

**REGIONAL WATER AUTHORITY  
EXECUTIVE COMMITTEE AGENDA  
June 24, 2020; 8:30 a.m.**

**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) 847-7589. Requests must be made as early as possible, and at least one full business day before the start of the meeting. The Executive Committee may consider any agenda item at any time during the meeting.

**Note: Pursuant to the Governor's Executive Order N-29-20, and given the state of emergency regarding the threat of COVID-19, the meeting will be held via teleconference.**

**We encourage Committee members and participants to join the meeting 10 minutes early. Note that we will use GoToMeeting to share slides and other information during the meeting. Use the link below to join GoToMeeting. If you have a microphone that you can use with your computer, it should be possible to both listen to, and participate in, the meeting through GoToMeeting. If you do not have a microphone, or a headset with a microphone, that plugs into your computer via USB port, you will need to call into the conference line to listen and comment, although you still should be able to view the meeting materials on GoToMeeting. Please do not simultaneously use a microphone through GoToMeeting and the telephone conference line. That combination results in audio problems for all participants.**

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- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes.

3. **CONSENT CALENDAR**
  - a. Minutes of the May 27, 2020 Executive Committee meetings  
**Action: Approve the May 27, 2020 Executive Committee meeting minutes.**
4. **SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**  
Discussion: Jim Peifer, Executive Director  
**Action: Recommend Board Approval of the MOU**
- 5 **LEGISLATIVE/REGULATORY UPDATE**  
Information Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager
6. **FEDERAL AFFAIRS STANDING COMMITTEE POSITIONS ON LEGISLATION AND UPDATE**  
Discussion: Sean Bigley, Federal Affairs Standing Committee Chair and Jim Peifer, Executive Director  
**Action: Adopt positions on Legislation**
7. **POTENTIAL MATERIAL PURCHASING PROGRAM**  
Discussion: Jim Peifer
8. **STRATEGIC PLAN**  
Discussion: Jim Peifer, Executive Director
9. **RWA OFFICE OPERATIONS**  
Discussion: Jim Peifer, Executive Director
- 10 **RWA JULY 9, 2020 BOARD MEETING AGENDA**  
**Action: Approve July 9, 2020 Board Meeting Agenda**
11. **EXECUTIVE DIRECTOR'S REPORT**
12. **DIRECTORS' COMMENTS**

## **ADJOURNMENT**

### **Upcoming meetings:**

Executive Committee Meetings: Wednesday, July 22, 2020 at 8:30 a.m. and August 26, 2020 at 8:30 a.m. at the RWA Office, the location is subject to change depending on the COVID-19 emergency.

Regular Board Meeting: Thursday, July 9, 2020, 9:00 a.m., at the RWA Office, the location is subject to change depending on the COVID-19 emergency.

Special Board Meetings - Strategic Planning Workshops: Friday, June 19, 2020 and Friday, June 26, 2020. Please see RWA website for details at: <https://rwah2o.org/meetings/board-meetings/>

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.

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**AGENDA ITEM 3: CONSENT CALENDAR**

Approval of the minutes from the May 27, 2020 Executive Committee meeting

**Action: Approve the May 27, 2020 Executive Committee meeting minutes**

Attachments:

Draft May 27, 2020 Executive Committee meeting minutes

**1. CALL TO ORDER**

Chair Schmitz called the meeting of the Executive Committee to order at 8:30 a.m. as a teleconference meeting. Individuals in attendance are listed below:

**Executive Committee Members**

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

**Staff Members**

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

**Others in Attendance**

Rebecca Scott, Santoro Science Water District, John Woodling, GEI Consultants, David Gordon and Hilary Strauss, Citrus Heights Water District, William Roberts, City of West Sacramento, Alan Driscoll, Forsgren Associates, Pam Tobin, Paul Helliker and Greg Zlotnick, San Juan Water District, Charles Duncan, West Yost Associates, Cathy Lee, Carmichael Water District, Craig Locke, Sacramento Suburban Water District and Hellen Nome, River Watershed Alliance in Alberta, Canada

**2. PUBLIC COMMENT**

None.

**3. CONSENT CALENDAR**

Minutes of the April 22, 2020 Executive Committee meeting

Motion/Second Carried (M/S/C) Mr. Greenwood moved, with a second by Mr. York, to approve the April 22, 2020 Executive Committee meeting minutes. Ron Greenwood, Carmichael Water District, Marcus Yasutake, City of Folsom, Sean Bigley, City of Roseville, Michelle Carrey, City of Sacramento, Paul Schubert, Golden State Water Company, Brent Smith, Placer County Water Agency, Kerry Schmitz, Sacramento County, Dan York, Sacramento Suburban Water District and Marty Hanneman, San Juan Water District voted yes. The motion carried by the unanimous voice vote of all directors present.

#### **4. STRATEGIC PLAN**

Jim Peifer lead the discussion on the Strategic Plan. On February 21st we had our first strategic planning workshop focused on mission, vision, values, and goals. The staff brought back input from the board. The next Strategic Planning sessions have been scheduled for June 19th and June 26th. A save the date reminder will be sent out to the membership today. We thought we were going to have a second meeting to discuss objectives on March 27 but the COVID 19 crisis disrupted that plan. It is best to have a Strategic Planning workshop in person where people can see each other, read the room and better understand the communication. What we would like to do is schedule a morning session on June 19th and another morning session on June 26 breaking up what was going to be one meeting into two. Half of the objectives will be presented in one meeting and half the objectives in the other. We will bring back the most recent version of the mission, vision, values, and goals to the membership for another chance for input on those objectives. Two agendas that were put together by Ellen Cross, who is helping to facilitate the workshop were included in the packet. Mr. Peifer asked for input from the Executive Committee on the construction of these workshop topics. We are considering bringing a facilitator in to assist with the Strategic Plan to improve communication within the region and with RWA general managers. The facilitators insight would be part of the June 19th workshop.

Mr. Schubert mentioned that they have been using Zoom as their platform on initiatives working with workgroups and getting feedback. They have found that GoToMeetings are more difficult without the same group functionality as Zoom. Mr. Peifer said that using Zoom can be looked into for future meetings.

It was noted that it was appreciated that the Strategic Planning workshops will be broken up into two workshops. Discussion on the format that was provided in the agendas included in the packet was positive. Although it is challenging to complete the workshops via conference calls it is important to complete the work.

Helge Nome commented that he is a visitor on the call. Mr. Nome is on the board of the River Watershed Alliance in Alberta, Canada. He came across the RWA link online while doing research on drought resilience. He said this is a unique opportunity for someone in a different country to actually sit in on a conference call meeting with us.

## 5. METER COLLABORATIVE

Mr. Peifer introduced David Gordon, Operations Manager for Citrus Heights Water District. A RWA objective is to put together the members for common objectives like chemical purchases and common planning. This idea was initiated by the Citrus Heights Water District and fits in well with the work that the RWA does developing common and collective buying power of the region to help reduce the cost to the agencies and the ratepayers. Many RWA member agencies are involved in this effort. Mr. Peifer thanked Hillary Straus and Citrus Heights Water District staff for their assistance on this project and their continued help and collaboration over the years.

Mr. Gordon gave a PowerPoint presentation introduction on the levels of participation, the project and integration study, study review and next steps. The project fits well with the mission of the RWA with a data flexible model for program management, project delivery and with the flexibility of subscription-based programs. There is potential for the meter replacement program to bring agencies together to provide collaborative purchasing value for agencies. As the project manager for the study he assists with the consortium and consultant oversight. A consortium was formed to look at the meter asset management and the advance planning study. As the plan progressed and the more agencies that joined the effort the purchasing power brought the price lower. The consortium-based approach is a relationship building collaboration. By getting the technical folks involved we are building a better product that will include different types of meters as well as meter technologies. When this concept first began there were only a few agencies and it has now grown to 12 agencies participating on various levels. Level three is investment in all phases of the project, level two is participation in any aspect of the study financially and level one participation is where the agencies are invited into the technical meetings, share all of the information that is gathered and are encouraged to participate and share their knowledge. There are seven phases to the study that include individual agency assessments/audits, next generation program options working with the technical team to analyze different available options, testing program strategy analyzing the best practice for each agency for meter testing, implementation strategy and long term planning for the asset inventory, compiling and finalizing the draft report and public outreach strategy. We are moving into the decision process, planning and implementation stage to initiate conversation and discussion with potential implementation strategies to involve each agency in the long-term planning. They have been working with a consultant gathering data that shows the various opportunities to collaborate with a consortium based approach including information sharing, joint purchasing, contracting services, staffing, meter testing and infrastructure. There might be an upfront cost of developing a shared system of information but there will be long-term benefits.

The next steps to the study are looking ahead at the implementation strategy and long-term planning coming out later this summer. The meter testing program strategy is being finalized and conversations have begun on some of the findings of

the different phases and how that is leading into the implementation and long-term planning. The idea is to have a detailed implementation plan for each agency. A table shows a concept for an agency with a to-do list that they use and check off the various policy considerations that they need to implement a new program. The study is moving into the conclusion zone of the phases where the findings are being looked at with the consultant moving into the recommendations portion. The agencies will be looking at proving the individual agency implementation, looking at the consortium and how to move forward with the study. Currently Citrus Heights Water District has been leading the study but moving forward the program manager may change.

Mr. Peifer reminded the Executive Committee what the current RWA vision is. The vision is going to change as we go through the Strategic Planning process with the regional co-operation and collaboration, focusing on the ability of our members to effectively manage water resources, provide high quality water supplies to the public at a reasonable cost, promote a sustainable environment, and support a vibrant economy. The meter replacement program is part of that vision and the RWA mission. There is more work that needs to be done with the meter replacement program but the fundamental point of the resources of the region to reduce the cost to the members is a solid idea. RWA has a history of developing programs that benefit their members. Citrus Heights Water District has been putting a lot of work into staffing this program and there is a desire to shift that from Citrus Heights to RWA. The potential exists for the meter replacement program if the program design and financial issues fall into place for it to become a subscription program managed by RWA.

