AGENDA ITEM 12: EXECUTIVE DIRECTOR’S REPORT
NOVEMBER 28, 2020

TO: RWA EXECUTIVE COMMITTEE

FROM: JIM PEIFER

RE: EXECUTIVE DIRECTOR’S REPORT

a. Sacramento Regional Water Bank – The Water Bank, Phase 1 Program Committee met on September 16th. The committee reviewed remaining Phase 1 work and discussed of a scope, budget, and funding for Phase 2. One of the known tasks for Phase 2 is to complete surface water operations modeling to avoid impacts to state and federal water operations when storage is occurring in the Water Bank. Regional Water Authority (RWA) secured funding for that analysis in 2019 through the Bureau of Reclamation’s Water Management Options Pilot (WMOP) funding program. RWA received the signed Memorandum of Agreement (MOA) with Reclamation on October 19th to accept the funding assistance. RWA staff is currently working on a Phase 2 Program Agreement as a new subscription-based RWA program.

b. RWA Outreach – Rob Swartz served on a panel for a webinar co-hosted by the Maven’s Notebook on the value of successful collaborations between Groundwater Sustainability Agencies (GSAs) implementing the Sustainable Groundwater Management Act and Regional Water Management Groups (RWMG) responsible for Integrated Regional Water Management Plans on September 23rd. Mr. Swartz was invited because of his unique experience representing an RWMG through his position at the RWA and a GSA through his position at the SGA.

Mr. Peifer has been participating with the California Department of Water Resources, Reclamation, and Northern California Water Association to discuss process improvements with Groundwater Substitution Transfers.

Mr. Peifer briefed the Sacramento Suburban Water District Board of Directors on the Sacramento Central Groundwater Authority (SCGA) request for the RWA to staff the SCGA.

Mr. Swartz briefed the SCGA Board on October 14th on the Water Bank and the 2020 Regional Pilot Groundwater Substitution Transfer.

c. Small and Medium RWA Agency Outreach – Chair Kerry Schmitz and Jim Peifer met with Cathy Lee, Tom Hennig and Joe Duran to discuss the needs of small and medium size agencies. Here is a summary of what we heard:

    Create opportunities for networking for small and medium agency staff. Our listening sessions identified that small and medium size agencies are often encountering the same problems, it would be helpful to staff of those agencies to
network and develop relationships with peers within the RWA members. If a small agency staff member has familiarity with several colleagues from different agencies, they will feel comfortable picking up the phone and asking questions and solving problems.

**Create a mechanism that allows members of small and medium size agencies to ask questions and allow for their colleagues to easily provide an answer.** It is not clear which mechanism is best, but potentially it could be accomplished through email, blogs, message boards, etc.

**Purchasing Programs.** Work with small/medium agencies to identify programs that could provide cost savings if done as a partnership through RWA.

d. **Holiday Social** – Unfortunately, the COVID-19 pandemic has created unsafe conditions to hold the annual RWA Holiday Social. The Holiday Social will be canceled this year.

e. **Water Use Efficiency** – The Water Efficiency Program is launching it’s fall/winter campaign focused on indoor household leaks. Residents will have the opportunity to receive a free toilet leak detection kit mailed directly to their home. We are engaging customers through online and social media by asking for help to settle “the great debate” - which is the correct way to hang toilet paper-over or under?

Staff is preparing to implement several Proposition 1 grant funded programs and projects in 2021 (combined funding of $2.4 million) including various indoor and outdoor residential and commercial rebate programs, enhanced public outreach ad buys, focus group research, system leak detection and repair, indoor use/fixture saturation study and a landscape budget study.

