

**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**

John Woodling, GEI Consultants, Brian Sanders, City of Sacramento, Tony Firenzi, Placer County Water Agency, Pam Tobin, Paul Helliker and Greg Zlotnick, San Juan Water District, Craig Locke, Sacramento Suburban Water District

**2. PUBLIC COMMENT**

None.

**3. CONSENT CALENDAR**

Minutes of the March 25, 2020 Executive Committee meeting

Motion/Second Carried (M/S/C) Mr. Greenwood moved, with a second by Mr. York, to approve the March 25, 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. FISCAL YEAR 2020 – 2021 BUDGET**

Mr. Peifer said that a key element of the new budget is the increased services that are being proposed in the budget and going to be utilized through the year. He said that we can do a better job on communication within the region with member support in the coming year. The services received from Bartkiewicz, Kronick & Shanahan are invaluable to the Executive Director and RWA staff as continued support is provided for legislative activities, guiding staff through the flood that occurred at the beginning of the year and now COVID-19.

The budget supports important work that RWA does including planning, grant acquisition and administration, water use efficiency efforts and advocacy. A modest budget is being presented for discussion with a lower than the initial dues increase suggested for member agencies, associate member dues increase by 3% and no increase for affiliate members. We rely on the participation of our affiliate members to help us be successful with the RWA mission and we want to encourage those agencies to continue participating by not raising their dues.

Once everything gets back to normal and recovery begins in the coming year, we hope to get back on track with the completion of the strategic plan.

Josette Reina-Luken, Financial and Administrative Services Manager, gave a budget presentation with what has been changing regarding revenues, expenses, designation and cash flow. The budget includes two different budgets combined together for reporting purposes. The operating budget is called the core program and the subscription program budget is the program budget. When the budget is approved by the board it is approving the operating or core program. The subscription program is based on an agreement that is approved by the program participants. For reporting purposes everything falls under the RWA umbrella. She described the line items for each budget. The subscription programs can straddle multiple years creating a cash flow issue because reimbursements are received quarterly but the billing occurs monthly and budget is reported annually ending on June 30th. We collect the money from the members ahead of time to start the work and when the work is finished that is submitted as a reimbursement. When reimbursement from the grant is received the money that was paid in is then refunded back to all the participants. Subscription programs are important because they contribute revenue into the core program and offset staffing expense. RWA will see these revenues going down in the out years because we have not added new programs as of yet, but we know that is not the case with Proposition 1, water bank, and other grant opportunities which will improve forecasted revenues.

Ms. Reina-Luken gave a budget presentation looking at a dues increase of 7%. We stopped at 7% because there is a structural budget deficit, but at 7% the non-

designated cash will run out at the end of fiscal year 2023. If we go lower than the dues increase, projected cash will stop at the end of fiscal year 2022. Cash is important for RWA because it can buffer and close that gap on the structural budget deficit as expenses are out pacing revenue. The gap has to be closed in order to have a balanced budget. One of the reasons that we went from a projected 18% increase to a 7% increase is due to the fiscal year 2019 audit results, when RWA turned out to be in a much better cash position than originally anticipated resulting from an executive director vacancy that was budgeted for a full year, office and administrative expenses that came in below estimates and an increase in income from subscription programs.

At the time the budget was compiled the new Executive Director's salary and the new Financial Administrative Service Manager's salaries were not known, so they were budgeted at the prior year level with a 6% increase. Staffing costs will be going down below the original estimate. A baseline budget for future years was set as a course of stabilizing future rate increases to see how long cash on hand lasts and then make adjustments to the rate increases accordingly.

The RWA shares 50% costs with SGA including administration costs as well as paying a portion of staff. Staffing costs have increased with a halftime SGA annuitant hired at a maximum of \$60,000 annually that will run through RWA as the employer of record with reimbursement from SGA. SGA is planning to transition from an annuitant to a full-time staff dedicated to SGA in FY22. The SGA board also approved adding 10% of the Legislative and Regulatory Manager position as part of their reimbursement to keep informed on groundwater issues at the state level. Ryan Ojakian will give updates on anything applicable to their program objectives that is in the regulatory area at the SGA board meetings. The budget is based on no expected changes in membership. Since no determination or agreements have been made with regard to SCGA, that is not reflected in the budget numbers. The Water Efficiency program will remain at 40% for the core budget.

