

**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.

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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, 2020 Regular Board meeting minutes

4. FILL VACANCY ON THE EXECUTIVE COMMITTEE

Action: Fill the Vacancy on the RWA Executive Committee pursuant to Policy 200.3, Procedures for Selection of the Executive Committee

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

7. LEGISLATIVE AND REGULATORY UPDATE

Information Update: Ryan Ojikian, Legislative and Regulatory Affairs Manager

8. 2020 GROUNDWATER SUBSTITUTION TRANSFERS

Information Update: Rob Swartz, Manager of Technical Services

9. WATER LOSS REGULATION UPDATE

Information Update: Amy Talbot, Senior Project Manager

10. SACRAMENTO REGION WATER UTILITY COLLABORATION/INTEGRATION STUDY

Presentation: Dan York, General Manager, Sacramento Suburban Water District

11. EXECUTIVE DIRECTOR'S REPORT

12. 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.

AGENDA ITEM 3a: CONSENT CALENDAR

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

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

1. CALL TO ORDER

Chair Schmitz called the meeting of the Board of Directors to order at 9:00 a.m. as a teleconference meeting. Individuals who participated are listed below:

RWA Board Members

Evan Jacobs, California American Water District
Ron Greenwood, Carmichael Water District
Cathy Lee, Carmichael Water District
Ray Riehle, Citrus Heights Water District
Hilary Straus, Citrus Heights Water District
Marcus Yasutake, City of Folsom
Ray Leftwich, City of Lincoln
Bruce Houdesheldt, City of Roseville
Sean Bigley, City of Roseville
Jeff Harris, City of Sacramento
Michelle Carrey, City of Sacramento
Grace Espindola, City of Yuba City
Diana Langley, City of Yuba City
Martha Guerrero, City of West Sacramento
Michael Raffety, El Dorado Irrigation District
Randy Marx, Fair Oaks Water District
Robert Dugan, Placer County Water Agency
Brent Smith, Placer County Water Agency
Mark Martin, Rancho Murieta Community Services District
Tim Shaw, Rio Linda/Elverta Community Water District
Kerry Schmitz, Sacramento County Water Agency
Kevin Thomas, Sacramento Suburban Water District
Dan York, Sacramento Suburban Water District
Marty Hanneman, San Juan Water District
Paul Helliker, San Juan Water District

RWA Associate Members

Ansel Lundberg, SMUD, José Ramirez, SRCSD and Brett Storey, Placer County

RWA Affiliate Members

Charles Duncan and Kelye McKinney, West Yost Associates, Vanessa Nishikawa, Stantec, Alan Driscoll, Forsgren Associates, Inc., Paul Selsky, Brown and Caldwell, Michael Johnson, Jacobs, John Woodling, GEI Consultants

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:

Pam Tobin, Bob Reisig, Greg Zlotnick, Kevin Thomas, Andrew Fecko, Peggy Vande Voore

2. PUBLIC COMMENT

None.

3. CONSENT CALENDAR

- a. Minutes from the March 19, 2020 9 Regular Board meeting
Action: Approve the March 19, 2020 Regular Board meeting minutes
- b. Amend RWA Conflict of Interest Code (RWA Policy 200.4)
Action: Amend Conflict of Interest Code (RWA Policy 200.4)
- c. FY 2019-2020 Audit
Action: Approve the FY 2019-2020 Audit

Motion/Second/Carried (M/S/C) Mr. Greenwood moved, with a second by Mr. York, to approve the consent calendar items. Evan Jacobs, California American Water, Ron Greenwood, Carmichael Water District, Ray Reihle, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Ray Leftwich, City of Lincoln, Bruce Houdesheldt, City of Roseville, Jeff Harris, City of Sacramento, Mike Raffety, El Dorado Irrigation District, Randy Marx, Fair Oaks Water District, Brent Smith, Placer County Water Agency, Mark Martin, Rancho Murieta CSD, Tim Shaw, Rio Linda/Elverta CSD, Kerry Schmitz, Sacramento County, Dan York, Sacramento Suburban Water District and Marty Hanneman, San Juan Water District voted yes. Diana Langley, City of Yuba, abstained for Consent Calendar item 3a.and voted yes for 3b and 3c. The motion carried.

4. FISCAL YEAR 2020 – 2021 BUDGET

James Peifer said that that he has been Executive Director for almost a year and while a lot has been accomplished by the RWA in the last year, there is more to do to improve the region's water supply reliability with regard to future droughts, increased water demand throughout the state, and challenging regulations. The strategic plan was stalled due to the COVID-19 crisis but is now moving forward. He went over the benefits of RWA membership that include RWA providing a forum for regional collaboration on all things water, a regional voice with presence on statewide issues and a presence on initiatives that are being considered by the State Water resources Control Board on water loss. The RWA provides legislative and regulatory representation, facilitates regional planning and provides regional implementation on programs and projects with successful modeling for grant funding. Increased revenues were received from other sources and investments were higher along with other programs that help offset costs. A 3% increase is

proposed for associate members and no increase for affiliate members. To engage the services of Christine Kohn for support to improve communications within the region, we added more to the budget to cover those costs and legal fees were increased slightly. The Water Efficiency Program continues to be paid for with 40% from member dues and 60% from subscription program dues. The SGA will now contribute 10% of the cost for the Legislative and Regulatory Affairs Manager. The City of Folsom has become a large agency. The Executive Committee has recommended they continue as a medium sized category for purposes of this budget giving them time to budget as a large agency next year. The RWA budget is a compilation of two budgets, a core program and the subscription program or programming budget.

Ms. Reina-Luken, Financial and Administrative Services Manager reviewed the revenues, expenses, cash balance and the designations that are required by the budget policies set by the board. Last year, a dues increase of 18% was proposed. This budget proposes a dues increase of 5%. The dues reduction is the result of staff and administrative savings and the FY19 audit showing a better cash position than what RWA was originally expecting. RWA was able to apply these savings to this budget year to offset any projected deficit. There were subscription program revenues resulting in increased revenues to RWA. We have a structural budget deficit because expenses are outpacing revenues, however we have excess cash on hand so we are able to offset the expense amount, and keep the dues low. The SGA 50% cost share for common office, staff and administrative costs comes in on the revenue side to RWA. RWA currently has 7.5 employees, a half of an employee higher than last year because SGA employed an annuitant to assist with the Groundwater Sustainability Plan. The operating budget is offered for approval. The Water Efficiency Program has their own budget committee and will be reviewing and making a recommendation to approve. We do have miscellaneous revenues that include rebates, discount checks, holiday social money and interest income. Budgeted expenses include staff expenses, office expenses, professional fees and core projects. Office expenses will include some contingency funds for computer support, professional fees are for legal support and public relations includes communications and the strategic planning. Shared expenses include human resources, financial audits and general consulting. Furniture purchases, an office move and computer replacements and computer server replacement are one-time expenses that are shared by RWA and SGA.

The unfunded pension plan funding follows Policy 500.15 and is based on a premise that the unpaid unfunded pension plan liability would be paid off in four years. We are proposing a 5% increase going to no more than 7% in the next three years. We increased it in order to meet the operating fund designation coverage to have 4 to 6 months of operating expenses.

Ms. Schmitz noted that initially we started at 18%, the first draft of the budget was at 7% and then reduced to 5%. Any further reductions in revenues would require a reduction in the expense categories.

Mr. Peifer noted that there are challenges with the COVID-19 crisis and future recovery. Tools are needed to continue our engagement with state and federal governments for relief and funding for our member agencies including communication.

Mr. Yasutake thanked the Executive Committee and Board for their consideration to allow the City of Folsom to remain as a medium agency in the upcoming budget year to give them time to budget for future years.

M/S/C Mr. Hanneman moved, with a second by Mr. Houdesheldt, to approve the Fiscal Year 2020-2021 budget. Evan Jacobs, California American Water, Ron Greenwood, Carmichael Water District, Ray Riehle, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Bruce Houdesheldt, City of Roseville, Jeff Harris, City of Sacramento, Martha Guerrero, City of West Sacramento, Diana Langley, City of Yuba Mike Raffety, El Dorado Irrigation District, Randy Marx, Fair Oaks Water District, Brent Smith, Placer County Water Agency, Mark Martin, Rancho Murieta CSD, Kerry Schmitz, Sacramento County, Dan York, Sacramento Suburban Water District and Marty Hanneman, San Juan Water District voted yes. Ray Leftwich, City of Lincoln, voted no and Tim Shaw, Rio Linda/Elverta CSD, abstained. The motion carried.

5. RWA FEDERAL AFFAIRS AD HOC COMMITTEE UPDATE

Mr. Bigley gave an update on the progress and efforts of the RWA Federal Affairs Ad Hoc Committee. The committee is looking at potential federal opportunities for action on a federal infrastructure funding package for economic recovery as well as job creation. The committee has taken an effort to start to develop and prepare for upcoming discussion in the federal realm. The state activity is uncertain with the State of California facing a significant budget deficit. The committee has been working with RWA member agencies to develop a regional infrastructure spreadsheet. Most projects consist of objects from 16 member agencies and equates to approximately one point two billion dollars for planned structure expenditures. Those projects are now identified within the region and span across a variety of different types of projects from traditional potable water, to recycled water projects and similar categories. The committee developed a draft white paper that provides context with respect to infrastructure and why it is needed. The document is well developed and cites information with respect to the infrastructure need from a nationwide and regional standpoint and outlines the economic situation and the regional needs. There is a compelling argument for federal investment in the Sacramento region for economic activity. The white paper can ultimately be used as an advocacy tool by the committee in regional advocacy issues in Washington, D.C. The next steps include developing a company communication strategy to develop a plan to help to benefit the Sacramento region and provide benefits from a national perspective. The committee is wrapping up a regional list to provide to members of the legislature and congressional delegation.

6. FEDERAL AFFAIRS AND RWA COMMITTEE

Mr. Peifer said that the RWA Federal Affairs Ad Hoc committee prepared a memo and submitted it to the RWA board with a number of recommendations. One of those recommendations was that the RWA should form a volunteer standing committee with a dedicated forum for the co-ordination, collaboration, education and engaging on federal policy areas of regional interest. Mr. Peifer noted that the RWA has current policies that govern how a committee can be formed. There is interest by a number of agencies to to continue to work on the federal affairs matters with the RWA and the Executive Director suggested that a committee could be open to any members who want to participate. The Federal Affairs ad hoc committee should only exist for a certain period of time with a defined scope of work, and moving forward, the RWA should consider forming a standing committee operating within the requirements of the Brown Act. Under the formation of such a committee, the RWA board chair would ensure that no more than nine RWA board members and no more than four Executive Committee members are appointed to the potential standing committee.

There was discussion about how our federal advocacy is an important resource for our region.

Mr. Bezerra clarified that having a majority of RWA board members on a standing committee is not a Brown Act violation, it just requires you to notice the committee meetings as board meetings like we notice our standard board meetings. If board members want to participate and they are not a member of the standing committee they can only participate in the meeting as an observer. The policy allows for the Chair to appoint a standing committee and to appoint members to the committee.

Mr. Harris and Mr. Dugan spoke in support of a Federal Affairs Standing Committee.

Mr. Yastuake commented that if the federal lobbyists for City of Folsom and San Juan Water District are invited to participate, he suggested that only one of the agencies represent their lobbyists on the committee.

M/S/C Mr. Harris moved, with a second by Mr. Houdesheldt, to accept a standing committee leaving it to the Executive Director's discretion to appoint members that would comprise the committee. Evan Jacobs, California American Water, Ron Greenwood, Carmichael Water District, Roy Riehle, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Ray Leftwich, City of Lincoln, Bruce Houdesheldt, City of Roseville, Jeff Harris, City of Sacramento, Martha Guerrero, City of West Sacramento, Diana Langley, City of Yuba City, Mike Raffety, El Dorado Irrigation District, Brent Smith, Placer County Water Agency, Mark Martin, Rancho Murieta CSD, Kerry Schmitz, Sacramento County, Dan York, Sacramento Suburban Water District and Marty Hanneman, San Juan Water District voted yes. Tim Shaw, Rio Linda/Elverta CSD, voted no. The motion carried.

7. LEGISLATIVE AND REGULATORY UPDATE

Mr. Ojakian said that this year is anything but a regular legislative session with the lockdown and recess. Normally April would be the busiest time of year for legislative activity in terms of bill volume and the time when policy bills are heard in the first policy committees. The state is facing a significant budget deficit that impacts legislation. Bills regarding water quality and water efficiency have a cost associated so they are not likely to be successful. Policy is not moving forward without funding with the funding question to be resolved in two phases. Phase one is when the governor presents his revisions and the legislature passes the budget by June 15th. The legislature can revise any budget that is passed and the expectation is that there will be significant revisions in August. An economic stimulus proposal is possible but not defined that would include infrastructure projects among other issues that would be relevant for RWA members.

On the regulatory side the Water Board approved the policy for expenditure of the Safe Drinking Water Fund operating as if the safe drinking water fund is not impacted. The Safe Drinking Water was funded with a program that drew down funds from the state Greenhouse Gas Reduction Fund. If the governor uses greenhouse gas reduction fund for more expansive purposes than simply climate change related issues that could mean some of the drinking water funds could be skimmed. On the surface Safer Drinking Water funds appear to be insulated from the general fund.

The regulatory world has been relatively undisrupted. There was reorganization to determine how to continue to proceed in a virtual fashion and the regulatory world has proceeded relatively undeterred. The Water Board has taken an action and adopted a policy on Safe Drinking Water funds and will be adopting an expenditure plan soon. They have a draft white paper on the economic feasibility for an MCL on Chrome 6 and have developed best practice guidelines for how water systems should be handled to deliver water during the current crisis.

8. WATERLOSS REGULATION UPDATE

Mr. Peifer said the water loss memo included in the board packet was requested by member agencies for the purpose of including it in their own board packages to communicate about the water loss regulation. The water loss regulatory process has been ongoing, starting with the passage of Senate Bill 555, which aims to quantify and set volumetric standards for water loss. The State Water Resources Control Board (State Water Board) has been engaged in the process of drafting a set of regulations that will impact RWA members to varying degrees regarding water loss reduction in their distribution systems. This regulation could result in very expensive water loss interventions therefore, it is important to engage in the development of the regulation to make sure it is appropriate. The water loss regulation involves more than water efficiency and crosses over into asset management. This is why it is important to have the right people involved from member agencies to work with staff on commenting on this water loss regulation.