In the next version of the strategic plan we want to maintain a home for these types of programs in the RWA. Another step would include reviewing and approving the meter replacement program as an RWA initiative that would eventually go to the RWA board for approval. In the near term we need to support the potential objective for the Strategic Plan. Staff will be bringing draft objectives to the board for consideration at the Strategic Planning workshops. Supporting programs from the economies of scale, studies planning, implementation purchasing and resource sharing benefit our member agencies.

There was discussion on information that was distributed on the meter consortium to the members for review and comments. There was support for further discussion on moving the meter consortium forward.

Mr. Peifer mentioned that additional programs are could be under consideration similar to the the Bay Area Chemical Consortium. He is proposing the meter consortium be included as an objective in the Strategic Plan.

## 6. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

Mr. Peifer said that discussions on the RWA staffing the Sacramento Central Groundwater Authority will be a standing agenda item. John Woodling has been hired as the Interim Executive Director of the SCGA. There was a virtual meeting on May 20<sup>th</sup> that included the chairs, vice chairs and executive directors of SGA, SCGA and RWA with early phases considering the potential for RWA to staff the SCGA. There was discussion about the potential of an MOU to be adopted by the three organizations to lay out the intent of how to go forward, staffing by RWA and the value that would be brought to all three organizations. At this time the draft MOU is not ready to be distributed. This proposal is in a draft phase and will be presented to the SGA at their next board meeting. There has been discussion on all possibilities but no decisions have been made.

Mr. Woodling said that SGA chair Caryl Sheehan raised some questions and concerns that need to be addressed. At the last SCGA board meeting an action was taken to bring me on as their interim executive director. There has been discussion on moving away from county staffing, administrative roles and potential mutual benefits. The MOU that has been drafted would be a nonbinding commitment of each of the three boards to commit to a process to work through to a potential end that brings SCGA under the administrative management of RWA creating an organization that adds value to both RWA and SGA as they currently exist and bringing SCGA into the same family.

Mr. Schubert disclosed that he is SCGA vice chair and has been involved in the Central Basin since inception. As a member of both SGA and RWA he believes there are benefits for all three organizations to serve the region as a whole.

There was discussion that the effort is supported and appears to be an opportunity to better coordinate areas where there may be duplication of efforts. There was concern that staff costs will increase.

## 7. LEGISLATIVE/REGULATORY UPDATE

Mr. Ojakian gave background on six bills that cover three topics with this legislative year being very unusual. The assembly has heard bills in policy committee and all of the assembly bills are headed over to appropriations or the floor. The Senate will finish up bill hearings this Friday then bills will go to the appropriations committee and head to the floor. That process will be different than typical years. The dominating factor for the legislature remains the budget situation as the state is facing a significant shortfall. Bills SB 950 and AB 3279 deal with CEQA reform. He would like to reverse his recommendation on SB 950 from support if amended to oppose unless amended which is better at resolving our concerns with less challenges. There is concern in the larger public agency community on the bill because public agencies were not at the table in the consensus reform. The recommendation on AB 3279 is support if amended.

Mr. Bezerra said that SB 950 has parts relating to reforms of the procedural aspects of CEQA. There are concerns about the bill and notices of determination done for water projects. As the law stands now you might have to file your notice of determination in many counties creating a problem. AB, 3279 is a simpler CEQA bill and is primarily intended to make some noncontroversial changes to CEQA. Agencies on a CEQA project would be able to take back responsibility for preparing a record from the environmental group or other petitioner. The legislative staff for AB 3279 has shown interest in attaching our issue for notice of termination for water projects. There is public agency opposition to SB 950 and it does not look like a possibility to attach what we would like to at this point.

Mr. Ojakian said that the prospects on SB 950 are limited and although there are hurdles there is a better chance of success with AB 3279. There are two bills related to Workers' Compensation, AB 196 and SB 1159. An executive order issued by the governor mentioned workers compensation as it relates to COVID 19 and employees suffering adverse consequences from the disease. AB 196 has a provision called the conclusive presumption which means that if an employee contacted COVID 19 while on the job the employer would be responsible for any adverse impacts from the employee's disease. That would remain permanently in place as currently written. The executive order will expire at some point. A neutral position is recommended on SB 1159 and an oppose unless amended on AB 196. A new bill, SB 1099, is related to the use of generators in the public safety power shut off. The bill says that you can run your generator out of compliance with current air quality standards. If you receive a stipulated order from your air control district stating that you need to replace your generator you are given a five-year timeframe for replacement of that generator with flexibility. There is a compromise to go beyond the five-year timeframe that includes to be both technically and economically feasible. You can get permission to run a generator that is not in compliance with current air quality standards in exchange for having a plan that is approved by the air board to replace the generator. A budget trailer bill, Section 401 deals with permits related to relicensing.

Mr. Bezerra explained that as part of hydroelectric project relicensing and a part of any project where you need a Federal Permit you need to get under the Federal Clean Water Act certification from the State Water Quality Agency showing that your project is consistent with the applicable water quality control. Most projects, like when you go get a 404 to do work in a stream or something similar, this is very simple. The Regional Water Board has adopted generalized water quality certification. It is a bigger deal in relation to licensed hydro projects. There are projects that are coming up for relicensing or have already come up for relicensing and the State Board's ability to issue one of these water quality certifications under Section 401 of the Clean Water Act, is their big opportunity to try to regulate hydro projects. Section 401 of the Clean Water Act says that the state board has to act within a year of the application, and they have not been able to do that. At the end of each year they would ask the project owner to withdraw and refile their application

for a water quality certification. You essentially subvert several one-year requirements and because of that you have waived your ability to regulate hydro projects under Section 401 of the Clean Water Act. This budget trailer bill basically says the waterboard does not have to wait for a document before it issues a water quality certification. It is clearly an issue for hydro projects and for 404 permits. And the budget trailer bill has some loose language about the state board being the state agency with authority to implement any laws related to water quality control.

Mr. Ojakian said that the water board can make their finding before CEQA and once they adopt the language be allowed to come back and reopen. The issue is more for hydro agencies than most of RWA member agencies and there is some loose language that could be regulatory or an expansion of authority. The only way to successfully change this is if the water community comes together with one voice on the issue. Both AB 2693 and AB 2621 bills relate to a resource bond measure. There will be a decision relative to the budget and debt service that a bond would create. In theory the legislature has to pass a bond measure for the ballot by June 20th shortly after that they have to pass the budget. They actually have until early August to put something on the ballot before they would pass the deadline where they would have to send a supplemental ballot. I have a support if amended recommendation on AB 2693. The purpose of the bill is to drive funding to source watersheds. The best information I have is that we are going to get funded with the resource bond measure.

M/S/C Mr. Bigley moved, with a second by Mr. Smith, to adopt positions on legislation. Ron Greenwood, Carmichael Water District, Marcus Yasutake, City of Folsom, Sean Bigley, City of Roseville, Michelle Carrey, City of Sacramento, Paul Schubert, Golden State Water Company, Brent Smith, Placer County Water Agency, Kerry Schmitz, Sacramento County and Dan York, Sacramento Suburban Water District voted yes. The motion carried by the unanimous voice vote of all directors present.

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

Mr. Peifer said that there were three documents included in the packet, a North State Water Alliance Brochure, a letter from the Rio Linda Elverta Community Water District declaring their withdrawal from the RWA and an e-mail from Tim Shaw, General Manager of Rio Linda. Mr. Peifer expressed that he believes it is disappointing that Rio Linda Elverta Community Water District is dropping out of the RWA because the RWA provides great value to them and that value is misunderstood by their organization. Mr. Peifer said it's not without trying as he had had conversations with Mr. Shaw. MR. Peifer summarized what he understood Rio Linda's complaints to be about the Regional Water Authority, one is perceived Brown Act violations and a lack of transparency and the other is what Mr. Shaw characterizes as expansions into areas that would be new for the RWA which he and the Rio Linda board do not support. With respect to the transparency issues, Mr. Peifer agreed with Mr. Shaw that we need to operate in a transparent way and

be compliant with the Brown Act and Mr. Peifer thinks we are doing that. Mr. Peifer said Mr. Shaw has represented to his board on video that the adoption of the federal affairs platform will raise dues for Rio Linda by threefold. Mr. Peifer said he did not understand where that information came from.

Mr. Peifer met with Mr. Shaw in February and explained the value of federal affairs, especially how it advances the Water Bank which is a federal initiative. Mr. Peifer explained to Mr. Shaw that the RWA would need federal acknowledgement of the groundwater bank from the Bureau of Reclamation and they are trying to understand this along with the impacts of the bank on their operations. Mr. Peifer explained to Mr. Shaw that it is helpful to engage in the federal level to help reclamation understand this and there is a lot of work that needs to go into this. Mr. Shaw remarked that this was new information to him. Mr. Peifer explained to Mr. Shaw that many of our members are interested in receiving funding if possible, through federal grants to advance their projects to achieve water supply reliability. The RWA has received about \$10 million in federal grants on behalf of their members since the creation of the RWA. Mr. Peifer indicated that an invoice has been sent to Rio Linda for payment of their pension liability that was calculated according to RWA policy. Rio Linda has a grant that is being processed for a groundwater well that has been ongoing for a while. Mr. Peifer expressed concern over Rio Linda wanting the benefits of being a member in the region and the work that the RWA does that underlies those benefits, but they are reluctant to pay for those benefits. Mr. Peifer noted for the Executive Committee that the Integrated Regional Water Management Plan is a core program for the RWA which all of the members pay into to support the planning which positions the region for the acquisition of grants and Rio Linda will no longer be paying into that.

There was consensus with the Executive Committee members that the departure of Rio Linda is disappointing. Agencies are not always going to agree with the position that RWA takes representing their members and the best interest of the region. The hope is that agencies can work together for communication in a productive way to iron out differences and understand different points of view.

Mr. Peifer replied to Mr. York's question of what happens if Rio Linda requests to rejoin the RWA in the future. According to RWA policy, they could rejoin with a two thirds approval of the RWA board of directors. They continue to be a member for 90 days from the date they declared their withdrawal.