There is an adjustment in the budget to keep with the policy that RWA adopted to pay off the unfunded liability with the four-year timeframe. This has increased RWA payments from the budgeted \$15,000 to a budgeted \$36,000. There is volatility when we look at funding this in the short-term versus the longer term and it could be higher in fiscal year 2022. We budget what is known at the time and then make adjustments as we receive additional information. When new programs are added, revenues improve. RWA and SGA share consulting, expenses, audit costs, computer expenses and IT service expenses. Some expenses are not shared like legal fees that are distinct to their agency.

General liability insurance is one of the areas that SGA cost shares because we are all in the same office with the same employees. We did have to increase the telephone and internet web hosting because we don't know how much longer we will be having teleconference meetings and we might have increased expenses in that category. We did have some special occasions like retirement parties that will not be

repeated expenses. Printing supplies expenses includes all of the packets and our mail outs. Dues and subscriptions can be for reading materials, affiliations, certifications, things of that nature. Computer hardware, software and maintenance are for computers and associated computer maintenance which increased. The reason that category is increasing is because of the computer server replacement, staff will be migrating to Office 365, and there is a license payment per user. We are also increasing use of the cloud backup storage and making some improvements in that area. These projections are worst-case scenarios, in meaning that they are likely projected higher than actual costs, because of the fact that we don't have all the information yet. When we prepare a budget, we make sure that we cover the cost of what we know and then we add some contingency funds. For example, this year when we needed to start migrating servers over to a temporary office, that unplanned expense would have ended up coming out of this line item. We will get full reimbursement on all moving expenses through our insurance, we just don't know the timing of when we will receive that reimbursement.

Under the circumstances of COVID-19 a lot of us are working from home and there may need to be an additional allocation for computer maintenance and other areas that support remote activities. Looking at the professional fees category, this includes legal, audit, payroll and the general category called RWA consultant. The RWA legal line item is being increased and was discussed last month at the Executive Committee meeting. We are adjusting that based upon what we used and are projected to use at the end of fiscal year 2020. The increase in expenses for legal fees is going up by 5%, rather than the 3% because it is a specialized service due to the credentials required. We are putting legal fees at \$65,000 this year. If we don't use it that is great but if we do use it we have it there.

The audit is being projected at \$28,100 for fiscal year 2021. Looking at the projected fiscal year 20, this service is estimated at \$34,225. The overrun is because we did go out and procure another consultant to help us complete the audit. The audit was delayed this year which incurred some additional charges from Gilbert and Associates. We do believe that is a one-time issue and not an ongoing issue.

ADP Payroll Services is the cost of paychecks and tax information to employees. It goes up in the out years as we increase staff by headcount. An area that may have questions is the RWA consultant line item and what is comprising the \$307,000 total. Some of the \$307,000 total are shared costs. We segregate those costs into their own category because certain ones like legal are all RWA costs. In addition to the audit we have a budget audit support fee that we used for our own accounting consultant, Nicolle Krotoski, for fiscal year 20. The projection on that service for fiscal year 2021 is \$62,000. We also budget for actuarial services in that category for McLeod Watts who assists with the GASB 68 schedule every year. We have human resources support at a small dollar amount, and this is a standing category for doing any type of background checks, hiring and any HR issues that might arise. In fiscal year 2023, this category increases because we do a salary survey every five

years. Public Relations is the IN Communications contract that increased in fiscal year 2021.

