

REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE AGENDA

March 23, 2022; 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.

RWA Executive Committee Meeting
Wed, March 23, 2022 8:30 AM - 10:30 AM (PST)

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

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United States: [+1 \(408\) 650-3123](tel:+14086503123)

Access Code: 404-693-093

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: All items listed under the Consent Calendar are considered and acted upon by one motion. Committee Members may request an item be removed for separate consideration.

3a. Authorize a Teleconference Meeting

3b. Minutes of the February 23, 2022, Executive Committee meeting

Action: Approve Consent Calendar

4. AD HOC COMMITTEE UPDATES

Information: Dan York, Chair and Jim Peifer, Executive Director

5. EMPLOYEE COMPENSATION STUDY AND POSITION RECLASSIFICATIONS UPDATE

Information: Jim Peifer, Executive Director

6. FISCAL YEAR 2022-2023 BUDGET DISCUSSION ITEMS

Presentation and Discussion: Josette Reina-Luken, Financial and Administrative Services Manager

Action: Executive Committee to provide direction on various Fiscal Year 2022-2023 budget items

7. LEGISLATIVE/REGULATORY UPDATE

Presentation and Discussion: Ryan Ojakian, Legislative and Regulatory Affairs Manager

Action: Take Positions on State Legislation

Action: Affirm Positions on Federal Legislation

8. FUTURE MEETING FORMAT

Discussion: Jim Peifer, Executive Director

9. EXECUTIVE DIRECTOR'S REPORT

10. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Executive Committee Meeting: Wednesday, April 27, 2022 commencing 8:30 a.m. at the RWA Office, the location is subject to change depending on the COVID-19 emergency.

Regular Board Meeting: Thursday, May 12, 2022 commencing 9:00 a.m. at the RWA Office, the location is subject to change depending on the COVID-19 emergency.

The RWA Board Meeting electronic packet is available on the RWA website at <https://rwah2o.org/meetings/board-meetings/> to access and print the packet.

AGENDA ITEM 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.

AGENDA ITEM 3: CONSENT CALENDAR

All items listed under the Consent Calendar are considered and acted upon by one motion. Members of the Committee may request an item be removed for separate consideration. The items to be considered and approved include:

- a.** Authorize a Teleconference Meeting by Passing a Motion by a majority vote under Gov. Code, § 54953, subd. (e)(1)(B) that as a result of the COVID-19 emergency: (i) meeting in person would present imminent risks to the health or safety of attendees; and (ii) the meeting is authorized to be held by teleconference pursuant to Gov. Code, § 54953, subd. (e)(1)(C).
- b.** Approve the minutes of the February 23, 2022 Executive Committee Meeting

Action: Approve Consent Calendar

Attachment:

3b. Minutes of the February 23, 2022 Executive Committee Meeting

AGENDA ITEM 3a.: Authorize a Teleconference Meeting

BACKGROUND:

In light of the Governor's declaration that a state of emergency exists due to the incidence and spread of the novel corona virus, and the pandemic caused by the resulting disease COVID-19, the Committee should consider whether meeting in person would present imminent risks to the health or safety of meeting attendees.

The Centers for Disease Control indicates that COVID-19 is a highly transmissible virus that is spread when an infected person breathes out droplets and very small particles that contain the virus, and such droplets and particles are breathed in by other people. Conducting meetings by teleconference would directly reduce the risk of transmission among meeting attendees, including members of the public and agency staff, which has the ancillary effect of reducing risk of serious illness and death as well as reducing community spread of the virus.

If the authorization to meet by teleconference is not approved by a majority vote, then the meeting will adjourn after this item and the remaining agenda items will be rescheduled to a future in-person meeting.

AGENDA ITEM 3b.: Minutes of the February 23, 2022 Executive Committee Meeting

Attachment:

February 23, 2022 Draft Minutes



1. CALL TO ORDER

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

Executive Committee Members

S. Audie Foster, California American Water
Ron Greenwood, Carmichael Water District
Bill Roberts, City of West Sacramento
Grace Espindola, City of Yuba City
Tony Firenzi, Placer County Water Agency
Kerry Schmitz, Sacramento County Water Agency
Dan York, Sacramento Suburban Water District

Staff Members

Jim Peifer, Ryan Ojakian, Rob Swartz, Ryan Ojakian, Michelle Banonis, Amy Talbot, Monica Garcia, Cecilia Partridge and Andrew Ramos, legal counsel

Others in Attendance

Brian Sanders, Bruce Kamilos, Trevor Joseph, Rebecca Scott, Tom Hennig, Paul Schubert, Pam Tobin, John Woodling, Rob Roscoe, Cathy Lee, Paul Helliker, Greg Zlotnick, Jay Boatwright, Angela Frost, Charles Duncan, William Lauritsen and Kevin Thomas

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.