Mr. Bezerra said that from his perspective on the Brown Act issues, as discussed with the Executive Committee and the RWA board we have two legislative bodies, the board of directors and the Executive Committee. We cannot have a quorum of either one at meetings concerning a subject matter of jurisdiction of RWA, therefore we have two different quorums to calculate. That is compounded by the fact that each agency has two seats and either person can cast a vote. Mr. Shaw's philosophical perspective is that all meetings should be as wide open as possible. Meetings should be called as RWA Board of Directors meetings so that they are

wide open and that is an option for RWA to undertake if we want to call a board meeting because a majority may or may not be present. More importantly there is a possibility that a majority of one of the boards will be there. My job as the attorney is to sort through the Brown Act to figure out what you can and cannot do and I have tried to provide a range of options for what RWA can and can't do. One of the suggestions I made is that you do not necessarily have to call a special board meeting and you can have different types of meetings depending on the membership. I think Mr. Shaw did not think we should be doing things that way and his perspective was that all these meetings should be wide open. That is not my call as the attorney, that is the call of the executive and the board of directors as to how programs are structured.

Mr. Schubert commented that he appreciated Mr. Peifer's efforts with Rio Linda and his sensitivity to everyone's diverse interests. Our legal counsel, Mr. Bezerra attends our meetings to keep us in line with the Brown Act requirements.

Mr. Swartz is spending a fair amount of time on the groundwater transfer as it continues to progress including outreach. The RWA and SGA boards will be updated on the groundwater transfers at their next board meetings. Mr. Peifer recently participated in a panel discussion with the Public Policy Institute of California on groundwater transfers.

Ms. Talbot gave a presentation on water loss at the last board meeting. The State Water Resources Control Board is developing a regulation with an economic model. Ms. Talbot and colleagues with the California Municipal Utilities Association and the Association of California Water Agencies are engaged in this effort. The current dedication of resources is adequate however if the Executive Director determines that additional resources are needed the members will be notified. A detailed briefing by Ms. Talbot to the Executive Committee was suggested.

## **9. DIRECTORS' COMMENTS**

Mr. Greenwood said that the Carmichael Water District is currently evaluating and auditing their employee benefits. They are looking for ways to improve storage capacity with their transfers and improve water reliability in future droughts. They are finalizing their 2021 budget. Board members Mr. Greenwood, Paul Selsky and Mark Emerson are up for reelection in November.

Mr. Bigley gave an update on storage and recovery infrastructure with the City of Roseville saying they are approaching 30% of the design and are making good progress on the environmental and other permitting processes. They are moving forward with a proposal in their capital program. They are looking forward to getting to a point within the RWA where they have a Sacramento Regional Groundwater Bank in place. Many RWA member agencies recently converted their water service contracts over to repayment contracts under the Wind Act of 2016. Recently a complaint was filed in the Eastern District Court. They are working through what that means with respect to those contracts.

Ms. Carrey mentioned that the City of Sacramento is working on the Groundwater Substitution Water Transfer Project. They are continuing to work on the documents that need to go to counsel on June 16 for council approval.

Mr. Schubert disclosed that Golden State is one of the parties involved with the groundwater substitution transfer. Assistance from Mr. Swartz during this process is appreciated.

Mr. Smith said that Placer County Water Agency staff returned to their offices on May 4<sup>th</sup> doing what they can to distance themselves in the office. At their last board meeting they entered into a consolidation agreement to support some of the smaller water systems within Placer County. A consolidation agreement was signed with a small Water District near the Dutch Flat community and they have an application in for the funding through the State Water Resources Control Board. They are looking forward to continuing to support them and other small systems. They have been working with the City of Lincoln and wrapping up construction on a five million gallon water tank storage with a large metering station next to it.

Mr. York said that Sacramento Suburban Water District has conducted meetings with Del Paso Manor Water District and after an assessment of the water system they have a number of urgent issues including safety, sanitary and regulatory that need to be resolved. Del Paso Manor is interviewing for the general manager position. He thanked Mr. Peifer for coordinating meetings on how agencies react and deal with COVID-19 and how to return to our offices.

## **ADJOURNMENT**

Chair Schmitz adjourned the meeting at 10:49 a.m.

By:

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Chairperson

Attest:

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Josette Reina-Luken, Board Secretary / Treasurer

## **AGENDA ITEM 4: SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

### **BACKGROUND:**

The Sacramento Central Groundwater Authority (SCGA) is interested in the potential for the Regional Water Authority (RWA) to provide staffing services to the SCGA, similar to how RWA has provided staffing services to the SGA. The SGA, RWA and SCGA are referred to collectively as the "Authorities" in this staff report.

The Chairs and Vice Chairs of the Authorities (referred to as the "2 x 3") met on May 20<sup>th</sup>, along with the RWA/SGA Executive Director and the SCGA Interim Executive Director, John Woodling, to begin the discussions on the next steps of evaluating the potential for providing staffing support. The 2 x 3 participants in the meeting thought it would be helpful to develop a memorandum of understanding (MOU) to guide future discussions and to develop a common understanding and principles for the evaluation process.

No decisions have been made regarding the RWA providing staff services to the SCGA.

Should the MOU be approved by the Authorities, a 3x3 ad hoc committee (3x3) will be created to facilitate discussions and negotiations. The proposed 3x3 will include the Chair and Vice Chair of RWA, SGA, and SCGA, as well as an additional member of the Board of Directors of each. The makeup of each AUTHORITY delegation should include one individual who represents an entity that is exclusive to that AUTHORITY, i.e. not a member of more than one AUTHORITY. The 3x3 ad hoc committee will include the Executive Director of RWA/SGA and the Interim Executive Director of SCGA, with additional staff support as needed.

The MOU further requires that:

- Updates on progress will be provided to the Board of Directors of each AUTHORITY regularly.
- At the appropriate time and as needed, each AUTHORITY will be represented by and be responsible for its own attorney(s) and legal costs to review any agreement among the AUTHORITIES.
- Operational and administrative as well as governance changes may be needed to implement an effective collaborative solution.
- Any potential operational or governance agreement among the AUTHORITIES shall be beneficial to each in its own right, both financially and in terms of the level and quality of services provided. The Boards of the independent AUTHORITIES will make this determination.
- Any potential operational or governance agreement among the AUTHORITIES shall strive to be beneficial, or be at least neutral, to each

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AUTHORITY, both financially and in terms of the level and quality of services provided.

- Implementation of any operational or governance agreement shall be structured and phased in a manner that minimizes disruption of ongoing operations of each AUTHORITY.

Changes in the SCGA joint powers authority agreement will likely be required to allow the RWA to staff the SCGA.

**STAFF RECOMMENDATION:**

Discussion: Jim Peifer, Executive Director

**Action: Recommend Board Approval of the Memorandum of Understanding for Development of a Strategy for Shared Operations of the RWA, SGA and SCGA**

MEMORANDUM OF UNDERSTANDING FOR DEVELOPMENT OF A STRATEGY FOR SHARED OPERATIONS of  
the REGIONAL WATER AUTHORITY, the SACRAMENTO GROUNDWATER AUTHORITY, and the  
SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

WHEREAS, water resources planning and implementation in the greater Sacramento area has benefitted considerably from collaborative and regional approaches to problem solving; and

WHEREAS, the REGIONAL WATER AUTHORITY (RWA), the SACRAMENTO GROUNDWATER AUTHORITY (SGA) and the SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA), collectively referred to hereinafter as “the AUTHORITIES” have a common purpose in their respective formations to implement elements of the Sacramento Water Forum Agreement (Water Forum); and

WHEREAS, the RWA was formed in 2001 to assist its water purveyor members in implementing a regional conjunctive use program to meet commitments under the Water Forum; and

WHEREAS, the SGA was formed in 1998 to manage the groundwater basin underlying Sacramento County north of the American River (the North Area), in satisfaction of the Groundwater Management Element of the Water Forum; and

WHEREAS, the SCGA was formed in 2006 to manage the groundwater basin underlying a portion of Sacramento County south of the American River (the Central Area), in satisfaction of the Groundwater Management Element of the Water Forum; and

WHEREAS, the Water Forum is beginning a process to evaluate and revise the Agreement to reflect changes that have occurred in the two decades since its signing and provide a framework for the future; and

WHEREAS, the Sustainable Groundwater Management Act (SGMA), passed as state law in 2014 provides for additional responsibilities and authorities for groundwater management and will require coordination between the SGA and SCGA, which have elected to become Groundwater Sustainability Agencies, the responsible entities under SGMA; and

WHEREAS, the AUTHORITIES share a number of common water purveyor members that have seats on the Boards of Directors of two or three of the independent agencies; and

WHEREAS, the RWA and the SGA have entered into an agreement to share costs and certain operational staff, and with RWA acting as the employer of all staff; and

WHEREAS, the SCGA is seeking to enter into a similar agreement for administration by RWA; and

WHEREAS, the AUTHORITIES recognize a potential to gain mutual benefit by exploring opportunities for shared approaches to operations;

THEREFORE, the AUTHORITIES agree through this Memorandum of Understanding to work cooperatively towards an integration of SCGA into the existing joint operation of RWA and SGA, subject to the following framework and guiding principles.

1. Discussions and negotiations will be conducted by a “3x3” ad hoc committee consisting of the Chair and Vice Chair of RWA, SGA, and SCGA, as well as an additional member of the Board of Directors of each. The makeup of each AUTHORITY delegation should include one individual who represents an entity that is exclusive to that AUTHORITY, i.e. not a member of more than one AUTHORITY.
2. The 3x3 ad hoc committee will include the Executive Director of RWA-SGA and the Interim Executive Director of SCGA, with additional staff support as needed.
3. Updates on progress will be provided to the Board of Directors of each AUTHORITY regularly.
4. At the appropriate time and as needed, each AUTHORITY will be represented by and be responsible for its own attorney(s) and legal costs to review any agreement among the AUTHORITIES.
5. Operational and administrative as well as governance changes may be needed to implement an effective collaborative solution.
6. Any potential operational or governance agreement among the AUTHORITIES shall be beneficial to each in its own right, both financially and in terms of the level and quality of services provided. The Boards of the independent AUTHORITIES will make this determination.
7. Any potential operational or governance agreement among the AUTHORITIES shall strive to be beneficial, or be at least neutral, to each AUTHORITY, both financially and in terms of the level and quality of services provided.
8. Implementation of any operational or governance agreement shall be structured and phased in a manner that minimizes disruption of ongoing operations of each AUTHORITY.