A consulting expense general dollar amount is budgeted at \$23,000 as a miscellaneous category if we need to hire consultants for areas that we have not anticipated. This category contains the lobbyists costs and state lobbying efforts contract. Out of the RWA consultant expenses, SGA will pick up \$94,000. This is included in the SGA service fee. Other expenses include what we call one-time expenses or fixed asset expenses. Anytime we add furniture or hardware it's going to increase in that category expense. The other expense is basically the one-time expenses that we budgeted for office furniture replacement and the new server. The server replacement is a one-time budget item.

The core project expense has two-line items, the IRWM and the Powerhouse Science Center. We put \$10,000 in the IRWM line item although we don't expect any expenses for fiscal year 20 in this category, it is just a placeholder in case we need it.

We will be making \$25,000 in contributions towards the Powerhouse Science Center through fiscal year 2030. We collected all of the money in advance and we pay that over time at \$25,000 installments each year. With the \$25,000 payment it actually adds to the deficit of \$176,000 for the core program because we collected revenues for Powerhouse Science Center in previous years to offset it, so it appears that there is a deficit, however, when you look at the designations you see that we are drawing down on earmarked funds. RWA's budget deficit is balanced by using previously collected for the Powerhouse Science Center as well as non-designated cash reserves. When we look at a projection for fiscal year 20, we show an increase in non-designated cash after we allocated funds to the appropriate designation categories. It goes down in out years until fiscal year 24 when there is no longer any designated cash.

The operating fund designation is a calculation of 4 to 6 months, after the SGA service agreement is taken out and basically spread out over a 12-month period trying to stay with 4 to 6 months operating costs, which is RWA reserves. The subscription program designation stabilizes membership dues in the event of participant occurrences and is derived from how much money is coming in from subscriptions.

In terms of months there is a decline in the operating fund coverage. If any one of the numbers drop below four months, we would need to increase dues higher than what is projected. At the beginning of the presentation, Ms. Reina-Luken said that we did this at 7% and stopped there because we did not want the non-designated cash to become zero for fiscal year 23. There is a correlation in the budget for every 1% in dues equals a certain amount of money. If the Executive Committee directs staff to take the 7% and drop it to 5%, there will be a \$20,000 decline in the non-designated cash in the current year and in the out years. Fiscal year 22 will have a

lesser amount of non-designated cash and the operating fund will probably drop. It is a policy decision on where we want to be in cash availability. We can have a 5% dues increase this year and keep this at 7%, unless otherwise directed, for future years or we can go ahead and project it all out at 5%. It depends on how far you want this budget to go out in the sense of future cash fluidity. What is reduced now may have consequences in out years and could be deferred in the sense of reduction of available cash. On a year to year basis, we analyze the year end and where we think we are going to land when we receive the audit. We can lower it and obviously it does have an effect, both positive and negative, because in out years it could go up. If the Executive Committee would like to make this a 5% increase for this year that will manifest itself in the out years and would be about \$20,000 less revenue. We will have to be thinking about that in the budget outlook and want to propose this for the Executive Committee's consideration as we develop this budget.

Last year there was an 18% rate increase proposed. We are bringing forth a 7% and for the committee's consideration, potentially 5%. One of the things that happens is we often receive revenue from subscription programs or other items, like grant revenue, and that changes the forecast. It is extremely difficult to forecast five years out into the future. We also want to make this a credible budget with the understanding that 7% is a rough estimate particularly since the farther you go out in the future those revenues are not guaranteed.

Mr. Peifer said that one of the things that happened this year is the City of Folsom is becoming a larger agency with five services over the threshold for a large agency. This was a surprise to everyone. He suggested that we stipulate that the City of Folsom remain a medium sized agency for the current budget allowing them time to budget to become a larger size agency next year. Mr. Yastuake thanked Mr. Peifer for the notice about City of Folsom and appreciates the stipulation giving the city time to adjust their budget for next year.

Mr. Bezerra said that the stipulation for the City of Folsom is already built into the budget and did not need to be voted on separately by the full board.

Mr. Schubert said that his recommendation is to limit the current budget increase to 5%. We have yet to see the true economic impact of the pandemic that is going to be significant to everyone. If the option is to keep the dues increase at 5% this year, that would be the preference while being clear on what we can do with the rates in the outgoing years.