Ms. Talbot gave a brief summary of the current draft water loss regulation and next steps for involvement. There are two components to Senate Bill 555, one is a validated water loss audit and the second is the development of a water loss performance standards for efficient water loss in the form of gallons per connection per day of water loss. The water loss regulation will fit into the larger Conservation Regulation (Senate Bill 606 and Assembly Bill 1668), which also includes residential indoor use, residential outdoor use, and commercial, institutional, and industrial landscape water use. For the Conservation Regulation, agencies will have to calculate their agency's specific water budget, which will include their water loss performance standards in 2024. The first draft of the water loss regulation was released in September 2019 and the State Water Board released its most current draft in April 2020. The draft regulation materials were sent to RWA water efficiency staff for review. The comment period closes at noon on May 26th. The main focus is on reviewing the economic model, which dictates an agency's water loss performance standard. The State Water Board will have a chance to make revisions based on the stakeholder comments before the formal rulemaking process, which is expected to begin in June. A series of questionnaires, covering apparent loss/meter testing, pressure management, and asset management/pipe replacement were also released as part of the water loss regulation. The questionnaires are considered mandatory to complete as part of compliance with the water loss regulation, which is inappropriate. There is concern about the technical and economic feasibility of the water loss standards produced by the proposed economic model. Another concern is the economic functionality of the model itself. The leak related input components in the model invoked more substantial change the resulting agency water loss standard than the economic input factors. The economic inputs need to be equally as active. Additionally, staff is going to request that the State Water Resources Control Board solicit an independent 3rd party review of the model.

Ms. Talbot requested that each RWA agency review the water loss regulation documents and the economic model and submit their own comment letters to the State Water Board. RWA will be submitting its own letter. Additionally, staff is working with several statewide organizations to develop an association coalition comment letter and an agency letter template.

9. EXECUTIVE DIRECTOR'S REPORT

The grant recommendation from the Department of Water Resources is seven point five million dollars for our region. Mr. Swartz commented that it is now eight point seven million.

Mr. Peifer is hoping RWA members who are within the American River engage for discussions with the water caucus and the public caucus in our ongoing negotiations. This is another item which could affect member agencies financially. The Water Forum will need to be funded in the future and we will have to find our way forward in that process.

There will be two strategic plan virtual workshops on June 19th, 2020 and June 26, 2020. The meetings were broken up to make it easier to go over objectives with virtual meetings.

We were able to approve the Memorandum of Understanding between SCGA and the other GSAs this week.

10. DIRECTORS' COMMENTS

Mr. Greenwood thanked Ms. Reina-Luken for her presentation on the budget. He welcomed the new general manager for Carmichael Water District, Cathy Lee. She will be their representative for the federal affairs committee.

Mr. Yasutake thanked the Executive Committee and the RWA board for keeping City of Folsom as a medium agency for this budget year giving them an opportunity to get budget information together for next fiscal year as they become a large agency.

Mr. Houdesheldt said that at the City of Roseville's last meeting they continued to work on resiliency and exploring some partnerships. We are all facing challenging times with the pandemic and we are also facing dry conditions in some areas.

Ms. Roccucci said that we are wrestling with the economic outcomes for all our individual cities and agencies. With the COVID virus, water loss, trying to work with the water board and other issues it seems we are all trying to keep our communities healthy, safe and economically viable. She said that she sees us all working together. She thanked staff for the budget and federal affairs presentations.

Ms. Carrey gave an update on the temporary groundwater substitution water transfer that the City of Sacramento is working on with five other agencies. It is intended to begin on July 1st and could last up to five months. There is a draft negative declaration supporting the transfer that is out for a 30-day public review and comment period that ends June 9th.

Mr. Raffety thanked Ms. Talbot for the detailed information she presented. He will present the chart at the next El Dorado Irrigation District board meeting.

Mr. Dugan complimented staff on putting the GoToMeeting together. He also thanked Ms. Schmitz and the team for the federal advocacy direction. There has been relevant federal dialog regarding our regions water supply issues for the last 10 years and to formalize it the way that we are doing is the most reasonable and appropriate approach. It puts a more formal approach to our voice and our process and ensures everyone can have a voice as we are looking at how we make sure that we are at the table instead of on the table when federal decisions are made. At this point it makes sense to regroup the Voluntary Agreement committee and figure out if there is something else that we need to do along those lines in the future.

Mr. Smith said that RWA staff gave wonderful presentations that were easy to understand. A recommendation was presented to the Placer County Water Agency board to roll the Voluntary Agreement effort into the strategic planning process.

Mr. York added to Ms. Carrey's water transfer update that may go on for five months which adds to revenues. He thanked the City of Sacramento for the partnership similar to the 2018 transfer. Whatever groundwater is provided for the transfer the City of Sacramento gives back to Sacramento Suburban Water District at no cost the following year which allows the district to turn off groundwater wells and the self-service area to help the basin recover. That is a lot of effort for regional benefit.

Adjournment

With no further business to come before the Board, Chair Schmitz adjourned the meeting at 11:16 a.m.

By:

Chairperson

Attest:

Josette Reina-Luken, Board Secretary / Treasurer

AGENDA ITEM 4: FILL VACANCY ON THE EXECUTIVE COMMITTEE

BACKGROUND:

The RWA Executive Committee of the Board of Directors is seeking to fill a post-election vacancy. When a committee member is unable to fulfill their term, RWA Policy 200.3 (full policy is enclosed) provides for the filling of a vacancy as follows:

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

The San Juan Water District, which previously held the position, recommended Dan Rich as a replacement on the Executive Committee to the Board Chair on June 25, 2020. Consistent with Policy 200.3, the RWA Board of Directors will then consider a permanent appointment for the remainder of the current term for Mr. Rich at its next regular meeting. A bio for Mr. Rich is enclosed.

Consistent with Policy 200.3, the Board will be asked to vote on the appointment of Mr. Rich to the Executive Committee. If Mr. Rich does not receive a majority of the vote, a second vote would be held consistent with the procedures identified in Policy 200.3. Because one seat on the Executive Committee would be filled, and all membership requirements for the Executive Committee have been satisfied, the election, if necessary, would be an at-large election under section I.3.n of Policy 200.3.

Voting will be accomplished by email. Please send an email to both Josette Reina-Luken (Board Secretary) and Ryan Bezerra (RWA Counsel) during the vote. Please send one email per agency.

Email address for Ms. Reina-Luken and Mr. Bezerra are:

josette@rwah2o.org
rsb@bkslawfirm.com

Action: Fill the vacancy on the RWA Executive Committee pursuant to Policy 200.3, Procedures for selection of the Executive Committee

Attachments:

1. Policy 200.3
2. Letter from San Juan Water District proposing the appointment of Mr. Dan Rich
3. Dan Rich Biographical Sketch

REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

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

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

Background

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

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

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

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

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

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

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

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

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

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

the Executive committee.

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

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

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

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

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

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

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

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



Directors

Edward J. "Ted" Costa
Marty Hanneman
Kenneth H. Miller
Dan Rich
Pamela Tobin
General Manager
Paul Helliker

June 25, 2020

Ms. Kerry Schmitz
Chair, Board of Directors
Regional Water Authority
5620 Birdcage Street, Suite 180
Citrus Heights, CA 95610

Dear Chair Schmitz,

Pursuant to Section III of Regional Water Authority (RWA) Board Policy 200.3, and on behalf of the San Juan Water District (San Juan), we would like to recommend that Dan Rich replace Marty Hanneman as our representative on the Executive Committee of the RWA Board of Directors. On June 24, 2020, the San Juan Board of Directors designated Director Rich and Greg Zlotnick as San Juan's two members of the RWA Board of Directors. As an elected member of San Juan's Board, Director Rich is eligible to serve in the position on the Executive Committee previously occupied by Director Hanneman.

As we understand the policy, Director Rich will immediately assume this position on the Executive Committee, and his service in this role will be subject to approval by a majority vote by the RWA Board of Directors at its next regularly-scheduled meeting.

Thank you for your assistance in making these changes. If you need any further information, please feel free to contact me at (916) 791-6936.

Sincerely,

Paul Helliker
General Manager

Dan Rich Bio

Dan Rich, P.E. is Vice President and co-founder of Nexgen Utility Management, Inc. which provides engineering and asset management solutions for public utilities. Dan has 27 years of experience in the planning, design, and construction oversight of recycled water systems for cities across California. He has a Master's Degree in Sanitary Engineering and an MBA both from UC Davis. Since 2014 Dan has served as an elected Director at the San Juan Water District. While at San Juan, he hired new General Manager and adopted a financial plan that restored emergency reserves, initiated a \$40 million CIP to improve reliability of the water treatment plant, and benchmarked salaries. Dan hopes to continue to leverage SJWD's significant resources for the benefit of its customers and the region.

Dan is a resident of Granite Bay. He enjoys spending time with his wife and three teenagers. Weekends are typically consumed with water polo and swimming events. He and his family are anxiously awaiting the return of college sports and professional baseball.



Dan Rich, P.E.

Principal

NEXGEN Utility Management

D: 916.779.7301

O: 916.564.8000

C: 916.835.3899

drich@nexgenum.com | nexgenum.com

4010 Lennane Drive | Sacramento, CA 95834



AGENDA ITEM 5: 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 20th, 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 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.

The Executive Committee recommended the Board approve the MOU at the June 24th Committee Meeting. The Sacramento Groundwater Authority approved the MOU at the June 11th SGA Board Meeting.

EXECUTIVE COMMITTEE RECOMMENDATION:

Discussion: Jim Peifer, Executive Director

Action: Approve Memorandum of Understanding for Development of a Strategy for Shared Operations of the RWA, SGA and SCGA

Attachments:

1. Draft MOU 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.

AGENDA ITEM 6: FEDERAL AFFAIRS STANDING COMMITTEE UPDATE

BACKGROUND:

The Federal Affairs Standing Committee met on June 17, 2020 to discuss a number of items including how bills 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) Permit special districts to be considered “eligible issuers” of the Federal Reserve Board’s Municipal Liquidity Facility (MLF); and 3) Define “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 Executive Committee approved that position at the June 24th committee meeting. A copy of the letter sent to Senator Feinstein is attached and letters were sent to the congressional delegation that represents RWA members.

Work continues to educate members of Congress on the funding needs to improve water supply reliability and for relief of the COVID-19 crisis. Committee members, member agency staff and RWA staff have scheduled briefings with the staff of the congressional delegation to discuss our needs. Attached is a power point presentation that is being used for the briefings. A mapping tool has been prepared to assist in identifying the locations of projects. The City of Roseville prepared the map for the benefit of the RWA members and it may be found here:

<https://roseville.maps.arcgis.com/apps/opsdashboard/index.html#/9a4775bbb5d84c689eba567d156784fc>

The Ferguson Group and ENS Resources, who are Federal advocates that represent a number of member agencies, have prepared a legislative tracker to allow RWA members to track federal legislation that is of interest to the committee. A copy of the tracker is attached.

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

Attachments:

1. RWA Federal Legislative Tracker
2. RWA Federal Recovery Presentation
3. COVID-19 Federal Funding Factsheet
4. Letter to Senator Feinstein - HR 7073
5. Letter from Reclamation to Chairwoman Marci Kaptur, Subcommittee on Energy and Water Development, and Related Agencies Committee on Appropriations



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
HR 1162	Subcommittee On Water Oceans And Wildlife Discharged 2020 03 11	In House	<div style="display: flex; justify-content: space-between;"><div style="width: 45%; background-color: #f4a460; text-align: center;">36.7%</div><div style="width: 45%; background-color: #8ebf8e; text-align: center;">84.1%</div></div>
Title Water Recycling Investment and Improvement Act	Bill Summary: 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.		
Primary Sponsors Grace Napolitano	Introduction Date: 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

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FiscalNote

RWA

Regional Water Authority

BUILDING ALLIANCES IN
NORTHERN CALIFORNIA



**Never has there been a
better, more critical time
to invest in the water
sector**

**The delivery of safe,
reliable water supplies is
at risk**

**Increased costs + decreased revenues estimated
at \$15 billion for drinking water utilities nationwide**



Drinking water infrastructure funding needs

**\$472.6 billion needed in the next
20 years nationwide**

\$50 billion needed by California alone

Source: U.S. Environmental Protection Agency "Drinking Water
Infrastructure Needs Survey and Assessment" (2018)



Accessible, high-quality jobs for displaced workers

**53% of water workers have a high
school diploma or less (compared to 32.5%)**

**Every \$1 million invested
creates 15-18 jobs**

Source: American Water Works Association "The Financial Impact of the COVID-19 Crisis on U.S. Drinking Water Utilities" (4/14/2020)





Water infrastructure jobs for the Sacramento region

**About 20,000 high-quality jobs
for a diverse workforce**

**\$1.2 billion in vital public
investment**





**A proven return
on investment**

Now is the Time to Invest in Water



RWA

Regional Water Authority

BUILDING ALLIANCES IN
NORTHERN CALIFORNIA

rwah2o.org



Now's the Time to Invest in Water

The need for increased investment in the infrastructure that supplies safe, clean, and reliable water has never been more critical.