Land IQ, managed through the Water Efficiency Program, is wrapping up work for several participating suppliers (Folsom, Yuba City, Sacramento County Water Agency, San Juan Water District, and West Sacramento) regarding the creation of landscape water budgets for a sample of parcels within each service area. The results from this analysis will help inform feedback to the state for their parallel landscape budget regulatory process over the next few years. RWA will also be hosting an associated training open to all suppliers’ staff. Details still to be determined due to COVID restrictions.

f. **Legislative Update** – The legislative session concluded on August 31st. The legislature sent approximately 300 bills to the Governor that were acted on by September 30th. This was approximately one quarter of the number of bills that typically make it to the Governor. This session was most notable for what did not occur as opposed to what did occur, with COVID-19 shifting legislative focus away from most water related legislation. The Governor signed eight of the nine bills that RWA was tracking, of the eight bills signed into law RWA supported four. Two of the bills (SB 1159 and AB 685) that were signed, which RWA did not support, make changes to workers comp and reporting in relationship to COVID cases. The new legislative
session begins December 7th. Economic stimulus and water affordability are likely to be topics deliberated in the new session. There are no new regulatory actions in process on groundwater currently.

### g. Regulatory Update

**Water Loss** – An updated version of the water loss regulation and associated economic model is set to be released in late October/early November marking the start of the State Water Resources Control Board (SWRCB)’s formal rulemaking process which includes an initial 45-day comment period. SWRCB staff will also initiate an independent 3rd party review focused on the economic model at the same time, which is in line with the water loss coalition’s (ACWA, CMUA, and RWA) request. Furthermore, SWRCB staff will incorporate the coalition’s peer review priority recommendations into the formal peer review scope where possible. Lastly RWA has secured a limited consulting contract David Mitchell, M Cubed., to complete an economic analysis of the soon to be released economic model to assist suppliers with feedback to the SWRCB during the comment period.

**Shut Offs and Affordability** – The Governor’s Executive Order (EO) N-42-20 that prohibits water system shut offs for residents remains in place. The EO specifies that “nothing in this Order eliminates the obligation of water customers to pay for water service, prevents a water system from charging a customer for such service, or reduces the amount a customer already may owe to a water system.” However, there is concern from Water Board members and Environmental Justice (EJ) Groups that there is a large number of people that will see their water shut off shortly after the EO is lifted due to large accumulation of debt and an inability of those customers to pay. The first action the Water Board took on this issue was to send out a voluntary survey on the financial impacts of COVID over the summer. The Water Board has felt like response to that voluntary survey was insufficient and is moving toward mandatory reporting on a new survey. There has been no formal action, but the Water Board has been developing questions related to residential customer debt. At this time it is expected that the Water Board will be asking agencies to answer the new survey sometime in December or January (it is not clear if it will be mandatory). Additionally, the PUC has been asking the IOUs a similar (but different) set of questions for several months and the Water Board will also be asking small systems serving disadvantaged communities a set of question related to their financial stability. Lastly, there is reason to believe that EJ groups are actively working to put forward a legislative proposal to relieve/eliminate customer water debt in the coming state legislative session.

### h. Urban Water Management Plans

RWA staff hosted three coordination calls in October regarding DWR’s recently released Urban Water Management Plan (UWMP) guidance document. Each call focused on one of the three selected topics: Five Consecutive Dry-Year Water Reliability Assessment, Climate Change Considerations, and Water Shortage Contingency Plans. The purpose of each call was to provide general background on each requirement, share how individual suppliers intend on meeting the state’s requirements in each respective area and to coordinate, where
possible, for regional consistency among the region’s UWMPs. RWA staff and supplier staff volunteers have committed to follow up with additional information to aid in coordination over the next few months. UWMPs are due to the state by July 1, 2021.

i. **Office Phone Upgrade** – As previously mentioned during budget discussions, RWA has an outdated phone system that is not Voice over Internet Protocol (VOIP) enabled. The newly selected phone system, One Voice, which is offered and supported by Group One (RWA’s IT support company), will go-live on November 10, 2020. This new system will provide an increased level of staff communications by receiving voicemails through email and allow staff greater connectivity to the office even while working remotely. The monthly cost for the new system is significantly lower than RWA’s current provider (AT&T). Initial monthly savings will be used to offset the cost of new hardware needed with an approximate payback time of less than one year.

j. **Water Forum Negotiations** – Several presentations have been made to educate the Water Forum participants, including presentations on Groundwater by Rob Swartz, Fisheries, Climate Change, Water Use Efficiency and Urban Water Management Planning. Work is currently centered around defining the problems. Two workgroups have been established: Habitat and Public Caucus. The Public Caucus workgroup is focusing on diversifying representation in the Public Caucus. SGA is an active participant in the negotiations as they related to the Groundwater Management Element of the Water Forum Agreement.

