

**REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE AGENDA
October 28, 2020; 8:30 a.m.**

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 847-7589. Requests must be made as early as possible, and at least one full business day before the start of the meeting. The Executive Committee may consider any agenda item at any time during the meeting.

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

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

Meeting Information:

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

3. **CONSENT CALENDAR**
 - a. Minutes of the August 26, 2020 Executive Committee meetings
Action: Approve the August 26, 2020 Executive Committee meeting minutes.
 - b. Accounting Consultant Contract Change Order
Action: Approve contract change order to Richardson & Company in the amount of \$12,000.
4. **ANNUAL REVIEW OF RWA INVESTMENT POLICY (POLICY 500.2)**
Information and Discussion: Josette Reina-Luken, Financial and Administrative Services Manager
Action: Recommend no changes to Policy 500.2 to the Board of Directors
5. **REVISIONS TO RWA POLICY 400.2 (EMPLOYEE COMPENSATION POLICY) and RWA POLICY 400.5 (JOB DESCRIPTIONS)**
Information and Discussion: Jim Peifer, Executive Director
Action : Recommend approval of changes to Exhibit A, RWA Policy 400.2 to the Board of Directors
Action : Recommend approval of changes to RWA Policy 400.5 to the Board of Directors
6. **RWA COMMUNICATIONS PRIORITIES FOR 2021**
Information and Discussion: Jim Peifer, Executive Director
Action: Approve Communications Priorities for 2021
7. **OTHER POST EMPLOYMENT BENEFIT (OPEB) INVESTMENT STRATEGY**
Information and Discussion: Josette Reina-Luken, Financial and Administrative Services Manager
8. **RWA ORGANIZATION SUSTANABILITY IMPROVEMENTS**
Discussion: Jim Peifer, Executive Director
9. **SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**
Discussion: Jim Peifer, Executive Director
10. **FEDERAL AFFAIRS STANDING COMMITTEE UPDATE**
Information and Discussion: Sean Bigley, Federal Affairs Standing Committee Chair and Jim Peifer, Executive Director
11. **NOVEMBER 12, 2020 RWA BOARD MEETING AGENDA**
Action: Approve November 12, 2020 proposed RWA Board meeting agenda.
12. **EXECUTIVE DIRECTOR'S REPORT**
13. **DIRECTORS' COMMENTS**

ADJOURNMENT

Upcoming meetings:

Executive Committee Meetings: Wednesday, December 9, 2020 at 8:30 a.m. and January 27, 2021 at 8:30 a.m. at the RWA Office, the location is subject to change depending on the COVID-19 emergency.

Regular Board Meeting: Thursday, November 12, 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.



RWA EXECUTIVE COMMITTEE MEETING

REPRESENTATIVE	AFFILIATION	ATTENDED
Ron Greenwood	Carmichael Water District	
Marcus Yasutake	City of Folsom	
Sean Bigley – VICE CHAIR	City of Roseville	
Michelle Carrey	City of Sacramento	
Paul Schubert	Golden State Water Company	
Brent Smith	Placer County Water Agency	
Kerry Schmitz -CHAIR	Sacramento County Water Agency	
Dan York	Sacramento Suburban Water District	
Dan Rich	San Juan Water District	

STAFF:

Name	Title	Attended
Jim Peifer	Executive Director	
Ryan Bezerra	Legal Counsel	
Josh Horowitz	Legal Counsel	
Andrew Ramos	Legal Counsel	
Jennifer Buckman	Legal Counsel	
Rob Swartz	Manager of Technical Services	
Ryan Ojakian	Legislative and Regulatory Affairs Manger	
Josette Reina-Luken	Finance/Administrative Services Manager	
Amy Talbot	Senior Project Manager	
Cecilia Partridge	Executive Assistant II	
Monica Garcia	Project Research Assistant	

OTHERS IN ATTENDANCE:

Name	Affiliation	Attended

AGENDA ITEM 3a: MINUTES OF THE AUGUST 26 EXECUTIVE COMMITTEE MEETING

1. CALL TO ORDER

Chair Schmitz called the meeting of the Executive Committee to order at 8:00 a.m. as a teleconference meeting. Individuals in attendance are listed below:

Executive Committee Members

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

Staff Members

Jim Peifer, Ryan Ojakian, Rob Swartz, Amy Talbot, Cecilia Partridge and Ryan Bezerra, legal counsel

Others in Attendance

Craig Locke, Paul Helliker, Charles Duncan, Brian Sanders, Cathy Lee, Pam Tobin, Anne Sanger, Jim Abercrombie, David Wheaton, Andy Fecko, Bob Reisig, Kevin Thomas, Kelye McKinney, John Woodling, Tony Firenzi, Charles Duncan, Greg Zlotnick and Ellen Cross

Mr. Peifer announced that after the meeting agenda was posted he was informed that the Board Secretary would be unavailable to attend this meeting. An item needs to be added to the agenda to appoint a temporary secretary for the Executive Committee meeting. Mr. Bezerra said that when two thirds of the members are present, it is determined there is a need for immediate action and the need for the action came to the attention of the local agency subsequent to the agenda being posted you can add an agenda item. The meeting should be called to order, identify the issue and with a two-thirds vote confirm the appointment of a temporary board secretary.

Motion/Second Carried (M/S/C) Mr. Bigley moved, with a second by Mr. Greenwood, to appoint Cecilia Partridge as the temporary board secretary for this meeting. Ron Greenwood, Carmichael Water District,

Marcus Yasutake, City of Folsom, Sean Bigley, City of Roseville, Michelle Carrey, City of Sacramento, Paul Schubert, Golden State Water Company, Brent Smith, Placer County Water Agency, Kerry Schmitz, Sacramento County and Dan York, Sacramento Suburban Water District voted yes. The motion carried by the unanimous voice vote of all directors present.

2. PUBLIC COMMENT

None

3. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(E) AND 54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Executive Director

4. REPORT FROM CLOSED SESSION – EXECUTIVE DIRECTOR’S PERFORMANCE

Chair Schmitz reported that the Executive Director performance evaluation was discussed in closed session, but no action was taken.

5. CONSENT CALENDAR

Minutes of the July 22, 2020 Executive Committee meeting

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

6. RESILIENCE MANAGER SUBSCRIPTION PROGRAM

Mr. Peifer gave background information on the Resilient Managers Subscription Program. The item presented is an agreement for a major project management element program and a resilience manager program to work together to hire a RWA staffer to serve and organize the efforts of the surface water agencies that have banded together on initiatives including the water control plan and the Delta tunnel item. He and Mr. Swartz are allocated 20 hours a week to the RWA and the remaining time is allocated to SGA. He currently spends 10 hours a week on the new Water Forum negotiations in addition to other new initiatives. The new initiatives will become more complicated and difficult in the future requiring additional time. This is the first time the proposed action for recommendation for approval for the program agreement has been presented to the Executive Committee. Two subscription

programs would provide \$168,000 each for a total of \$336,000 which is the estimate that would be needed to employ a staff person. The idea is to take the recommendation to the RWA Board in September.

Mr. Fecko said that there have been discussions about how to bridge the gap with the regulatory process which is the water quality control plan update and a related ancillary process which is the voluntary settlement agreement process.

Mr. Bigley said there is a considerable amount of work in terms of actual implementation to tighten our profile at the federal level and for the RWA and member agencies to get a successful recommendation from the Bureau of Reclamation for funding. RWA in its current capacity does not have the ability to take what is deemed a success and carry it all the way through an implementation process. The processes are time and staff intensive to move forward and without additional staff we do not have the ability to get things done. Regardless of the outcome of the elections we will probably see some reinvigorated activity at the federal level that will translate into the state level. He said that basically there are not enough staff hours to appropriately implement what we have on the docket and what lies ahead with respect to external challenges or opportunities that RWA will be dealing with. He suggested that this item move forward today without spending unnecessary time deliberating.

There was consensus that rather than individual agencies doing a lot of the work it would be beneficial to have RWA staff do the work for the group of agencies. Presentation to the RWA board should include an explanation of what the associated costs will be to RWA, the benefit of the program and understanding the need for additional staff. The federal and state issues we currently deal with will continue to grow. This program would allow RWA to be in position to act on issues when necessary to continue to be effective. There was discussion that it does not seem sustainable on a long-term basis to have agencies in the region take staff away from their regular duties to participate in the water regulatory process. RWA staff is needed to organize and align the region and have a steady and consistent voice in the regulatory process. The current proposal is for 50% time of a staff person to work on major projects with other needs that could take up the other 50% of the staff person's time.

Chair Schmitz said that there is a capacity problem that we are approaching from a voluntary subscription perspective instead of just the RWA. A question is are some of these things already happening within the RWA and should everybody pay if they are receiving benefit from it. This is a coalition of willing participants providing a bandwidth to the RWA to allocate resources to federal issues and activities that are valuable to the members. She said that we are not proposing a change in the decision-making structure, we are hiring RWA to implement the vision that is decided upon by the Joint Defense Agreement team. There will always be a regulatory process.

Mr. Peifer said that whatever is decided we need to be compliant with the Brown Act. That might mean that if we have five Executive Committee members participating in a program group, or a meeting for a major project management initiative, we will need to post this as an Executive Committee meeting. That does not mean that all the Executive Committee members need to attend that meeting.

Mr. Bezerra said that RWA has the Board of Director, the Executive Committee, and the Federal Affairs Committee. In the future if the organization decides to ultimately have these program committees, we need to make sure that the program committee meetings comply with the Brown Act. To comply with the Brown Act we need to make sure that a program committee meeting is not an illegal Executive Committee meeting and by ensuring that we do not have a majority of the Executive Committee members attending program committee meetings. The agencies in a subscription program will need to decide who is going to participate in the program committee. If a majority of the Executive Committee members participated there would need to be notices of the Program Committee meetings as Special Executive Committee meetings. The meetings would include closed sessions for potential litigation. We might have a series of Special Executive Committee meetings where we have five or six Executive Committee members because they are involved in the Bay Delta program. We would also have the issue of ensuring that the program committee does not represent a quorum of the full RWA Board of Directors.

M/S/C Mr. Bigley moved, with a second by Ms. Carrey, to recommend approval of the program agreements by the Board of Directors subject to modifications by the Executive Director and legal counsel consistent with the Executive Committee direction. Ron Greenwood, Carmichael Water District, Marcus Yasutake, City of Folsom, Sean Bigley, City of Roseville, Michelle Carrey, City of Sacramento, Paul Schubert, Golden State Water Company, Brent Smith, Placer County Water Agency, Kerry Schmitz, Sacramento County, Dan York, Sacramento Suburban Water District and Dan Rich, San Juan Water District voted yes. The motion carried by the unanimous voice vote of all directors present.

7. PUBLIC OUTREACH AND COMMUNICATIONS CONSULTANT

Mr. Peifer said that the Master Services Agreement with IN Communications has expired. The Executive Committee gave direction to extend the contract with IN Communications after a competitive bid process.