June 24, 2020

## **AGENDA ITEM 5: LEGISLATIVE/REGULATORY UPDATE**

### **BACKGROUND:**

The Legislature has been operating on a restricted basis due to compliance with public health requirements associated with COVID-19. There has been a greatly reduced number of bills moving forward. There are approximately 500 “live” bills between the Senate and Assembly. This is a fraction of a typical. In a typical year staff would be monitoring approximately 80 bills in this stage of the legislative process. This year staff is currently monitoring 18 bills.

The prospects for a bond remain tied to actions on the budget. The Legislature passed a budget in name only to meet the June 15<sup>th</sup> constitutional. The Legislature and the Governor were not in agreement on how to fill the \$54 billion budget gap, with the Legislature preferring to assume federal funds will materialize and the Governor preferring to assume federal funds will not be available. The difference between these approaches dramatically effects how much appears to be cut from the budget. However, both approaches rely on federal funds to ultimately avoid cuts. The Governor has until July 1<sup>st</sup> to sign, veto, or “blue pencil” the budget. It is believed that the Legislature and Governor will resolve their differences before the July 1<sup>st</sup> date. Even post that date the budget situation will likely remain fluid through the August 31<sup>st</sup> end of the legislative session date.

Both the bond and funding for safe drinking water will be part of what is ultimately settled through budget negotiations. Both the Senate and Assembly have bond vehicles still “alive” and they are both in a position to remain live until the end of the session. However, the Speakers chief of staff and senior staff have said that a bond is unlikely to move forward at this time. If something were to change a Legislative vote on a bond would likely have to come together quickly with July 26<sup>th</sup> a rumored vote by date.

Funding for safe drinking water is through the Greenhouse Gas Reduction Fund (GGRF). Typically, the GGRF brings in \$600-800 million a quarter through quarterly auctions, in the most recent May auction the GGRF brought in \$25 million. This could be a sign that the GGRF will not have sufficient funding for the originally scheduled \$130 million for safe drinking water. The Governor made full funding for safe drinking water out of GGRF a priority in his May revise. How safe drinking water and GGRF funds will be resolved will be in a resources budget trailer bill. It is not known when that trailer bill will move forward at this time, but it is likely to be in the latter half of July or August. Staff remains engaged in how the GGRF fund and the resources trailer bill are ultimately resolved.

Information Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager

June 24, 2020

## **AGENDA ITEM 6: FEDERAL AFFAIRS STANDING COMMITTEE POSITIONS ON LEGISLATION AND UPDATE**

### **BACKGROUND:**

The Federal Affairs Standing Committee met on June 17, 2020 to discuss a number of items including how bill will be brought to the committee for consideration, the type of meeting notes that will be produced, a status update on COVID-19 recovery funding, and a number of active bills.

The committee recommended that a support position be taken on **HR 7073 (Garamendi)**. This bill would 1) allow special districts access to the Coronavirus Relief Fund; 2) Permitting special districts to be considered “eligible issuers” of the Federal Reserve Board’s Municipal Liquidity Facility (MLF); and 3) Defines “special district”. Currently, a federal definition for “special district” does not exist. The legislation would mandate that states would be required to allocate no less than 5 percent of future Coronavirus Relief Fund disbursements to special districts.

The Committee directed the Executive Director to prepare a letter that requests relief for ratepayers and other COVID-19 funding relief. The draft letters would be circulated to the Committee for input prior to submittal and must be consistent with the RWA adopted Policy Principles and the Federal Affairs Platform.

Discussion: Sean Bigley, Federal Affairs Standing Committee Chair and Jim Peifer, Executive director

### **Action: Adopt positions on Legislation**

The Federal Affairs Standing Committee recommends the following positions:

#### **HR 7073 - Support**

Attachment: RWA Federal Legislative Tracker



# Legislative Tracker

Last Updated: June 16, 2020

## Overview

The following legislative tracker provides the status of legislation introduced in the 116th Congress of interest to the RWA. Each of the bill numbers is hyperlinked to the bill text, FiscalNote (FN) Outlook information and other related details.

The FN Outlook on the right side of each bill provides the legislation's pre-Floor (left) and Floor (right) likelihood of passing. The percentages shown are the status of the bill in the Chamber where it is currently under consideration (this is shown under 'Status'). The pre-Floor score is defined as the bill's likelihood of passing after it has been introduced but while it is being considered in that chamber's committees - before it has moved to the Floor for a vote.

## Bills by Issue

### RWA (13)

Bill Number	Last Action	Status	FN Outlook
<a href="#">HR 1162</a>	Subcommittee On Water Oceans And Wildlife Discharged 2020 03 11	In House	36.7% 84.1%
<b>Title</b> Water Recycling Investment and Improvement Act	<b>Bill Summary:</b> Last edited by TFG Reports at May 12, 2020, 3:46 PM The bill aims to assist water agencies with the expansion, planning, design, and building of water recycling plants and modernizing water infrastructure in California and other western states. Specifically, the bill would increase funding authorization for the Bureau of Reclamation's Title XVI water recycling competitive grant program to \$500 million from \$50 million. It would also make the program permanent as it currently expires in 2021, and funds water recycling and reuse projects for 17 western states.		
<b>Primary Sponsors</b> Grace Napolitano	<b>Introduction Date:</b> 2019-02-13		

Bill Number

HR 1429

Last Action

Introduced In House 2019 02 28

Status

In House

FN Outlook

5.4%

87.4%

**Title**

Drinking Water Infrastructure for Job Creation Act

**Primary Sponsors**

Maxine Waters

**Bill Summary:** Last edited by TFG Reports at May 12, 2020, 3:50 PM  
This bill would make supplemental appropriations for FY 2019 for the Drinking Water State Revolving Funds, and for other purposes. The Drinking Water Infrastructure for Job Creation Act will provide emergency supplemental appropriations of \$7.5 billion over the next six years. These funds will be used for job creation and to address the nation's drinking water infrastructure. The funds provided from this bill will be appropriated to the Drinking Water State Revolving Funds and will assist public water systems finance infrastructure projects. The funding provided by this bill is designated as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. The emergency funding is exempt from discretionary spending limits and is only available if the President subsequently designates the amounts as an emergency and submits the designation to Congress. The bill also exempts the funding from sequestration. (Sequestration is a process of automatic, usually across-the-board spending reductions under which budgetary resources are permanently cancelled to enforce specific budget policy goals.)

**Introduction Date:** 2019-02-28

Bill Number

HR 1497

Last Action

Subcommittee On Water Resources And  
Environment Discharged 2019 10 29

Status

In House

FN Outlook

17.8%

87.8%

**Title**

Water Quality Protection and Job Creation Act of 2019

**Primary Sponsors**

Peter DeFazio

**Bill Summary:** Last edited by TFG Reports at May 12, 2020, 3:47 PM  
The bill would renew the Federal commitment to addressing local water quality challenges by providing an infusion of Federal assistance for the construction, repair, and replacement of the Nation's network of wastewater and stormwater conveyance and treatment facilities. The Water Quality Protection and Job Creation Act of 2019 will address America's crumbling wastewater infrastructure and local water quality challenges. This bill authorizes \$23.5 billion to improve wastewater infrastructure. This bill also will provide funds for agencies to meet Clean Water Act standards by constructing stormwater systems. The funding provided in the bill will be used in direct infrastructure investment over the next five years. Funds will be given to projects that address America's crumbling wastewater infrastructure and improve local water quality challenges. The Water Quality Protection and Job Creation Act also increase the amount of federal assistance made available to states and communities through the Clean Water State Revolving Fund program.

**Introduction Date:** 2019-03-05

Bill Number  
HR 2470

Last Action  
Referred To The Subcommittee On Water  
Resources And Environment 2019 05 03

Status  
In House

FN Outlook  
45.6% 84.0%

**Title**  
Clean Water Infrastructure Resilience and Sustainability Act

**Primary Sponsors**  
Salud Carbajal

**Bill Summary:** Last edited by TFG Reports at May 12, 2020, 3:49 PM  
This bill establishes an EPA grant program for communities to improve the resiliency and adaptability of their water-related infrastructure. Competitive grants will spur projects which conserve water or increase efficiency in its use, preserve or improve water quality, rebuild or relocate threatened infrastructure, protect source waters and ecosystems, and implement advanced treatment technologies such as water reuse and recycling.

**Introduction Date:** 2019-05-02

Bill Number  
HR 2473

Last Action  
Subcommittee On Water Oceans And Wildlife  
Discharged 2020 03 11

Status  
In House

FN Outlook  
5.4% 89.3%

**Title**  
Securing Access for the central Valley and Enhancing (SAVE) Water Resources Act

**Primary Sponsors**  
Josh Harder

**Bill Summary:** Last edited by TFG Reports at May 12, 2020, 3:45 PM  
This is the companion bill to H.R. 116, the Water Recycling Investment and Improvement Act. The bill provides a broad approach to addressing water issues facing the Central Valley by increasing storage opportunities, spurring innovation, and making investments in our aging infrastructure. The bill also leverages federal resources to identify prime locations for groundwater storage and recharge in California and across the Western United States. This bill requires the Bureau of Reclamation to expedite feasibility studies for four specific storage projects in the Central Valley, including: Sites Reservoir, Del Puerto Canyon Reservoir, Los Vaqueros and San Luis Reservoirs and provides \$100 million in storage funding. The bill also invests in water reuse and recycling by increasing funding for WaterSMART programs from \$50 million to \$500 million and extending the program's authorization. It also establishes a water infrastructure and drought resolutions fund to provide \$300 million for water surface and groundwater storage, reclamation and reuse, and WaterSMART program projects. The bill would create a innovating financing program which would provide low-interest federal loans to fund local water infrastructure projects, and would reauthorize the Rural Water Supply Act.