k. **Check Signing Policy (Policy 500.6)** – As Committee members may remember, the Executive Director disclosed to the Board that the Financial and Administrative Manager will prepare and sign checks as a temporary adaption measure to the COVID-19 crisis and the Executive Director and the Chair would authorize the issuance of the checks by email. Staff has discontinued that temporary practice and has returned to the practice defined by RWA Policy 500.6.

l. **RWA Newsletter** – The September RWA newsletter is attached.

**Attachments**

1. RWA September Newsletter
RWA Awarded $8.74 Million for Climate Resiliency Projects

The Regional Water Authority has been awarded $8.74 million in state grants to advance 11 projects to build water reliability in the Sacramento region, the California Department of Water Resources (DWR) has announced.

Part of DWR’s Proposition 1 Integrated Regional Water Management Implementation Grant Program, funding will be used for conjunctive use facilities such as groundwater wells, transmission mains, and pumping facilities, as well as water use efficiency measures such as home leak detection and repair programs, residential irrigation and landscape rebates, and expanded public outreach efforts.

“We appreciate DWR’s partnership in helping to advance water resiliency in the Sacramento region,” said Jim Peifer, executive director for the Regional Water Authority and Sacramento Groundwater Authority. “Our portfolio of climate resiliency projects re-imagines how water should be managed from its mountain origins to the groundwater basin below the region’s urban core. With a holistic approach, and working in partnership as a region and with the state, climate challenges can be solved.”
The U.S. Department of the Interior (DOI) is recommending that Congress allocate up to $870,000 in fiscal year 2021 funding to advance one of RWA’s top priorities, the Sacramento Regional Water Bank. The federal contribution covers 25 percent of a cost share with the region.

In a letter submitted to Congress in June, DOI recommended that Congress invest in the Water Bank through the Water Infrastructure Investment for the Nation Act (WIIN Act), passed by Congress and signed into law by President Obama in 2016. The act provides federal grant funding for projects that promote water storage and supply, improve waterways, and advance drinking water infrastructure.

DOI’s funding recommendation is currently included in the FY21 budget passed the U.S. House of Representatives, and is awaiting action in the Senate. Each year, Congress is required to pass a budget by October 1 for the next fiscal year. However, it is widely anticipated that Congress will delay this task until after the November election this year, instead passing a continuing resolution to continue federal government funding at current levels.

The RWA is continuing to monitor developments closely and advocate for WIIN Act funding for the Water Bank in the FY21 budget process as the legislation moves forward.

The RWA in August hosted the third in a series of meetings intended to assist local water providers in responding to the COVID-19 emergency. Since March, the RWA has hosted three briefings for members to facilitate the sharing of best practices and to help troubleshoot real and emerging challenges with the COVID-19 response.

The first briefing, a roundtable discussion in late March, explored how each water provider was responding to the emergency. During RWA’s second briefing in early June, as statewide COVID-19 cases began to subside, members discussed triggers and plans for safely bringing employees back into the office, as well as guidance for reopening local office buildings that had been closed because of the stay-at-home order.

RWA’s most recent briefing in August, explored the potential road ahead, including the outlook for continued COVID-19 operations into the winter months; avenues for COVID-19 testing for employees; and best practices for communication with employees and customers. To this end, the RWA also initiated and is analyzing results of a new member survey to help uncover and quantify the impacts of the emergency on local water providers as a way to identify regional trends and prepare to advocate for needed financial or other assistance.
Local water providers are conducting a pilot project to test the region’s ability to make water available in a way that benefits both local ratepayers and the environment. The current transfer is providing much-needed water to farmers in the Central Valley.

Water transfers occur in dry years across the state between willing sellers who have legal rights to a supply of water to an interested buyer in need. They are viewed as key to meeting the state’s water needs during drought because of their potential to move water to places of critical need. In the Sacramento region, water transfers are one part of a long-term plan and portfolio of projects designed to increase the reliability of our water supplies, protect our local environment and address the projected impacts of climate change.