Ms. Talbot gave a presentation saying there is an ongoing public outreach program and public relations program. Pending approval of the RWA Board the contract timeframe will start in September 2021 with the option to renew for an additional four years. The Public Outreach Program is typically between \$220,000 a year and is exclusively paid for through the Regional Water Efficiency program. The Communications and Public Relations Program varies but is typically between \$110,000 a year paid through the RWA general budget. Due to the anticipated combined budgets for both public outreach and public relations being above

\$150,000 RWA staff is required to obtain RWA Board approval to proceed with contracts. Requests for proposals to secure a consultant for both programs were released in a combined RFP on July 9th. After responses from the RFP were received RWA staff coordinated an RFP evaluation team who scored each proposal with IN Communications scoring the highest. The evaluation team unanimously recommended IN Communications as a preferred program contractor for both programs.

M/S/C Mr. York moved, with a second by Mr. Bigley, to recommend approval to the RWA Board for the Executive Director to enter into a Master Services Agreement with IN Communications as consultant for the Regional Public Outreach and Communications Program. Ron Greenwood, Carmichael Water District, Marcus Yasutake, City of Folsom, Sean Bigley, City of Roseville, Michelle Carrey, City of Sacramento, Paul Schubert, Golden State Water Company, Brent Smith, Placer County Water Agency, Kerry Schmitz, Sacramento County, Dan York, Sacramento Suburban Water District and Dan Rich, San Juan Water District voted yes. The motion carried by the unanimous voice vote of all directors present.

8. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

Mr. Peifer gave an update on the Sacramento Central Groundwater Authority 3X3 committee. The committee met for the first time and gave staff direction to develop a potential staffing model that allowed the three separate authorities to maintain their existing governance while being staffed by the RWA. The next meeting is scheduled for September 21st to review the staffing model.

Mr. Woodling reported that at the last SCGA meeting the board voted to approve staff recommendation of an allocation method or fee structure. He said that what the RWA/SGA should be looking for in a partner is a stable funding source.

9. LEGISLATIVE/REGULATORY UPDATE

Mr. Ojakian gave a Legislative and Regulatory Update saying that RWA has a position on 11 bills with a neutral position on four. The Workers' Compensation bill would have requirements or protection for all federal employees. The Economic Stimulus Act and the session are not moving forward except for the Budget Trailer Bill. On the regulatory side, the Water Board met last week to discuss their survey that did not generate the expected responses. The Board is concerned about late fees that they are unable to take any action on. There was discussion on the risk system and how to define that in the context of safe drinking water.

Mr. Ojakian said that he is not bringing any bill positions before the Executive Committee for action.

No action was taken at this time.

10. FEDERAL AFFAIRS STANDING COMMITTEE POSITION ON LEGISLATION AND UPDATE

Mr. Bigley gave an update on the Federal Affairs Standing Committee and positions on legislation. Congress is struggling with the latest deliberation on continued COVID relief, specifically regarding unemployment benefits as well as other components to assist local governments. There has not been action by Congress regarding immediate needs in terms of the discussion related to infrastructure. It is possible that after the election, if Congress and the Administration turns Democratic, that we could see significant and swift action on infrastructure, economic stimulus and creating jobs. The RWA and Federal Affairs Committee are well prepared for that discussion. After the election, significant time will be spent in terms of how to engage in transition activities, talking to the right folks, and educating them on what is important for RWA and the Sacramento Region.

Activities of the Federal Affairs Committee in June included a series of virtual meetings with Congressional office staff. The second round of meetings with Congressional offices has begun. The staff meetings have been productive with Congressmen and staff support for the RWA. There has been specific support for the Sacramento Regional Groundwater Bank with assistance for the WIIN Act recommendations through the appropriations process. We have asked for help working with the rest of the delegation to ensure our recommendations for \$807,000 is incorporated into the continuing resolution to prevent any delay in those funds being provided back to the region.

The Federal Affairs Committee is starting a phase to figure out a way to build local elected support for the infrastructure projects. Working group sessions have been held to discuss how to help influence state and federal policymakers and decision makers. It would be useful if we could package infrastructure projects so that what we are trying to achieve can be better understood.

The Committee has made a recommendation to have at least two engineers from RWA member agencies help screen some of the criteria for project readiness. Placer County Water Agency and Sacramento Suburban Water District have volunteered engineers to participate. This will help determine how quickly we can have projects in construction once funding is provided. The level of stimulus rendered will determine the amount of economic activity that a project can provide. The Committee is beginning to work on the kick-off for the power mapping activity to determine the connections between local elected officials and their relationship with state and federal policymakers to determine who we need to educate. There has been discussion on the relationships that local elected officials have that are willing to assist RWA and how we can leverage that into influencing state and federal policy decision makers.

Mr. Peifer said that to comply with laws that regulate advocates in DC we may require them to disclose that RWA is an entity that they are advocating on behalf of. The Federal Affairs Committee has advocates who have been participating on the committee and are supportive of RWA. They have an obligation legally to report their activities. There will be a discussion with the advocates to ensure they legally state that RWA is their client to make sure we are compliant with any federal laws or regulations moving forward.

The Federal Affairs Committee reviews legislation and if appropriate, provides recommendations in terms of any position to take. The Snow Water Supply Forecasting Program Authorization Act was discussed by the committee and they wanted to move it forward for review and approval by the Executive Committee. This is basically an aerial snow monitoring tool that provides precise measurement of depths and water content for snow and watershed combined with conventional surveys to be able to determine typical method yields in terms of snow surveys. The legislation proposes to have the Department of Interior take some ownership of this technology and utilize it for seasonal water forecasting. The Federal Affairs Committee is recommending the Executive Committee direct the Executive Director to write a letter of support for this legislation.

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

Mr. Schubert left the meeting.

11. PRESENTATION ON EL DORADO WATER AGENCY

Mr. Payne gave a presentation on the American River Basin Study and how the El Dorado Water Agency (EDWA) can better integrate itself with RWA and their common interests. The EDWA is in the upper area of the American River Basin and predominantly rural agriculture relying on surface water. The agency recognizes the planning that has been done over the last decade needs to be integrated with the Lower American River Group. They comprise several water districts and purveyors that provide different types of services. Their role for the Water Act is a combination of looking after the countywide and integrated interests of the county itself. Their mission statement is looking after water supplies for the County as they begin a strategic plan to revise the mission statement to an inner vision statement to be consistent with the Water Act that allows for more than addressing water supply planning. They are a planning wholesale and flood control water resource agency for the county with countywide conservation.

EDWA has identified some challenges that are consistent with RWA and long-term water supply. There are distinct characteristics that are different from RWAs regarding wildfire impacts from water quality, limited groundwater resources, vulnerability of flooding in the foothills, managing stormwater resources and securing infrastructure contamination of groundwater in the area.

EDWA has developed five implementation programs, budget, governance and partnerships, water security, watershed management and communication and advocacy. A Water Resource Development Management Plan was adopted with the stakeholder group. EDWA has outlined activities for the next five years on the agency's role to support or facilitate efforts going on in the county and working on the vulnerability of the small public systems. The agency is starting the process for the Upper American River Regional Drought Contingency Plan that integrates with their water resource development plan. The plan will develop resource management strategies and programs recognizing the need to coordinate with state activities on the Water Conservation Plan and the Lower American River Regional Drought Contingency plan.

EDWA is focusing on Watershed Management and feel this is where there could be integration with RWA. They are addressing the watershed programs to determine how they can engage and have an active role with RWA on some of the activities that are important.

12. SEPTEMBER 10, 2020 RWA BOARD MEETING AGENDA

It was suggested Agenda Item four be modified to include the program agreements as discussed early in today's meeting.

M/S/C Mr. Yasutake moved, with a second by Mr. York, to approve the September 10, 2020 RWA Board meeting agenda with the suggested modification. Ron Greenwood, Carmichael Water District, Marcus Yasutake, City of Folsom, Sean Bigley, City of Roseville, Michelle Carrey, City of Sacramento, Brent Smith, Placer County Water Agency, Kerry Schmitz, Sacramento County, Dan York, Sacramento Suburban Water District and Dan Rich, San Juan Water District voted yes. The motion carried by the unanimous voice vote of all directors present.

13. EXECUTIVE DIRECTOR'S REPORT

Mr. Peifer reported that he is going through another series of listening sessions reaching out to the membership. He offered to give presentations to member boards about what is happening with RWA and regional initiatives.

Mr. Swartz is meeting with the Water Bank committee. Activities include the construction of the model that is nearing completion.

The mission, vision, values and goals and objectives for the Strategic Plan were included in the packet. A Strategic Plan brochure will be printed after some artwork and design is developed by Christine Kohn. He thanked Ellen Cross for her work on the Strategic Planning efforts.

Mr. Peifer is interested in receiving feedback on a potential Board Workshop where members could give presentations on topics of interest.

14. DIRECTORS' COMMENTS

Mr. York reported that the Sacramento Suburban Water District Board of Directors are up for election. Directors McPherson and Jones both ran unopposed for the next four-year term.

Mr. Yasutake, City of Folsom, asked if anyone has experience with pinhole leaks to please contact him.

Mr. Greenwood said that he and Mark Emmerson will serve another four-year term as Directors for Carmichael Water District. He said that things are moving forward beautifully with their new General Manager, Cathy Lee.

Ms. Carrey mentioned that City of Sacramento has a council report item going forward on September 8th seeking approval to pay invoices.

Mr. Rich said that San Juan Water District is going through a public process to consider changing from an at large agency to just representation. They are receiving public input and should know more in the coming months.

Chair Schmitz said to stay tuned for the small agency effort with meetings to be scheduled soon.

ADJOURNMENT

Chair Schmitz adjourned the meeting at 11:03 a.m.

By:

Chairperson

Attest:

Cecilia Partridge, Temporary Board Secretary

CONSENT CALENDAR ITEM 3b: ACCOUNTING CONSULTANT CONTRACT CHANGE ORDER

BACKGROUND:

Annually, RWA is required to produce audited Financial Statements in accordance with Generally Accepted Account Principles (GAAP) that reflect its financial position for the prior fiscal year. To assist with this endeavor, RWA contracts with an accounting consultant to produce the financial schedules that result in a draft financial statement for RWA's auditor, Gilbert & Associates, to independently evaluate. Last January, Richardson & Company (Richardson) was brought on to complete RWA's financial schedules and draft financial statement as a result of the previous RWA accounting consultant being unable to do so. Richardson was selected to complete this task due to their familiarity with RWA's financial structure having been RWA's previous auditor in 2017. The RWA Board approved its financial audit for fiscal year 2019 at the May 14, 2020 Board Meeting.

As audit preparation began in late July, the Executive Director executed a new consultant contract with Richardson to commence the preparation of the fiscal year 2020 (FY20) accounting statements in a not-to-exceed amount of \$50,000; maximum contract authority under the Executive Director (see attached Policy 300.2). The RWA budget line item for budget/accounting services (which is shared with the Sacramento Groundwater Authority) this fiscal year is \$62,000. Staff is seeking Executive Committee approval to issue a change order in the amount of \$12,000 to Richardson & Company to align the contract amount with the budget in order to complete RWA's and SGA's FY20 audit and provide support in filing the associated State Controller's Office Report.