None

3. CONSENT CALENDAR

Motion/Second/Carried (M/S/C) Ms. Espindola moved, with a second by Mr. Greenwood to approve the consent calendar items. Ron Greenwood, Carmichael Water District, Bill Roberts, City of West Sacramento, Grace Espindola, City of Yuba City, Tony Firenzi, Placer County Water Agency, Kerry Schmitz, Sacramento County Water Agency and Dan York, Sacramento Suburban Water District voted yes.

Mr. Foster, California American Water, entered the meeting after the voice vote was taken.

4. AD HOC COMMITTEE UPDATES

Mr. Peifer gave updates on the Water Quality Committee and the Federal Affairs Committee activities.

Chair York provided the names of the members serving on the Policy 400.4 Ad Hoc Committee, the Space Planning Ad Hoc Committee, the 2022 Awards Committee, the Executive Committee Election Process Ad Hoc Committee, the 3 x 3 Committee, the 2022 Purchasing Ad Hoc Committee and the Water Quality Committee.

5. EMPLOYEE COMPENSATION STUDY AND POSITION RECLASSIFICATIONS UPDATE

In keeping with RWA Policy 400.2, Employee Compensation Policy, Mr. Peifer offered a draft solicitation for consulting services for the Executive Committee to review. Staff is prepared to proceed to obtain proposals from qualified consultants for the compensation study. There was discussion on the budgeted amount and scope of the compensation study. The consultant proposals received will be presented to the Executive Committee for consideration of selecting the appropriate consultant to provide the requested information.

Chair York will appoint a committee to review the consultant proposals. After discussion, it was agreed that the solicitation should be sent out.

6. DEVELOPMENT OF FISCAL YEAR 2022-2023 BUDGET

Ms. Reina-Luken gave a PowerPoint presentation on the fiscal year 2022-2023 Budget. Connection information has been requested from each member agency to assist in determining next year's dues. She gave an overview of the fiscal year 2022 mid-year budget status and outlook, budget policies, budget assumptions and the budget schedule. She also provided an update on RWA's CalPERS unfunded accrued liability.

7. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA) UPDATE

Mr. Peifer said that a Memorandum of Understanding was adopted two years ago for the Regional Water Authority (RWA), Sacramento Groundwater Authority (SGA) and Sacramento Central Groundwater Authority (SCGA) to consider potential staffing of the SCGA. At the February SGA Board meeting, the members voted to proceed to Phase 2 of the Process Roadmap. This phase will consider governance proposals for a combined SGA and SCGA. Further discussion and analysis are needed for a number of remaining issues and concerns.

Mr. Woodling said that the SCGA voted in August to move forward with Phase 2. The SCGA board is supportive of the potential consolidation merger. There is still a lot of work to be done regarding governance. A merger could potentially provide financial benefits, additional staffing services and greater quality of service.

8. LEGISLATIVE/REGULATORY UPDATE

Mr. Ojakian suggested taking support positions on AB 1724- requiring microfiltration on washing machines, AB 1817- prohibiting PFAS in textiles, AB 1906- refining reimbursement for voluntary private property stream restoration, AB 1939- requiring climate change education in grades 1–6 and 9-12 and SB 901- updating flood control management and requirements in West Sacramento. The State has begun the process of developing guidelines for regional climate adaptation funding that was part of the 2021-2022 state budget.

M/S/C Mr. Firenzi moved, with a second by Ms. Schmitz to take positions on legislation. S. Audie Foster, California American Water, Bill Roberts, City of West Sacramento, Grace Espindola, City of Yuba City, Tony Firenzi, Placer County Water Agency, Kerry Schmitz, Sacramento County Water Agency and Dan York, Sacramento Suburban Water District voted yes. Ron Greenwood, Carmichael Water District, did not respond to the voice vote.

9. RWA MARCH 10, 2022 BOARD MEETING AGENDA

Mr. Peifer noted a correction to the language on the agenda item for the resolution for Pamela Tobin.

M/S/C Ms. Espindola moved, with a second by Mr. Foster to approve the RWA March 10, 2022 Board Meeting Agenda with the noted correction. S. Audie Foster, California American Water, Ron Greenwood, Carmichael Water District, Bill Roberts, City of West Sacramento, Grace Espindola, City of Yuba City, Tony Firenzi, Placer County Water Agency, Kerry Schmitz, Sacramento County Water Agency and Dan York, Sacramento Suburban Water District voted yes.