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 (AWWA), nationwide these unprecedented pressures are projected to cost water utilities in the range of \$13 billion to \$15 billion.¹



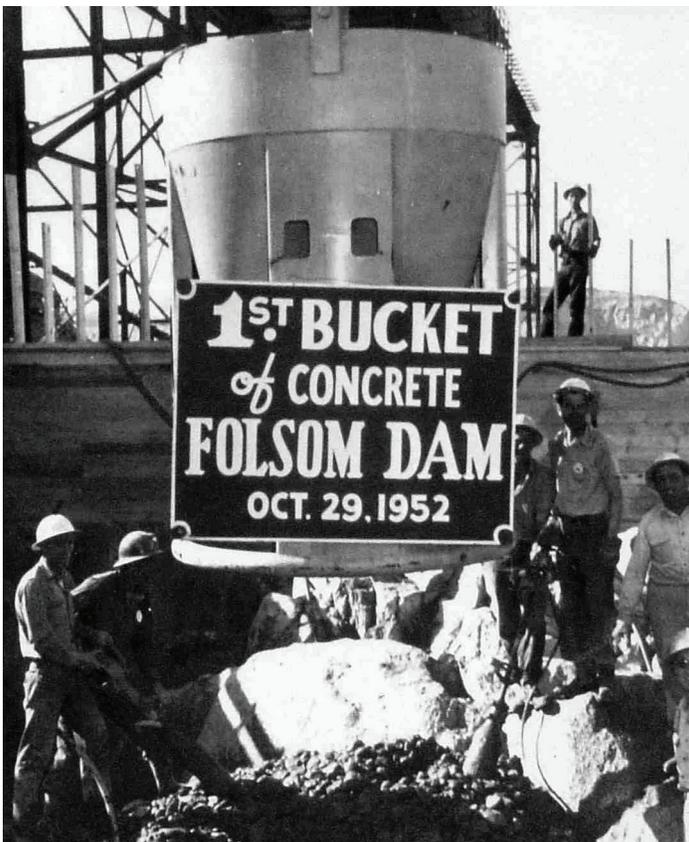
Underfunded for Decades

The coronavirus emergency and the present threat to water suppliers follows decades of declining federal investment in the infrastructure needed for reliable water delivery to homes and businesses.

Much of the nation's water infrastructure was constructed 75 to 100 years ago and needs replacement now. According to the U.S. Environmental Protection Agency, \$472.6 billion is necessary over the next 20 years to rehabilitate community drinking water systems nationwide, with California alone accounting for more than \$50 billion of this need.² Other projections are as high as \$720 billion for both water and wastewater systems, with estimates indicating as much as two-thirds of this amount currently unfunded.³

Climate change is expected to further strain water systems as warming temperatures and decreased snowpack cause more intense flood events and droughts, making new investment in more resilient water infrastructure even more imperative and urgent.

Consequently, it is critical to reverse the decline in federal funding for water infrastructure that has occurred over the past few decades according to the Congressional Budget Office. In 2017, the federal government spent \$8 billion for water infrastructure, compared to \$33 billion in spending by state and local governments.⁴ COVID-19 will dramatically reduce the availability of that state and local capital funding.



The Opportunity to Create Jobs and Drive Economic Recovery

Now is the time to create jobs and opportunities for displaced workers by investing in the water infrastructure needed for the delivery and treatment of safe, clean, and reliable water supplies for the next generation.



Water sector jobs are accessible for displaced workers

- 53 percent of water workers have a high school diploma or less, compared to 32.5 percent of workers nationally.



Investment in the water sector can provide an immediate economic return

- Every \$1 invested in water supply and sewer systems yields a \$2.62 increase in private industry revenue in the initial year and a \$6.35 increase in private sector output over the long-term.
- Every \$1 million in capital spending on drinking water projects creates 15 to 18 jobs.⁵



Federal investment in economic recovery now can prevent further hardship

- Without increased federal support, up to \$5 billion in annual capital expenditures are projected to be delayed or deferred by water utilities.
- Up to \$32.7 billion in economic activity is projected to be reduced in affected communities due to deferred utility spending.
- Up to 90,000 private sector jobs could be lost or delayed.⁶

A Proven Return for the Sacramento Region

The Regional Water Authority (RWA) and its member agencies have a successful track record undertaking and managing projects fueled by federal funding.

After the 2013-2016 multi-year west-wide drought, the RWA helped secure and manage \$10 million in federal grants, leveraging \$26 million of investment as its member agencies broke ground on 16 projects within just six months.

Today, the RWA has identified 150 water, groundwater, recycled water, and wastewater projects that its members are ready to construct over the next year. These range in cost from hundreds of thousands to hundreds of millions of dollars, totaling \$1.2 billion in vital public investment.

Projects would:

- Generate about 20,000 jobs
- Rehabilitate aging facilities and develop new infrastructure
- Implement pilot projects to demonstrate alternative “green” technologies
- Build resiliency and develop a more reliable water future for a growing Sacramento regional economy



1. Fiscal Impact of the COVID-19 Crisis on U.S. Drinking Water Utilities, American Water Works Association | 2. Drinking Water Infrastructure Needs Survey and Assessment, Sixth Report to Congress, U.S. EPA Office of Water, https://www.epa.gov/sites/production/files/2018-10/documents/corrected_sixth_drinking_water_infrastructure_needs_survey_and_assessment.pdf | 3. National Economic & Labor Impacts of the Water Utility Sector, Water Research Foundation, September 2014 | 4. Federal Investment, 1962 to 2018, Congressional Budget Office, June 2019, https://www.cbo.gov/system/files/2019-06/55375-Federal_Investment.pdf | 5. Fiscal Impact of the COVID-19 Crisis on U.S. Drinking Water Utilities, American Water Works Association | 6. Fiscal Impact of the COVID-19 Crisis on U.S. Drinking Water Utilities, American Water Works Association



June 29, 2020

Kerry Schmitz, Chair
Sean Bigley, Vice Chair

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

Members

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

Associates

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

Dear Senator Feinstein,

The Regional Water Authority (RWA) respectfully urges you to support H.R. 7073, the Special Districts Provide Essential Services Act, which would bring much-needed relief resources to special districts in our community, throughout California, and across the nation.

Many of the RWA members provide water service to residents in the greater Sacramento area and proportional access to federal relief resources would help our member agencies that are special districts confront the COVID-19 crisis and overcome related unbudgeted expenses and revenue losses. Access to capital as our state and nation struggle with an economic downturn and unprecedented unemployment situation will be key for continuing operations unhindered, restoring our local economy, and preparing for the next disaster.

H.R. 7073 would help the RWA member agencies that are special districts meet the challenges of COVID-19 by:

- **Allowing special districts access to the Coronavirus Relief Fund.** Under the bill, states would be required to allocate no less than 5 percent of future Coronavirus Relief Fund disbursements to special districts. Doing so is a first step toward addressing deep concerns and uncertainty surrounding special districts' future access to much-needed assistance for unforeseen COVID-19-related expenditures and revenue loss. Even with the Fund's allocation under the CARES Act, many states have not yet released their portion of the Fund to local governments, including here in California. Designating special districts as eligible for the Fund would greatly assist districts in their attempts to both recoup revenue losses and backfill the increase in expenditures many have experienced due to a variety of pandemic-related expenses (PPE, etc.), which totals an estimated \$250 million through May 5 for California's special districts.
- **Permitting special districts to be considered "eligible issuers" of the Federal Reserve Board's Municipal Liquidity Facility (MLF).** The Federal Reserve established the MLF as a tool to use funds provided in the CARES Act

Letter to The Honorable Dianne Feinstein
Re: HR 7073
Page two of two

to purchase bonds and revenue anticipation notes to support States and some local governments experiencing financial stress. Despite special districts' authority to issue these notes generally, special districts were not included as "eligible issuers" under the MLF. H.R. 7073 corrects this omission and makes special districts "eligible issuers" for purposes of the MLF, providing them access to capital as they continue to respond to the impacts of the coronavirus pandemic.

- **Defines "special district"**. Currently, a federal definition for "special district" does not exist. The bill would remedy this omission by defining the term as a *"political subdivision, formed pursuant to general law or special act of a State, for the purpose of performing one or more governmental or proprietary functions."*

As Congress continues to negotiate next steps for COVID-19 relief for state and local governments, the RWA not only asks for your support on this bill in the U.S. House but also its provisions' inclusion in the Senate's version of a state and local relief bill.

Thank you for your ongoing support of California's families and communities. If you have any questions, please call Ryan Ojakian, Legislative and Regulatory Affairs Manager, at (858) 205-0663.

Sincerely,



James Peifer
Executive Director

CC: California Special Districts Association
[via advocacy@cda.net]



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

June 22, 2020

94-30000
2.2.4.21

The Honorable Marcy Kaptur
Chairwoman
Subcommittee on Energy and Water Development, and Related Agencies
Committee on Appropriations
House of Representatives
Washington, DC 20515

Dear Chairwoman Kaptur:

Enclosed are the Bureau of Reclamation's (Reclamation) funding recommendations for Water Infrastructure Improvements for the Nation (WIIN) Act of 2016 (Public Law 114-322) storage projects, eligible under Section 4007 of the WIIN Act.

The conference report accompanying the FY 2019 Consolidated Appropriations Act specified that "Of the additional funding provided under the heading 'Water Conservation and Delivery,' \$134,000,000 shall be for water storage projects as authorized under section 4007 of Public Law 114-322."

Enclosed, please find the summary table detailing how a total of \$108,795,000 of the section 4007 designated funds are recommended to be allocated within Reclamation for FY 2021 for water storage projects. Five construction or pre-construction projects (totaling \$98,845,000) and five studies (totaling \$9,950,000) are recommended to be named in appropriations legislation. Reclamation will proceed with expenditure of construction funding once a project has been found feasible and a cost sharing agreement has been signed with a non-federal partner for a construction project. This recommendation is consistent with the Explanatory Statement and section 4007 of the WIIN Act.

If you have any questions or need additional information, please contact Mr. Robert Wolf, Director, Program & Budget, Bureau of Reclamation, at (202) 513-0642.

Sincerely,

Timothy R. Petty, Ph.D.
Assistant Secretary
for Water and Science

Enclosures

Identical Letter Sent To:

The Honorable Lamar Alexander
Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Dianne Feinstein
Ranking Member
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Mike Simpson
Ranking Member
Subcommittee on Energy and Water Development, and Related Agencies
Committee on Appropriations
House of Representatives
Washington, DC 20515

Bureau of Reclamation FY 2017, FY 2018 & FY 2019 Funding for WIIN Act Section 4007 Storage Projects				
State	Category	Project (Study) Title	Project Description	FY 17/18/19 WIIN Recommended Funding to be Spent in FY 21
CA	Pre-Construction / Construction	Shasta Dam and Reservoir Enlargement Project	This project will enlarge Shasta Dam and Reservoir, creating an additional 634,000 acre-feet of storage to benefit anadromous fish cold water supply (191,000 acre-feet) and water supply reliability, improve Upper Sacramento River habitat, increase power generation, and increase/improve recreation opportunities. Funds will be used for preconstruction activities related to Shasta Dam raise, recreation facilities planning/coordination, and reservoir infrastructure modifications. Pre-construction and design activities include: field explorations; contracts for cultural resource activities to support the required Historic Properties Treatment Plan development, survey data collection, seismic and hydrologic studies, and consultant contracts; and project management. Funds will also be used to begin construction once WIIN requirements are met.	\$ 15,000,000
CA	Pre-Construction / Construction	Friant-Kern Canal Capacity Correction Resulting from Subsidence	Address the issue of Friant-Kern Canal (FKC) subsidence; 3,000 acre-feet/day conveyance restored, which would allow significant increase in storage capacity in Millerton Reservoir during key times. Restoring FKC capacity would increase annual average surface water deliveries by 8,000 acre-feet. FY 2021 funding will be used to complete NEPA EIS, develop a Biological Assessment, and establish agreement to preserve historic sites (\$1.9M); preconstruction activities to include land acquisition document development, land surveys, geologic oversight, engineering oversight, and project management (\$2.3M); and initial award funding for construction of \$66.8M.	\$ 71,000,000
CA	Pre-Construction	Los Vaqueros Reservoir Phase 2 Expansion Project	Phase 2 of Los Vaqueros Reservoir Expansion would increase storage up to 115,000 acre-feet in Contra Costa Water District (CCWD), and would add a pipeline to the California Aqueduct. Federal benefits include delivering Incremental Level 4 water to federally recognized wildlife refuge areas south of the Sacramento-San Joaquin Delta. Funding will be used for critical pre-construction activities to include operations agreement development, design, geotechnical investigations, permitting, and water and conveyance rights.	\$ 7,845,000
CA	Study	Delta Mendota Canal Subsidence Correction	Address the issue of Delta-Mendota Canal (DMC) subsidence. Subsidence in the DMC has led to reduced capacity of the DMC. This reduced capacity has led to reduction in storage in the San Luis Reservoir and the Mendota Pool. In order to fully optimize storage in both, the capacity of the DMC must be restored. \$3M will be used to complete the feasibility report activities, and environmental and cultural resource compliance.	\$ 3,000,000
CA	Study / Pre-Construction	North-of-the-Delta Off stream Storage (Sites Reservoir Project)	The proposed project includes up to an additional 1.8 million acre-feet of off-stream surface storage to restore flexibility and adaptability to Central Valley Project (CVP) and State Water Project (SWP) operations. Funding will be used for feasibility activities including operational agreements as well as ESA revisions, water rights, and water modeling.	\$ 4,000,000

Bureau of Reclamation FY 2017, FY 2018 & FY 2019 Funding for WIIN Act Section 4007 Storage Projects				
State	Category	Project (Study) Title	Project Description	FY 17/18/19 WIIN Recommended Funding to be Spent in FY 21
CA	Study	Del Puerto Water District	This study investigates the feasibility of a new storage reservoir that could provide additional off-stream storage of 60,000 to 140,000 acre-feet, south of the Sacramento-San Joaquin Delta. This is proposed as a state-led project, and the request funds the traditional 50 percent Federal share of the feasibility study. Federal participation in total project costs will be limited to 25 percent. This effort will build from Del Puerto Water District's existing documents and efforts. Funding will be used for NEPA, ESA, and historic site preservation activities and will complete the feasibility study.	\$ 1,500,000
CA	Study	San Luis Low point Improvement Project	Expansion of Pacheco Reservoir (owned by Valley Water) is the preferred alternative. This includes the 135,800 acre-feet earthen dam and spillway, new pipelines and tunnels connecting the new reservoir to the Pacheco Conduit. Funding completes the feasibility study. Project benefits include addressing the "low point" issue at San Luis Reservoir, improving conditions for endangered anadromous fish species (steelhead) in Pacheco creek and increasing the amount and time the facility is available to deliver water for Federal purposes.	\$ 1,700,000
CA	Study	Sacramento Regional Water Bank	Proposed project is a groundwater storage bank with a total capacity of approximately 1.8 million acre-feet, and annual storage volumes of up to 60,000 acre-feet in wet years. Project benefits are derived from improving Folsom Reservoir operations and providing another storage option to help meet municipal and industrial water needs in the Sacramento Region. Funding will be used for a feasibility study, environmental compliance, and to put external partner agreements in place.	\$ 870,000
ID	Pre-Construction	Boise River Basin Feasibility Study	This study investigates opportunities to increase surface water storage in the Boise River watershed, located in southwestern Idaho. Following initial screening of alternatives, the project will focus on a raise of Anderson Ranch Dam that would provide up to 29,000 acre-feet of new storage.	\$ 2,880,000
WA	Construction	Cle Elum Pool Raise	Modify the radial gates at Cle Elum Dam to provide an additional 14,600 acre-feet of storage capacity in Cle Elum Reservoir; provide for shoreline protection of Cle Elum Lake. The additional storage is intended primarily for instream passage for fish while maintaining existing commitments for irrigation deliveries. The \$1 million recommended in FY 2021 will support land acquisition, project management, and shoreline protection for the remaining locations around the reservoir.	\$ 1,000,000
Total of WIIN funding requests				\$ 108,795,000

AGENDA ITEM 7: LEGISLATIVE AND 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, and staff is redirecting efforts to regulatory initiatives.