STAFF RECOMMENDATION:

Under RWA Policy 300.2, the Executive Committee can approve contracts up to \$150,000. Since this item is to align the contract amount with the already Board-approved budget, staff recommends that the Executive Committee authorize the Executive Director to execute the attached contract change order (contract amendment 1).

Action: Approve contract change order to Richardson & Company in the amount of \$12,000.

REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : Operations
Policy Title : Professional Services Selection and Contracting Policy
Policy Number : 300.2
Date Adopted : September 24, 2003
Date Amended : March 8, 2012
 March 13, 2014
 March 26, 2014
 May 15, 2014
 January 23, 2019

PROFESSIONAL SERVICES SELECTION AND CONTRACTING POLICY

The procurement of consulting and professional services for the Regional Water Authority will be on the basis of documented competence and qualifications for the types of services to be performed, and at a fair, competitive and reasonable price.

For the purposes of this policy, the term “consulting and professional services” means any specialized services performed by firms or persons who are qualified, by education, experience, licenses or certification in a particular field. Types of services may include, but are not limited to: engineering, information technology, financial, public relations, legal, and human resources.

I. General Procedures

Generally, consulting and professional services that would cost \$50,000 or less will be obtained pursuant to a selection process determined by the Executive Director. Consulting and professional services that would cost more than \$50,000 will generally be obtained through a competitive process by issuance of a Request for Proposals or a Request for Qualifications, as determined by the Executive Director, and a contract for such services will be subject to: (1) approval of the Executive Committee, and (2) for a contract for services that would cost more than \$150,000, approval of the Board of Directors.

The Executive Director will recommend to the Executive Committee and, where applicable, the Board of Directors, selection based on documented competence and qualifications for the types of services to be performed, and at a fair, competitive and reasonable price, and not based solely on the lowest-cost proposal submitted.

With each recommendation for a contract exceeding \$50,000, the Executive Director will provide to the Executive Committee and, where applicable, the Board of Directors, a written description of the selection process. The description will include: (1) a copy of the solicitation; (2) a list of firms invited; (3) a description of the method used to identify

the invited firms and the selection criteria used; (4) a summary and ranking of each proposal received, including the proposed fees and costs, and scope of work to be performed; and (5) a list of the members of the selection committee.

II. Procedures for Specific Situations

A. Recurring Work

1. If RWA contracts with a consultant for work of a recurring nature to be performed over two or more years (e.g., auditing, accounting or technical writing services), the Executive Director will determine the total estimated cost of the work over the life of the contract and, based on that cost estimate, will follow the applicable contracting procedure in Part I of this Policy when making the contract.
2. Other than requesting annual appropriations in the budget for funding work under a recurring contract, the Executive Director will not be required to request additional approvals from the Executive Committee or the Board in the second and following years.
3. Recurring contracts will generally not have a term longer than five years, however, contracts may have an indefinite term with validation every 5 years by the Executive Committee. If, upon review, the Executive Director believes that it would be beneficial to RWA to extend a recurring contract for an additional term, the Executive Director will prepare a report to the Executive Committee or Board, as appropriate, justifying the extension and requesting such approval from the appropriate body.

B. Extended or Successive Contracts

1. If a consultant is working under an approved contract for specified work, the amount of the contract for the same or related work can be increased above the approved amount without further Board or Executive Committee approval if the increase is within the authorized amount for consulting services provided in the current year's budget, provided that a subsequent increase in the contract amount does not exceed \$50,000.
2. For contracts originally in the amount of \$50,000 or less, the Executive Director may waive this policy up to the amount of \$100,000, provided that the waiver involves the extension of an existing contract or execution of a successive contract with the same consultant and subject to the availability of funds.
3. A waiver will be effective only upon a written determination by the Executive Director that: (a) the consultant satisfactorily performed the previous stage of a project, has acquired extensive background and working knowledge of the work to be performed, and is a highly-recognized or only authority in the field or area of work to be performed; (b) it would be more cost- and time-efficient for RWA to enter into the extended or successive contract than to issue a solicitation for a

new contract; and (c) the need for a higher contract amount and increased work was not foreseeable at the time that the original contract was executed. The Executive Director will report the contract extension to the Executive Committee at its next meeting.

4. The Executive Director will report on expenditures of the budgeted amount to the Board or Executive Committee, as appropriate.
5. Any proposal to increase the amount of a consultant's contract above the amount authorized in an annual budget will be subject to Board or Executive Committee approval in accordance with the procedures in Part I.

C. Subscription Programs

1. Once a consultant contract for a subscription program has been authorized by the executive committee or Board in accordance with the Part I general procedures, the committee established by the project agreement will have the authority to approve an increase in the amount of a consultant contract for project-related work.
2. The increased contract amount will not become effective until the Executive Director determines and certifies that the increase will not affect or become a debt, liability or obligation of non-participating RWA members. The Executive Director will report the project committee's decision to the Board or Executive Committee, as appropriate.

D. Third Party Goods or Services Under an Existing Contract

1. A consultant under contract may recommend that RWA obtain goods or services from third parties through the consultant, rather than by separate contract (for example, a media buy for a public awareness campaign being conducted by a consultant). Subject to the below conditions, obtaining such third party goods and services will be deemed a separate agreement subject to the monetary contracting limits.
2. Before obtaining third party goods or services through an existing consultant contract, the Executive Director will determine in writing that the good or services are necessary for RWA's purposes; the goods are of sufficient quality or the services will be provided by persons or entities with the requisite qualifications and experience; are offered at a fair, competitive and reasonable price; and that there is a business justification for obtaining the goods or services through the consultant rather than directly from the provider.
3. The Executive Director will report such a "pass-through" procurement of third party goods or services at the next meeting of the Board or Executive Committee, as appropriate, when such goods or services cost in excess of \$50,000.

E. Multi-party procurement of Goods or Services

RWA may periodically wish to procure goods or services under an agreement with other public agencies or other organizations. RWA participation in such procurements is subject to the requirements of this policy.

1. The dollar amounts of RWA's share of a procurement shall be used to evaluate compliance with the approval authorities in Section I and requirements in Section I and II.B. above.
2. Other conditions of the policy may be waived only if the procurement complies with the policies and procedures of another agency adopted according to applicable law.

III. Alternate Selection Process

Regardless of the amount or of any other limitations provided in this policy, the Executive Committee may at any time approve an alternate selection process in cases where a consulting firm has satisfactorily performed the previous stage of a project, has acquired extensive background and working knowledge of the work to be performed, is a highly-recognized authority in the field or area of work to be performed or is the only-known available highly-recognized authority, and the alternative process is in the best interests of RWA.

IV. Conflict of Interest

In the event the Executive Director has a conflict of interest in selection and contracting, the Executive Committee will require the Manager of Technical Services or Finance and Administrative Services Manager to participate in place of the Executive Director, and report directly to the Executive Committee on the matter. In the event no qualified employee can participate, the Executive Committee will manage the matter directly.

IV. Policy Review

This Policy shall be reviewed at least once every five years.

**AMENDMENT NO. 1
TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE REGIONAL WATER AUTHORITY
AND
RICHARDSON & COMPANY, LLP.**

1. Parties and Date.

This Amendment No. 1 to the Professional Services Agreement is made and entered into as of this _____, by and between the Regional Water Authority, hereinafter referred to as “Authority” and Richardson & Company, LLP., hereinafter referred to as “Consultant”.

2. Recitals.

2.1 Consultant. The Authority and Consultant have entered into a Professional Services Agreement dated July 7, 2020 (“Agreement”) for the purpose of retaining the services of Consultant to provide accounting support for financial statement compilation used in conjunction with the annual audit and state required reporting.

2.2 Amendment Purpose. The Authority and Consultant desire to amend the Agreement to increase the maximum contract value to a not-to-exceed amount of \$62,000.

2.3 Amendment Authority. This Amendment No. 1 is authorized pursuant to Section 12 of the Agreement.

3. Terms.

3.1 Amendment.

Term of the Agreement will conclude upon the completion of work or Board approval of the Fiscal Year 2019/2020 audit whichever occurs first.

3.2 Continuing Effect of Agreement. Except as amended by this Amendment No. 1, all other provisions of the Agreement remain in full force and effect and shall govern the actions of the parties under this Amendment No. 1. From and after the date of this Amendment No. 1, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement as amended by this Amendment No. 1.

3.3 Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 1.

3.4 Severability. If any portion of this Amendment No. 1 is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall

continue in full force and effect.

REGIONAL WATER AUTHORITY

Approved By:

James Peifer
Executive Director

Date

RICHARDSON & COMPANY, LLP.

Approved By:

Ingrid Sheipline
Principal

Date

**REGIONAL WATER AUTHORITY
SERVICES AGREEMENT**

THIS AGREEMENT is entered into as of the date last signed and dated below ("Effective Date") by and between Regional Water Authority, a public agency ("Authority"), and Richardson & Company, LLP, a partnership based in California ("Contractor"), who agree as follows:

1. Scope of Work. Contractor shall perform the work and render the services described in the attached Exhibit A (the "Work"), which generally will involve assisting Authority in providing financial information to its auditor for fiscal year 2020. Contractor shall provide all labor, services, equipment, tools, material and supplies required or necessary to properly, competently and completely perform the Work. Contractor shall determine the method, details and means of doing the Work.

2. Payment. Authority shall pay to Contractor a fee based on Contractor's time and expenses necessarily and actually expended or incurred on the Work in accordance with Contractor's fee schedule on the attached Exhibit A.

a. The total fee for the Work shall not exceed \$50,000. There shall be no compensation for extra or additional work or services by Contractor unless approved in advance in writing by Authority. Contractor's fee includes all of Contractor's costs and expenses related to the Work.

b. At the end of each month, Contractor shall submit to Authority an invoice for the Work performed during the preceding month. The invoice shall include a brief description of the Work performed, the dates of Work, number of hours worked and by whom (if payment is based on time), payment due, and an itemization of any reimbursable expenditures. If the Work is satisfactorily completed and the invoice is accurately computed, Authority shall pay the invoice within 30 days of its receipt.

3. Term.

a. This Agreement shall take effect on the Effective Date and continue in effect until completion of the Work, unless sooner terminated as provided below. Time is of the essence in this Agreement. If Exhibit A includes a Work schedule or deadline, then Contractor must complete the Work in accordance with the specified schedule or deadline, which may be extended by Authority for good cause shown by Contractor. If Exhibit A does not include a Work schedule or deadline, then Contractor must perform the Work diligently and as expeditiously as possible, consistent with the professional skill and care appropriate for the orderly progress of the Work.

b. This Agreement may be terminated at any time by Authority upon 10 days advance written notice to Contractor. In the event of such termination, Contractor shall be fairly compensated for all work performed to the date of termination as calculated by Authority based on the above fee and payment provisions. Compensation under this subsection shall not include any termination-related expenses, cancellation or demobilization charges, or lost profit associated with the expected completion of the Work or other such similar payments relating to Contractor's claimed benefit of the bargain.