It was agreed that a 5% increase was preferable realizing that the pandemic is going to have an impact on the out years hopefully with some recovery next year.

Ms. Reina-Luken said that if that is what the Executive Committee directs, her recommendation is 5% this year and 7% in succeeding years.

M/S/C Mr. Bigley moved, with a second by Mr. Schubert, to recommend RWA Board adoption of the RWA Fiscal Year 2020 – 2021 Budget. 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.

## **5. 2020 GROUNDWATER SUBSTITUTION TRANSFER**

Rob Swartz, Manager of Technical Services, said that there are a group of six agencies contemplating a 2020 groundwater substitution transfer with ongoing negotiations that appear favorable. One of the things that the group has requested is technical support, similar to what was done in 2018 from RWA staff on development of a regional monitoring and mitigation plan and assistance with actual monitoring during the course of the transfer. Staff has put together a budget estimate to support the effort with a couple of different options for two different types of transfers; one being a July through September 30 transfer and a possibility of additional transfers through October and November. This is a fairly short-term assistance from RWA staff with essential terms included due to the rapid time frame with which these transfers happen and the need to act quickly. We are proposing to execute a single agency agreement with the understanding that there are multiple agencies contracting with segments of various member agency water districts on the transfer as well. What is proposed is a short agreement that has been reviewed by Ryan Bezerra for RWA and by Josh Horowitz for Sacramento Suburban Water District. Staff is seeking approval to authorize us to enter into this project agreement.

Mr. Bezerra said that from his legal perspective this is a different kind of agreement relative to the usual RWA program agreement. Traditionally, RWA program agreements are several agencies working together and funding the program. Those are not simple to put together because you have to figure out how to fund a whole program with multiple participants. The proposed agreement is a lot different because RWA is contracting with a member to provide direct services and therefore can be a lot simpler. There have been instances of RWA doing this in the past. Mr. Swartz requested the agreement be put together in the form of a simple services agreement that could be used as a model in the future where members are taking advantage of RWA expertise in order to get services, as opposed to putting together a whole program agreement. The two types of agreements are different and it's important for RWA to be able to do both. This is a model for how of members could contract services directly from RWA in the future.

Mr. York said that a lot of effort goes into this type of work to get the transfer moving forward and this is a good process going forward to make it a little bit simpler. He

thanked RWA and Ryan Bezerra for their efforts in putting this together. This is one of those opportunities when subscription programs come up creating opportunities to generate revenue. To the extent that this transfer goes through to its full fruition, this unplanned revenue helps RWA's bottom line in the current fiscal year, because we are currently working on the project. Opportunities like this help us going forward and offset increases in dues when we can offset some of the staffing costs.

M/S/C Mr. Greenwood moved, with a second by Mr. Schubert, to approve 2020 Regional Groundwater Substitution Transfer Program Staffing Support Agreement. 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 and voted yes. The motion carried by the unanimous voice vote of all directors present.

## **6. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

Mr. Peifer said that he would like to leave this item on future agendas as an item for discussion at Executive Committee meetings, RWA and SGA board meetings for any updates, comments or anything that we need to do with respect to the progression of the Sacramento Central Groundwater Authority (SCGA) and their staffing arrangements. He has been providing information to SCGA Chair Todd Eising to prepare a roadmap to present to the RWA and SGA boards and providing thoughts into what a potential staffing relationship would look like. A proposal is being developed, but it has not been received from the SCGA.

Mr. Schubert has been on the SCGA board for several years and provided an update from the SCGA perspective. SCGA staff has been talking about different staffing arrangements. Historically, Sacramento County has provided staffing for the Executive Director and staff. Last year through the strategic planning process the SCGA was directed to look at alternative staffing. Tom Gohring with the Water Forum and Jim Peifer with RWA/SGA gave presentations to the SCGA looking at different options. The RWA/SCGA option is similar to the contract RWA has with SGA and was the preferred and unanimous option by the board. At the last board meeting, the SCGA Board directed Mr. Eising and Mr. Schubert to bring back a contract to enter into an arrangement. John Woodling will be the SCGA Interim Executive Director while going through a transition. SCGA continues developing a proposal and doing their homework on what it looks like to get into similar staffing that exists between RWA and SGA. SCGA believes there is tremendous regional benefits that would strengthen all three organizations significantly.