Both houses are on recess and will reconvene July 13th. Typically the end of session is 4 weeks and comes after all policy committee meetings, this year it will be 7 weeks and include policy committee hearings. The end of session projects to be more contentious than usual. The Senate greatly reduced the number of bills that they moved, and some Assembly policy committees have significantly reduced the number of bills they have passed. This dynamic may lead to questioning the necessity of a large number of even the relatively few remaining bills.

The Legislature passed a budget that avoids significant cuts at the moment. It relies on federal funds to ultimately avoid cuts. There are still major policy issues to be resolved in budget trailer bills. The resources trailer bill will have several issues of interest to RWA most significantly how Greenhouse Gas Reduction Funds (GGRF) are addressed. Additionally, with July 15th being “tax day” this year there will be new information about what the states revenue picture truly looks like. There is a high likelihood that the budget will be modified before the end of the session.

Funding for safe drinking water is one of the primary issues that will be addressed through the 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.

The potential for a bond remains a possibility, though the odds remain long. The Secretary of State has made it known that the Legislature must pass a bond by July 26th in order for there to be sufficient time for it to be included in the ballot materials. Conversations are ongoing with the Administration becoming more engaged since the budget was finalized June 26th. The focus on a bond has shifted from resilience to economic stimulus. Additionally, Senator Hertzberg has been pursuing an approach to advance tax receipts over the next decade to fund short term economic stimulus. At this time both of these approaches seem less likely than likely to advance, but staff is engaging in these conversations, as it is possible that they carry over to future efforts beyond this year.

Information Update: Ryan Ojakian, Legislative and Regulatory Affairs Manager

AGENDA ITEM 8: 2020 GROUNDWATER SUBSTITUTION TRANSFERS

BACKGROUND:

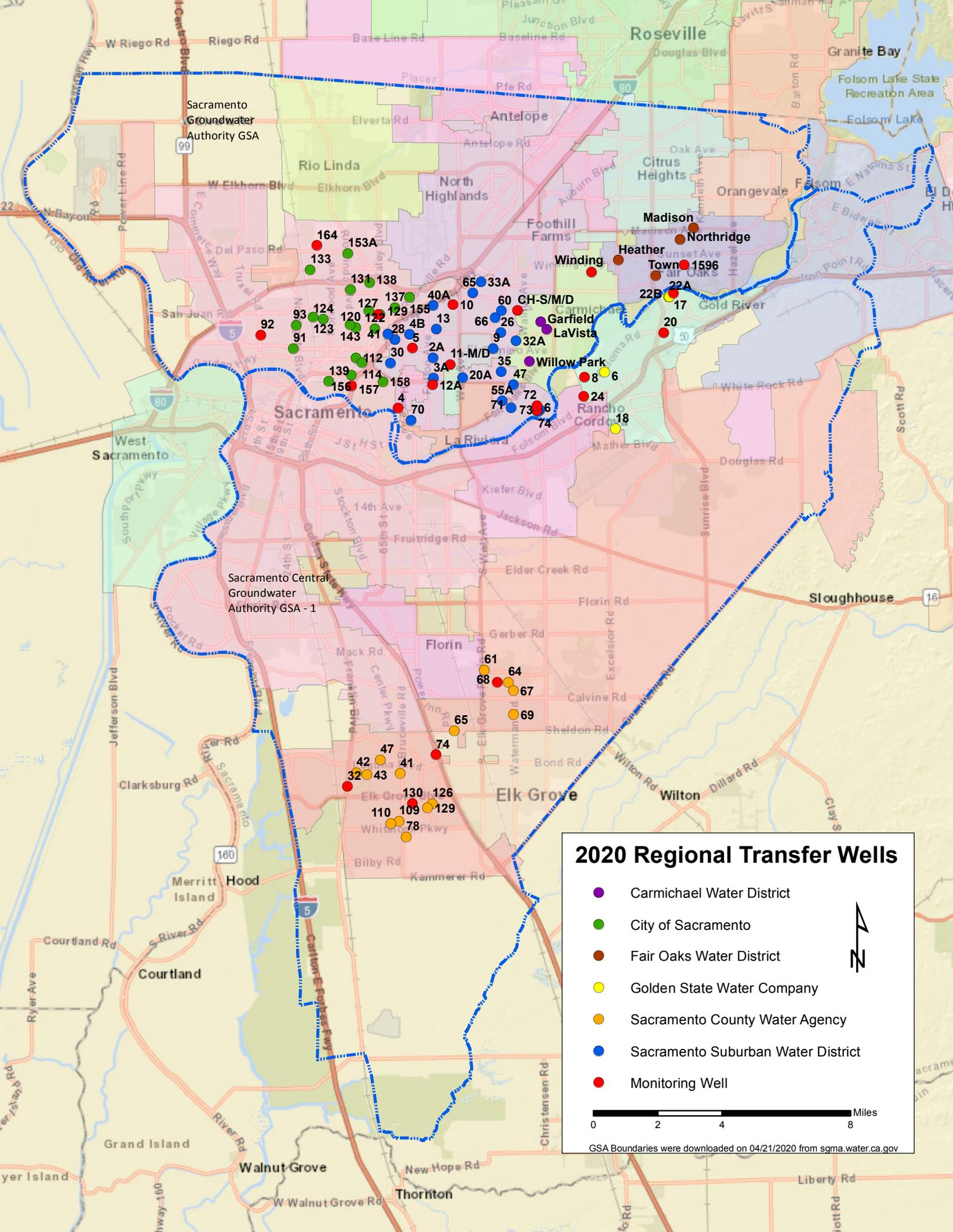
Several Sacramento area water purveyors (“Sellers”) have joined together on a single coordinated transfer up to 18,500 acre-feet of surface water during July, August, September, October, and November 2020 to State Water Project (“SWP”) contractors participating in the SWP’s Dry Year Transfer Program (“DYTP”). The SWP DYTP participants include: Dudley Ridge Water District, Kern County Water Agency, County of Kings, and Alameda County Water Agency (“Buyers”). Sellers will forego using the surface supplies that they would otherwise divert from the American River to serve their water demands and instead pump groundwater to serve their demands. The estimated quantity offered by each of the Sellers is based upon monthly groundwater pumping baseline conditions and applicable stream depletion factors. The enclosed map shows locations of proposed groundwater extraction and monitoring wells for the transfer.

Two of the proposed Sellers are north of the American River. Carmichael Water District (CWD), one of the Sellers, is seeking to transfer up to 2,000 acre-feet of its surface water right by additional pumping from its own wells and by receiving groundwater pumped from Fair Oaks Water District that will be sent to CWD through an existing intertie. The City of Sacramento (COS) is proposing to transfer up to 12,500 acre-feet of its surface water right by additional pumping from its own wells and by receiving groundwater pumped from Sacramento Suburban Water District that will be sent to the COS through an existing intertie.

South of the American River, the COS will receive up to 1,500 acre-feet of groundwater pumped by Sacramento County Water Agency that will be sent to the COS through an existing intertie. Additionally, Golden State Water Company will transfer up to 2,500 acre-feet of its surface water right by pumping additional groundwater in its Cordova service area.

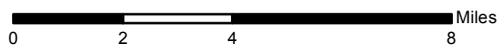
Regional Water Authority (RWA) is providing technical support for the proposed transfers. This recovery of groundwater from the basin is a component of the Sacramento Regional Water Bank, which is still under development. The coordinated transfer is an important pilot study that helps understand the various requirements of a transfer and represents a significant opportunity to monitor basin responses to planned recovery of stored water through groundwater extraction. Staff will provide an overview of the transfer and discuss some of the lessons learned thus far.

Information Update: Rob Swartz, Manager of Technical Services



2020 Regional Transfer Wells

- Carmichael Water District
- City of Sacramento
- Fair Oaks Water District
- Golden State Water Company
- Sacramento County Water Agency
- Sacramento Suburban Water District
- Monitoring Well



GSA Boundaries were downloaded on 04/21/2020 from sgma.water.ca.gov

AGENDA ITEM 9: WATER LOSS REGULATION UPDATE

BACKGROUND:

The State Water Board released an updated draft water loss regulation proposal, economic model, regulation timeline, related questionnaires, off ramp provision, and volumetric water loss standards for each urban retail water supplier on April 24, 2020. The volumetric water loss standards for suppliers, when adopted, will become part of the implementation of Senate Bill 555, Senate Bill 606 and Assembly Bill 1668. The State Water Board hosted a public webinar on May 13, 2020 to receive feedback and comments on the updated draft regulation materials. Details on the May 13th meeting and all regulation related documents can be found here:

https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/water_loss_control.html

In addition to the webinar, the State Water Board solicited written comments from stakeholders with an extended deadline of June 12, 2020. The State Water Board received over 60 letters, with the vast majority of letters submitted by water suppliers. Our region was strongly represented, with 10 out of our 21 agencies submitting comment letters, accounting for a 1/6th of the state's total submitted letters. Thank to those RWA agencies that submitted individual comment letters regarding the State Water Board's water loss regulation including: City of Sacramento, City of Yuba City, City of Folsom, Sacramento Suburban Water District, Placer County Water Agency, San Juan Water District, El Dorado Irrigation District, California American Water, Golden State Water Company, and Sacramento County Water Agency. RWA also submitted a comment letter on behalf of the region and was a leader in drafting a water loss coalition comment letter, which included ACWA, CMUA, CA NV AWWA, CWA and RWA as signatories. A copy of the letter is attached.

All the submitted comment letters are contained in a zip file that can be accessed by download through the link below. The State Water Board will not be publicly posting the comment letters due to "accessibility issues." Thank you to CMUA for hosting these files.

<https://www.cmua.org//Files/WaterRegulatory/Water%20loss%20comment%20letters%20June%202020.zip>

Looking forward, the formal rulemaking process is now expected to start at the end of July, with potential adoption of a final water loss regulation in November 2020. In the meantime, RWA has been engaged in several outreach activities to communicate our water loss concerns and priorities including elevating the peer review recommendation to State Water Board staff and Board members and creating outreach materials to communicate suppliers' concerns to legislative staff and members.

RWA staff, in collaboration with the water loss coalition, formed a water loss regulation peer review workgroup to create a list of priorities that suppliers would like to have included in a peer review of the water loss regulation and associated economic model. Requesting a peer review of the regulation and model was one of the primary requests not only in RWA's comment letters but the majority of supplier comments letters

throughout the state. Workgroup members include representatives from the following agencies: East Bay Municipal Utility District, Placer County Water Agency, Western Municipal Water District, Alameda County Water District, San Francisco Public Utility Commission, and Las Angeles Department of Water and Power. The peer review priorities document is being finalized and will be sent to State Water Board staff and selected Board members. The coalition is currently scheduling meetings with State Water Board members to discuss these peer review priorities among other water loss concerns.

Additionally, RWA staff, in coordination with the water loss coalition, are working on two additional documents to help communicate our water loss concerns and specific “asks” to policy makers.

Information Update: Amy Talbot, Senior Project Manager

Attachments:

1. Water loss coalition comment letter, which included ACWA, CMUA, CA NV AWWA, CWA and RWA as signatories
2. RWA Water Loss Regulation Comment Letter
3. Table – Water Loss Reduction for RWA Member Agencies



June 12, 2020

Submitted via email: commentletters@waterboards.ca.gov

Ms. Jeanine Townsend
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814



Subject: Comment Letter – Water Loss Regulation Webinar

Dear Ms. Townsend,

The coalition of organizations listed below appreciate the opportunity to provide feedback on the latest iteration of the draft water loss performance standards (Standards) and the updated draft economic model, which the State Water Resources Control Board (State Water Board) released in April of this year.

Since 2018, the State Water Board has developed multiple proposals to implement water loss performance standards in California. We believe that the new Standards are an improvement from the December proposals, and address several of the concerns raised by water suppliers, such as the inclusion of off-ramps for suppliers with low water loss, potential alternatives to compliance through a variance process, and changes to the economic model. We also would like to recognize the significant time staff and Board Members have spent in workshops and meetings with suppliers to discuss these proposals.

As stated by the author of Senate Bill (SB) 555, the purpose of the legislation is “that all California communities use existing water supplies as efficiently as possible”.¹ By requiring water suppliers to document and control water losses in their system, SB 555 would “increase water use efficiency”.² We urge the State Water Board to ensure that the final adopted Standards are water use efficiency standards for water loss and reasonably measure a supplier’s efficient use of water in an economically feasible way, within the confines of SB 555 and the broader “Making Water Conservation a California Way of Life” legislation, as that legislation requires the setting of individual and overall efficiency water use objective for suppliers.³

In summary the coalition requests:

- Changes to the implementation timeline to ensure higher data quality is used when setting standards.
- Offramps that are achievable for suppliers with low water loss.