4. Professional Ability of Contractor. Contractor represents that it is specially trained and experienced, and possesses the skill, ability, knowledge and certification, to competently perform the Work provided by this Agreement. Authority has relied upon Contractor's training, experience, skill, ability, knowledge and certification as a material inducement to enter into this Agreement. All Work performed by Contractor shall be in accordance with applicable legal requirements and meet the standard of care and quality ordinarily to be expected of competent professionals in Contractor's field. Authority and Contractor acknowledge that Contractor previously has served as Authority's auditor, but was not Authority's auditor for fiscal year since 2017 and therefore has not served as Authority's auditor for consecutive years that include fiscal year 2020.

5. Conflict of Interest. Contractor (including principals, associates and professional employees) represents and acknowledges that (a) it does not now have and shall not acquire any direct or indirect investment, interest in real property or source of income that would be affected in any manner or degree by the performance of Contractor's services under this agreement, and (b) no person having any such interest shall perform any portion of the Work. The parties agree that Contractor is not a designated employee within the meaning of the Political Reform Act and Authority's conflict of interest code because the Work will not involve participating in the formulation of any policy or other decision-making by Authority's Board of Directors. For these reasons, and pursuant to Authority's Policy 200.4, Authority's Executive Director has determined that Contractor and its principals, associates and professional employees are not subject to that policy. Contractor possesses no authority with respect to any Authority decision beyond the rendition of information, advice, recommendation or counsel.

6. Contractor Records.

a. Contractor shall keep and maintain all ledgers, books of account, invoices, vouchers, canceled checks, and other records and documents evidencing or relating to the Work and invoice preparation and support for a minimum period of three years (or for any longer period required by law) from the date of final payment to Contractor under this Agreement. Authority may inspect and audit such books and records, including source documents, to verify all charges, payments and reimbursable costs under this Agreement.

b. In accordance with California Government Code section 8546.7, the parties acknowledge that this Agreement, and performance and payments under it, are subject to examination and audit by the California State Auditor for three years following final payment under the Agreement.

7. Ownership of Documents. All works of authorship and every report, study, spreadsheet, worksheet, plan, design, blueprint, specification, drawing, map, photograph, computer model, computer disk, magnetic tape, CAD data file, computer software and any other document or thing prepared, developed or created by Contractor under this Agreement and provided to Authority ("Work Product") shall be the property of Authority. Authority shall have the rights to use, modify, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to Contractor or any other party. Contractor may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and distribute any Work Product and prepare derivative and additional documents or works based on any Work Product; provided, however, that Contractor shall not provide any Work

Product to any third party without Authority's prior written approval, unless compelled to do so by legal process. If any Work Product is copyrightable, Contractor may copyright the same, except that, as to any Work Product that is copyrighted by Contractor, Authority reserves a royalty-free, nonexclusive and irrevocable license to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product. If Authority reuses or modifies any Work Product for a use or purpose other than that intended by the scope of work under this Agreement, then Authority shall hold Contractor harmless against all claims, damages, losses and expenses arising from such reuse or modification. For any Work Product provided to Authority in paper format, upon request by Authority at any time (including, but not limited to, at expiration or termination of this Agreement), Contractor agrees to provide the Work Product to Authority in a readable, transferable and usable electronic format generally acknowledged as being an industry-standard format for information exchange between computers (e.g., Word file, Excel spreadsheet file, AutoCAD file).

8. Confidentiality of Information.

a. Contractor shall keep in strict confidence all confidential, privileged, trade secret, and proprietary information, data and other materials in any format generated, used or obtained by the Authority or created by Contractor in connection with the performance of the Work under this Agreement (the "Confidential Material"). Contractor shall not use any Confidential Material for any purpose other than the performance of the Work under this Agreement, unless otherwise authorized in writing by Authority. Contractor also shall not disclose any Confidential Material to any person or entity not connected with the performance of the Work under this Agreement, unless otherwise authorized in advance in writing by Authority. If there is a question if Confidential Material is protected from disclosure or is a public record or in the public domain, the party considering disclosure of such materials shall consult with the other party concerning the proposed disclosure.

b. Contractor, and its officers, employees, agents, and subcontractors, shall at all times take all steps that are necessary to protect and preserve all Confidential Material. At no time shall Contractor, or its officers, employees, agents, or subcontractors in any manner, either directly or indirectly, use for personal benefit, any Confidential Material. Except as authorized in the attached Exhibit A, Contractor shall not divulge, disclose, or communicate in any manner, any Confidential Material to any person or entity unless specifically authorized in writing by the Authority or by order of a court or regulatory entity with jurisdiction over the matter. Contractor, and its officers, employees, agents, and subcontractors shall protect the Confidential Material and treat it as strictly confidential in accordance with applicable law, Authority policies and directives, and best industry security practices and standards.

c. If any person or entity, other than Authority or Contractor, requests or demands, by subpoena, discovery request, California Public Records Act request or otherwise, Confidential Material or its contents, the party to whom the request is made will immediately notify the other party, so that the parties may collectively consider appropriate steps to protect the disclosure of those materials. The parties agree to take all steps reasonably necessary to preserve the confidential and privileged nature of the Confidential Material and its content. In the event that the parties cannot agree whether to oppose or comply with a disclosure demand, the opposing party may oppose the demand at its sole cost and expense,

in which event the party favoring disclosure will refrain from disclosing the demanded Confidential Material until such time as a final agreement regarding disclosure is reached or, if an agreement is not reached, a judicial determination is made concerning the demand.

d. Unless otherwise directed in writing by the Authority, upon contract completion or termination, Contractor must destroy all Confidential Materials (written, printed and/or electronic) and shall provide a written statement to the Authority that such materials have been destroyed.

9. Compliance with Laws. Contractor shall perform the Work in compliance with all applicable federal, state and local laws and regulations. Contractor shall possess, maintain and comply with all federal, state and local permits, licenses and certificates that may be required for it to perform the Work. Contractor shall comply with all federal, state and local air pollution control laws and regulations applicable to the Contractor and its Work (as required by California Code of Regulations title 13, section 2022.1). Contractor shall be responsible for the safety of its workers and Contractor shall comply with applicable federal and state worker safety-related laws and regulations.

10. Indemnification. Contractor shall indemnify, defend, protect, and hold harmless Authority, and its officers, employees and agents from and against any claims, liability, losses, damages and expenses (including attorney, expert witness and Contractor fees, and litigation costs) that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Contractor or its employees, agents or subcontractors. However, this indemnity provision will not apply to any claims, liability, losses, damages and expenses arising from the sole negligence or willful misconduct of Authority or its employees or agents. Contractor's obligations under this indemnification provision shall survive the termination of, or completion of Work under, this Agreement.

11. Insurance.

Types & Limits. Contractor at its sole cost and expense shall procure and maintain for the duration of this Agreement the following types and limits of insurance:

<i>Type</i>	<i>Limits</i>	<i>Scope</i>
Commercial general liability	\$1,000,000 per occurrence & \$2,000,000 aggregate	at least as broad as ISO CG 0001
Automobile liability	\$1,000,000 per accident	at least as broad as ISO CA 0001, code 1 (any auto)
Workers' compensation	Statutory limits	
Employers' liability	\$1,000,000 per accident	
Professional liability	\$1,000,000 per claim	

a. Other Requirements. The general and automobile liability policy(ies) shall be endorsed to name Authority, its officers, employees, volunteers and agents as additional insureds regarding liability arising out of the Work. Contractor's coverage shall be primary and apply

separately to each insurer against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Authority's insurance or self-insurance, if any, shall be excess and shall not contribute with Contractor's insurance. Each insurance policy shall be endorsed to state that coverage shall not be canceled, except after 30 days (10 days for non-payment of premium) prior written notice to Authority. Insurance is to be placed with admitted insurers with a current A.M. Best's rating of A-:VII or better unless otherwise acceptable to Authority. Workers' compensation insurance issued by the State Compensation Insurance Fund is acceptable. Contractor agrees to waive subrogation that any insurer may acquire from Contractor by virtue of the payment of any loss relating to the Work. Contractor agrees to obtain any endorsement that may be necessary to implement this subrogation waiver. The workers' compensation policy must be endorsed to contain a subrogation waiver in favor of Authority for the Work performed by Contractor.

b. **Proof of Insurance.** Upon request, Contractor shall provide to Authority the following proof of insurance: (a) certificate(s) of insurance evidencing this insurance; and (b) endorsement(s) on ISO Form CG 2010 (or insurer's equivalent), signed by a person authorized to bind coverage on behalf of the insurer(s), and certifying the additional insured coverage.

12. Entire Agreement; Amendment. The parties intend this writing to be the sole, final, complete, exclusive and integrated expression and statement of the terms of their contract concerning the Work. This Agreement supersedes all prior oral or written negotiations, representations, contracts or other documents that may be related to the Work, except those other documents (if any) that are expressly referenced in this Agreement. This Agreement may be amended only by a subsequent written contract approved and signed by both parties.

13. Independent Contractor. Contractor's relationship to Authority is that of an independent contractor. All persons hired by Contractor and performing the Work shall be Contractor's employees or agents. Contractor and its officers, employees and agents are not Authority employees, and they are not entitled to Authority employment salary, wages or benefits. Contractor shall pay, and Authority shall not be responsible in any way for, the salary, wages, workers' compensation, unemployment insurance, disability insurance, tax withholding, and benefits to and on behalf of Contractor's employees. Contractor shall, to the fullest extent permitted by law, indemnify Authority, and its officers, employees, volunteers and agents from and against any and all liability, penalties, expenses and costs resulting from any adverse determination by the federal Internal Revenue Service, California Franchise Tax Board, other federal or state Authority, or court concerning Contractor's independent contractor status or employment-related liability.

14. Subcontractors. No subcontract shall be awarded nor any subcontractor engaged by Contractor without Authority's prior written approval. Contractor shall be responsible for requiring and confirming that each approved subcontractor meets the minimum insurance requirements specified in Section 11 of this Agreement. Any approved subcontractor shall obtain the required insurance coverages and provide proof of same to Authority in the manner provided in Section 11 of this Agreement.

15. Assignment. This Agreement and all rights and obligations under it are personal to the parties. The Agreement may not be transferred, assigned, delegated or subcontracted in whole or in part, whether by assignment, subcontract, merger, operation of law or otherwise, by either party without the prior written consent of the other party. Any transfer,

assignment, delegation, or subcontract in violation of this provision is null and void and grounds for the other party to terminate the Agreement.

16. No Waiver of Rights. Any waiver at any time by either party of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default. No payment by Authority to Contractor shall be considered or construed to be an approval or acceptance of any Work or a waiver of any breach or default.

17. Severability. If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, provided that each party still receives the benefits of this Agreement.

18. Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the State of California. The county and federal district court where Authority's office is located shall be venue for any state and federal court litigation concerning the enforcement or construction of this Agreement.

19. Notice. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement must be in writing and delivered either (a) in person, (b) by prepaid, first class U.S. mail, (c) by a nationally-recognized commercial overnight courier service that guarantees next day delivery and provides a receipt, or (d) by email with confirmed receipt. Such notices, etc. shall be addressed as follows:

Authority:

Regional Water Authority
Attn: James Peifer
5620 Birdcage Street, Suite 180
Citrus Heights, CA 95610
E-mail: jpeifer@rwah2o.org

Contractor:

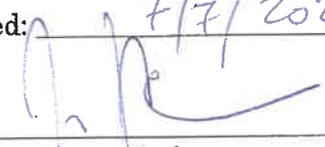
Richardson & Company, LLP
Attn: Ingrid Sheipline
550 Howe Avenue, Suite 210
Sacramento, CA 95825
E-mail: ISheipline@richardsoncpas.com

Notice given as above will be deemed given (a) when delivered in person, (b) three days after deposited in prepaid, first class U.S. mail, (c) on the date of delivery as shown on the overnight courier service receipt, or (d) upon the sender's receipt of an email or other electronic communication from the other party, or the other party's information technology system, confirming the delivery of the notice. Any party may change its contact information by notifying the other party of the change in the manner provided above.

20. Signature Authority. Each party warrants that the person signing this Agreement is authorized to act on behalf of the party for whom that person signs. The parties may execute and deliver this Agreement and documents reasonably necessary to perform it, including task orders and amendments, in any number of original or facsimile counterparts. When each party has signed and delivered at least one counterpart to the other party, each counterpart shall be deemed an original and, taken together, the counterparts shall constitute one and the same document, which shall be binding and effective.

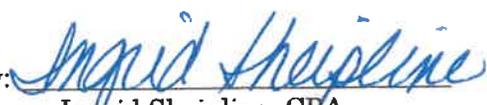
REGIONAL WATER AUTHORITY:

Dated: 7/7/2020

By: 
James Peifer
Executive Director

RICHARDSON & COMPANY, LLP

Dated: 7/6/20

By: 
Ingrid Sheipline, CFA
Managing Partner

REGIONAL WATER AUTHORITY
SACRAMENTO GROUNDWATER AUTHORITY
PROFESSIONAL SERVICES RATE SCHEDULE

<u>Classification</u>	<u>Rate Per Hour</u>
Partner	\$ 200
Tax Director	220
Senior Manager	180
Managers	160
Supervisors	140
Seniors	120
Semi-seniors	110
Staff	100
Administrative or clerical	60

AGENDA ITEM 4: ANNUAL REVIEW OF RWA INVESTMENT POLICY (POLICY 500.2)

BACKGROUND:

In accordance with Government Accounting Standards Board Statement 31, RWA's governing board is required annually to review its investment policy and associated investment selections. This review is typically completed as part of the overall annual audit process. RWA Policy 500.2 outlines the various types of suitable and acceptable investments that RWA can invest its surplus cash (attached). Since its policy inception, RWA has selected to invest its surplus cash in the Local Agency Investment Fund (LAIF) under the expertise of the State Treasurer's Office Investment staff. With over \$32 billion in assets and 2,376 participating agencies, LAIF is considered one of the soundest investment options available to government agencies and special districts. LAIF has performed well over the years for RWA and the interest earnings are reported in the annual audit. Last year, RWA earned \$56,392 in interest income with an approximate account balance of \$1.9 million as of June 30, 2020.

STAFF RECOMMENDATION:

At this time, staff does not foresee a reason to change the current investment selection. If approved, this item will move forward for RWA Board approval at the November 12th board meeting.

Action: Recommend no changes to Policy 500.2 to the Board of Directors

Information and Discussion: Josette Reina-Luken, Finance and Administrative Services Manager.

REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : Fiscal Management
Policy Title : Investment Policy
Policy Number : 500.2
Date Adopted : March 9, 2006
Date Amended : November 8, 2012

REGIONAL WATER AUTHORITY INVESTMENT POLICY

1.0 Purpose

The purpose of this Investment Policy (Policy) is to establish cash management and investment guidelines for the Treasurer, who is responsible for investing and safeguarding the Regional Water Authority's (RWA) surplus funds. Each transaction and the entire portfolio must comply with California Government Code (the "Code") Sections 53600 through 53610 (Investment of Surplus), Sections 53630 through 53686 (Deposit of Funds), and this Policy.

2.0 Scope

This Policy applies to all surplus financial funds of RWA that may be invested because they are not needed for immediate payment of expenses. These funds are accounted for in RWA's audited annual financial report and include:

1. Enterprise Funds
2. Trust and Agency Funds
3. Any new fund created by the legislative body, unless specifically exempted.

Except for cash in certain restricted and special funds, RWA will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles. In addition, the costs of managing the investment portfolio, including but not limited to the costs of investment management, custody of assets, managing and accounting for banking, and oversight controls, will be charged to investment earnings based upon actual hours of labor devoted to managing each of the funds.

3.0 General Objectives

In accordance with the Code, the primary objectives, in priority order, of investment activities will be safety, liquidity, and yield:

1. Safety. Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. Each investment transaction will be entered into with consideration for the quality of the issuer and of the underlying security and collateral.

2. Liquidity. The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Liquidity will be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands whenever feasible. A portion or the entire portfolio also may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

3. Yield. The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

4.0 Standards of Care

1. Prudent Investor Standard. In accordance with Section 53600.3, the RWA Board and Treasurer are trustees and fiduciaries subject to the "Prudent Investor Standard." The Prudent Investor Standard requires the Board and Treasurer, when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing the RWA's funds, to act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the RWA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the RWA. This standard will be applied in all investment decisions, including those related to hedging interest rate risks associated with debt financing. This standard will be applied in all investment decisions.

2. Ethics and Conflicts of Interest. The Treasurer and any other officers and employees involved in the investment process will refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Such officers and employees will disclose to the Board of Directors any material interests in financial institutions with which they conduct business. They will further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Affected officers and employees will refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of RWA. All such

officers and employees are prohibited from accepting honoraria, gifts and from financial dealers and financial institutions.

3. Delegation of Authority. Under Section 53607 of the Code, authority to manage RWA's investment portfolio is expressly delegated to the Board of Directors, which may delegate its authority to the Treasurer. In accordance with Section 53607, the Board hereby delegates its responsibility for the operation of the investment program to the Treasurer, who will act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Policy.

5.0 Safekeeping and Custody

1. Authorized Financial Dealers and Institutions. The Treasurer will maintain a list of financial institutions authorized to provide investment services and a list of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These may include primary dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

RWA will only deposit funds in a depository that is established and operated in accordance with applicable federal and state laws and regulations.

All financial institutions and broker/dealers who desire to become qualified to conduct investment transactions for RWA must supply the following to the Treasurer as requested:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Trading resolution
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification signed by an authorized officer that he or she has read and understood and that the institution agrees to comply with this Policy.

The Treasurer will conduct an annual review of the financial condition and registration of qualified financial institutions and broker/dealers. A current audited financial statement is required to be on file for each financial institution and broker/dealer in or through which RWA invests. No broker, dealer, or securities firm will be eligible to provide services to RWA within 24 months of making a campaign contribution to any RWA Board member, if the contribution exceeds the limits contained in Rule G-37 of the Municipal Securities Rulemaking Board.

2. Delivery vs. Payment. Where applicable, all trades will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

6.0 Suitable and Authorized Investments

The Treasurer is authorized to make investments in accordance with the general categories and limitations established by Sections 53601, 53601.6, 53601.8, 53635, 53635.2, 53638 and 53684 of the Code. Authorized investments also will include investment into the Local Agency Investment Fund ("LAIF") in accordance with Section 16429.1 of the Code. See Appendix A, which summarizes the categories of permitted investments.

1. U.S. Government, Agencies, State and Local Government Sponsored Enterprises

- a. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- b. Registered state warrants or treasury notes or bonds of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- c. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- d. Bonds, notes, warrants, or other evidences of indebtedness of a local agency within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency or authority of the local agency; provided, however, that any bond or certificate of participation investments in member agencies require prior Board approval.
- e. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- f. These investments have a maximum maturity of five years.

2. Bankers Acceptance Notes

- a. Investments in prime bankers' acceptances may not exceed 40 percent of the portfolio in effect on the date of purchase of any such investment.
- b. No more than 30 percent of this category of investments may be invested in any one commercial bank's acceptances.
- c. The maximum maturity shall be limited to 180 days.

3. Commercial Paper

- a. Only commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating, at the time of purchase, as provided by Moody's Investors Services or Standard & Poor's Corporation may be purchased.
- b. Investments in commercial paper shall not exceed 25 percent of the portfolio in effect on the date of purchase of any such investment.
- c. Each investment shall not exceed 270 days maturity.
- d. No more than 10 percent of the outstanding commercial paper of an issuing corporation may be purchased.
- e. The issuer is either: (1) organized and operating in the United States as a general corporation and has total assets in excess of \$500 million. If the entity has debt other than commercial paper, it is rated "A", "A-2" or higher by a nationally recognized rating agency; or (2) is organized within the United States as a special purpose corporation, trust or limited liability company. Has program-wide credit enhancements including, but not limited to, over-collateralization, letters of credit or surety bond. Has commercial paper that is rated "A-1", "A+" or higher by a nationally recognized rating agency.

4. Negotiable Certificates of Deposit

- a. A negotiable certificate of deposit must be issued by a nationally or state-chartered bank, a state or federal savings and loan association or savings bank, a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank and be rated "A" or better by at least one nationally recognized rating agency.
- b. Investments in negotiable certificates of deposit may not exceed 30 percent of the total portfolio in effect on the date of purchase of any such investment.
- c. The investment will not exceed the total of the net worth of any depository savings and loan association, except that investments up to a total of \$500,000 may be made to a savings and loan

association without regard to the net worth of that depository, if such investments are insured or secured as required by law..

- d. The investment shall not exceed the shareholders' equity of any depository bank. For the purpose of this constraint, shareholders' equity shall be deemed to include capital notes and debentures.
- e. The RWA Board and the Treasurer or other official of the RWA having legal custody of the moneys are prohibited from investing RWA funds, or funds in the custody of the RWA, in negotiable certificates of deposit issued by a state or federal credit union if a member of the RWA's Board, or a person with investment decision making authority at the RWA also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- f. The maximum maturity is limited to five years.

5. Medium-term notes

- a. Investment in medium-term notes are limited to corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- b. Purchases of medium-term notes will be limited to a maximum maturity of five years.
- c. Purchases of medium-term notes may not exceed 30 percent of the portfolio.
- d. Notes eligible for investment shall be rated in a rating category of at least "A" or its equivalent or better by a nationally recognized rating service.

