functionality of the interdependence between reservoir operations and snowmelt. Figure #4 illustrates the relative scale of these reservoir systems. This leaves the groundwater basin and enhanced conjunctive use as one of the best options to achieving resilience.

Figure 4



Fortunately, the groundwater basin in our watershed currently has approximately 1.8 million acre-feet of available storage capacity, about twice the volume of Folsom Reservoir. To fully utilize that underground storage, the region is planning a wide scale conjunctive use program that will use more surface water in wet years to substitute for groundwater that would otherwise be delivered. This will allow groundwater levels to increase for use in dry years, reducing pressure on natural waterways during these critical times, and leaving more water to support instream environmental needs.

This is only a summary of some of the region's efforts to improve water supply reliability. There are similar stories reflecting the region's efforts to develop fire resilience in the headwaters and flood risk reduction. Through regular communication, the full picture of the RWA region's resilience plan can be presented, tested, and refined. With this kind of collaboration, the State and our region will be better able to support our shared goals of resilience.

As the introduction of the Draft Portfolio states, on average 65 percent of snowpack will be lost by the end of century, which equates to a loss of over 8 million acre-feet (maf) of snow water storage and slow release. Currently, 37 maf is consumed on average for human use annually (with a split of 30 maf agricultural and 7 maf urban). The estimated 8 maf of lost storage in snowpack represents a loss of over 20 percent of this supply.

Compounding this "off the top" percentage loss is the fact that our built infrastructure will likely become less functional for water supply due to increased flood control pressure, and the need to preserve cold water for riverine habitat. While addressing demand-side options, e.g. through water use efficiency improvements, can help mitigate

some of this loss, this option cannot effectively make up the anticipated gap of over 8 maf.

We understand the Draft Portfolio is not blind to this. The introduction speaks clearly to the actions that must be taken to address (1) this significant loss of supply, which in the portfolio recommends increased off stream storage, updated water infrastructure and management, and (2) moving more water into groundwater storage (Figure 5 of the Draft Portfolio, “key findings” in sections on Existing Water Supply and Demand, Climate Change Impacts, and Future Water Needs).

### **Investments in Source Watersheds**

Necessary supply focused investments will have to occur in source watersheds. Historically, investments in source watersheds were largely made through the State and Federal initiatives, through the development of the State Water Project (SWP) and Central Valley Project (CVP). Today, most water supply needs are paid for by local water systems through funding at the local level. Local investments in source watersheds is a challenge because the vast majority of water systems are only connected to their source watersheds through the SWP and CVP. As a result most water supply investment is directed to projects at the local level and not into resilience of source water supplies.

The State can help overcome this disconnect, where the majority of investment occurs today and where investment is needed by supporting, investing in, and promoting opportunities in source watersheds. The American River basin is an example of this kind of opportunity. Ninety percent of the water coming out of the basin is used outside of the region. Of the projects outlined in Figure #1, there are opportunities for the State and water suppliers outside of the American River region to invest in projects that can improve their own water supply reliability, i.e. enhancing the reliability of the ninety percent of water that is flowing out of the basin. Because these projects are designed to improve local resilience, such investment can be a win-win by providing resilience both inside and outside of the region. If the State were to advance these opportunities, it would provide a template for similar investment opportunities in other source watersheds.

RWA appreciates the opportunity to comment on the Draft Portfolio and looks forward to continued dialogue on how to improve water resilience in the Sacramento region and across the state. Should you have questions about these comments please contact me at [jpeifer@rwa.org](mailto:jpeifer@rwa.org) or at (916) 847-7589.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Peifer', with a long horizontal line extending to the right.

James Peifer  
Executive Director

**EXHIBIT A  
RWA POLICY 400.2**

**MONTHLY SALARY SCHEDULE OF RWA POSITIONS**

January 1, 2020

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

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

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

## CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE NOVEMBER 2019

(All items indexes. 1982-84=100 unless otherwise noted. Not seasonally adjusted.)

MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending		1 Month ending				Year ending		1 Month ending
	Nov 2018	Oct 2019	Nov 2019	Oct 2019	Nov 2019	Nov 2019	Nov 2018	Oct 2019	Nov 2019	Oct 2019	Nov 2019	Nov 2019
U. S. City Average.....	252.038	257.346	257.208	1.8	2.1	-0.1	245.933	250.894	250.644	1.6	1.9	-0.1
West.....	265.658	273.524	273.128	2.8	2.8	-0.1	257.604	265.185	264.619	2.7	2.7	-0.2
West – Size Class A <sup>1</sup> .....	273.769	282.713	282.189	2.9	3.1	-0.2	263.924	273.177	272.230	3.2	3.1	-0.3
West – Size Class B/C <sup>2</sup> .....	154.625	158.635	158.482	2.5	2.5	-0.1	154.456	158.185	158.047	2.3	2.3	-0.1
Mountain <sup>3</sup> .....	103.042	106.417	106.361	3.2	3.2	-0.1	103.443	106.569	106.516	2.8	3.0	0.0
Pacific <sup>3</sup> .....	103.299	106.238	106.048	2.6	2.7	-0.2	103.428	106.439	106.142	2.7	2.6	-0.3
Los Angeles-Long Beach-Anaheim, CA.....	268.560	278.075	277.239	3.2	3.2	-0.3	259.064	269.314	268.041	3.6	3.5	-0.5
BI-MONTHLY DATA (Published for odd months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending		2 Months ending				Year ending		2 Months ending
	Nov 2018	Sep 2019	Nov 2019	Sep 2019	Nov 2019	Nov 2019	Nov 2018	Sep 2019	Nov 2019	Sep 2019	Nov 2019	Nov 2019
Riverside-San Bernardino-Ontario, CA <sup>3</sup> .....	103.616	106.412	106.573	3.1	2.9	0.2	103.737	106.473	106.824	3.3	3.0	0.3
San Diego-Carlsbad, CA.....	293.858	301.033	301.520	1.7	2.6	0.2	278.473	284.107	284.856	1.2	2.3	0.3
Urban Hawaii.....	279.700	282.106	282.248	1.1	0.9	0.1	276.213	278.876	279.140	1.1	1.1	0.1
BI-MONTHLY DATA (Published for even months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending		2 Months ending				Year ending		2 Months ending
	Oct 2018	Aug 2019	Oct 2019	Aug 2019	Oct 2019	Oct 2019	Oct 2018	Aug 2019	Oct 2019	Aug 2019	Oct 2019	Oct 2019
Phoenix-Mesa-Scottsdale, AZ <sup>4</sup> .....	140.517	143.760	145.833	3.0	3.8	1.4	139.062	142.070	144.494	2.8	3.9	1.7
San Francisco-Oakland-Hayward, CA.....	289.673	295.490	298.443	2.7	3.0	1.0	283.183	288.514	291.707	2.5	3.0	1.1
Seattle-Tacoma-Bellevue, WA.....	272.805	280.286	278.682	3.2	2.2	-0.6	269.719	274.520	274.358	2.5	1.7	-0.1
Urban Alaska.....	228.170	230.406	227.552	0.7	-0.3	-1.2	225.686	226.667	225.143	0.9	-0.2	-0.7

<sup>1</sup> Population over 2,500,000    <sup>2</sup> Population 2,500,000 and under, Dec 1996 = 100    <sup>3</sup> Dec 2017=100    <sup>4</sup> Dec 2001=100

**NOTE: In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI): [www.bls.gov/regions/west/factsheet/2018cpirevisionwest.pdf](http://www.bls.gov/regions/west/factsheet/2018cpirevisionwest.pdf)**

**1967=100 base year indexes and historical tables including semiannual and annual average data are available at: [www.bls.gov/regions/west/data/cpi\\_tables.pdf](http://www.bls.gov/regions/west/data/cpi_tables.pdf)**

Release date December 11, 2019. The next release date is scheduled for January 14, 2020. For questions, please contact us at [BLInfoSF@bls.gov](mailto:BLInfoSF@bls.gov) or (415) 625-2270.

# REGIONAL WATER AUTHORITY

## Income Statement

Year-to-Date Performance, December 2019  
Consolidated by account

	<i>6 Months Ended December 31, 2019</i>	<i>Annual Budget</i>	<i>Unused</i>	
REVENUES				
Annual Assessments	943,264.00	943,300.00	36.00	
Affiliate Members Annual	7,500.00	7,900.00	400.00	
Associate Membership Annual	54,899.00	54,900.00	1.00	
SGA Service Agreement Fees	269,678.29	592,300.00	322,621.71	
Program Revenues	514,440.00	0.00	(514,440.00)	
Holiday Social Revenue	6,370.00	8,000.00	1,630.00	
Miscellaneous Revenue	56.06	0.00	(56.06)	
WEP Category 1 Revenues	446,916.00	453,000.00	6,084.00	
Landscape Workshop	1,350.00	0.00	(1,350.00)	
Cash Discounts	181.69	0.00	(181.69)	
WEP Category 2 Revenues	66,965.89	0.00	(66,965.89)	
Interest on S/T Investments	28,259.49	30,700.00	2,440.51	
TOTAL REVENUES	2,339,880.42	2,090,100.00	(249,780.42)	
TOTAL REVENUE	2,339,880.42	2,090,100.00	(249,780.42)	112%
GROSS PROFIT	2,339,880.42	2,090,100.00	(249,780.42)	
OPERATING EXPENDITURES				
Staff Expenses				
General Salaries	458,916.05	974,000.00	515,083.95	
WEP Administrative Overhead	0.00	60,000.00	60,000.00	
Benefits/Taxes	211,134.21	405,600.00	194,465.79	
Travel / Meals	8,323.00	30,000.00	21,677.00	
Professional Development	1,003.00	7,000.00	5,997.00	
TOTAL Staff Expenses	679,376.26	1,476,600.00	797,223.74	46%
Office Expenses				
Rent & Utilities	16,770.00	37,683.00	20,913.00	
Insurance	37,935.76	33,833.00	(4,102.76)	
Office Maintenance	0.00	600.00	600.00	
Telephone	4,518.20	15,050.00	10,531.80	
Dues and Subscription	5,940.48	11,600.00	5,659.52	
Printing & Supplies	6,693.76	24,734.00	18,040.24	
Postage	2,397.82	3,383.00	985.18	
Meetings	1,543.68	13,400.00	11,856.32	