The 2020 pilot transfer is utilizing 68 groundwater wells and three interties among six participating water providers. Instead of drawing surface water from lakes and rivers, participating water providers are using more groundwater for a brief period of time. This frees up surface water to flow from our region into the Delta and to transfer recipients. The 2020 pilot transfer is slated to occur through September with an option to add October and November. RWA is monitoring groundwater levels at participating wells on a weekly basis through March 2021 to ensure the transfer is sustainable and does not negatively impact the basin.

Pilot transfer participants include Golden State Water Company, Carmichael Water District, Fair Oaks Water District, the City of Sacramento, Sacramento Suburban Water District, and Sacramento County Water Agency.

RWA in August finalized its work to update Strategic Plan 2025+ to guide the organization over the next five years. During virtual workshops in June, July and August, Board members solidified and adopted RWA’s mission, vision, values, and goals and identified specific objectives to pursue through the year 2025.

A greater emphasis on communications emerged as a key goal within the plan with objectives focused on three main areas: providing a forum for education, discussion, and outreach on water issues affecting the region; with one voice, raising RWA’s profile and credibility through outreach efforts to targeted audiences; and developing and maintaining strategic partnerships to advance RWA interests.

Other goals in the plan aim to continuously improve regional water management planning that is comprehensive in scope and guides effective water resources management in the region; lead successful water management strategies and related programs on behalf of the region; and represent regional needs and member concerns to positively influence legislative and regulatory policies and actions.
**RWA and Sacramento Central Groundwater Authority Collaboration Discussions Move to Next Phase**

The RWA and Sacramento Central Groundwater Authority (SCGA) are moving into the next phase of discussions focused on the potential benefits of having SCGA move under the administrative management of the RWA in an arrangement that would be similar to the Sacramento Groundwater Authority’s (SGA) staffing.

SCGA, which is currently administered by Sacramento County, is charged with overseeing the sustainability of the South American Subbasin, located south of the lower American River in the Central portion of Sacramento County. The subbasin includes portions of the cities of Sacramento, Rancho Cordova, Elk Grove, and Folsom. The SCGA Board includes several water providers that are also members of the RWA and SGA. These include California American Water, cities of Folsom and Sacramento, Golden State Water Company, and Sacramento County Water Agency.

The three organizations recently agreed to move forward with discussions via a new committee that includes representatives from RWA, SGA and SCGA. Guided by a nonbinding memorandum of understanding, committee members are exploring the potential benefits from collaboration for all three organizations, as well as costs involved, needed staff support, and governance changes necessary for success.

**Water Providers Consider New Meter Collaborative**

Local water providers are considering opportunities to maximize their purchase power and information sharing in a new “Meter Consortium and Planning Study,” spearheaded by Citrus Heights Water District.

The study explores potential economies of scale, cost savings and other benefits for agencies and ratepayers through collectively planning and purchasing water meter technology; sharing information about meter performance; joint contracting meter installation; developing consistent meter testing protocols and other actions. Ultimately, the study could lead to a new RWA Meter Collaborative subscription program.

Study participants include the cities of Folsom and Sacramento, Golden State Water Company, Placer County Water Agency, Sacramento County Water Agency, Sacramento Suburban Water District, Carmichael Water District, Orange Vale Water Company, RWA, Fair Oaks Water District, Citrus Heights Water District, and San Juan Water District.

**Region Welcomes Two New General Managers**

**Cathy Lee, Carmichael Water District:** Lee has 20 years of experience in utility operations for municipal and agricultural water suppliers. Her roles have included engineering, regulatory compliance, operation and maintenance, safety, and fiscal planning. Her background includes long-range water supply planning, groundwater management, water distribution owner/operator, and wastewater treatment plant operations. Lee holds a master’s degree in civil engineering and is a California registered civil engineer.