**Introduction Date:** 2019-05-02

Bill Number  
HR 2871

Last Action  
Referred To The Subcommittee On Water  
Oceans And Wildlife 2019 06 10

Status  
In House

FN Outlook  
6.4% 67.5%

**Title**  
Aquifer Recharge Flexibility Act

**Primary Sponsors**  
Russ Fulcher

**Bill Summary:** Last edited by TFG Reports at Jun 16, 2020, 5:20 PM  
This is the companion bill to S. 1570. The bill would let the Commissioner of Reclamation allow the use of excess capacity in Bureau conveyance facilities for carriage of non-Reclamation project water for aquifer recharge.

**Introduction Date:** 2019-05-21

Bill Number

HR 6617

Last Action

Referred To The Subcommittee On Water  
Oceans And Wildlife 2020 04 29

Status

In House

FN Outlook

6.5%

85.6%

**Title**

Western Water Storage Infrastructure Act

**Primary Sponsors**

TJ Cox

**Bill Summary:** Last edited by TFG Reports at May 12, 2020, 3:45 PM

This bill would provide additional funding for surface storage, groundwater storage, and the supporting conveyance facilities.

**Introduction Date:** 2020-04-24

Bill Number

HR 7073

Last Action

Referred To The Committee On Oversight And  
Reform And In Addition To The Committee On  
Financial Services For A Period To Be  
Subsequently Determined By The Speaker In  
Each Case For Consideration Of Such  
Provisions As Fall Within The Jurisdiction Of  
The Committee Concerned 2020 06 01

Status

In House

FN Outlook

9.3%

89.0%

**Title**

To amend the Social Security Act to include special districts in the coronavirus relief fund, to direct the Secretary to include special districts as an eligible issuer under the Municipal Liquidity Facility, and for other purposes.

**Primary Sponsors**

John Garamendi

**Bill Summary:** Last edited by TFG Reports at Jun 16, 2020, 5:18 PM

This bill would amend the Social Security Act to include special districts in the coronavirus relief fund, to direct the Secretary to include special districts as an eligible issuer under the Municipal Liquidity Facility, and for other purposes.

**Introduction Date:** 2020-06-01

Bill Number

S 1932

Last Action

Committee On Energy And Natural Resources  
Senate Subcommittee On Water And Power  
Hearings Held 2019 07 18

Status

In Senate

FN Outlook

3.5%

86.2%

**Title**

Drought Resiliency and Water Supply Infrastructure Act

**Primary Sponsors**

Cory Gardner

**Bill Summary:** Last edited by TFG Reports at Jan 16, 2020, 10:27 PM

This bill would support water infrastructure in the nation's Reclamation states, as well as extend federal funding an additional five years, including \$670 million in surface and groundwater storage projects; \$100 million for water recycling projects; and \$60 million for desalination projects. The bill would also establish a new loan program for water agencies designed to spur investment in new water supply projects. Key provisions include but are not limited to expanding and updating the Bureau of Reclamation funding authorizations in the Water Infrastructure Improvements for the Nation Act (WIIN) to fund portions of federal (50%) and non-federal (25%) surface and groundwater storage and conveyance facilities, as well as cost share (25%) additional water reuse and recycling and desalination projects; and creating a new loan program at 30-year Treasury rates for water supply projects under what would be established under the Reclamation Infrastructure Financing and Innovation Act (RIFIA). These loans would use criteria (49% maximum loan) modeled after the well-established Water Infrastructure Financing Innovation Act (WIFIA) program at the Environmental Protection Agency (EPA). The legislation would also authorize \$140 million for restoration and environmental compliance projects, including forest, meadow and watershed restoration projects with water benefits and projects to help restore threatened and endangered species affected by Reclamation water projects.

**Introduction Date:** 2019-06-20

Bill Number

S 2044

Last Action

Committee On Energy And Natural Resources  
Reported By Senator Murkowski With An  
Amendment In The Nature Of A Substitute  
With Written Report No 116 156 2019 10 29

Status

In Senate

FN Outlook

4.0%

81.0%

**Title**

Water Supply Infrastructure Rehabilitation and Utilization Act

**Primary Sponsors**

Martha McSally

**Bill Summary:** Last edited by TFG Reports at May 12, 2020, 3:47 PM

This bill would amend the Omnibus Public Land Management Act of 2009 to establish an Aging Infrastructure Account. Specifically, this bill could provide Congress with the unfunded need for these improvements in a timely manner through a streamlined process, allowing Congress to provide Reclamation these additional funds "upfront" to initiate extraordinary maintenance projects on federal facilities, with extended repayment for the non-federal operating entities through a clearly defined application and review process already in law. The bill would also raise the Reclamation Safety of Dams program authorization by \$550 million and create a Flood Control Manual and Reservoirs Operations Pilot Program, which would give operators of Reclamation reservoirs more flexibility to temporarily store water in dedicated flood control space during certain low-risk times of the year.

**Introduction Date:** 2019-06-27

Bill Number

S 3590

Last Action

Placed On Senate Legislative Calendar Under  
General Orders Calendar No 452 2020 05 11

Status

In Senate

FN Outlook

4.4%

85.3%

**Title**

Drinking Water Infrastructure Act of 2020

**Introduction Date:** 2020-05-04

**Primary Sponsors**

John Barrasso

Bill Number

S 3591

Last Action

S Amdt 1593 Senate Amendment Submitted  
2020 06 08

Status

In Senate

FN Outlook

5.6%

84.2%

**Title**

America's Water Infrastructure Act of 2020

**Introduction Date:** 2020-05-04

**Primary Sponsors**

John Barrasso

Bill Number

S 3811

Last Action

Read Twice And Referred To The Committee  
On Energy And Natural Resources Sponsor  
Introductory Remarks On Measure Cr S 2588  
2589 2020 05 21

Status

In Senate

FN Outlook

3.3%

82.5%

**Title**

A bill to provide financial assistance for projects to address certain subsidence impacts in the State of California, and for other purposes.

**Primary Sponsors**

Dianne Feinstein

**Bill Summary:** Last edited by TFG Reports at Jun 1, 2020, 7:59 PM

This bill addresses the impacts of groundwater subsidence on major portions of California's water delivery system, and authorizes \$600 million in federal funding for three major projects to repair California's water delivery system. The bill provides \$200 million for the Friant-Kern Canal, \$200 million for the Delta-Mendota Canal, and \$200 million for the California Aqueduct. The bill also provides an additional \$200 million in funding for restoration of the San Joaquin River, including environmental protective infrastructure such as fish screens, fish bypass projects, and control structures necessary to successfully implement the San Joaquin River Restoration Settlement.

**Introduction Date:** 2020-05-21

Powered by

**FiscalNote**

June 24, 2020

## **AGENDA ITEM 7: POTENTIAL MATERIAL PURCHASING PROGRAM**

### **BACKGROUND:**

At the May 27, 2020 Executive Committee meeting, Director York made a comment that the RWA should consider a Materials Purchasing Program for RWA members which may allow RWA Member Agencies to negotiate lower prices when purchasing common materials such as pipe, repair clamps, etc.

A potential program could reduce costs to member agencies for commonly purchased materials. The program could be similar to the Bay Area Chemical Consortium (see: <https://www.dsrsd.com/do-business-with-us/bay-area-chemical-consortium>)

The purpose of this item is receive input from the Committee in developing a potential program.

### **STAFF RECOMMENDATION:**

Discussion: Jim Peifer, Executive Director

June 24, 2020

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

### **BACKGROUND:**

The purpose of this item is to receive Committee feedback on the process and progress of Strategic Plan.

Discussion: Jim Peifer, Executive Director

June 24, 2020

## **AGENDA ITEM 9: RWA OFFICE OPERATIONS**

### **BACKGROUND:**

The office is largely closed as a result of the COVID-19 crisis. The purpose of this item is to discuss the potential for partially reopening the office and to receive input from the Committee.

The Executive Director has discussed the potential for reopening the office with RWA staff. A few of the RWA staff have expressed concerned over the potential for contracting the Coronavirus and other staff would like the flexibility to work in the office when convenient. For the most part, staff have been able to perform their work from home, although it is not as efficient as working in the office. The Executive Director would like to propose an opt-in for employees that would like to work in the office. Under this condition, precautions would be employed to reduce potential transmission of the Coronavirus such as social distancing and use of face masks when social distancing is not possible.

Discussion: Jim Peifer, Executive Director

June 24, 2020

**AGENDA ITEM 10: RWA JULY 9, 2020 BOARD MEETING AGENDA**

**Action: Approve July 9, 2020 Board Meeting Agenda**

**REGIONAL WATER AUTHORITY  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
Thursday, July 9, 2020, 9:00 a.m.**

**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) 847-7589. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

**Note: Pursuant to the Governor's Executive Order N-29-20, and given the state of emergency regarding the threat of COVID-19, the meeting will be held via teleconference.**

We encourage Board members and participants to join the meeting 10 minutes early. Note that we will use GoToMeeting to share slides and other information during the meeting. Use the link below to join GoToMeeting. If you have a microphone that you can use with your computer, it should be possible to both listen to, and participate in, the meeting through GoTo Meeting. If you do not have a microphone, or a headset with a microphone, that plugs into your computer via USB port, you will need to call into the toll-free telephone conference line to listen and comment, although you still should be able to view the meeting materials on GoToMeeting. Please do not simultaneously use a microphone through GoToMeeting and the telephone conference line. That combination results in audio problems for all participants.

**Meeting Information:**

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/730275005>

You can also dial in using your phone.