10. EXECUTIVE DIRECTOR'S REPORT

RWA has been interviewed for print and media stories including KCRA 3 and ABC 10 interviews on the Water Bank, a KCRA interview on the North American Subbasin Groundwater Sustainability Plan, and an NPR interview on Weather Whiplash and water management.

An editorial was written by the Sacramento Bee supporting the Water Bank.

Congresswoman Doris Matsui sent a letter of support for water storage funding for the Sacramento Regional Water Bank.

A letter was sent from the Environmental Council of Sacramento to the Sacramento area RWA water agencies seeking cooperation for a turf replacement study.

Mr. Peifer will make a presentation to the Sacramento County Grand Jury tomorrow answering a list of their questions.

11. DIRECTORS' COMMENTS

Ms. Espindola noted the importance of partnerships and agencies working together. She appreciates meeting with RWA staff and the State Water Resources Control Board recently. City of Yuba City is working on a couple of projects and working with their water wastewater treatment diffuser. She attended an informative Strategic Planning meeting in Placer County.

Chair York thanked the Executive Committee members for their commitment to the committee and the ad hoc committees. He agreed with the suggestion for agencies to visit each other to get to know each other better.

ADJOURNMENT

Chair York adjourned the meeting at 10:21 a.m.

By:

Chairperson

Attest:

Board Secretary

AGENDA ITEM 4: STANDING AND AD HOC COMMITTEE UPDATE

BACKGROUND:

A brief update on the work of Ad Hoc and Standing Committees will occur at each Executive Committee meeting.

Ad Hoc Committees:

- 3x3 Committee – D. York, T. Firenzi, and K. Schmitz
- Election Process Ad Hoc Committee – **K. Schmitz (Chair)**, C. Lee, T. Firenzi, A. Foster, C. Sheehan, and D. York
- Revisions to RWA Policy 400.4 Ad Hoc Committee – **R. Dugan (Chair)**, B. Ewart, C. Sheehan, S. Bigley, M. Yasutake, and D. York
- Employee Compensation Survey Oversight Ad Hoc Committee – **D. York (Chair)**, R. Dugan, G. Espindola, R. Greenwood, and C. Sheehan
- Space Planning Ad Hoc Committee – **D. York (Chair)**, A. Foster, R. Greenwood, and T. Firenzi
- Purchasing Ad Hoc Committee – **R. Scott (Chair)**, T. Barela, M. Carrey, T. Eising, and D. York
- Awards Committee – **K. Schmitz (Chair)**, P. Schubert, and P. Selsky

Standing Committees

- Federal Affairs
- Water Quality

Information: Dan York, Chair and Jim Peifer, Executive Director

AGENDA ITEM 5: EMPLOYEE COMPENSATION STUDY AND POSITION RECLASSIFICATIONS UPDATE

BACKGROUND:

Per the Executive Committee's request, a brief update on the status of the Employee Compensation Study and Position Reclassifications will occur at each Executive Committee meeting.

The proposal that was approved at the last EC meeting was sent electronically to several Human Resources Consulting firms including:

1. Cooperative Personnel Services (CPS – HR)
2. Bryce and Associates
3. Koff and Associates – **declined invitation**
4. Regional Government Service (RGS)
5. Ralph Anderson and Associates
6. Bob Murray & Associates
7. WBCP

The proposal sent included a revised date to receive proposals, being March 25, 2022, in order for the Ad Hoc Committee to have time to review prior to the next EC meeting. RWA's selection of a firm is planned to be completed by **April 29, 2022**.

Information: Jim Peifer, Executive Director

AGENDA ITEM 6: FISCAL YEAR 2022-2023 BUDGET DISCUSSION ITEMS

BACKGROUND:

As staff is in the process of compiling RWA's Fiscal Year 2022-2023 Budget, there are a few items that need to be confirmed and/or provided direction by the Executive Committee to complete a draft budget for recommendation including:

1. Confirm Associate Member dues cap increase
In the past, the EC has requested to impose an Associate membership level dues cap increase of equal or less than RWA member dues increase, but not greater than 3% increase. This type of cap is allowed by RWA Policy 100.3. As a reminder, Associate members participate in RWA programs but do not have voting rights.
2. Select the discount rate to be used for California Employee Retirement Benefits Trust (CERBT) used for retiree health funding projections
Every two years, RWA's actuary, Macleod Watts, prepares a valuation of RWA's OPEB liabilities and actuarially determined contributions (ADC) at several assumed trust return rates to assist RWA in selecting an appropriate discount rate for funding purposes. The CalPERS current year discount rate is 6.8%. Attached are the funding scenarios of the ADCs calculated for the fiscal years ending June 30, 2022, 2023 and 2024 at discount rates of 6.5%, 6.75% and 6.85%. At the lowest discount rate of 6.5%, RWA's OPEB plan is about 146% funded.
3. Determine RWA transfer percentage to the Water Efficiency Program Budget
The Water Efficiency Program (WEP) is RWA's longest running subscription-based program that is comprised of 19 out of the 20 RWA members and is staffed by 1.6 FTEs to oversee multiple programs and grants, lead conservation efforts, as well as provide outreach and education on water issues. However, with RWA's limited staff resources, some of the WEP staff duties are concentrated in other areas that benefit RWA members but not part of the Water Efficiency Program. For this reason, RWA assigns a transfer percentage to WEP as part of the budget process to compensate for this time. In the past, this percentage has ranged from 20% to 40%. In Fiscal Year 2021-2022, the Board approved a 0% transfer, which allowed for 0% dues increase across all RWA programs. Staff is proposing that the RWA reinstate this process and approve a 20% transfer to WEP in Fiscal Year 2022-2023. If this transfer is approved, WEP will not need to increase their subscription fee in Fiscal Year 2022-2023.

4. Reduction of rent expense for Fiscal Year 2022-2023

In Fiscal Year 2021-2022, RWA approved an office expenditure line item that increased rent and utility costs by \$16,000 for its share of acquiring a second, temporary remote office location in downtown Sacramento to support RWA's growing staff. However, this initiative is currently being evaluated by an ad hoc committee. There have been no expenditures for this expansion. This item is to request reducing the rent expense line item by \$16,000 from the upcoming budget until such time that the ad hoc committee presents their recommendation. If needed, a budget request can accompany the committee's recommendation at a future date.

It should be noted that this rent decrease is separate from the Office Move expense line item which is to address the impending lease renewal at RWA's primary office location in August 2023. RWA has set aside funds in the amount of \$10,000 per year over the next two years for its share of a potential office relocation.

5. Confirm presentation of the budget layout

The presentation of RWA's budget document has basically looked the same since its inception. At the last RWA Board Meeting, a request was made to update the budget to include linkage to RWA's Strategic Plan that goes through the year 2025. Staff would like to reduce the redundancy and unnecessary notes to shorten the budget document and improve its ease of reading. One particular aspect is to reduce the budget forecast from a total of a five-year projection to a three-year projection, which would coincide with the Strategic Plan through Fiscal Year 2024-2025. RWA does not have a capital improvement program or large asset inventory to account for long-term depreciation and improvements. Most of RWA's grants extend through a three-year term and as such, would be the appropriate future forecast.

Presentation and Discussion: Josette Reina-Luken, Financial and Administrative Services Manager

Action: Executive Committee to provide direction on various Fiscal Year 2022-2023 budget items

Attachments:

RWA Policy 100.3
CERBT Statement December 2021
CERBT Statement March 2022
CalPERS Discount Rate
Actuarial Funding Illustrations

REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : General
Policy Title : RWA Associate Members
Policy Number : 100.3
Date Adopted : April 23, 2003
Date Amended : May 15, 2014
May 12, 2016
September 9, 2016

RWA ASSOCIATE MEMBERS

Entities eligible to become Regional Water Authority (RWA) Associate Members include public or private entities with water management responsibilities and authorities who are not municipal water suppliers in this region. Agencies or water utilities that deliver potable retail or wholesale water in this region are not eligible to become RWA Associates, as these agencies are eligible to become RWA Members or Contracting Entities. Associate members may include, but are not limited to agricultural water providers, wastewater agencies, flood control agencies, and water planning organizations. Notwithstanding the remainder of this paragraph, the RWA Board may grant Associate Membership to an entity that otherwise qualifies for Associate Membership and whose delivery of potable water is a minor element of its activities, and not the primary reason for its seeking Associate Membership.

Each entity that applies to become an RWA Associate must be approved by a two-thirds majority vote of the RWA Board of Directors. RWA Associates do not hold a seat on the RWA Board, and therefore are not eligible to vote on RWA Board business or policy matters, including legislative/policy issues under Section 7(a) of the RWA joint powers agreement. RWA Associates pay an annual fee based on one-tenth of one percent (0.1%) of their annual operating budget, subject to a cap set by the RWA Board of Directors. The annual fee for RWA Associates is subject to adjustment by the RWA Board in the development and approval of the annual budget. RWA Associates are eligible to participate in RWA subscription programs, and will not be subject to non-member surcharge fees for such programs.