John Woodling is just stepping into his role and is in a fact-finding mode while making this a collaborative process and an ultimate partnership. Sacramento County is ready to step back from providing these services but will provide support

during the transition period as what works and what provides benefit to all organizations is evaluated. Mr. Woodling will be tasked with developing and implementing a plan for what staffing looks like as SCGA moves forward with the goal of being under the RWA umbrella much like SGA currently is. After May, the role will take on three primary forms, one is ongoing operations of SCGA, the other is oversight of the GSP Development and the two consulting contracts that are tasked with this project and the third is to help with the longer-term transition to a more permanent staffing situation. SCGA should be identifying what the needs are, the functions that need to be served and the level of staff that would serve different functions. The type of staff, administrative and technical would ultimately come from RWA, and how it can meet its current needs and obligations to SGA and future obligations that it may have to SCGA. The SGA agreement may have to change since those resources are dedicated. An ideal situation is if the RWA Executive Committee and Board decide to support this and get fully engaged, the SGA decides to support the effort working with Mr. Woodling, and the three agencies determine in a collaborative way for what is the best organization that can be put together to serve the three needs.

Mr. Peifer said that he thinks it needs to be an interactive dialogue. He asked for input from the Executive Committee members who are not directly involved. At this time SCGA is staffed by the county to fill most of the staff functions and the County Council serves as general counsel. There has been some concern about that and it appears there is now unanimity of the board to move away from the county staffing. There was unanimous support for trying to work towards this transition to be administered by RWA. There was a large majority opposition to actually merging into SGA and becoming one. The desire for SCGA is to maintain its independence as a separate legal entity but to get to a point where RWA can provide the services much like they do for SGA. SCGA has more agriculture focus and independent commercial industrial pumpers on their board. The financing will likely be very different for SCGA than SGA. There are meetings scheduled for RWA, SGA and SCGA to define what moving forward looks like.

## **7. FEDERAL AFFAIRS AD HOC COMMITTEE REPORT**

Sean Bigley presented a Federal Affairs Ad Hoc Committee update. The committee has been asked to prepare for the potential, on the state and federal side, of some type of legislation establishing an opportunity for local infrastructure projects to be funded with the idea of the infrastructure projects helping to stimulate the economy and create jobs in the context of a recovery from the COVID 19 pandemic. There has been early discussion on the state and federal levels but there have been no specific legislative proposals made at this time. With information received from agencies that have federal and state lobbyist, there has been discussion at the federal level on presenting a recovery package sometime around June or July which could potentially include funding for local infrastructure projects. We have been encouraged to make sure that RWA puts in an early effort to be prepared for that conversation. There have been specific instances with some of the environment and

public works committees and staff who have made early requests in terms of what types of local projects agencies are considering. There was discussion in the Governor's office regarding what local agencies are considering for infrastructure projects that can help the COVID-19 recovery situation. There is not a lot of information in terms of specifics as this is early in the discussion phase but we want to take advantage of the time we have to prepare RWA in order to actively engage in this discussion to shape where these funding areas can go but also to make sure we are prepared to clearly articulate what types of local infrastructure projects we can accomplish in a short period of time that provide some immediate economic stimulus and job creation in the region. One of the key deliverables that we were asked to put together is to have a call among our RWA member agencies for infrastructure projects that in their opinion and assessment as member agencies would be good candidates for a potential recovery package.