United States: [+1 \(646\) 749-3122](tel:+16467493122)

Access Code: **730-275-005**

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT**

### **3. CONSENT CALENDAR**

- a. Minutes from the May 14, 2020 9 Regular Board meeting

**Action: Approve the May 14 19, 2020 Regular Board meeting minutes**

### **4. RWA STRATEGIC PLAN**

Discussion: Jim Peifer, Executive Director and Ellen Cross, Strategy Driver

**Action: Approve RWA Strategic Plan**

### **5. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

Discussion: Jim Peifer, Executive Director

**Action: Approve Memorandum of Understanding**

### **6. FEDERAL AFFAIRS STANDING COMMITTEE UPDATE**

Information Update and Discussion: Sean Bigley, Committee Chair and Jim Peifer, Executive Director

### **6. LEGISLATIVE AND REGULATORY UPDATE**

Information Update: Ryan Ojakian, Legislative and Regulatory Affairs Manager

### **7. 2020 GROUNDWATER SUBSTITUTION TRANSFERS**

Information Update: Rob Swartz, Manager of Technical Services

### **8. WATER LOSS REGULATION UPDATE**

Information Update: Amy Talbot, Senior Project Manager

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

### **10. DIRECTORS' COMMENTS**

### **ADJOURNMENT**

Upcoming meetings:

Executive Committee Meetings: Wednesday, July 22, 2020, 8:30 a.m. and August 26, 2020 at the RWA Office, the location is subject to change depending on the COVID-19 emergency

Regular Board Meeting: Thursday, September 10, 2020, 9:00 a.m., at the RWA Office, the location is subject to change depending on the COVID-19 emergency

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.

June 24, 2020

**AGENDA ITEM 11: EXECUTIVE DIRECTOR'S REPORT**

**JUNE 24, 2020**

June 24, 2020

**TO: REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE**

**FROM: JIM PEIFER**

**RE: EXECUTIVE DIRECTOR'S REPORT**

- a. **RWA Outreach** – Mr. Peifer participated in a Public Policy Institute of California meeting to discuss Central Valley project (CVP) Water Transfers. PPIC's goal for the meeting was to learn from Central Valley Project stakeholders about their experience with CVP trading and banking approval processes, including the updated 2019 CVP groundwater banking guidelines.
- b. **Water Forum Negotiations** – The Water Forum has begun the process of renegotiating the Water Forum agreement.

The primary negotiating steering committee (NSC) members include Paul Shubert (Golden State Water Company), Dan York (Sacramento Suburban Water District), Darin Reintjes (Placer County Water Agency), Greg Zlotnick (San Juan Water District) and Jim Peifer (RWA) for the water caucus. Public caucus members include Kerry Schmitz (Sacramento County Water Agency) and Bill Busath (City of Sacramento). Updates are provided periodically to the Water Caucus and Public Caucus meetings.

The initial meeting was held on April 14<sup>th</sup> where the negotiation ground rules, scope of the agreement and negotiating structure/framework was discussed. The second Negotiating Steering Committee (NSC) meeting on May 21<sup>st</sup> and Public and Water Caucus discussed its interests and revisions to the negotiating framework were presented to the NSC members. At the June 18<sup>th</sup> meeting, the Environmental Caucus presented its interests to the NSC.

I have been requested to work with Tom Gohring along with one or two members of the Environmental Caucus and perhaps one additional member of the Water and Public Caucus to define the initial work groups.

Attached are:

1. A power point presentation of the Water Caucus and Public Caucus interests
2. Water Forum II Negotiating Issue Framework

I will distribute the Environmental Caucus power point presentation of interests when I receive it.

- c. **Water Loss Regulations** – RWA Staff continue to advocate for changes in the Water Loss regulation setting process. Amy Talbot has made presentations to the ACWA Water Loss subcommittee, California Municipal Utilities Association

June 24, 2020

and American Water Works Association (CA NV Section) on the Water Loss Regulation Comment Letter.

Ryan Ojakian and Jim Peifer have met with Cindy Tuck, Kris Anderson and Chelsea Haines with ACWA to coordinate on policy advocacy.

Attachments:

A power point presentation of the Water Caucus and Public Caucus interests  
Water Forum II Negotiating Issue Framework  
Water Loss Regulation Comment Letter

# Public Caucus + Water Caucus Interests



# Public Caucus and Water Caucus

“The members of the Water Caucus and Public Caucus desire to maintain the effectiveness, credibility, transparency and value of the Water Forum as a voice of and advocate for its regional environmental, business, public and water management stakeholders in furtherance of the two co-equal objectives of ensuring sufficient and reliable long-term water supplies while promoting, enhancing, and preserving the fishery, wildlife, recreational, and aesthetic values of the lower American River. There have been many successes with the Water Forum, Successor Effort and Habitat Management Element. We should strive to build on those successes.”



1. Protect the health, safety and welfare of our residents.



# Sufficient Water Supply

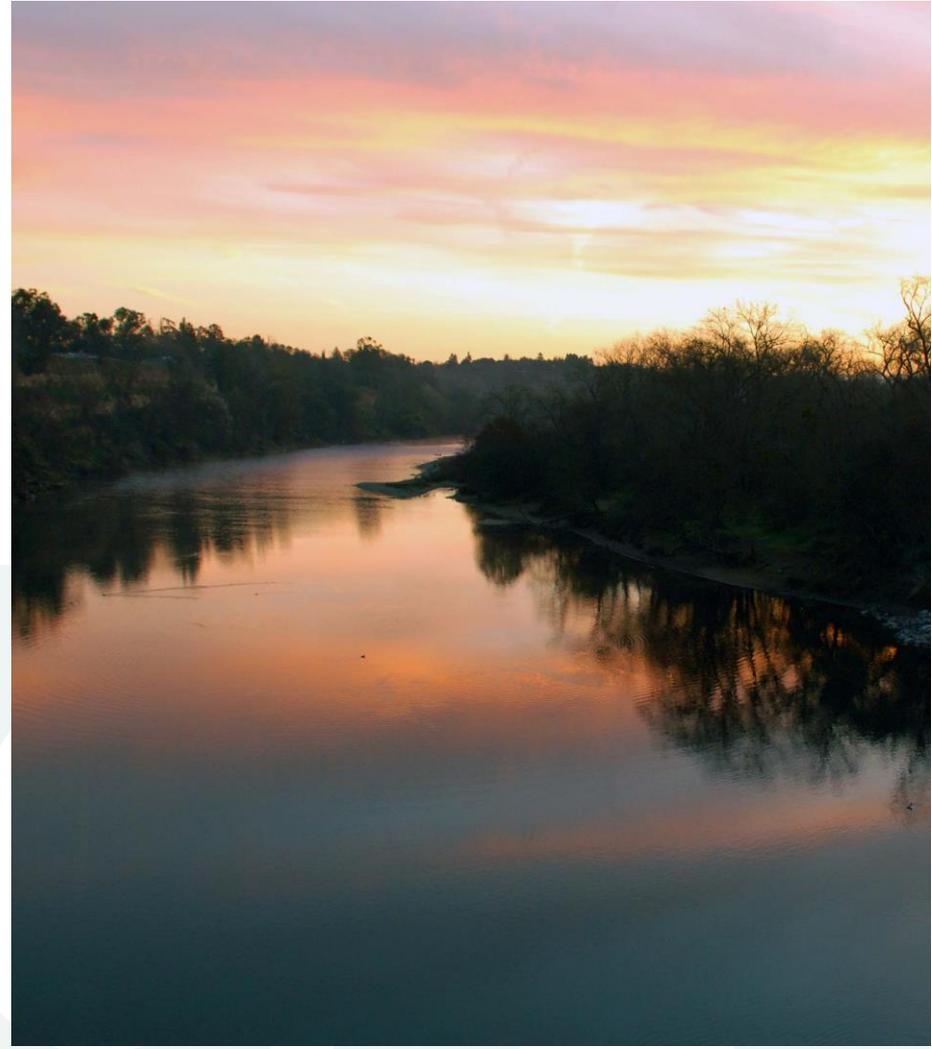
2. Maintain sufficient water supply, and supply reliability, of high quality water at reasonable cost for existing and future customers.

Protect and maintain water rights, CVP contracts and entitlements in support of the co-equal objectives.



# LAR Ecological Conditions

3. Maintain and improve ecological conditions in the lower American River.



RWA

# Collaborative Planning

4. Maintain and enhance collaborative planning and decision making with all caucuses and the Bureau of Reclamation in furtherance of the coequal goals.

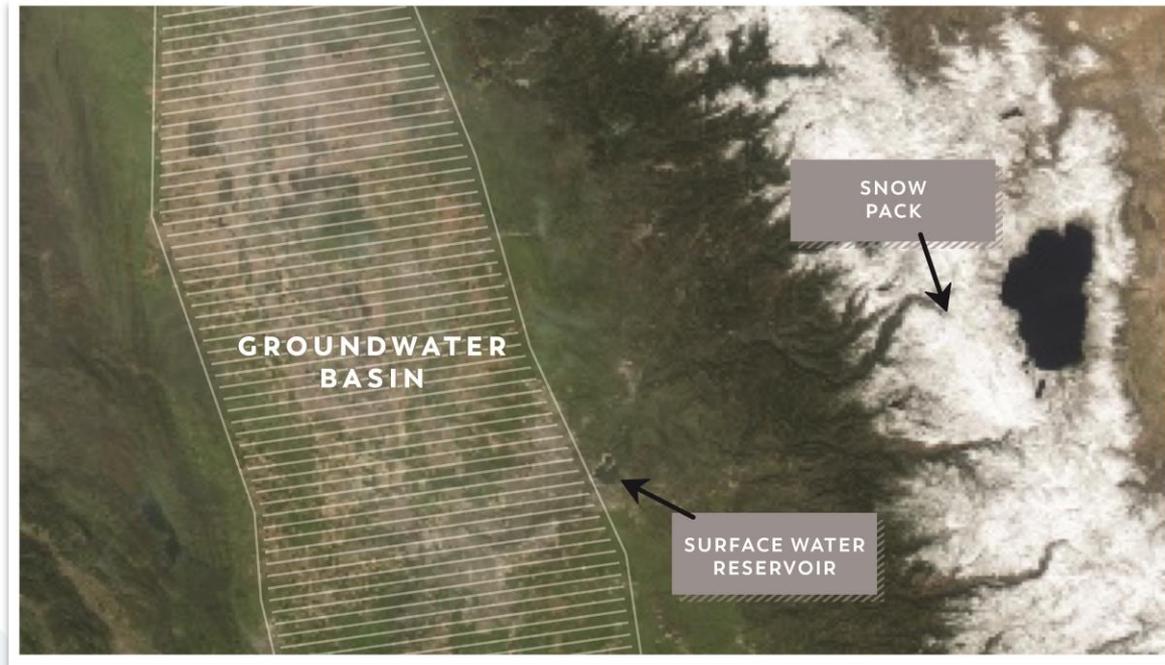


## 5. Promote efficient use of water.



# Adapting to Climate Change

6. Increase water supply resiliency and prepare for increasingly variable hydrologic conditions that are expected to be exacerbated by climate change.