**Tom Hennig, Rancho Murrieta Community Services District:** Hennig served as Rancho Murrieta CSD’s Director of Finance since November 2018, guiding the District to more robust financial systems and enhanced cybersecurity, before becoming General Manager in June 2020. He is a dedicated public servant, who has had a diverse career, leading departments at San Joaquin County and the City of Stockton.
Stakeholder and Public Outreach

ACWA Virtual Conference Presentations
Local water providers were featured during two sessions during ACWA’s virtual conference July 29-30.

- **Adapting to Flood, Fire and Drought: A Case Study of the American River Basin** explored the experience of the American River region in evaluating climate impacts on their watershed in a new cutting-edge study and the comprehensive suite of projects designed to address increasing threats from more frequent and intense floods, fires, and droughts. RWA Executive Director Jim Peifer moderated the panel, which featured Gary Bardini of the Sacramento Area Flood Control District, Eli Ilano of the U.S. Forest Service, Tony Firenzi of Placer County Water Agency, and Tom Gohring of the Water Forum. A link to a session summary is available at rwah2o.org.

- **Choosing Our Delta Destiny** explored the opportunities presented by the Voluntary Agreements in protecting fish and wildlife in the Delta and its key tributary watersheds while ensuring water reliability, as well as what’s at stake if parties are not able to move past old water binaries. Moderated by PCWA General Manager Andy Fecko, the panel included Ernest Conant of the U.S. Bureau of Reclamation, Richard Roos-Collins of the Water and Power Law Group, Maurice Hall of the Environmental Defense Fund, and David Guy of the Northern California Water Association.

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**Keeping the Water Flowing**
Comstock’s Article, Digital Advertising Demonstrate the Essential Work of Local Water Providers

RWA in May and June launched a short-term outreach campaign focused on promoting how water providers are “Keeping the Water Flowing” during the coronavirus emergency. The program included:

- **Viewpoints article by Fair Oaks Water District General Manager Tom Gray published in Comstock’s Magazine:** The article shares Gray’s experience with providing an essential public service during the emergency, illustrating the risks and rewards from serving customers and communities during these uncertain times while also discussing the potential financial hardships facing water providers. You can read Gray’s article at [https://www.comstocksmag.com/commentary/keeping-water-flowing](https://www.comstocksmag.com/commentary/keeping-water-flowing)

- **Digital advertising on Facebook and online news sites through the Google Display Network:** Ads featured the images of local water providers working during the emergency with the text, “Local water providers are on the job here to ensure safe, reliable water is there for you.” The month-long campaign earned 2,800 clicks and nearly 1.2 million impressions and numerous likes, hearts, and emojis with many “thank yous” posted as comments to the ads.

Thank you to the City of Roseville and Sacramento Suburban Water District for partnering with RWA on the digital ad campaign by lending images of their employees for the advertising. The design files are available to all RWA members to customize and use in their outreach. You can find them in the RWA COVID-19 Tool Kit on drop box or by contacting RWA Outreach Coordinator Christine Kohn at Christine@INprOnline.com.
RWA Advocates for Federal Investment in Water Infrastructure

RWA in June held a series of meetings with local Congressional staff members to urge support for water infrastructure funding in the next round of federal economic recovery spending.

During virtual briefings with Congressional staff, members of RWA’s Federal Affairs Committee made several key points, noting that water is essential to fighting COVID-19; the current emergency is threatening the financial stability of water suppliers; and federal investment in the water sector, which has been underfunded for decades, would provide high-quality jobs that are accessible to displaced workers.

RWA members have identified more than 150 construction-ready projects with the potential to deliver both immediate and long-term economic benefits to the region. Projects are estimated to create about 20,000 high-quality jobs and bring $1.2 billion in local investment to the Sacramento region.

A fact sheet about the urgent need to invest in water infrastructure and link to interactive map of proposed projects is available on RWA’s website at https://rwah2o.org/federal-stimulus-funding/.

Funding for Safe Drinking Water, Economic Stimulus Emerge as Priority Topics During the Final Days of the 2020 Legislative Session

As 2020’s legislative session winds down, RWA is continuing to take positions on legislation important to local water providers.

Typically, the end of session has only fiscal committee and floor actions. This year’s end of session is unique in that it will have policy committee hearings. All bills must have final action by August 31st.