**6 Months Ended  
December 31, 2019**

		<b>Annual Budget</b>	<b>Unused</b>	
Computer Equipment/Support	4,130.00	26,483.00	22,353.00	
TOTAL Office Expenses	79,929.70	166,766.00	86,836.30	47.9%
Office Furniture & Equipment				
Office Furniture	536.00	2,900.00	2,364.00	
Office Move	0.00	12,100.00	12,100.00	
TOTAL Office Furniture & Equipment	536.00	15,000.00	14,464.00	3.6%
Professional Fees				
ADP / Banking Charges	1,112.14	2,801.00	1,688.86	
Audit Fees	26,900.00	32,083.00	5,183.00	
Legal Fees	33,660.98	52,500.00	18,839.02	
GASB 68 reporting fee	350.00	0.00	(350.00)	
Consulting Expenses - General	87,313.86	300,400.00	213,086.14	
Powerhouse Science Center Payments	0.00	25,000.00	25,000.00	
TOTAL Professional Fees	149,336.98	412,784.00	263,447.02	36.2%
Program Fees				
Consulting Expenses	96,023.40	0.00	(96,023.40)	
Direct Expenses	228.40	0.00	(228.40)	
TOTAL Program Fees	96,251.80	0.00	(96,251.80)	
WEP Program Management				
Legal Fees	9,056.25	4,000.00	(5,056.25)	
Consulting Expenses	24,620.00	50,000.00	25,380.00	
Public Relations	10.77	400.00	389.23	
Dues and Subscription	1,325.00	2,000.00	675.00	
Telephone - WEP only	90.99	1,000.00	909.01	
WEP Meetings	1,181.81	5,500.00	4,318.19	
Travel / Meals	4,469.80	6,000.00	1,530.20	
Printing	128.61	2,000.00	1,871.39	
TOTAL WEP Program Management	40,883.23	70,900.00	30,016.77	
WEP Program Implementation				
Public Outreach	43,183.93	107,000.00	63,816.07	
Gardensoft Gallery	5,833.33	5,000.00	(833.33)	
Web/Media Purchases	42,172.17	78,000.00	35,827.83	
River Cats	6,000.00	15,000.00	9,000.00	
School Education General	1,955.00	14,000.00	12,045.00	
Project WET	0.00	1,000.00	1,000.00	
Landscape Education Partnerships	1,500.00	4,000.00	2,500.00	
Landscape Training	3,691.38	16,000.00	12,308.62	
TOTAL WEP Program Implementation	104,335.81	240,000.00	135,664.19	43.5 %
WEP Program Management - Category 2				
SRCSD Incentives Payments to Suppliers	66,965.89	0.00	(66,965.89)	
TOTAL WEP Program Management - Category 2	66,965.89	0.00	(66,965.89)	
<b>TOTAL OPERATING EXPENDITURES</b>	<b>1,217,615.67</b>	<b>2,382,050.00</b>	<b>1,164,434.33</b>	<b>51.1 %</b>

	<i>6 Months Ended December 31, 2019</i>	<i>Annual Budget</i>	<i>Unused</i>
OPERATING INCOME (LOSS)	1,122,264.75	(291,950.00)	(1,414,214.75)
NET OPERATING INCOME (LOSS)	1,122,264.75	(291,950.00)	(1,414,214.75)
NET INCOME (LOSS) NET OF PROGRAM	1,122,264.75	(291,950.00)	(1,414,214.75)



Per California Government Code 6505.5 (e ), RWA reports the following unaudited information:

For the period ending December 2019

Cash in checking account:	\$241,884
LAIF Balance	\$3,109,290

For the period of Oct 1 to December 2019

Total cash receipts for the period:	\$709,540
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Total cash disbursements for the period:	\$1,078,620
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**AGENDA ITEM 13: DIRECTORS' COMMENTS**