7. Maintain local control over water management decisions and operational flexibility to best fit the region's unique circumstances.



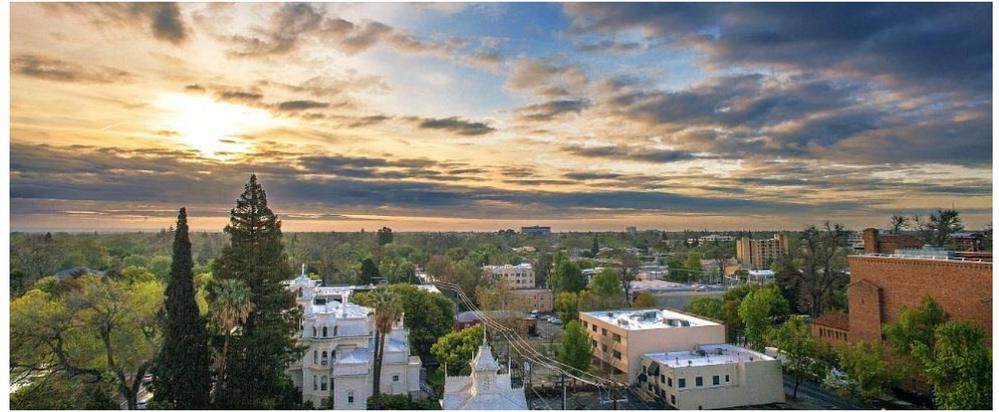
# Agreement Updates

8. Update elements of the Water Forum Agreement that are now governed by policies, programs, and mandates established by State or federal law (e.g., groundwater, conservation, habitat, dry year actions, etc.) consistent with those statutes and regulations.

- Maintain the value and progress of investments already made in compliance with those statutes and regulations.



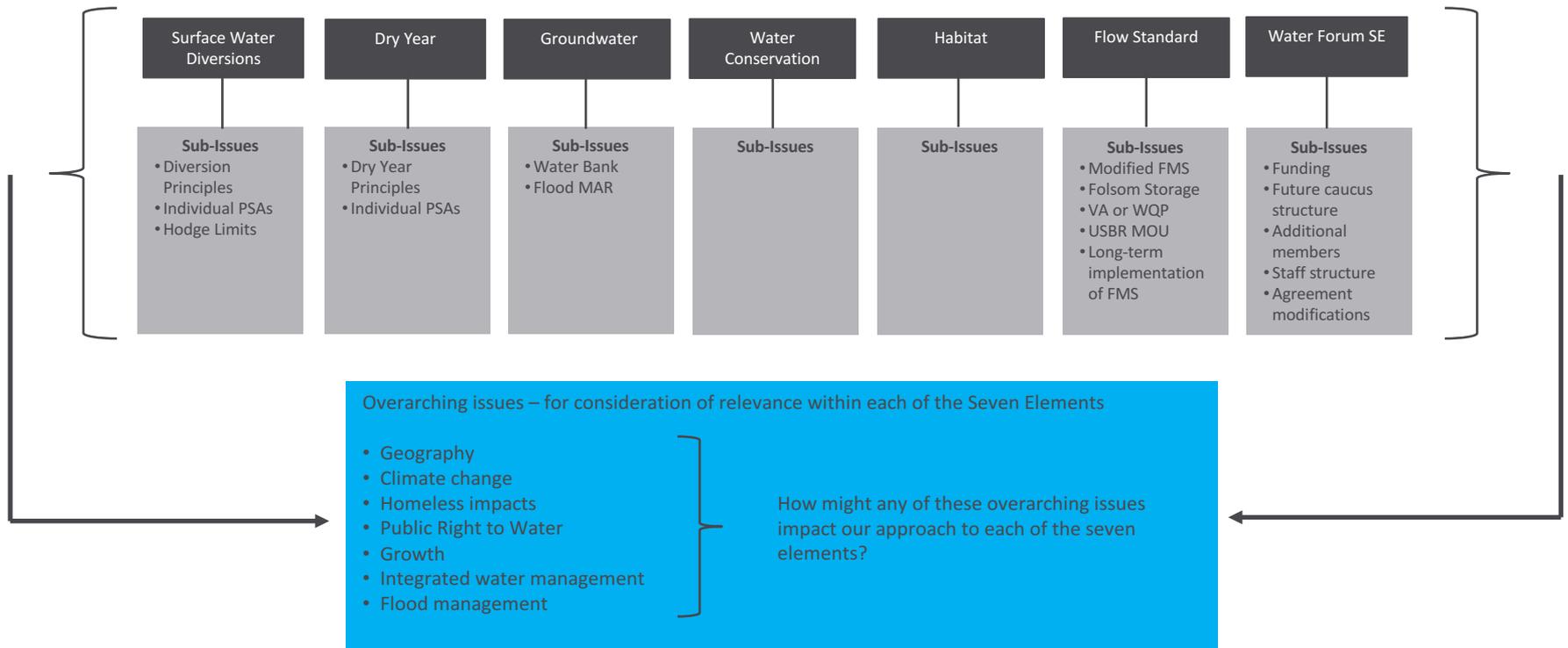
9. Preserve the elements of the Water Forum Agreement that recognize and defer to local governments' (cities and counties) authority to make land use decisions.



# QUESTIONS?



# Water Forum II Negotiating Issue Framework





# Water Forum II Negotiating Issue Framework

## APPROACH

The Water Forum II effort proposes to use the Seven (7) Elements from the Water Forum's existing agreement as the primary organizing framework for the deliberation of issues. This framework is familiar to Water Forum participants and facilitates Water Forum II discussions to build off a structure that has proved successful.

## Topical Working Groups & the 7 Elements

Topical Working Groups are anticipated to be organized around the 7 Elements. The following are some of the questions expected to guide deliberations on issues within each element:

- For this element, what's in the existing agreement?
- What are the interests and principles each caucus has related to the work group topic?
- What are the questions each caucus has related to this work group topic?
- How might any of the overarching issues impact our approach to this element?
- Does the current Water Forum agreement miss any key issues or interests?



CBI

CATALYZING COLLABORATION

(e.g. an 8<sup>th</sup> Element or additional Overarching Issue)

# Other Topics for Caucus Consideration Referred to Caucuses from Negotiating Steering Committee

1. Is it important to have an early discussion about the timeframe of the Water Forum II Agreement?
2. Provide additional input on issues framework (caucuses and then presentation and discussion about 7 Elements at the June Plenary).



June 11, 2020

Kerry Schmitz, Chair  
Sean Bigley, Vice Chair

Jeanine Townsend, Clerk to the Board  
State Water Resources Control Board  
P.O. Box 100  
Sacramento, CA 95812-200

**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

via email: [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov)

**Subject: Comments on the updated water loss performance standards and economic model**

Dear Chair Esquivel,

The Regional Water Authority (RWA) appreciates the opportunity to comment on the updated water loss performance standards and economic model, released on April 24, 2020 and as presented by State Water Resources Control Board (State Water Board) staff at the May 13, 2020 public webinar. RWA is a joint powers authority representing 21 public and private water suppliers serving over 2 million residents 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.

We recognize the effort State Water Board staff has made over the past two years in developing the standards and economic model, and would like to acknowledge the numerous improvements from the September 2019 to the April 2020 versions that address concerns of the larger water supplier community. These improvements include a shift from using retail unit cost to variable production cost to value water loss volumes, an increased discount rate from 1% to 3.5%, the inclusion of off-ramps for qualifying suppliers, and the overall simplification of the model itself.

**Associates**

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

Even in light of these improvements, we still have some ongoing concerns and additional areas of improvement that must be addressed to uphold Senate Bill (SB) 555's intent of producing performance standards "for the volume of water losses" that "shall employ full life cycle cost accounting to evaluate the costs of meeting the performance standards."<sup>1</sup> These concerns includes both policy and technical considerations:

- **The economic model does not weight costs and benefits equally, and therefore, does not sufficiently evaluate cost effectiveness or "full life cycle**

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<sup>1</sup> Senate Bill 555, Wolk. Urban retail water suppliers: water loss management.  
[https://leginfo.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB555](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB555)

**cost accounting to evaluate the costs of meeting the performance standards,” as required in SB 555.** The leak related model inputs such as unreported leakage and average leak detection survey frequency, when changed, influence suppliers’ 2028 targets. However, the economic related inputs such as variable production cost and marginal avoided cost of water, when changed, appear to not influence suppliers’ 2028 targets, even when drastically changed. For example, changing the variable production cost of water from \$2,000 to \$1,000,000 did not change the resulting 2028 supplier target. Furthermore, the model projects out costs and benefits for a 30-year time horizon. However, a supplier is expected to incur the costs of those calculated benefits in only 6 years (2022-2028).