While there are still a handful of bills live, generally the legislature is limiting actions to only those bills that deal with COVID-19, wildfire, or housing/homelessness. These limitations have significantly reduced the number of bills that could affect RWA. That said, RWA remains engaged on several bills related to refinements to the California Environmental Quality Act (CEQA), employer responsibilities related to COVID-19, and small water system consolidation. Among those bills are:

- **SB 414**—Would create new pathways for small water system consolidation. The RWA successfully secured amendments to clarify that the bill does not allow for forced consolidation among RWA members.

- **SB 1159, AB 196, and AB 685**—All of which would change workplace rules and employer responsibilities amid COVID-19.

- **AB 3279, AB 609, and SB 55**—Which would make changes related to CEQA.

In addition, the Legislature is expected to act on budget refinements, including funding for safe drinking water. While a climate resiliency bond did not make it onto the November ballot this year, legislators have unveiled a joint $100 billion economic stimulus plan intended to boost the economy and spur job creation. The plan includes funding for infrastructure projects that can ramp up quickly, and the RWA worked with its members to submit a list of local projects that meet that criteria. Action on economic stimulus may continue past the August 31st end of the legislative session.

*For the latest information as the issues continue to evolve, visit RWA’s website at rwah2o.org/advocacy or contact RWA Legislative and Regulatory Affairs Program Manager Ryan Ojakian at (916) 967-7692 or at rojakian@rwa.org.*
RWA Summer Water Efficiency Advertising in Full Swing

RWA is continuing its summer advertising campaign on local radio and digital outlets to encourage residents to “Check the Soil & Save”—use a moisture meter or screwdriver to check soil moisture before turning on sprinklers.

In the Sacramento region, most household water use occurs outdoors. The Check & Save campaign tackles the problem of landscape overwatering by helping residential water customers (homeowners, in particular) solve a problem—the mystery of knowing how much water their landscape really needs to be healthy.

Messages can be heard and found on Capital Public Radio, local radio stations in conjunction with weather and traffic reports, and online on the Google Display Network and on English and Spanish Facebook. In addition to Check & Save, advertising also promotes RWA’s continuing regional rebate program for Rachio 3 Smart Sprinkler Controllers and the installation of high-efficiency rotator sprinklers.

Tools Available for Promoting Regional Rebate Program for Smart Sprinkler Controllers

Thank you to the many RWA Water Efficiency Program participants that have been actively promoting the regional rebate program for the Rachio 3 Smart Sprinkler Controllers.

For agencies without an existing rebate program for weather-based sprinkler controllers, the rebate program offers customers with an opportunity to purchase these high-tech, wifi-enabled controllers for only $75 plus tax (65 percent off the retail price). For agencies with existing rebate programs, customers can potentially acquire the Rachio 3 at no cost by utilizing both the RWA and local water provider rebate programs.

In both cases, customers benefit by upgrading their sprinkler systems with the latest technology that not only saves water, but also promotes healthy plants.

RWA has developed several tools to help WEP participants promote the Rachio 3 rebate program to their customers. They are available in the Be Water Smart Tool Kit on drop box or by contacting WEP Program Manager Amy Talbot at atalbot@rwah2o.org.

The Rachio 3 regional rebate program is funded by a $150,000 grant from the California Department of Water Resources and is offered in partnership with the Bay Area Water Supply and Conservation Agency (BAWSCA) and its 26 member agencies for economies-of-scale pricing, coordinated program management, and marketing benefits.

2019 Water Efficiency Program Annual Report Available

The 2019 Annual Report for the Water Efficiency Program is now available online. The report describes trends in the region’s per-capita water use; rebate programs and partnerships with local and state agencies; results from advertising and public service announcements; tools produced to help water providers communicate a consistent regional message; results from new research to evaluate the program; and more. You can find the report on RWA’s website at https://rwah2o.org/programs/wep/.

RWA Water Efficiency Campaign Earns Top Award from CAPIO

RWA’s Check the Soil and Save outreach program was honored with a 2020 EPIC Award from CAPIO, a statewide association of public sector communicators, which recognizes “the most creative and effective efforts” in communication campaigns.