6. Shares of Beneficial Interest (Money Market Funds)

- a. Investment in shares of beneficial interest issued by eligible diversified management companies that invest in securities that comply with Section 53601 and 53635 of the Code or are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940.
- b. These eligible companies must meet the following criteria:
 - i. Attain the highest ranking of the highest letter and numerical rating provided by not less than two nationally recognized rating agencies
 - ii. Retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market funds with assets under management in excess of \$500 million.

- c. The purchase price of the shares will not include any commission that the companies may charge and will not exceed 20 percent of the portfolio.
- d. No more than 10 percent of portfolio may be invested in one mutual fund.

7. Collateralized Bank Deposits

- a. Maximum maturity is limited to five years.
- b. Collateralization must be consistent with the requirements of Sections 53651 through 53652 of the Code.

8. Time Deposits

- a. For purposes of this Policy, collateralized time deposits will be considered investments.
- b. The financial institution used must have been in existence for at least five years.
- c. The financial institution must have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California’s communities.
- d. Eligibility for deposits will be limited to those financial institutions that have a branch in the State of California and maintain a rating equivalent to Thompson BankWatch Service of “B” or better.
- e. Credit requirements may be waived for a \$100,000 time deposit that is federally insured.
- f. The deposit will not exceed the shareholders’ equity of any depository bank. For the purpose of this constraint, shareholders’ equity will be deemed to include capital notes and debentures.
- g. The deposit will not exceed the total of the net worth of any depository savings and loan association, except that deposits not exceeding a total of \$500,000 may be made to a savings and loan association without regard to the net worth of that depository, if such deposits are insured or secured as required by law.
- h. Deposits must be insured up to the FDIC’s current limit. For uninsured deposits, the financial institution will maintain in the collateral pool securities having a market value of at least 10 percent in excess of the total amount deposited. RWA, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. RWA shall have a signed agreement with any depository accepting RWA funds. Promissory notes secured by real estate mortgages or deeds of trust are not acceptable as collateral.
- i. When other factors are equal, appropriate consideration will be given to a financial institution that either individually or as a member

of a syndicate bids on or makes a substantial investment in the RWA's securities, contributes service to the RWA, and offers significant assistance to the RWA, so as to provide for distribution of total deposits among eligible financial institutions.

- j. Purchased time deposits will be limited to a maximum maturity of five years.

9. Local Agency Investment Fund

- a. Deposits for the purpose of investment in the Local Agency Investment Fund of the State of California may be made up to the maximum amount permitted by State Treasury policy.

7.0 Reporting

1. Required Periodic Reports. The Treasurer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the members of the RWA Board of Directors and Executive Director to ascertain whether investment activities during the reporting period have conformed to this Policy. The report shall be provided to the Board of Directors and the Executive Director. If applicable, the investment report will include the following:

- o Listing of individual securities held at the end of the reporting period by investment category.
- o Average life and final maturity of all investments listed
- o Coupon, discount, or earnings rate
- o Par value, amortized book value and market value
- o Percentage of portfolio represented by the investment category

2. LAIF Reporting. If the surplus funds are solely invested in the Local Agency Investment Fund (LAIF), the monthly LAIF statement shall be sufficient for reporting purposes.

8.0 Policy Considerations

1. Amendments. This Policy will be reviewed by the Treasurer on an annual basis. Any changes to this Policy recommended by the Treasurer must be approved by the Executive Committee and Board of Directors, after review and comment by the individual(s) charged with maintaining internal controls.

2. Administration. The Treasurer may at any time further restrict the securities approved for investment as deemed prudent. From time to time, the established portfolio limitations may be exceeded due to irregular cash

flows or in certain economic conditions. In such cases, the Treasurer will inform the Executive Committee and Executive Director and take action consistent with the prudent investor standard to ensure that no category of investments exceeds the statutory limitations provided in the Code.

3. Performance Review. The Treasurer will conduct an annual appraisal of RWA's investment portfolio to evaluate its effectiveness and conformance with this Policy. To the extent necessary or appropriate, the Treasurer will make recommendations to the Executive Committee concerning the improvement and/or restructuring of the portfolio.

4. Existing Investments. Any investment held by RWA at the time this Policy is first adopted or revised to conform to changes in law or this Policy will not be sold because of a failure to conform to this Policy, unless the Treasurer deems sale of the investment to be prudent or required by law.

5. Conflict With Statute. In the event that any provision of this Policy conflicts with the Code or any other applicable state or federal statute, the provisions of any such statute will govern.

APPENDIX A

PERMITTED INVESTMENT INSTRUMENTS PER GOVERNMENT CODE (AS OF JANUARY 1, 2012) ¹

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirement
Local Agency Bonds	5 years	100	None
U.S. Treasury Obligations	5 years	100	None
State Obligations—CA And Others	5 years	100	None
CA Local Agency Obligations	5 years	100	None
U.S Agency Obligations	5 years	100	None
Bankers' Acceptances	180 days	40%	None
Commercial Paper—Select Agencies	270 days	25% of the agency's money	"A-1" if the issuer has issued long-term debt it must be rated "A" without regard to modifiers
Commercial Paper—Other Agencies	270 days	40% of the agency's money	"A-1" if the issuer has issued long-term debt it must be rated "A" without regard to modifiers
Negotiable Certificates of Deposit and CD Placement Service	5 years	30%	None
Medium-Term Notes	5 years	30%	"A" Rating
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	100	None
Bank/Time Deposits	5 years	100	None
County Pooled Investment Funds	N/A	100	None
Joint Powers Authority Pool	N/A	100	Multiple
Local Agency Investment Fund (LAIF)	N/A	100	None

¹ See Article 6 of the Policy for a more complete description of each permitted investment and related limitations.

AGENDA ITEM 5: REVISIONS TO RWA POLICY 400.2 (EMPLOYEE COMPENSATION POLICY) AND RWA POLICY 400.5 (JOB DESCRIPTIONS)

BACKGROUND:

The Board of Directors approved the Resilience Program and Major Projects Management Services Program at the September board meeting. The programs will require new RWA staff resources to implement the program.

The job description (part of RWA Policy 400.5) and the revised salary schedule (Exhibit A, Policy 400.2) are necessary to hire and compensate the prospective staff member.

Information and Discussion: Jim Peifer, Executive Director

Action : Recommend approval of changes to Exhibit A, RWA Policy 400.2 to the Board of Directors

Action : Recommend approval of changes to RWA Policy 400.5 to the Board of Directors

Attachments:

Draft Exhibit A, Policy 400.2

Draft Job Description – Resilience Manager - Policy 400.5

**EXHIBIT A
RWA POLICY 400.2**

MONTHLY SALARY SCHEDULE OF RWA POSITIONS

Effective as of _____

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

There is no range for the Executive Director position. The Executive Director's compensation is \$17,779 per month.

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

Manager of Water Resiliency

The information and descriptions herein reflect general details describing the primary functions, scope of responsibility, required knowledge and required abilities of this job. This job description is not to be construed as exclusive nor all-inclusive. Other duties may be required and assigned.

GENERAL STATEMENT OF JOB:

To plan, organize, direct, manage and review the activities and operations associated with the regulatory, water resource development and water resiliency programs of the Regional Water Authority; to coordinate activities with member agencies; to provide highly complex staff assistance to the Executive Director, Board of Directors and member agencies; and to plan and oversee the regulatory, water resource development and water resiliency work for the Authority, as assigned

Along with the Executive Director, Manager of Technical Services and Finance and Administrative Services Manager, serve as part of the management team of the Authority.

SUPERVISION RECEIVED AND EXERCISED:

Receives administrative direction from the Executive Director.

Provides direct supervision to Project Managers and Project Assistants and is responsible for directing, delegating and reviewing the work of consultants on all regulatory, water resource development and water resiliency projects and programs of the Authority.

ESSENTIAL JOB FUNCTIONS:

- Develops, plans and implements goals and objectives; establishes performance standards and methods for managing a wide variety of projects and programs; develops and implements policies and procedures.
- As part of the Authority's management team, assists in the development and implementation of the mission and vision of the Authority.
- Plans, organizes and manages the assigned programs of the Authority, including group facilitation, organization and project implementation.
- Manages the region's efforts in updates to Water Quality Control Plans, voluntary agreements and other significant state and federal regulatory efforts, as assigned.
- Evaluates member agency needs, makes recommendations, and develops new programs and projects.
- Evaluates program workload; prioritizes work, and identifies resource needs.
- Plans for and procures consulting services; plans, develops and oversees the work of staff and consultants. This includes development of scopes, budgets, payments for services and reimbursement of costs by the appropriate RWA member agencies where needed.

- Regular communication and coordination with the Water Forum Executive Director as needed; including both information exchanges, consultant coordination and other shared activities, where appropriate.
- Develops grant applications for state, federal and other outside funding, and administers grant funds related to RWA regulatory, water resource development and water resiliency programs.
- Evaluates operations and activities of assigned responsibilities; implements improvements and modifications; prepares various reports on operations and activities.
- Participates in the development and administration of an assigned budget; forecasts additional funds needed for staffing, outside consultants, equipment and materials; monitors and controls expenditures.
- Provides policy support to the Executive Director, the Board of Directors, Subscription Program committees and member agencies including making presentations and implementing approved recommendations.
- Reports to the Board of Directors and Subscription Program committees on the status of projects and programs.
- Represents the Authority on committees and outside organizations; participates in outside community and professional groups and committees; provides assistance as necessary.
- Represents the Authority at meetings, conferences, and hearings of local, State, or Federal agencies, boards, or legislative committees, including the Department of Interior, Bureau of Reclamation, Fish & Wildlife Service, State Department of Water Resources, State Water Resources Control Board, and other various water regulatory venues.
- Assists the Executive Director in representing regional water interests.
- Answers questions and provides information to the public.
- Builds and maintains positive working relationships with co-workers, member agency staff, Board of Directors and the public using principles of good customer service.
-
- Ensures coordination of multiple project committees.
- Performs other duties as assigned.

REQUIRED KNOWLEDGE AND ABILITIES:

Knowledge of:

- Principles and practices of water resources, including the science of groundwater hydraulics and hydrology, conjunctive use of surface and groundwater, groundwater quality, demand management, and municipal water resources supply, treatment and distribution infrastructure.
- State and Federal water systems, infrastructure, entities, key laws, water rights and contracts in California; as well as the understanding of how those systems work within and impact the California Bay-Delta.
- Principles and practices of group facilitation and interest-based negotiations.
- Principles and practices of project management.
- Principles and practices of leadership, motivation, team building and conflict resolution.
- Principles of supervision, training, and performance management.

- Principles and practices of budget development and monitoring.
- Organizational and management practices as applied to the analysis and evaluation of programs, policies and operational needs.
- Pertinent local, State and Federal laws, ordinances and rules.
- Board meeting protocol and procedures.
- English usage, spelling, grammar, and punctuation.
- Technical report writing.
- Modern office methods, procedures, and equipment.
- Computers and word processing, spreadsheet, and database software applications.