¹ [Senate Floor Analysis, 2015](#)

² [Assembly Floor Analysis, 2015](#)

³ [State Water Board Water Efficiency Legislation Fact Sheet](#)

- An independent peer review of the economic model by subject matter experts in the areas of economics and water loss.
- Inputs and assumptions in the model accurately reflect the true benefits and costs associated with leak detection and intervention.
- A variance process that recognizes existing efforts by suppliers in controlling water loss and their unique system characteristics.
- Removal of voluntary and mandatory questionnaires, which will expand the scope of the water loss proceeding beyond the Board's authority granted in SB 555.

The coalition submits the following input with the goal of improving the draft Standards and economic model. In addition to this letter, we request the State Water Board carefully consider the comments submitted by individual suppliers and the potential impacts to their finances and operations, in terms of increased capital expenditures, increased staffing needs, rate increases, and the rippling impacts of the COVID-19 crisis.

California is leading the discussion on water loss

With the passage of SB 555, California set the standard for water loss data collection in the United States. Since 2016, the Department of Water Resources (DWR) has collected annual water loss data from water suppliers who have 3,000 or more connections or produce 3,000 or more acre-feet a year through validated water loss audits. These audits contain information on real and apparent losses and identify opportunities for water suppliers to save water and recover revenue.

The coalition shares the State Water Board's desire to utilize high quality data as the backbone of sound policy decisions for implementing water loss interventions in California. As the coalition has noted in previous comment letters and during workshops, early audit data was inconsistent as suppliers struggled to implement new data collection and reporting processes. This is coupled with the fact that water loss is an inexact science and results can vary year to year due to many factors, both in and out of a supplier's control. To account for this variability, the final Standards must provide flexibility for suppliers to meet their individual water loss standard, as well as their overall water use efficiency objective.

To ensure that data requests are streamlined and consistent across the state's suppliers, we strongly urge the State Water Board and DWR to continue to collaborate on the collection and analysis of water loss data from suppliers.

The implementation timeline should recognize improved data over time

As currently proposed, suppliers may request changes to their 2028 standards and off-ramps from the Standards by July 1, 2022. While we appreciate the State Water Board providing an adjustment period and an off-ramp opportunity, this timeframe would not allow enough time for the revised Standards to be based on higher quality data. As noted earlier, the first audits that were submitted in 2016 were of varying quality. Since those initial submissions, suppliers have vastly improved their understanding of their systems as it relates to water loss.

To ensure higher quality data is used when considering adjusting standards, we recommend the State Water Board re-calculate the 2028 standards in 2023. This would allow for the use of 2020-2022 audit data, which we anticipate will be of significantly higher quality than early audit reports. Revisiting the standards in 2023 would also align with the other parts of the "Making Conservation a Way of Life" legislation, which requires suppliers to calculate their water use objective, including water loss, by January 1, 2024. If the timeframe is left as currently proposed, the State Water Board and suppliers will only have six years of audit data to base adjusted standards upon. If we look at

2016 and 2017 as trial years, that only leaves four years of data to develop standards that will have a significant impact on suppliers from the date of adoption to beyond 2028.

Off-ramps should be feasible and incentivize suppliers to achieve low levels of loss

The proposed off-ramp of 10 gallons per connection per day (gpcd), coupled with the required data criteria, is not a feasible off-ramp. We are not aware of any suppliers in the state that can currently demonstrate less than 10 gpcd water loss on a continuous basis and meet the data criteria set forth in the proposal. An infeasible threshold fails to incentivize suppliers to achieve low levels of water loss and does not recognize the efforts of suppliers with water loss below 20 gpcd.

The coalition is concerned that by not having a viable off ramp option, water suppliers that have been proactive with previous water loss practices may be forced to implement additional water loss interventions that are not cost effective.

As such, the coalition recommends the State Water Board increase the off-ramp to 20 gpcd. Currently, many suppliers with water loss between 10 gpcd and 20 gpcd have limited opportunities to cost effectively further reduce water loss in their systems. Intervention measures for these suppliers are prohibitively expensive and funding would be better spent encouraging efficient water use in the other areas of suppliers' water use objectives. Additionally, the coalition recommends continued discussion between the State Water Board and water suppliers to ensure off-ramp criteria is based on data readily available to suppliers and easily verifiable by the State Water Board.

As drafted, the Standards only allow for a one-time off-ramp for suppliers in 2022, regardless if suppliers achieve that low loss threshold thereafter. We strongly recommend the State Water Board allow suppliers the opportunity to be eligible for the off-ramp at any time based on three years of audit data. An ongoing ability to qualify for the off-ramp would be an appropriate incentive to suppliers to reach and maintain that low-level of loss in the future.

An independent peer review of the economic model will lead to better standards

Throughout this process, water suppliers have consistently called for a peer review of this new economic model. We believe an independent peer review by subject matter experts in the areas of economics and water loss is fundamental to ensuring the precedential standards set by the model are appropriate, that there are not any underlying issues with the model's formulas and assumptions, and selected default data are appropriate. An independent peer review could find additional areas in the model that inappropriately weigh the costs versus benefits and vice-versa, while providing confidence for suppliers in knowing that the model is balanced. Additionally, the independent review should be completed prior to the final adoption of the Standards.

The coalition appreciates staff's explanation for changes in the current economic model from the previous version. We ask the State Water Board staff to communicate the process for additional changes to the economic model moving forward and what the purpose is of those changes.

The economic model should appropriately consider and balance benefits and costs

SB 555 directs the State Water Board to develop standards that "employ full life cycle cost accounting to evaluate the costs of meeting the performance standards".⁴ Pursuant to SB 555, it is our understanding that the goal of the model should be to create a framework that equally balances the costs and benefits of water loss to which a supplier can enter their specific system data to produce the breakeven point of water loss intervention.

⁴ [SB 555, Urban retail water suppliers: water loss management](#)

Despite having limited engagement with the latest version of the model, several suppliers have noted the cost/benefit aspect of the model more heavily weighs benefits over costs. For example, the model assumes a lifecycle benefit-cost analysis over a 30-year timeframe. This means for suppliers to achieve their 2028 standards; they will have to absorb the costs of meeting their standards, upfront, in a 6-year timeframe while recovering those costs over 30 years. We believe a payback period of 10 to 15 years would be more appropriate and would accurately reflect the length of benefit suppliers would receive from intervention. Currently many suppliers who have annual active leak detection and repair programs assume payback periods of 5, 10 and 15 years. For suppliers that will need to begin water loss activities, they will be balancing these new requirements with other system and capital needs that have already been appropriated and planned for. Additionally, the model seems to overly value inputs related to leaks, such as unreported leakage, rate of rise of leakage, average leak detection frequency, average time between reporting of and repair of reported bursts and the Infrastructure Condition Factor.

Additionally, the economic model does not currently weigh the rise in benefits and costs equally. For example, the model sets the rise in the cost of water at 5.6% based on historical data from Metropolitan Water District (MWD). While 5.6% may be appropriate for suppliers that are predominately reliant on purchased and imported water from MWD, this figure is not appropriate for all suppliers, particularly those that rely on local groundwater or surface water supplies. For demonstrative purposes only, we will assume a supplier's acquisition cost of water will increase 5.6% annually, which would mean a supplier's annual benefit from water loss intervention measures will also increase 5.6% annually. The model, however, does not increase the costs to implement annual leak detection and intervention in an equitable way. Thus, what results is the model assuming suppliers see the increased benefits of water loss over time without recognizing the increase in costs that occur with detection and intervention measures over the same timeframe.

Finally, we request the regulation and economic model establish and utilize consistent language and terminology to aid suppliers in understanding and implementing these regulations. For example, suppliers have indicated concerns regarding how bursts and breaks are referenced and defined. This could be done through a narrative document like what was developed in the previous iteration of the model.

2028 standards must be built on solid data and include a variance process that reflects on-the-ground realities and competing demands for suppliers

Noting data quality concerns discussed earlier in this letter, we request a timeline in which the State Water Board revises standards in 2023 and a supplier variance option for 2027. This would allow performance standards to reflect data improvements over time and ensure that suppliers can successfully meet these standards, while reducing water loss in their systems. Setting performance standards later in the process also allows for suppliers to better assess data through leakage component analyses and additional programmatic and systematic improvements.

As currently calculated with the economic model, the 2028 performance standards will not be achievable for many water suppliers. Of the 405 suppliers required to comply with these proposed 2028 standards, 139 have no reduction requirement proposed for 2028. Of the 266 that do have proposed loss reduction requirements, the average reduction requirement is 49.6%, and the median reduction requirement is 49.5%. Some suppliers would need to reduce their water loss up to 98% in six years prior to being given a variance. Unachievable and economically infeasible standards will not benefit suppliers nor the State Water Board. As such, we believe that, with appropriate changes to the economic model and better data, many suppliers standards will be more feasible, economically efficient and produce tangible water savings.

Currently, the Standards use an average of 3 years of audit data to establish the 2028 standards. As mentioned earlier, water loss related data can be highly variable from year to year. The coalition recommends the State Water Board allow suppliers to include a fourth-year option for consideration to be included in the average. For example, suppliers would have the option to choose three years out of a four-year window to be used to develop their standard. Ultimately State Water Board staff would determine if the three years selected are appropriate, as to not artificially bias the standard one way or another. The purpose of this request is to eliminate an outlier year that would artificially sway a supplier's standard.

The coalition appreciates and supports the inclusion of variances in the proposed Standards. Variances are essential to ensuring an equitable water loss regime and the coalition strongly recommends the variance process be utilized to recognize the efforts of suppliers who are planning or engaging in water loss detection and intervention activities. While these suppliers may not be able to meet their 2028 performance standards as currently proposed or revised, we believe they should not be punished if they can demonstrate that they have already undertaken leak detection and intervention measures or if the standards are economically unachievable. Variances should also be made available on a continual basis if and when suppliers are able to provide data to the State Water Board supporting the need for a variance.

We appreciate staff recommending variances to be utilized when suppliers are impacted by unforeseen events that drastically change the water lost in their system such as a natural disaster.

The proposed questionnaires expand the scope of the water loss proceeding beyond the intent of SB 555 and inappropriately leverage the Board's regulatory authority over suppliers

While the coalition appreciates the State Water Board's shift from proposing mandatory asset and pressure management plan requirements for suppliers, we believe the proposed related mandatory questionnaires still go beyond the scope of SB 555 and should be removed from the regulation. Additionally, the inclusion of the mandatory apparent loss questionnaire is inappropriate as it appears the Board is exerting authority regarding the collection of meter testing data as it relates to apparent loss, which has not been granted by SB 555 nor any prior legislation. The coalition also recommends removal of this questionnaire.

The pressure management and asset management questionnaires state: "But the data submission request would provide the State Water Board information to evaluate any potential for incorporating leakage reduction from pressure management/asset management in future standards." We believe mandatory reporting by suppliers to develop future regulatory requirements for suppliers is inappropriate. Instead, we offer that the State Water Board consider making these questionnaires voluntary and use the information gathered from them as best management practices to help suppliers struggling to meet their standards.

Additionally, the proposed voluntary questionnaire, which is not directly a part of the proposed Standards but could inform State Water Board regulation of suppliers, appears to be duplicative and redundant with existing reporting requirements in the electronic annual report and the validated water loss audits themselves. We will work with State Water Board staff to remove these redundancies and hope that, should any form of these questionnaires move forward, they do not significantly increase the reporting burden on suppliers.

In conclusion, suppliers are committed to reducing real water loss as part of an overall plan to address the current and future challenges facing water suppliers and Californians. We are concerned that the current draft Standards and economic model view water loss in a vacuum, to the point of diminishing returns, that will come at the detriment of other important investments like maintaining affordability, supply augmentation, ongoing infrastructure maintenance, and water quality testing.

Additionally, the “Making Water Conservation a California Way of Life” legislation and the design of the urban water use objective was intended to provide flexibility to urban retail water suppliers implementing water conservation measures, including water loss, in their own service area.⁵ During the process of establishing individual performance standards for the volume of water losses, it is important to keep in mind the State’s broader framework to achieving water use efficiency.

Should you have any questions regarding the content of this letter, please contact any of the undersigned parties or Jonathan Young, Senior Regulatory Advocate at the California Municipal Utilities Association at (916) 326-5806.

Thank you for your consideration of these comments.



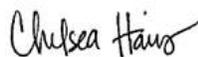
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CC: The Honorable E. Joaquin Esquivel, Chair, State Water Resources Control Board
The Honorable Dorene D’Adamo, Vice Chair, State Water Resources Control Board
The Honorable Tam M. Doduc, State Water Resources Control Board
The Honorable Laurel Firestone, State Water Resources Control Board
The Honorable Sean Maguire, State Water Resources Control Board
Ms. Eileen Sobeck, Executive Director, State Water Resources Control Board
Eric Oppenheimer, Chief Deputy Director, State Water Resources Control Board
James Nachbaur, Director of Research Planning and Performance, State Water Resources Control Board
Max Gomberg, Climate and Conservation Manager, State Water Resources Control Board
Dr. Kartiki Naik, Water Resource Control Engineer, State Water Resources Control Board

⁵ [Making Water Conservation a California Way of Life: Primer of 2018 Legislation on Water Conservation and Drought Planning Senate Bill SB 606 \(Hertzberg\) and Assembly Bill 1668 \(Friedman\)](#)



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

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."¹ 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**

¹ Senate Bill 555, Wolk. Urban retail water suppliers: water loss management.
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."²

² Senate Bill 606, Hertzberg. Water management planning.

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB606 and Assembly Bill 1668, Friedman. Water management planning.