In 2008 – 2009 we had a funding opportunity that was a recovery mechanism used during the financial crisis and fallout. From the information we are receiving from our lobbying resources, the recovery scale now will be much more significant. Based on what we are seeing in terms of some of the early economic projections, the damage to the economy is expected to be more severe than the 2008-2009 experience. We put a call out to the RWA member agencies and received a good response from member agencies with over 150 distinct projects that covers approximately two billion dollars' worth of proposed regional or local infrastructure projects. A spreadsheet tool was created with several categories that can be used to help prioritize and create different scenarios that allows us to be flexible in upcoming conversations with respect to how we present what the agencies projects are with respect to infrastructure. There are several other regional efforts underway including the Sacramento Area Council of Governments that is currently working to put together a regional project list across multiple sectors.

The other area that is being worked on is an effort within Placer County which is cutting across various sectors. Sacramento Metro Chamber of Commerce's may not be able to lead this type of effort so RWA and other groups may be taking leadership. This could be an opportunity to steer this into a regional effort where we are speaking with one set of talking points, rather than having competing messages, from a federal perspective. This effort was created with two subcommittees, led by Anne Sanger, and is basically focused on taking the time now to begin to develop a proposed advocacy strategy.

Once the project list is developed, other collateral pieces and components that go with it to advocate for the list will be completed. There is early discussion about utilizing existing federal programs to fund some recovery efforts. This is early in the discussion no decisions have been made and no legislation has been voted upon. There is also discussion about whether there should be specific related recovery programs established that are more specific to this scenario. We have an opportunity as a region to get engaged in the discussion to hopefully be able to shape where that conversation goes. The Advocacy Subcommittee is focused on

two key pathways that have been developed through a couple of meetings. They continue to prepare for upcoming discussion and advocacy moving forward. A communications subcommittee was established and is considering how to effectively communicate the region's message with what we are trying to achieve and how we are going to be able to develop a coalition of supporters and stakeholders that can help us move that objective forward with respect to bringing funds back to the region.

As part of the ability to communicate with federal and state policymakers, we are going to be working together to put white paper documents together that sum up the situation. We are recommending that we put some effort into developing documents that are highly visual in nature that allow us to help describe what we are trying to achieve by identifying our specific projects and how they provide benefit to the Federal and State governments in the context of potential funding opportunities.

Mr. Bigley said that with regards to committee meeting attendance, we want to make this process open for RWA member agencies to participate in but at the same time understanding the complexity of RWA and the various committees that are in place. There are legal considerations that we need to make sure we are covering with respect to the Brown Act, addressing the need for openness and transparency, with respect to having too many meeting participants that are on either the Executive Committee or the full board.

Mr. Bezerra gave a summary of the guidance document context with respect to how we hold committee meetings to be considered by the RWA board and Executive Committee. He said that a lot of members have been involved in related discussions over the last few months and the issue has come up a couple of times lately. There are some complex Brown Act issues when RWA membership meets to coordinate activities for federal legislation, general regional coordination, or other issues. There are two sources that derive from the Brown Act. The first is that you have two different governing boards for Brown Act purposes, a legislative body where you have the board of directors and the Executive Committee, both of which are legislative bodies under the Brown Act. They should not have more than a quorum of either board participating in a meeting that is not noticed under the Brown Act. You should not have a meeting that involves more than four members of the Executive Committee unless it is noticed under the Brown Act. The Board of Directors is a little more complex because you have 21 agencies who all have potentially at least two seats on the board of directors. Either one of the representatives on the board can vote which makes it tricky as to exactly how many members of a board of directors can participate in a meeting. The way the law looks at it is you should not have more than 10 representatives of agencies in any given coordination meeting. If you have more than 10 representatives you have overlapping quorums between the Executive Committee and the Board of Directors, and then you also have the issue of each agency having two directors on the board so it makes things complicated. If you wanted to have a coordination committee meeting and not worry about these issues, what you would do is call a special

meeting of the Board of Directors. Then whichever director showed up, it would be fine because you would have noticed it under the Brown Act. There are basic Brown Act rules to keep in mind in organizing these coordination meetings. One thing that may be important in organizing these coordination meetings is the requirement that you notice a meeting and if you have the necessary number of directors involved.