Ability to:

- Plan, direct, organize, and implement project and program activities.
- On a continuous basis, know and understand all aspects of the job; intermittently analyze work papers, reports and special projects; identify and interpret technical and numerical information; observe and problem solve operational and technical policy and procedures. Oversee the accuracy and quality of all technical work products.
- On a continuous basis, sit at desk for long periods of time; intermittently twist to reach equipment surrounding desk; perform simple grasping and fine manipulation; use telephone, and write or use a keyboard to communicate through written means; and lift or carry weight of 10 pounds or less.
- As assigned, evaluate staff performance and make recommendation for improvement and professional development.
- Analyze problems, identify alternative solutions, project consequences of proposed actions and implement recommendations in support of goals.
- Interpret and explain Federal, State, local and Authority policies, procedures, laws and regulations.
- Develop budget for technical services and assist in the development of overall authority budgets.
- Develop and recommend policies and procedures.
- Identify and effectively respond to member agency and Board of Directors' issues, concerns and questions.
- Manage staff and consultants, in coordination with the Water Forum and other public entities.
- Manage and administer contract budgets and schedules, in coordination with outside public agencies, as needed.
- Interact tactfully with Board members, all levels of management, member agency representatives, and the public.
- Analyze situations carefully and adopt effective courses of action.
- Effectively and efficiently support the Executive Director and Board of Directors.
- Establish and maintain effective working relationships with those contacted in the course of work.
- Communicate effectively, orally and in writing.

REQUIRED EXPERIENCE AND TRAINING:

Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way to obtain the required knowledge and abilities would be:

Experience:

8 years of progressively responsible experience in water resource planning and management, including at least six years of demonstrated project management or facilitation experience.

Training:

Equivalent to a Bachelor's degree from an accredited college or university with major course work in civil engineering, public administration, business administration, water resources planning and management, or a related field. A Master's degree is highly desirable.

LICENSE AND CERTIFICATE:

Possession of a valid California Class C Driver License may be required at the time of appointment. Failure to obtain or maintain such required license(s) may be cause for disciplinary action. Individuals who do not meet this requirement due to a physical disability will be considered for accommodation on a case-by-case basis.

I have received and understand the above job description.

Incumbent's Signature

Date

Executive Director's Signature

Date

AGENDA ITEM 6: RWA COMMUNICATIONS PRIORITIES FOR 2021

BACKGROUND:

The Board of Directors has recently adopted a new strategic plan with a communications goal of: “Based on shared values, communicate with one voice on issues of regional significance to strengthen relationships, elevate regional visibility and influence, and advance the collective interests of the region.” The goal is supported by several objectives and sub-objectives that are attached for reference.

Objective B in the strategic plan is: “With one voice, raise RWA’s profile and credibility through outreach efforts to targeted audiences.” Sub-objective 4, a, requires the “Prioritizing anticipated issues and opportunities for target audiences, along with tools, materials and activities to help RWA members communicate with a consistent voice.”

To assist in assuring that the region speaks with one voice and to prioritize anticipated issues, the following priorities and secondary issues are proposed for the 2021 communication program:

Issues, Opportunities and Threats for 2021- Addressing climate change and maintaining and enhancing access to water for all remain the biggest issues, opportunities, and threats. The following focus on clear message solutions and opportunities to those challenges:

Priority

- Climate resiliency bond: Opportunity for funding for priority projects, including the Water Bank
- Federal stimulus funding: Opportunity for funding for local infrastructure projects
- Communicate to regulators and policymakers the impacts of increased regulatory requirements on rate affordability, quality and quantity. [Specific Example: COVID-19: Threat that regulators and policymakers will require water providers to forgive delinquent water bills and/or late fees, impacting revenues, rates/rate affordability, water quality and water availability, especially for disadvantaged communities]
- Equity: Increasing attention paid to ensuring water provider outreach and programs are equitably communicated to all communities, especially disadvantaged communities

Secondary

- Water quality, including PFOs: Threatens groundwater banking
- COVID-19: Opportunity to continue demonstrating the vital role of water providers in protecting public health; threatens operations of water providers

- Delta conveyance (i.e. Delta Tunnel): Threatens to take away funding for priority projects and ignore MFMS/impact local control over American River flows
- Bay-Delta Water Quality Control Plan/Voluntary Agreements: Opportunity for funding for local habitat projects under existing negotiated VA; threatens MFMS/impact local control over AR flows [Note: this may need to be elevated to a priority issue depending on the outcome of the Presidential election]

Action: Approve Communications Priorities for 2021

Discussion: Jim Peifer, Executive Director

From the RWA Strategic Plan:

COMMUNICATIONS GOAL: Based on shared values, communicate with one voice on issues of regional significance to strengthen relationships, elevate regional visibility and influence, and advance the collective interests of the region.

Objective A. Provide a forum for education, discussion and outreach on water issues affecting the region.

- 1) Assess modes for preferred internal member communication such as meetings, in-person presentations, email updates, newsletters, blogs, social media, etc.
- 2) Distribute relevant information to members.
- 3) Create a venue for members to regularly brief each other on current and emerging issues, planned messages and responses, and coordinate on topics and issues of regional significance.
- 4) Provide educational opportunities for members through speakers and experts.
- 5) Update members regularly on the status and progress of RWA's services and programs.
- 6) Educate legislators, policy makers, and the public on the challenges to and benefits of uninterrupted high-quality water services and investments necessary for its continued delivery.

Objective B. With one voice, raise RWA's profile and credibility through outreach efforts to targeted audiences.

- 1) Be a champion for the Region by being a single, coordinated voice on regional matters.
- 2) Identify and cultivate RWA ambassadors/spokespersons to communicate significant topics and policy issues.
- 3) Inform key interested parties such as the media, federal, state and local officials, and the public about water management successes (e.g. Water reliability and resilience improvements) and key issues (e.g. regulatory, water accessibility, safety and affordability).
- 4) Foster consistent and cohesive regional messaging including:
 - a) Prioritizing anticipated issues and opportunities for target audiences, along with tools, materials and activities to help RWA members communicate with a consistent voice.
 - b) Developing talking points, position papers and outreach materials on key issues.

Objective C. Cultivate relationships to advance RWA members' interests.

- 1) Work with other organizations with water interests (e.g. Northern California Water Association, Association of California Water Agencies, Sacramento Area Council of Governments, Sacramento Area Flood Control Agency and land use agencies).
- 2) Coordinate and partner with water suppliers and other stakeholders to further leverage advocacy, research initiatives and/or economies of scale related to water management.
- 3) Work with business organizations (e.g. Metro Chamber and local chambers.)
- 4) Work with state and federal agencies that influence or manage resources related to regional water reliability and resilience (e.g. United States Bureau of Reclamation,

California Department of Water Resources, State Water Resource Control Board, and other resource agencies.)

- 5) Work with the Water Forum Successor Effort on behalf of the member agencies that are signatory to the Water Forum Agreement. Support includes:
 - a) Ensuring RWA member interests are represented in the re-negotiation process including governance and succession planning.
 - b) Ensuring RWA member interests are represented in the Water Forum Successor Effort.
 - c) Participating in the Coordinating Committee and Water Caucus.

AGENDA ITEM 7: OTHER POST EMPLOYMENT BENEFIT (OPEB) INVESTMENT STRATEGY

BACKGROUND:

During last year's RWA budget preparation, the Executive Committee (EC) and staff discussed the advantages and disadvantages of changing RWA's Other Post Employment Benefit (OPEB) investment strategy from Strategy Investment 1 (the most aggressive strategy) to Strategy Investment 2 (more conservative). CalPERS currently offers three investment strategies; Investment Strategy 3 being the most conservative. CalPERS does not yet allow bifurcation amongst the three investment options at this time.

Due to COVID-19 related economic downturn, it was not feasible to execute a change in investment strategy which would incur a financial loss to RWA's account portfolio. On March 25, 2020, the EC requested that no changes be made to the OPEB investment strategy. However, the EC requested to be updated on OPEB investment performance for future consideration. As of October 19, 2020, RWA's OPEB balance is \$1,336,527, which is relatively close to RWA's highest balance in December 2019.

The purpose of this item is to update the EC on OPEB current balance and receive direction if the EC would like to resume discussions to change strategies or wait until budget discussions to see if a change is warranted. As changes to investment policy require RWA Board approval, timing is a key consideration. Market performance continues to be influenced by COVID-19 outlook along with unknown political outcomes that could quickly affect RWA's OPEB account balance. If an investment change is approved by the Board, it would necessitate an unplanned contractor cost from RWA's actuarial to revise to RWA's required OPEB valuation report which submitted to CalPERS (approximate report cost is between \$3000-\$4000).

Currently, RWA's OPEB account balance presents a retiree health coverage of approximately 90% of its targeted goals. However, if the market has a sudden drop, this percentage will decline as well. As this issue is in a constant state of flux, it may be beneficial for the EC to provide staff with direction regarding a minimum account balance required in order to execute a change in funding strategies if they so choose to make any changes. In this scenario, a minimal balance threshold required for transfer would still require approval from RWA's Board of Directors, but if approved, would allow staff to swiftly execute without having to wait for the next board meeting to take action.

STAFF RECOMMENDATION:

Information and Discussion: Josette Reina-Luken, Finance and Administrative Services Manager

CERBT and CEPPT Plan Portal

» [CERBT and CEPPT]: rwah2oorg00

My Accounts

As of the financial markets most recent close of business (10/19/2020), the total value of your account(s) is **\$1,336,527.72**.

Get Account Data

Website Contact

Contributions to the CERBT AND CEPPT :

Contributions may be submitted using three different transmittal methods:

- Electronic Funds Transfer by Wire Transfer
- Electronic Funds Transfer by ACH Credit Method
- Check

When submitting a contribution, a Contribution Form by transmittal type must be submitted to ensure proper crediting to your OPEB or Pension Contribution Prefunding Account. To obtain a contribution form by the transmittal type, please email CERBT4U@CalPERS.ca.gov or CEPPT4U@CalPERS.ca.gov and a team member will be happy to email you the appropriate form.

Please note: Contributions by Wire Transfer or ACH Credit Method in the amount of \$5 million or greater require 72 hour notice prior to sending the contribution.

Disbursements from the CERBT and CEPPT:

All requests for disbursements must be in writing using the CERBT Disbursement Request Form or CEPPT Disbursement Request Form and must include a certification that the monies will be used for the purposes of the Prefunding Plan. The requests must be signed by an individual serving in the position authorized by the employer to request disbursements from the Trust(s).

Please note: Disbursements \$10,000 or greater require two signatures.

Please email: CERBT4U@CalPERS.ca.gov or CEPPT4U@CalPERS.ca.gov to obtain the Disbursement Request Form(s).

Upon completion of the Disbursement Request form, please mail the original to the following address:

CalPERS
CERBT/CEPPT
P.O. Box 1494
Sacramento, CA 95812-1494

Please email a completed copy of this form to CERBT4U@CalPERS.ca.gov or CEPPT4U@CalPERS.ca.gov respectively, so that we know to expect the signed hard copy documents in the mail.