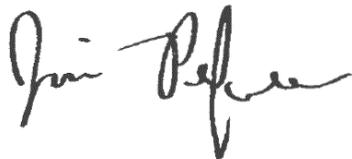
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB1668

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

Retail Supplier/System	<u>Real loss</u> Three-year average (2016 to 2018)	<u>Real loss</u> 2028 volumetric standard	Percent Reduction
	Gallons per connection per day	Gallons per connection per day	
California American Water Company-Sacramento District-(Antelope)	19.4	14.5	25%
California American Water Company-Sacramento District-(Lincoln Oaks)	5.6	5.6	0%
California American Water Company-Sacramento District-(Parkway)	25.3	13.9	45%
California American Water Company-Sacramento	29.4	17.1	42%
Carmichael Water District	36.3	15.2	58%
Citrus Heights Water District	15.3	15.3	0%
El Dorado Irrigation District	83.2	38.0	54%
Elk Grove Water District	15.9	15.9	0%
Fair Oaks Water District	23.3	18.7	20%
Folsom, City Of	133.3	16.5	88%
Golden State Water Company-Cordova	67.3	12.1	82%
Lincoln, City Of	35.2	22.1	37%
Orangevale Water Company	29.6	16.0	46%
Placer County Water Agency(Auburn-Bownman)	56.9	19.1	66%
Placer County Water Agency(Foothill-Sunset)	47.0	19.3	59%
Rio Linda-Elverta Community Water District	37.6	12.3	67%
Roseville, City Of	41.0	21.2	48%
Sacramento, City Of	38.2	12.2	68%
Sacramento County Water Agency	47.1	15.8	66%
Sacramento Suburban Water District	22.1	15.0	32%
San Juan Water District	77.1	18.8	76%
West Sacramento, City Of	236.0	12.8	95%
Yuba City, City of	35.8	13.5	62%
Average	50.3	16.6	49%

**AGENDA ITEM 10: SACRAMENTO REGION WATER UTILITY
COLLABORATION/INTEGRATION STUDY**

BACKGROUND:

Dan York, General Manager, Sacramento Suburban Water District will give a presentation

AGENDA ITEM 11: EXECUTIVE DIRECTOR'S REPORT

TO: REGIONAL WATER AUTHORITY BOARD

FROM: JIM PEIFER

RE: EXECUTIVE DIRECTOR'S REPORT

- a. Grants Update** – The final awards list for Round 1 Integrated Regional Water Management Implementation grants has been released by the Department of Water Resources. The RWA successfully obtained \$7.74 Million in the Sacramento River funding area and \$1.01 Million in the San Joaquin River Funding Area on behalf of our members and RWA programs.
- b. 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.
- c. Comstock's Article by Tom Gray** – I would like to direct the members attention to the attached Comstock's article titled 'Keeping the Water Flowing" by Tom Gray, Fair Oaks Water District. The article discusses how FOWD is keeping workers safe and responding to the COVID-19 crisis.
- d. Water Forum Negotiations** – The Water Forum has begun the process of renegotiating the Water Forum agreement.

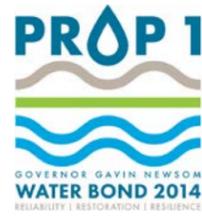
The primary negotiating steering committee (NSC) members include Paul Shubert (Golden State Water Company), Dan York (Sacramento Suburban Water District), Darin Reintjes (Placer County Water Agency), Greg Zlotnick (San Juan Water District) and Jim Peifer (RWA) for the water caucus. Public caucus members 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 14th where the negotiation ground rules, scope of the agreement and negotiating structure/framework was discussed. The second Negotiating Steering Committee (NSC) meeting on May 21st and Public and Water Caucus discussed its interests and revisions to the negotiating framework were presented to the NSC members. At the June 18th meeting, the Environmental Caucus presented its interests to the NSC.

Presentations will be made in the near future on Groundwater, Climate Change and Fisheries to inform the negotiations. Please call Jim Peifer if you would like more information on this topic.

Attachments:

1. Grant Awards List in the Sacramento Valley and San Joaquin Valley funding areas
2. A power point presentation of the Water Caucus and Public Caucus interests
3. A power point presentation of the Environmental Caucus interests
4. Water Forum II Negotiating Issue Framework
5. Article from Comstock's Magazine by Tom Gray



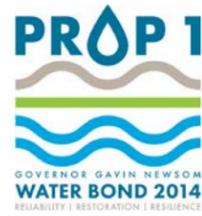
Final Awards List - Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Solicitation

Disclaimer: The Final Award is estimated and conditional until final terms and conditions are agreed upon and an agreement has been executed. The awarded grant amount listed in the executed agreement can be less than the Final Award amount listed here based upon final negotiations between the Awardee and DWR. An "Award Notification Letter" will be mailed shortly to the successful applicants (awardees) listing the conditions that must be met before DWR will enter into a Grant Agreement with the awardee and additional requirements that must be addressed to maintain eligibility to receive grant funds.

Funding Area: Sacramento River							
IRWM Region: American River Basin				Applicant: Regional Water Authority			
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Implementation Funds		General Implementation Funds	
				Requested	Awarded	Requested	Awarded
Power Inn Road Transmission Main - Calvine Road to Geneva Pointe Drive	Sacramento County Water Agency	Public Utility	Water Supply - Surface Water			\$735,000	\$735,000
Groundwater Well Recharge Improvement	City of Sacramento	Public Agency	Groundwater Recharge			\$1,015,000	\$1,015,000
Well 79 Verner/Panorama - Pumping Station	Sacramento Suburban Water District	Public Agency	Water Supply - Groundwater			\$1,015,000	\$1,015,000
New York Groundwater Well	Fair Oaks Water District	Public Utility	Water Supply - Groundwater			\$765,000	\$765,000
Highland Avenue Groundwater Production Well	Citrus Heights Water District	Public Utility	Water Supply - Groundwater			\$1,015,000	\$1,015,000
Joiner Park Conversion to Reclaimed Water	City of Lincoln	Public Utility	Water Supply - Recycled Water			\$445,000	\$445,000
American River Basin Stewardship and Citizen Science Program	Valley Foothill Watersheds Collaborative	Non-Profit Organization	Decision Support Tool			\$230,000	\$230,000
Regional Grant Management	Regional Water Authority	Public Agency				\$135,000	\$135,000
Water Efficiency Decision Support Tool	Regional Water Authority	Public Agency	Decision Support Tool			\$200,000	\$200,000
Advancing Water Efficiency in the Sacramento Region	Regional Water Authority	Public Agency	Water Conservation			\$1,185,000	\$1,185,000
Regional Leak Detection and Repair	Regional Water Authority	Public Agency	Water Conservation			\$1,000,000	\$1,000,000
Totals:				\$0	\$0	\$7,740,000	\$7,740,000

Total DAC Implementation Award:	\$0	Total General Implementation Award:	\$7,740,000
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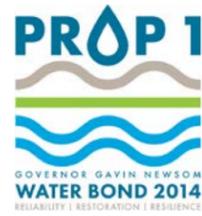
Total Final Award	\$7,740,000
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Final Awards List - Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Solicitation

IRWM Region: Northern Sacramento Valley		Applicant: Butte County Department of Water and Resources Conservation District					
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Implementation Funds		General Implementation Funds	
				Requested	Awarded	Requested	Awarded
Canal Pre-Screen Project 35.2	Orland - Artois Water District	Public Agency	Reduce Groundwater Pumping	\$75,000			\$75,000
Rock and Sand Creek Flood Mitigation	Rock Creek Reclamation District	Public Agency	Flood Management			\$143,885	\$143,885
Primary Influent Pump Station	Sewage Commission-Oroville Region	Public Agency	Water Quality - Surface Water	\$3,776,154			\$3,776,154
Gilsizer North Detention Basin Improvement Project	Yuba City	Public Agency	Water Quality - Surface Water	\$611,100			\$611,100
Trash Capture Project in Gilsizer Slough at Lincoln Road	Yuba City	Public Agency	Water Quality - Surface Water	\$359,600			\$359,600
Waste Water Treatment Plant Improvement Project	Richardson Springs Community Services District	Public Agency	Water Quality	\$605,574			\$0
Water System Improvement	Youth with a Mission - Springs of Living Water	Non-Profit Organization	Water Quality	\$645,659			\$0
NSV IRWM Grant Administration	Butte County Department of Water and Resource Conservation District	Public Agency		\$35,000			\$35,000
Totals:				\$6,108,087	\$0	\$143,885	\$5,000,739
				Total DAC Implementation Award:	\$0	Total General Implementation Award:	\$5,000,739
				Total Final Award		\$5,000,739	

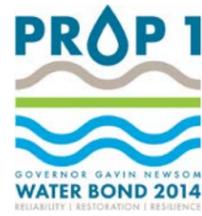
IRWM Region: Upper Pit River Watershed		Applicant: North Cal-Neva Resource Conservation and Development Council, Inc.					
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Implementation Funds		General Implementation Funds	
				Requested	Awarded	Requested	Awarded
Upper Pit River Region Wide Grant Administration	North Cal-Neva Resource Conservation and Development Council, Inc.	Non-Profit Organization		\$75,332			\$75,332
Juniper Acres Infrastructure Improvement Project	Modoc RCD	Public Agency	Water Supply Reliability	\$58,450	\$58,450		
LCWWD1 Fire Hydrant and Water Meter Replacement	Lassen County Waterworks District 1	Public Agency	Water Supply Reliability	\$401,653	\$401,653		
Burney Water Meter Replacement - Phase 1	Burney Water District	Public Agency	Operational Efficiency	\$718,477	\$718,477		
Intermountain Fair Infrastructure DAC Project	Fall River Conservation District	Public Agency	Water Supply Reliability	\$1,570,000	\$671,420		\$898,580
Totals:				\$2,823,912	\$1,850,000	\$0	\$973,912
				Total DAC Implementation Award:	\$1,850,000	Total General Implementation Award:	\$973,912
				Total Final Award		\$2,823,912	



Final Awards List - Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Solicitation

IRWM Region: Upper Sacramento, McCloud, Lower Pit River Applicant: City of Mount Shasta							
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Implementation Funds		General Implementation Funds	
				Requested	Awarded	Requested	Awarded
Wooden Springhouse Removal and Replacement	McCloud Community Services District	Public Agency	Water Quality	\$509,950	\$509,950		
Oak Street Area Water System Improvements	City of Mt Shasta	Public Utility	Water Conservation	\$1,100,000	\$1,100,000		
Mossbrae Springs Improvements	City of Dunsmuir	Public Utility	Water Supply Reliability	\$1,150,000	\$240,050		\$909,950
Local Area Groundwater Quality Survey	Trout Unlimited	Non-Profit Organization	Decision Support Tool	\$238,095			\$238,095
Totals:				\$2,998,045	\$1,850,000	\$0	\$1,148,045
				Total DAC Implementation Award:	\$1,850,000	Total General Implementation Award:	\$1,148,045
Total Final Award						\$2,998,045	

IRWM Region: Westside Sacramento Applicant: Lake County Special Districts							
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Implementation Funds		General Implementation Funds	
				Requested	Awarded	Requested	Awarded
205 Hidden Valley Lake Community Service District Water Tank Replacement	Lake County Special Districts	Public Agency	Water Supply	\$462,552			\$462,552
206 Hidden Valley Lake Community Service District Infiltration & Inflow Mitigation Plan	Lake County Special Districts	Public Agency	Stormwater Management	\$375,000			\$375,000
208 Lake County Special Districts (LCSD) Spring Valley Reservoir Recovery	Lake County Special Districts	Public Agency	Water Supply	\$1,000,000			\$1,000,000
210 Lake County Sanitation LACOSAN Infiltration & Inflow Reduction Plan	Lake County Special Districts	Public Agency	Water Quality	\$1,996,000			\$1,996,000
211 Lake County Special Districts Quail Trail Water Line Replacement	Lake County Special Districts	Public Agency	Water Supply Reliability	\$550,000			\$550,000
212 Lake County Special Districts Live Oak Water Line Replacement	Lake County Special Districts	Public Agency	Water Supply Reliability	\$375,000			\$375,000
Totals:				\$375,000	\$0	\$0	\$4,758,552
				Total DAC Implementation Award:	\$0	Total General Implementation Award:	\$4,758,552
Total Final Award						\$4,758,552	



Final Awards List – Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Solicitation

IRWM Region: Yuba		Applicant: Yuba County Water Agency					
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Implementation Funds		General Implementation Funds	
				Requested	Awarded	Requested	Awarded
Grant Administration	Yuba County Water Agency	Public Agency		\$0		\$0	
Wheatland Comprehensive Drinking Water Project	City of Wheatland	Public Agency	Water Conservation			\$682,347	\$682,347
Water Distribution Improvement	Olivehurst Public Utility District	Public Utility	Water Conservation	\$1,510,432			\$1,510,432
Water Meter Installation	Olivehurst Public Utility District	Public Utility	Water Conservation	\$333,700			\$333,700
Improving Flood Protection in the Yuba Region	Reclamation District 784	Public Agency	Flood Protection	\$360,593			\$360,593
Wastewater System Upgrade and Energy Efficiency Project	Linda County Water District	Public Utility	Operational Efficiency	\$1,400,000			\$1,400,000
Totals:				\$3,604,725	\$0	\$682,347	\$4,287,072
				Total DAC Implementation Award:	\$0	Total General Implementation Award:	\$4,287,072
						Total Final Award	\$4,287,072

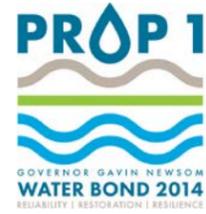


Final Awards List – Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Solicitation

Disclaimer: The Final Award is estimated and conditional until final terms and conditions are agreed upon and an agreement has been executed. The awarded grant amount listed in the executed agreement can be less than the Final Award amount listed here based upon final negotiations between the Awardee and DWR. An "Award Notification Letter" will be mailed shortly to the successful applicants (awardees) listing the conditions that must be met before DWR will enter into a Grant Agreement with the awardee and additional requirements that must be addressed to maintain eligibility to receive grant funds.