- **The imbalance in evaluating costs and benefits in the model has created 2028 supplier targets that are not cost effective and not technically feasible.** Our suppliers’ 2028 targets range from 5.6 gallons per connection per day (gpcd) to 38 gpcd, representing a range in percent reductions required from 0% to 95% over a 6-year regulation period (2022-2028). The average supplier percent reduction for the region is 50%. Reducing water loss 50% over a 6-year period for any agency in any region, in and of itself, is extremely unlikely to be achieved from a technical level. Furthermore, considering that our region’s average variable cost of water is \$200/acre foot, we also find these targets extremely unlikely to be truly cost effective.
- **The annual water rate should be determined by local suppliers.** The model uses 5.6% for the annual water rate increase, based off of Metropolitan Water District (MWD)’s wholesale cost of water. This default increase may be representative for some of MWD’s retail agencies but does not represent suppliers throughout the state, especially those in the Sacramento region that rely exclusively on local surface and groundwater supplies. Water rates are a local decision and this model input should be customizable for each supplier. Assuming a larger increase in water rate than will likely be locally implemented will overinflate the net benefits of reducing water loss, increasing the level of required water loss invention beyond what is locally cost effective.
- **For the above reasons, we strongly recommend a third-party review of the economic model by subject matter experts in modeling, economics, and water loss.**
- **We recommend increasing the off-ramp gallons per connection per day threshold to 20 and reducing the data criteria requirements.** The off-ramp provision as currently proposed, will not provide agencies with low real loss and high data validity scores a viable compliance option. We don’t believe any agency statewide could meet the proposed data requirements and volumetric 10 gallons per connection per day metric to qualify for the off-ramp. If no agency can qualify for the off-ramp, then it is not serving its purpose, which is to recognize suppliers that have already made significant investments in water loss and are maintaining a cost-efficient level of loss.

- **Suppliers need additional time and ongoing opportunities for adjustments.** The current proposal only allows for adjustments to the model and 2028 water loss standards by July 2022. Agencies that haven't done a leakage component analysis or substantial water loss work will need more time to collect and understand their data to be able to evaluate whether they would seek an adjustment. Instead there should be reoccurring opportunities to provide State Water Board staff with supporting documentation to update the economic model and 2028 water loss standards throughout the life of the regulation. A one-time opportunity is not sufficient.
- **We request a flexible 3 years average timeframe for the regulation's baseline.** The current proposal uses an average of three audit year's (2016-2018) gallons per connection per day metric to establish the baseline for the 2028 standard. However, 2016 was the first year for validated audits for the large majority of agencies in the state and the 2016 audit results could be an outlier for some agencies. Furthermore, any one year might be an outlier for a variety of reasons. Therefore, we request flexibility to allow an agency to choose three out of four years of the most recent available audit data to establish the supplier's baseline and allow for an outlier year to be discarded.
- **The proposed questionnaires expand the scope of the water loss regulation beyond the State Water Board's authority granted in SB 555 and should be removed.** It is not appropriate or permissible to require additional informational from suppliers to seed future regulation as a requirement for meeting the current water loss regulation, regardless of whether the questionnaires are voluntary or mandatory. SB 555 mandates the State Water Board to develop a water loss performance standard for suppliers. It does not direct the State Water Board to survey water loss practices.
- **Performance standards should keep in mind the goals of SB 555 and the broader Water Conservation as a Way of Life legislation.** We understand the key objective of SB 555 is to achieve real water loss, evaluated by full lifecycle cost accounting relative to specific suppliers' characteristics. Furthermore, the water loss performance standards produced from this regulation must be incorporated into a supplier's broader urban water use objective, as required by SB 606 and Assembly Bill 1668, collectively referred to as the Making Conservation a Way of Life legislation. The water use objective recognizes water loss as one of the critical components to improving water use efficiency, and "shall be composed of the sum of the following: aggregate estimated efficient indoor residential water use, aggregate estimated efficient outdoor residential water use, aggregate estimated efficient outdoor irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with CII water use and aggregate estimated efficient water losses."<sup>2</sup>

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<sup>2</sup> Senate Bill 606, Hertzberg. Water management planning.

[https://leginfo.ca.gov/faces/billTextClient.xhtml?bill\\_id=201720180SB606](https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB606) and Assembly Bill 1668, Friedman. Water management planning.

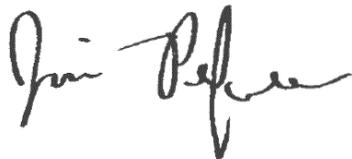
[https://leginfo.ca.gov/faces/billTextClient.xhtml?bill\\_id=201720180AB1668](https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB1668)

In conclusion, **we are committed to cost effective water loss control interventions.** Reducing water loss to a cost-effective amount is an industry best practice and part of ongoing supplier water management plans in the region. It is in our suppliers' best interest to not waste water and to ensure that we are managing its use through proper meter testing and adjustment. However, **water loss is one priority area among many for our suppliers.** A careful balance and thoughtful priorities are necessary for water suppliers to continue to reliably provide water at the least cost. Water loss requirements that overemphasize the need to address water loss may redirect funding from other supplier priority areas. A rough estimate indicates that the water loss model will require approximately three times the expense per acre-foot in the Sacramento region as other RWA initiatives to improve water reliability such as the Sacramento Regional Water Bank. RWA would like to work with the State Water Board to ensure that the benefits from addressing water loss are being balanced against the benefits the same investment would produce in other areas. No one water management strategy can be successfully implemented in a silo.

**Water loss requirements should not compromise customer rates and affordability.** There has not been comprehensive analysis tying water loss reduction interventions to an actual reduction in real water losses as reflected in the mandatory annual validated water loss audits. Taking costly actions for uncertain results could increase the cost of water (via rate increases) for our suppliers, which is especially concerning for our disadvantaged customers. Furthermore, suppliers are expected to meet their new water use objective, while at the same time expected to keep rates affordable for all customers. We must ensure these goals aren't in conflict with one another.

RWA suppliers are committed to addressing system water loss while balancing the benefits of water loss management with the cost and affordability of delivering water to all customers. With this mindset, we look forward to continuing to work with the State Water Board to address both climate resiliency and the human right to water.

Sincerely,

A handwritten signature in black ink, appearing to read "James Peifer". The signature is fluid and cursive, with the first name "James" and last name "Peifer" clearly distinguishable.

James Peifer  
Executive Director

## Keeping the Water Flowing

The Fair Oaks Water District finds new ways to serve customers during the pandemic

**BACKCOMMENTARY** JUN 19, 2020 *By Tom Gray*

Recently, a field team member of the Fair Oaks Water District was reading water meters in Fair Oaks Village, the town center, and noticed water bubbling up from the ground near a home. Seeing that it was a leak, he turned off the home's water at the meter, following normal protocol.

Our customer service team immediately reached out to the homeowner and learned that the woman, in her 80s and recently widowed, was confused about finding a plumber to fix the leak quickly. She was rightfully worried about going without water, especially during the coronavirus emergency. For most water providers, including Fair Oaks Water District, normal operating policies clearly state that our responsibility stops at the meter. It's up to customers to fix leaks on their property. But, as we all know, these are not normal times. The front-line employees recognized a need, took this situation to the general manager, and the decision was made to repair the leak on the customer's water line at no charge to the customer.



Over the past several weeks, the coronavirus emergency has provided unexpected opportunities to focus more than ever on serving people — our employees, customers and communities.

When the COVID-19 emergency first struck, people stockpiled bottled water as might be expected with a natural disaster. But [coronaviruses pose no threat to water quality](#) since chlorination, which is used to treat the water served in Fair Oaks and throughout the state, is known to kill viruses.

The greatest threat to our water supplies is actually that our employees will become ill and unable to contribute their skills needed to keep the water flowing. Water providers are taking special steps to keep their people safe and healthy for the long haul and are particularly focused on water operations, which require certified staff with specialized training. At Fair Oaks Water District, for example, water supply specialists have been

designated teams that avoid all physical contact with each other.

Rather than rotating shifts in and out of the office, for the past several months we designated one group of employees to report to the office every day while others work from home. This ensures that we have a “deep bench” at the ready so we can keep the water flowing to our customers. On June 1, following Sacramento County COVID-19 guidance, we resumed “normal” operations. Yet, we are continuing to follow protocols established to protect our employees and customers: Every day, our office team, including myself, reports to work, and we each take our temperature. If it’s within the healthy range, we continue with our work day, practicing social distancing and washing our hands frequently. Or, if needed, another person is ready to come off the bench and continue in our place.

Understanding that this emergency is more than a health crisis — that it’s also a financial crisis for many people — we suspended shutting off water service to customers for non-payment on March 19. This decision came even before Gov. Gavin Newsom [mandated this policy](#) and will continue until the governor’s moratorium on shut-offs ends. This decision was taken with the knowledge that there will be financial impacts to our operations, but that we are not operating under normal circumstances.



FOWD is in a unique position for a public utility — we have no debt, our rates are near the lowest in the region and we have a reasonable reserve fund — therefore it is the District’s intention to absorb the revenue lost due to COVID-19.

If the predicted second wave of COVID-19 hits, however, making up this lost revenue becomes more complicated for the public water community. Just as COVID-19 is the most severe and disruptive health crisis in generations, it is also threatening the financial stability of water suppliers providing an essential public health service. Water utilities are faced with an extraordinary combination of increasing costs to meet needs and falling revenues resulting from declining commercial use and personal financial

strain on ratepayers. According to the American Water Works Association, nationwide these unprecedented pressures are projected to cost water utilities in the range of \$13 billion to \$15 billion.

As a public agency, FOWD is committed to ensuring that our customers pay the lowest possible cost for clean, safe, reliable water delivered to homes and businesses. The District, in partnership with other local water providers, are looking at several options for offsetting any revenue losses. Options include federal and state assistance, as well as revenue generated by using the region's groundwater bank to offer excess water, when available, to other parts of California that need it. Without that assistance, water providers will be left with few good options to ensure they have sufficient funds necessary to provide their essential service other than directly affecting our valued customers.

Another thing we decided early in this emergency is to support our local businesses whenever we can. Once a week, we split costs with staff working at the office to order a meal from one of the several restaurants dotted in and around Fair Oaks: The employees contribute half of the cost, while I pay for the other half. Doing this seemed like such a small contribution, but I came to see its significance as one restaurant owner wept in thanks.

In doing our jobs, we understand that those reporting to the office are potentially putting themselves and families at risk just like all of the health care workers, grocery store clerks and others providing essential services right now. On the other hand, we know that our community needs clean, reliable water for drinking and washing hands, fighting fires, serving hospitals and running sewer systems — that we are contributing to something that is bigger than one person alone. With this in mind, we keep the water flowing.

*Tom Gray is general manager of the Fair Oaks Water District. He can be reached at [tgray@fowd.com](mailto:tgray@fowd.com).*

June 24, 2020

**AGENDA ITEM 12: DIRECTORS' COMMENTS**