Some practical ways of dealing with the Brown Act issues include where a member of the Executive Committee or a member of the Board of Directors participates in a coordination committee meeting. You could have different people from agencies participate, for example PCWA for many years has had different people participating in different parts of RWA. Mr. Smith has participated on the Board of Directors for a long time as have other PCWA employees who participate in the coordination meetings. That does not present any Brown Act issues because if you have a staff member who is not on the Board of Directors participating in the coordination committee then you don't have that person counting in whether or not you have a quorum of the board participating in the ad hoc or coordination meetings. This one possibility. Members could just have different people participate in different meetings. You can simply ensure that your staff member who sits on the RWA board of directors is not the staff member who is participating in an ad hoc committee meeting or a coordination meeting.

Mr. Bezerra suggested that RWA staff send a memo via email to the people who would be participating in the ad hoc or coordinating meeting to document that the meeting is about a subject that does not concern any decision RWA will be making. RWA could start scheduling special meetings of RWA Board of Directors to deal with particular subjects that would be open to the public.

Mr. Bigley suggested that we send out guidance for future meetings that Mr. Bezerra has provided requesting the RWA member agencies confirm who they plan to send to RWA Federal Affairs Ad Hoc Committee meetings to make sure that we are not getting into a quorum situation for either the Executive Committee or for the board. His recommendation is that RWA member agencies be asked to ensure they are cognizant of who represents their agency on the board of directors and who can actively participate in a meeting discussion.

## **8. LEGISLATIVE/REGULATORY UPDATE**

Ryan Ojakian gave a legislative and regulatory update. There remains great uncertainty as to what is going to happen in the legislative process. That uncertainty comes from two areas, the budget situation for the state is up in the air because of uncertainty on the expenditure side due to how much the state response to COVID 19 is going to cost on the revenue side and what the tax receipts are going to look like. The tax deadline was delayed three months until July 15<sup>th</sup> of this year. The budget uncertainty impacts legislative issues because most bills have a cost associated with them. The state is expecting to be significantly in the red as a result of the COVID 19 crisis. Bills that would have had an associated fiscal cost would have had to have been heard by the end of this week and all policy bills would have

had to have been heard by the end of next week in their first policy committees. Because the legislature has been on recess and will be until May 4<sup>th</sup>, it is not clear how the legislature is going to proceed from a process standpoint on bills.

It appears that only bills that relate to either direct impacts from the wildfire crisis, primarily PG&E related issues, and economic stimulus will have a significant chance of moving forward. Of the areas where we typically spend a lot of focus such as water efficiency or water quality, there likely will not be many bills moving forward. Bill Senate Bill (SB) 1280 was related to creating a definition of what an at-risk water system is. That Bill has then dropped but there has not been an official announcement. According to staff for Senator Hertzberg, the 20 bills that he had in the legislative year has been reduced to three bills. The budget picture may be clearer in August because the legislative session doesn't end until the end of August, so there is a possibility that policies will move forward at the end of August. It seems like there will be an omnibus bill, a vehicle to address an issue area and those bills may become large and cumbersome. More information will be presented at the July RWA meeting. Assembly Bill (AB) 2887 by Assembly Member Bonta states that water suppliers in times of emergency declared by the Governor or the President of the United States shall not terminate service to residential or small commercial operations for non-payment for the first three billing cycles following the declaration of that state of emergency. It would also require water systems to reach out in those billing cycles to those who may be affected to let them know that they can enter into agreements to pay the full cost of their bill over 12 months. This bill seems likely to move forward with all of the background that I gave on where the legislature is because it does seem to fall into directly responding to the COVID 19 crisis. The governor put out an executive order the beginning of this month prohibiting shut offs for all water customers. There are some technical issues with AB 2887 that relate to the use of billing cycles and the notification process. The way the bill is constructed, it addresses the issue of shut off separately for PC regulated versus a state waterboard regulated system. ACWA is recommending a watch and amend on this bill. Mr. Ojakian recommended a support if amended. RWA member agencies are already taking actions that are in this bill.