Funding Area: San Joaquin River							
IRWM Region: American River Basin				Applicant: Regional Water Authority			
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Implementation Funds		General Implementation Funds	
				Requested	Awarded	Requested	Awarded
Groundwater Recharge and Swainson's Hawk Preservation Project	Sacramento Area Flood Control Agency (SAFCA)	Public Agency	Groundwater Recharge			\$1,009,750	\$1,009,750
Totals:				\$0	\$0	\$1,009,750	\$1,009,750
				Total DAC Implementation Award:	\$0	Total General Implementation Award:	\$1,009,750
Total Final Award						\$1,009,750	

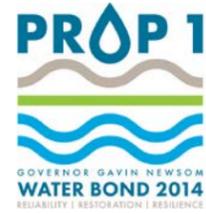
IRWM Region: East Contra Costa County							
Applicant: Contra Costa Water District							
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Implementation Funds		General Implementation Funds	
				Requested	Awarded	Requested	Awarded
Grant Administration	Contra Costa Water District	Public Agency				\$80,000	\$80,000
West Antioch Creek Flood Conveyance Mitigation and Restoration	City of Antioch	Public Agency	Flood Management	\$700,000	\$700,000		
Bethel Island Multi-Benefit and Integrated Stormwater Project	Bethel Islands MID	Public Agency	Stormwater Management	\$320,000	\$320,000		
Advanced Metering and Leak Detection	Diablo Water District	Public Agency	Water Conservation			\$500,000	\$500,000
Upper Reach of Three Creeks Parkway Restoration Project	Contra Costa County Flood Control and Water Conservation District	Public Agency	Flood Protection			\$850,000	\$850,000
Citywide Non-Potable Water Distribution System	City of Brentwood	Public Agency	Water Conservation			\$250,000	\$250,000
Totals:				\$1,020,000	\$1,020,000	\$1,680,000	\$1,680,000
				Total DAC Implementation Award:	\$1,020,000	Total General Implementation Award:	\$1,680,000
Total Final Award						\$2,700,000	



Final Awards List – Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Solicitation

IRWM Region: East Stanislaus				Applicant: Stanislaus Regional Water Authority			
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Implementation Funds		General Implementation Funds	
				Requested	Awarded	Requested	Awarded
Grant Agreement Administration	Stanislaus Regional Water Authority	Public Agency					
SRWA Water Treatment Plant Elements	Stanislaus Regional Water Authority	Public Agency	Water Supply Reliability			\$5,800,916	\$5,800,916
Totals:				\$0	\$0	\$5,800,916	\$5,800,916
				Total DAC Implementation Award:	\$0	Total General Implementation Award:	\$5,800,916
Total Final Award						\$5,800,916	

IRWM Region: Madera				Applicant: County of Madera			
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Implementation Funds		General Implementation Funds	
				Requested	Awarded	Requested	Awarded
Grant Administration	County of Madera	Public Agency		\$20,000			\$20,000
Water Meter Installation	City of Madera	Public Agency	Water Conservation	\$779,653			\$779,653
Parkwood Automated Water Meters	County of Madera	Public Agency	Water Conservation	\$683,599			\$683,599
Parksdale Well #2 Rehabilitation Project	County of Madera	Public Agency	Water Supply Reliability	\$206,383			\$206,383
Totals:				\$1,689,635	\$0	\$0	\$1,689,635
				Total DAC Implementation Award:	\$0	Total General Implementation Award:	\$1,689,635
Total Final Award						\$1,689,635	



Final Awards List – Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Solicitation

IRWM Region: Merced		Applicant: Merced Irrigation District					
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Implementation Funds		General Implementation Funds	
				Requested	Awarded	Requested	Awarded
Park Irrigation with Surface Water	City of Livingston	Public Agency	Water Supply Reliability			\$172,619	\$172,619
Le Grand Canal near Black Rascal	Merced Irrigation District	Public Agency	Water Supply - Groundwater	\$1,318,617	\$970,736		\$347,881
Merced LIDAR and Real Time Simulation Flood Control Modeling	Merced Irrigation District	Public Agency	Flood Management	\$239,749			\$239,749
Surface Irrigation to Parks & Weather based Irrigation Controllers	City of Merced	Public Agency	Reduce Groundwater Pumping	\$239,749			\$239,749
Rice Field Pilot Study Monitoring Wells	Merced Irrigation District	Public Agency	Groundwater Recharge	\$335,648			\$335,648
Grant Administration	Merced Irrigation District	Public Agency		\$27,153			\$27,153
Totals:				\$2,160,916	\$970,736	\$172,619	\$1,362,799
				Total DAC Implementation Award:	\$970,736	Total General Implementation Award:	\$1,362,799
Total Final Award						\$2,333,535	

IRWM Region: Westside San Joaquin		Applicant: San Luis & Delta-Mendota Water Authority					
Project Name	Project Implementing Agency	Implementing Agency Type	Primary Benefit	DAC Implementation Funds		General Implementation Funds	
				Requested	Awarded	Requested	Awarded
West Stanislaus Irrigation District Pumping Plant 3 & 4 Modernization	West Stanislaus Irrigation District	Public Agency	Water Supply Reliability	\$809,264			\$809,264
Orestimba Creek Recharge and Recovery Project	Central California Irrigation District, Del Puerto Water District	Public Agency	Water Supply - Groundwater	\$809,264	\$809,264		
Broadview Aquifer Storage and Recovery (ASR) Project	Westlands Water District	Public Agency	Groundwater Recharge	\$809,263			\$809,263
North Valley Regional Recycled Water Program - Turlock Component	Del Puerto Water District	Public Utility	Water Supply - Recycled Water	\$1,000,000			\$1,000,000
Totals:				\$3,427,791	\$809,264	\$0	\$2,618,527
				Total DAC Implementation Award:	\$809,264	Total General Implementation Award:	\$2,618,527
Total Final Award						\$3,427,791	

Public Caucus + Water Caucus Interests



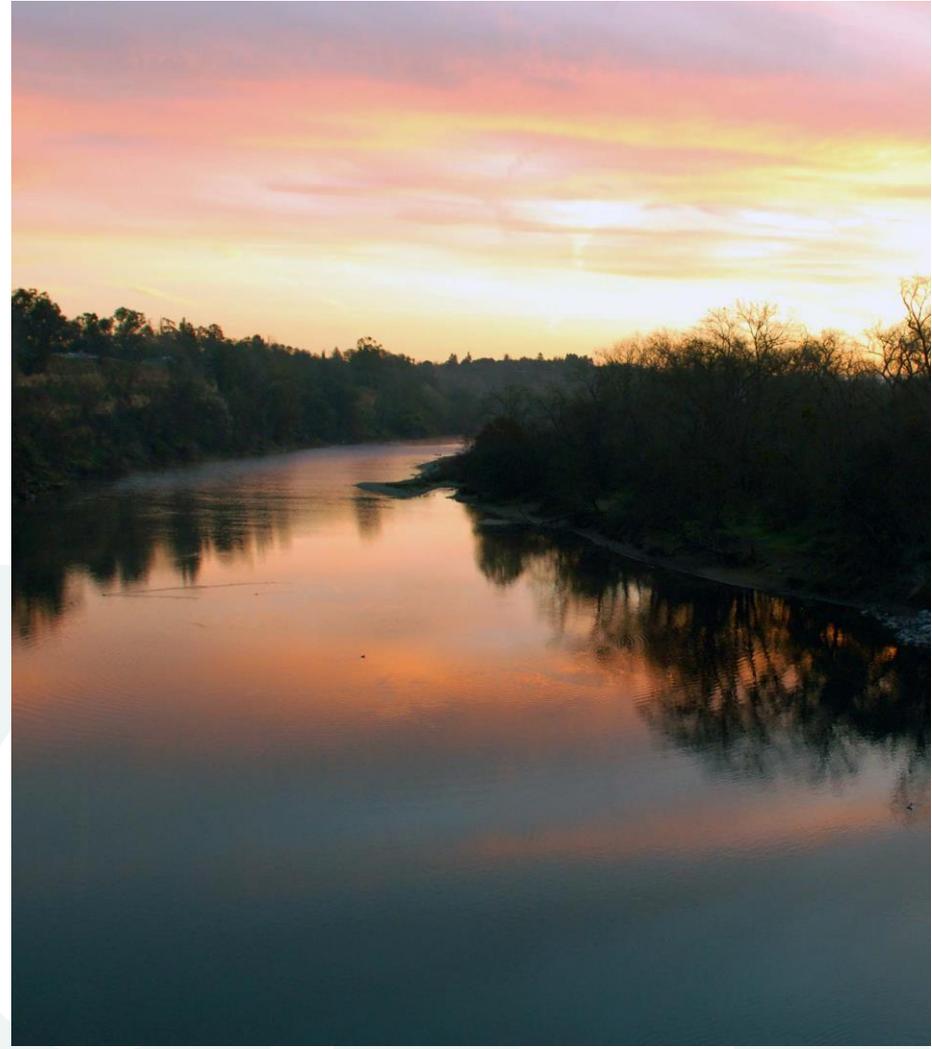
Public Caucus and Water Caucus

“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.”



Partnership

1. Continue to partner with the Environmental Caucus as environmental stewards of the lower American River. Our long-term water supply reliability is interdependent with being environmental stewards through the Water Forum.



Serving Customers

2. Maintain sufficient water supply and supply reliability for existing and future customers.



3. Ensure customer access to high quality water at a reasonable cost.



Water Use Efficiency

5. Promote efficient use of water by our customers and others.



Stretching Limited Resources

6. Make the best use of limited resources by recognizing regulatory drivers and how they impact existing and future actions and priorities.

Although we are open to other caucus' concerns related to elements of the Water Forum Agreement that are now governed by policies, programs, and mandates established by State law, the interests of the Water and Public Caucuses are: (1) to not engage in time consuming discussions and debates over such elements; (2) not expend limited resources duplicating them; and (3) maintaining the value and progress of investments already made in compliance with them.



Relationship with Reclamation

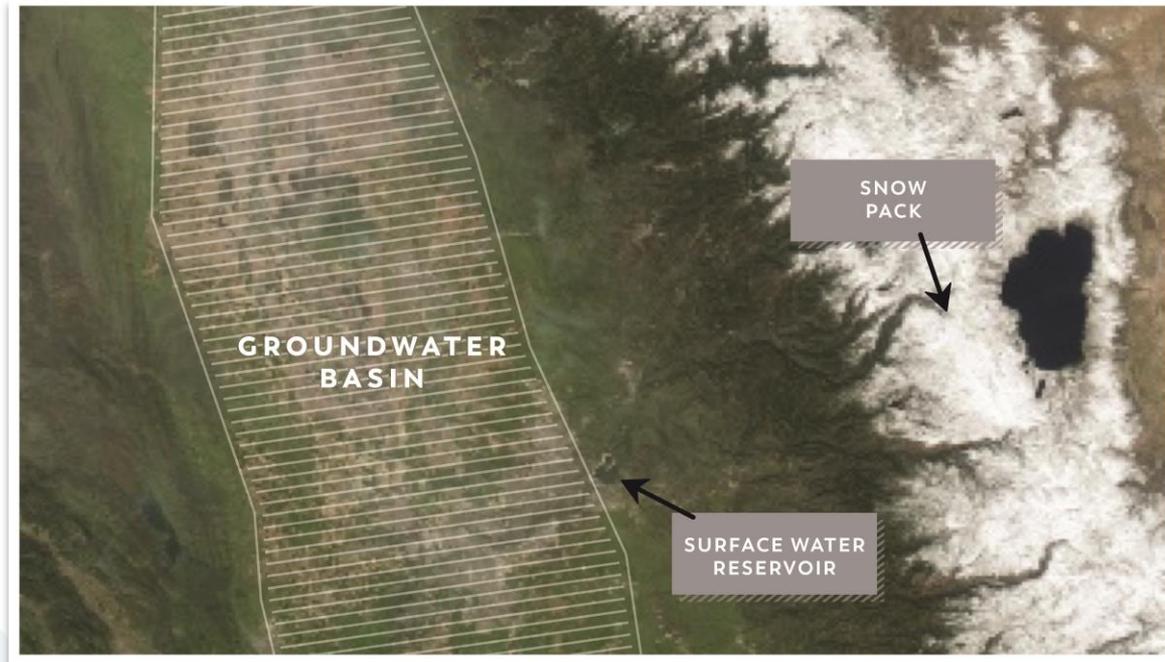
7. In order to enhance Water Forum effectiveness in influencing Folsom operations and habitat restoration/management of the lower American River, maintain and enhance our collaborative relationship with the Bureau of Reclamation.



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



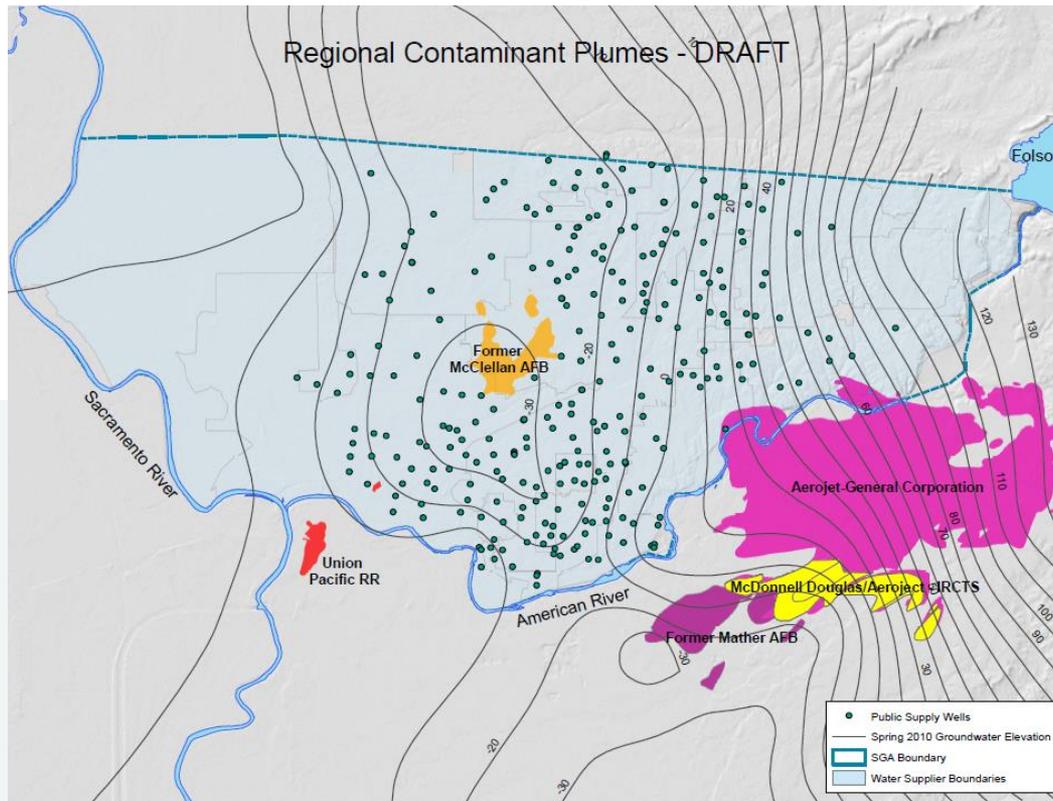
9. Increase water supply resiliency and prepare for the variable hydrologic conditions and droughts that are expected to be exacerbated by climate change.