If any questions arise, please email us at CERBT4U@CalPERS.ca.gov and/or CEPPT4U@CalPERS.ca.gov

AGENDA ITEM 8: RWA ORGANIZATIONAL SUSTAINABILITY IMPROVEMENTS

BACKGROUND:

The recent Board-adopted strategic plan creates an exciting and ambitious roadmap for RWA over the next several years. One key to realizing the aspirations of the plan will be to maintain RWA as an effective organization to achieve long-term results. As such, the strategic plan included the following objective: Evaluate RWA staffing, operations, and financing models for opportunities to improve long-term organizational sustainability (Objective D.1).

At a minimum, opportunities for improving RWA sustainability should include: 1) appropriate staffing to achieve organizational objectives; 2) equitable fee structures to fund achieving objectives; and 3) implementing operational efficiencies to allow for staff to focus on the highest value needs of the membership. Each of these is discussed briefly below.

Staffing

The RWA Board has recently authorized the expansion of RWA staff, Resilience Manager, through a subscription-based program agreement. This is the second subscription program to support staffing; Water Efficiency Program being the other. As the Executive Committee and Board are aware, RWA, Sacramento Groundwater Authority (SGA) and the Sacramento Central Groundwater Authority (SCGA) are considering if and how the RWA could provide staffing services to the SCGA. Regardless of the outcome of SCGA, both RWA and SGA will need to consider staffing expansion in the future based upon its business requirements. This is an opportune time to address the RWA staffing and structure while these related activities are occurring.

Fee Structure

Since its inception in 2001, RWA membership has expanded in number and scope (both in types of agencies and geography). The last time dues structure was considered was several years ago. The dues structure should be evaluated and updated to improve the equity among the members, if needed.

Organizational Efficiency

The RWA staff and the members of the RWA now have several years of experience in the strengths and weaknesses of the organization. The organization tends to be process heavy, through a combination of governance, policies, law, and traditions. This results in less time available for staff to focus on work products.

While each of the areas above are inter-related, the process for addressing each will be unique. The Executive Director is seeking input from the Executive Committee on these broad topics of organizational sustainability.

Discussion: Jim Peifer, Executive Director

AGENDA ITEM 9: SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

BACKGROUND:

The purpose of this item is to provide updates on progress, discussions or noteworthy items relating to the potential for the RWA to provide staffing services to the SCGA, and to receive input from the Executive Committee.

The 3x3 committee met October 9th and discussed potential staffing, preliminary staffing costs, and a preliminary schedule for converting staffing from the County of Sacramento to the RWA.

Discussion: Jim Peifer, Executive Director

AGENDA ITEM 10 : FEDERAL AFFAIRS STANDING COMMITTEE UPDATE

BACKGROUND:

The Federal Affairs Standing Committee met on October 21, 2020 to discuss a number of items including:

- a report from ENS Resources and The Ferguson Group on congressional activities
- organizing the update to the RWA Federal Affairs Platform
- a discussion of potential transition in the Administration and Congress and how to educate new administration officials or members of Congress on the region's needs
- progress on a potential projects list that could qualify for COVID-19 funding
- A proposed U. S. Army Corps of Engineers (COE) Section 219 working group. Section 219 is a COE program and a potential funding opportunity.

ENS Resources (ENS) and The Ferguson Group (TFG) are both firms that provide federal advocacy services for a number of the RWA members. In order not to run afoul of the laws regulating federal advocates, both firms have registered as lobbyists for the RWA.

ENS and TFG are jointly preparing a legislative tracker that assist in identifying legislation and responding to legislation that is of interest to the region. The committee has requested that the Executive Director consider compensating both firms \$1,000 annually for their efforts. The Executive Director has authority to do so but would like to disclose this to the Executive Committee before authorizing the payment.

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

AGENDA ITEM 11: NOVEMBER 12, 2020 RWA BOARD MEETING AGENDA

**REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, November 12, 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. The Executive Committee may consider any agenda item at any time during the meeting.

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

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

Meeting Information:

To be updated

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR**
 - a. Minutes of the September 10, 2020 Board of Directors meeting
Action: Approve the September 10, 2020 Board meeting minutes
 - b. Annual Review of RWA Investment Policy (Policy 500.2)
Action: Approve no changes to Policy 500.2

4. **REVISIONS TO RWA POLICY 400.2 (EMPLOYEE COMPENSATION POLICY) and RWA POLICY 400.5 (JOB DESCRIPTIONS)**
Information and Discussion: Jim Peifer, Executive Director
Action : Approve changes to Exhibit A, RWA Policy 400.2
Action : Approve changes to RWA Policy 400.5
5. **RWA COMMUNICATIONS PRIORITIES FOR 2021**
Information and Discussion: Jim Peifer, Executive Director
6. **OTHER POST EMPLOYMENT BENEFIT (OPEB) INVESTMENT STRATEGY**
Information and Discussion: Josette Reina-Luken, Financial and Administrative Services Manager
7. **RWA ORGANIZATION SUSTANABILITY IMPROVEMENTS**
Discussion: Jim Peifer, Executive Director
8. **SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**
Discussion: Jim Peifer, Executive Director
9. **FEDERAL AFFAIRS STANDING COMMITTEE UPDATE**
Information and Discussion: Sean Bigley, Federal Affairs Standing Committee Chair and Jim Peifer, Executive Director
10. **FOLSOM LAKE COLLEGE ENVIRONMENTAL TECHNOLOGY PROGRAM**
Presentation: Ed Marlow, Adjunct Professor
11. **EXECUTIVE DIRECTOR'S REPORT**
12. **DIRECTORS' COMMENTS**

ADJOURNMENT

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 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

September 2020

Building Alliances in Northern California

MISSION

To serve and represent regional water supply interests and assist Regional Water Authority members with protecting and enhancing the reliability, availability, affordability and quality of water resources.



Water Forum
20th Anniversary
VIRTUAL Symposium
and Reception



Addressing Climate
Impacts on the
Sacramento Region's
Water Supplies and Environment

Wednesday, October 14, 2020,
1:00 p.m. to 5:00 p.m.

Featuring Lieutenant Governor Eleni Kounalakis—invited—who was instrumental in the Water Forum's formation two decades ago through her active leadership and facilitative role in the negotiations of the historic Agreement.

Learn more and register at
<http://ow.ly/CFxa50AQBFG>

RWA Operations and Meetings During the Emergency

RWA staff members are continuing to work remotely and are available by e-mail or cell phone during the COVID-19 emergency.

RWA Board and Executive Committee meetings are scheduled to be held via teleconference or webinar at their regularly scheduled time until further notice. Board meetings occur on the second Thursday of every-other month at 9 a.m. Executive Committee meetings are held monthly, beginning at 8:30 a.m. on the fourth Wednesday.

You can find meeting dates, times, and access information at rwah20.org.

RWA Awarded \$8.74 Million for Climate Resiliency Projects

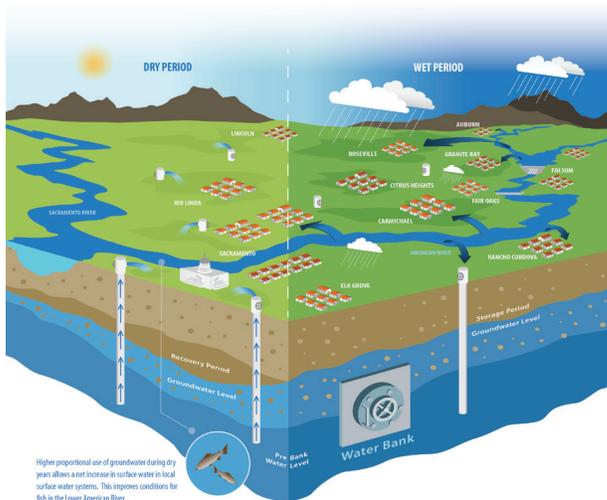
The Regional Water Authority has been awarded \$8.74 million in state grants to advance 11 projects to build water reliability in the Sacramento region, the California Department of Water Resources (DWR) has announced.

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."



Interior Recommends \$870,000 in WIIN Act Funding for Water Bank



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.

RWA Hosts Third COVID-19 Response Briefing



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.

Water Providers Move Forward with 2020 Pilot Groundwater Substitution Transfer

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.



Strategic Plan 2025+ Completed

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.

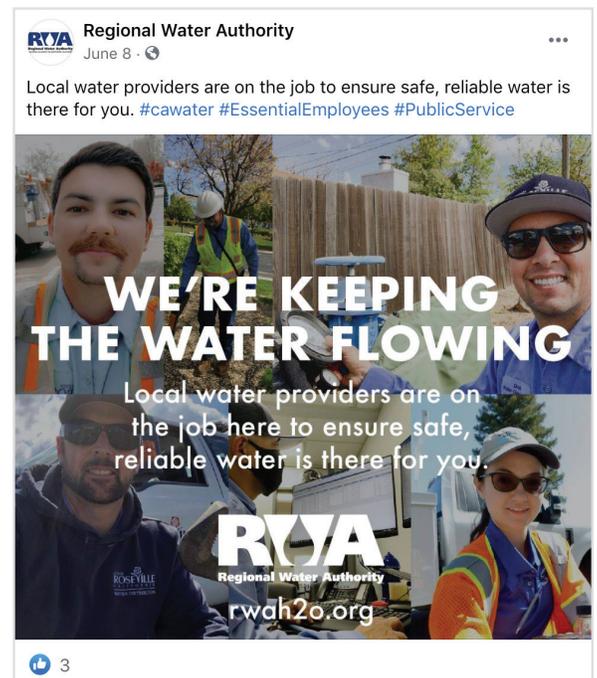
- **Adapting to Flood, Fire and Drought: A Case Study of the American River Basin** explored the experience of the American River region in evaluating climate impacts on their watershed in a new cutting-edge study and the comprehensive suite of projects designed to address increasing threats from more 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.

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>
- **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.



Legislative Update

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 a 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 end 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.

Water Efficiency Program News

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.

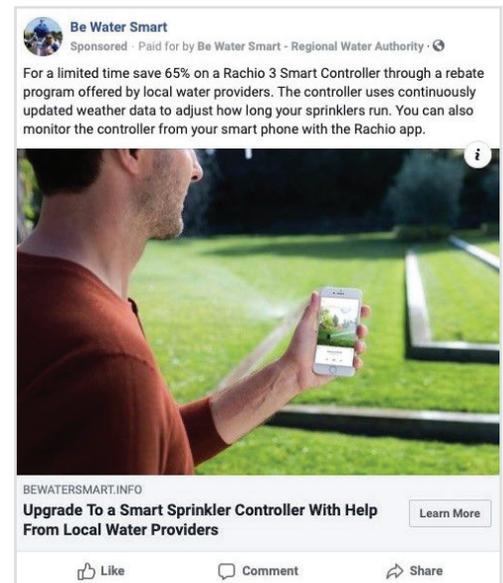
Tools Available for Promoting Regional Rebate Program for Smart Sprinkler Controllers

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.

AGENDA ITEM 13: DIRECTORS' COMMENTS