Mr. Bezerra said that SB 950 is a bill that the Planning and Conservation League is sponsoring. The bill will amend a variety of procedural requirements to take advantage of technology. Some of the amendments are supposed to make things somewhat easier for affordable housing processes and potentially termination issues and to require translations into multiple languages on various California Environmental Quality Act (CEQA) related documents. There is concern about what is in the bill. He has been trying to potentially get some additional language into the bill that would simplify how notices of determination and exemption get filed for water projects. The way the bill is currently written, the law says you have to file your notice of termination or exemption in the Office of the County Clerk where the project is located. If you are dealing with a project that moves water, you may have to file your notice of determination in several counties. If the language could be simplified so that it does not become a potential pitfall for water projects where CEQA notices

do not get filed, it may throw off how a case gets litigated. He is trying to work on getting language in the bill that would deal with the notice issue.

The recommendation on both AB 2887 and SB 950 is support, if amended.

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

**9. POLICY PRINCIPLES – COVID-19 RELIEF AND RECOVERY: GUIDING PRINCIPLES TO SECURE OUR WATER FUTURE – US WATER ALLIANCE**

Mr. Ojakian presented information on the COVID-19 relief and recovery guiding principles to secure our water future. This item is presented to get guidance from the Executive Committee to determine if the Executive Director should sign on to a national letter focused on policies for water suppliers from a national level. The letter is well put together and has four principles. The first principle is reliable and affordable water for all. This relates to federal conversation that there should be federal subsidization for those who are unable to afford their water bill. This also relates to the water shut off issue and how to ensure that the water system is made whole or as close as possible and if there should be a program to ensure that happens. The second principle is to strengthen water utilities of all sizes. That relates to the potential issue of loss of revenue for water systems and who or what will fill that loss of revenue, the policy principle suggests that it needs to be a combination of state, local and federal.

While on the whole the principles align with RWA policies, he brought attention to the sentence on the rate structure that is designed to ensure affordability. We do not have the ability to edit this letter, it is just for sign on purposes.

M/S/C Mr. Schubert moved, with a second by Mr. Greenwood, to provide direction to the Executive Director to sign onto the US Water Alliance Guiding Principles. Ron Greenwood, Carmichael Water District, Sean Bigley, City of Roseville, 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.

**10. EXECUTIVE DIRECTOR'S REPORT**

There has been an initial meeting on the water forum negotiations with what is called the negotiating steering committee and five members from the Water Caucus, members of the Public Caucus and four members of the Environmental Caucus. We

are still determining the scope and geographic extent of the topics that we are going to work through. One option is to utilize the current structure of the water forum agreement based on its current seven elements. The Public Caucus and Water Caucus are developing a statement of interest that we will be providing to the Environmental Caucus.

An issue has been raised by Greg Zlotnick regarding COVID-19 and stagnant water in buildings, particularly commercial buildings that could potentially be a public health hazard. We are putting some work into this especially for the City of Roseville and the City of Sacramento in a webinar to help operators with that issue. We're still thinking through what the level of outreach should be on this issue.

There is good news in that the water bank was identified as a potential project in the Water Resources Development Act legislation. We still need to think about what that means for us and if we need to engage a little bit more to shape this in a way that is helpful to us.

## **11. DIRECTORS' COMMENTS**

Ms. Carrey said that the City of Sacramento has implemented health screening for visitors to all water supply facilities. The agreements with RWA for the Regional Aquifer Storage and Recovery Information Project and the Regional Water Bank have both been executed. The City of Sacramento will be sending a letter of support for AB 2182 regarding public safety. The City is preparing for possible water transfer activities later this season.

## **ADJOURNMENT**

Chair Schmitz adjourned the meeting at 11:31 a.m.

By:

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Chairperson

Attest:

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Josette Reina-Luken, Board Secretary / Treasurer