Groundwater bank is an example of a project to help achieve this

Protecting Water Quality

10. Protect groundwater and surface water quality.



Be a part of the solution

11. Recognizing that the region's water supply reliability benefits from the State having a reliable water supply, consider participating in solutions to assist the State to solve its water challenges.

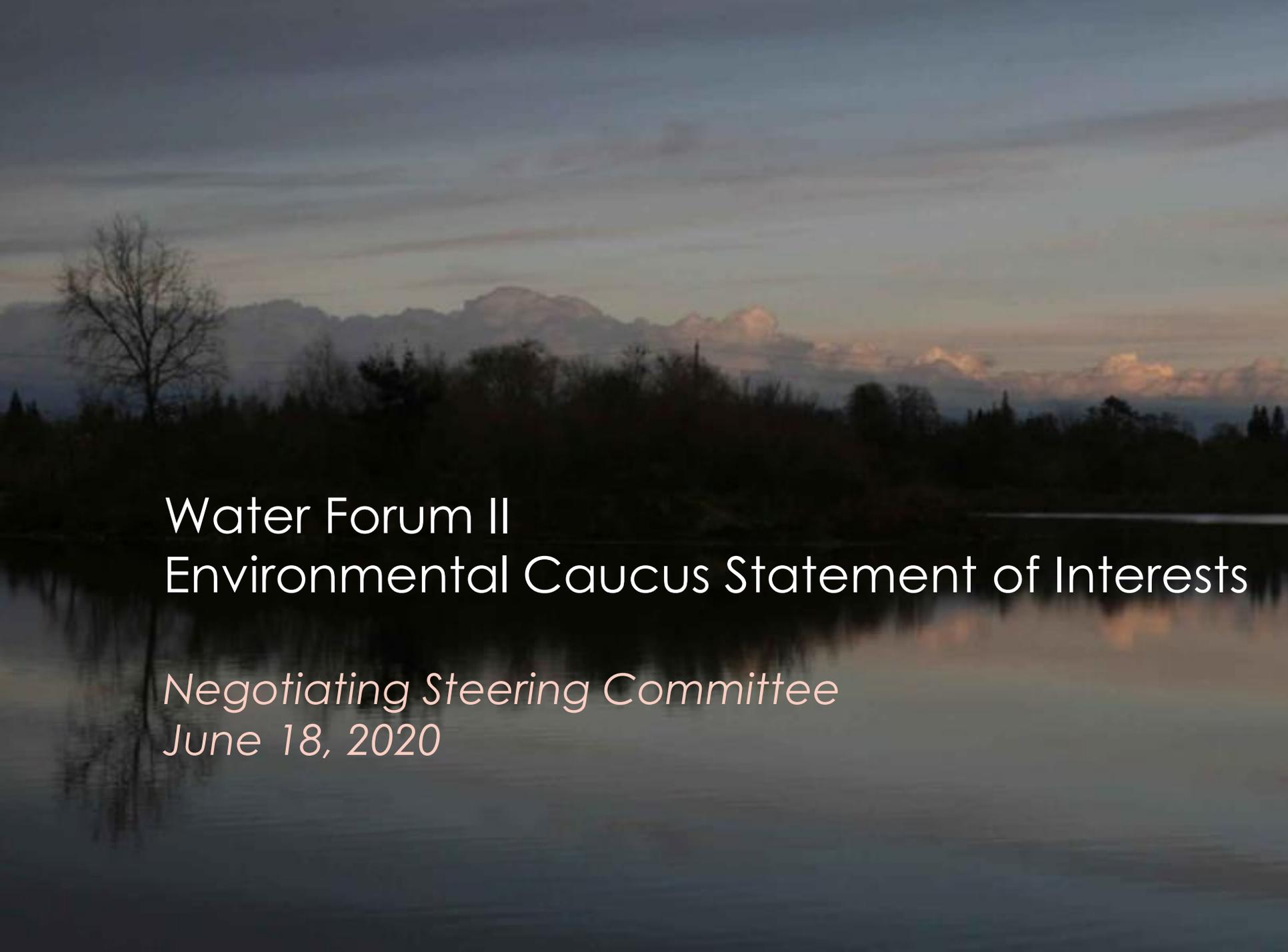


12. Maintain local control over water management and operational flexibility.



QUESTIONS?





Water Forum II
Environmental Caucus Statement of Interests

*Negotiating Steering Committee
June 18, 2020*

CO-EQUAL OBJECTIVES

The Environmental Caucus supports the dual, co-equal objectives specified in the Year 2000 Water Forum Agreement.

CLIMATE CHANGE

Work with water agencies within the region to ensure they integrate the most current climate change* science and impacts including long range forecasts into water planning and resource management decisions; and coordinate the use of consistent methodologies and analytical tools throughout the region.

*Climate change will increase variability, uncertainty, and complexity of flows in the American River and groundwater levels. The Water Forum needs to fully understand ongoing climate change over time and the implications for the Water Forum's dual objectives.

SURFACE WATER DIVERSIONS

- The Environmental Caucus is concerned that there is too much reliance on the modest-sized American River and that a better connection to the Sacramento River could help address this concern.
- Ensure that surface water diversions from the American River watershed uphold the co-equal goal of protecting the river. If surface water diversions are adverse to the protection of the river* and its environs, ensure that any damage caused from those diversions is fully mitigated, including flows and temperature.

***River protection defined:** The Environmental Caucus wants the American River and the American River Parkway to be protected, preserved, and enhanced, including river flows, temperatures needed for fisheries, riparian habitats, recreation, and aesthetics of the Parkway; and for salmonid and other adopted restoration goals to be in accordance with California and federal laws.

FLOW STANDARD

- Support the existing Flow Management Standard (which includes flow, temperature, and storage protections) and its long term implementation.
- Acknowledge that the minimum flows included in the Flow Standard are just that: minimums, and that a variety of higher flows are needed at certain times and locations to protect the river and fisheries. Those higher flows need to be determined under both historical flows and projected flows under climate change.
- Utilize adaptive management to optimize ecosystem health and support healthy fish populations, as needed.
- Uphold the recommendation consistent with the Year 2000 Water Forum Agreement which specified that all signatories agree they will, “recommend to the State Water Resources Control Board an updated flow standard and an updated Declaration of Full Appropriation to protect the fishery, wildlife, recreation, and aesthetic values of the American River.”

DRY YEAR PRINCIPLES

In dry and critically dry years, ensure that water purveyors make appropriate cutbacks in surface water diversions and take other flow augmentation actions to protect the river and to manage both surface and groundwater systems to assure adequate water supplies for all beneficial uses.

WATER CONSERVATION

- Design water conservation programs and practices for the benefit of river ecosystem health that promote lower landscape water usage, have a regional focus, and draw upon best practices in water-use efficiency, water recycling, water loss control, and water conservation.
- Water conservation state minimums may not sufficiently achieve the desired conditions described above. As a result, regional water conservation programs may need to exceed minimum requirements specified in state laws in order to reduce the need and cost for increased surface water diversions and groundwater extractions.

GROUNDWATER: Focal Area

The Environmental Caucus would like to focus on integrative surface water and groundwater management as an interconnected system to improve regional sustainability and achieve ecosystem goals.

This focus will require a deep dive to fully understand the relationship and interdependence of groundwater and surface water systems.

GROUNDWATER: Water Bank

Coordinate with the Region's water agencies to ensure their water banking agreements achieve positive benefits to any affected aquifer(s)* including increased basin storage, increased subbasin operating flexibility, increased flows and decreased temperatures for regional rivers, and improved conditions for groundwater dependent ecosystems.

*The Environmental Caucus recognizes that the three regional groundwater subbasins are interconnected and that actions in any one subbasin could affect the other.

GROUNDWATER: Inter-basin Coordination

The Water Forum plays a leadership role in facilitating collaboration and resolving cross-boundary groundwater issues to foster effective regional implementation of SGMA.

Note: The Environmental Caucus acknowledges that under the Sustainable Groundwater Management Act (SGMA), each Groundwater Sustainability Agency (GSA) has the primary responsibility to develop plans to correct imbalances in supply and demand for its groundwater basin.

Water Forum II: Groundwater Element & SGMA

The evolution of groundwater management in SGMA has created the authority to address regional groundwater-dependent ecosystem health, including the Cosumnes River and its environs, in water management decision-making — as well to improve aquifer conditions for water-supply reliability. The Environmental Caucus proposes that the Water Forum acknowledge regional ecosystems in addition to the American River, and promote a multi-benefit approach to sustainable water management that includes those ecosystems*.

* Acknowledgment of regional ecosystem importance (including the American, Cosumnes, and Sacramento Rivers, Pacific Flyway wetlands, groundwater dependent riparian forest, etc.) could be included in the Water Forum website and Regional Water Bank public outreach materials, for example. A multi-benefit approach to sustainable water management could include making certain areas near key groundwater/surface water ecosystems off limits for production wells for the Regional Water Bank — or it could mean reconnecting floodplains to high river flows to increase recharge to the S. American and Cosumnes sub-basins and so on.

INTEGRATED WATER MANAGEMENT

Facilitate the region's water agencies efforts to ensure that groundwater and surface water are jointly managed to achieve the co-equal objectives of the Water Forum, and to protect the river and ecosystems of regional waterways.

HABITAT

Maintain and build upon the Water Forum's existing Habitat Management Element to enhance recreation, fish spawning and rearing habitat including floodplains, side channels, and riparian vegetation. Foster and participate in similar programs for the other river systems in the region when funding and partnerships are available.



LANDUSE/GROWTH

- Ensure that land use decision-makers have a clear, complete and objective assessment of current and future water availability when considering new growth and land-use designation changes with significant water-use implications; and for water availability assessments to sufficiently protect the health of regional rivers and groundwater sub-basins in a way that accounts for increased drought intensities and uncertainties introduced by climate change.
- Ensure that new growth is contingent upon— among other requirements— substantial guarantees for water conservation in new and existing developments, especially during droughts.

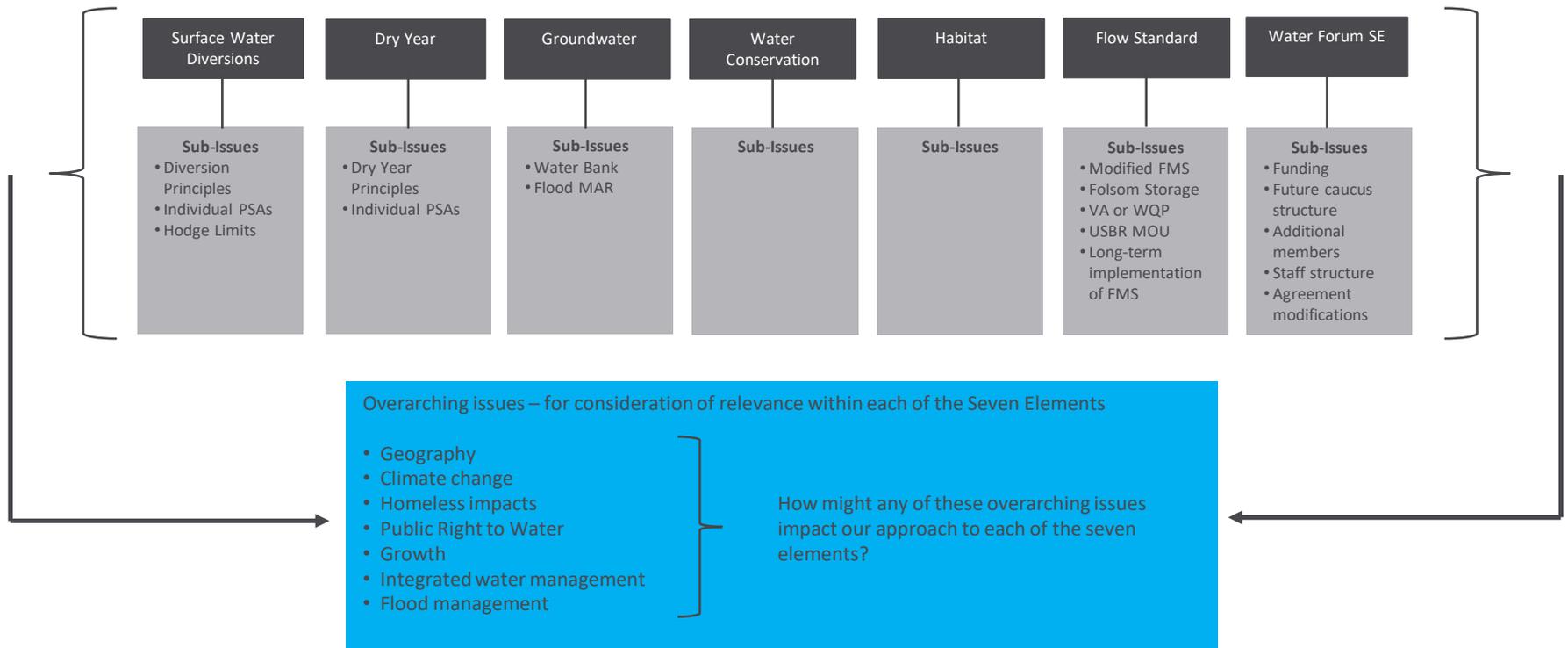
Other Overarching Issues

Address additional issues that affect water supply and rivers: homeless impacts, water quality, public right to water, adjacent habitats along rivers, and flood management.



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 8th 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).

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.

AGENDA ITEM 12: DIRECTORS' COMMENTS