CERBT and CEPPT Plan Portal

» [CERBT and CEPPT]: rwah2oorg00

My Accounts

As of the financial markets most recent close of business (12/06/2021), the total value of your account(s) is **\$1,599,894.31**.

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



CERBT and CEPPT Plan Portal

» [CERBT and CEPPT]: rwah2oorg00

My Accounts

As of the financial markets most recent close of business (03/03/2022), the total value of your account(s) is **\$1,541,408.50**.

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.

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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



CalPERS Board Selects New Asset Allocation for Investment Portfolio, Keeps Discount Rate at 6.8%

November 15, 2021

Communications & Stakeholder Relations

Contact: Megan White, Information Officer

(916) 795-3991 - newsroom@calpers.ca.gov

Sacramento, Calif. – The CalPERS Board of Administration today selected a new asset allocation mix that will guide the fund's investment portfolio for the next four years, while at the same time retaining the current 6.8% target it assumes those investments will earn over the long term. The board also approved adding 5% leverage to increase diversification.

The decision concludes a nearly yearlong comprehensive review of the pension system's investment portfolio and actuarial liabilities. Known as the Asset Liability Management process (ALM), the board conducts the evaluation every four years.

"The actions we've taken today provide the framework for the long-term success of the CalPERS fund," said Theresa Taylor, chair of the Investment Committee. "The portfolio we've selected incorporates a diverse mix of assets to help us achieve our investment return target of 6.8%. And by adding 5% leverage over time, we'll better diversify the fund to protect against the impact of a serious drawdown during economic downturns.

"We've heard from stakeholders, public agency leaders, and investment experts throughout this year, and I'm proud of the work we did together on behalf of California's public employees."

As part of the ALM process, led by CalPERS' investment, actuarial, and financial offices, the board examined different investment portfolios and their potential impact to the CalPERS fund. Each portfolio presented a different mix of assets and corresponding rate of expected return and risk volatility. Ultimately, the board selected the portfolio with expected volatility of 12.1%

and a return of 6.8%. The discount rate has been at 6.8% since July, when a strong double-digit fiscal year investment return automatically triggered a reduction under the Funding Risk Mitigation Policy.

New Asset Mix		Current Asset Mix
42%	Global Equity	50%
30%	Fixed Income	28%
15%	Real Assets	13%
13%	Private Equity	8%
5%	Private Debt*	0%
0%	Liquidity	1%

The portfolio includes a 5% allocation to leverage. The new asset allocation takes effect July 1, 2022.

Notable changes for employers include a decrease in median total employer contribution rates, which includes both normal and unfunded actuarial liability costs, from less than 1% in miscellaneous plans to a decrease of more than 2% in some safety plans.

Employees hired on or after January 1, 2013, following the implementation of the Public Employees' Pension Reform Act (PEPRA), also will be affected. Most PEPRA employees will see median increases ranging from 1.2% in miscellaneous plans to 1.5% in safety plans in their total normal cost.

Contribution changes will take effect in fiscal year 2022-23 for state and schools plans, and FY 2023-24 for public agencies.

"We understand that the law will affect the contributions that PEPRA employees pay, and we'll make sure we're accurately communicating that information so they fully understand the change," said Marcie Frost, CalPERS CEO. "And we know that even the smallest change to our portfolio can have an effect on employers' bottom line, especially as they recover from a global health and economic crisis. "We're committed to working with our employer partners to make sure they have the resources necessary to plan their budgets and prepare for the future."

The ALM process included a review of demographic assumptions, including life expectancy, retirement and disability rates, and potential changes in job growth and salaries. The most recent findings show that life expectancies of healthy members at age 55 increased slightly

from the last study in 2017.

Specifically, the study showed that men are expected to live roughly eight months longer and women approximately five months longer since the previous study. The study also projected higher rates of retirement for certain member groups, including the California Highway Patrol and other safety members, while some miscellaneous members experienced fewer.

For members, these actuarial changes impact two key areas: an increased retirement benefit amount of a few dollars for every \$1,000 of retirement allowance if they chose the option that provides a benefit for a spouse or beneficiary, and increased cost of service credit purchases for some types of service credit.

For additional information and FAQs, including how this decision impacts employers and members, visit our ALM webpage.

About CalPERS

For more than eight decades, CalPERS has built retirement and health security for state, school, and public agency members who invest their lifework in public service. Our pension fund serves more than 2 million members in the CalPERS retirement system and administers benefits for more than 1.5 million members and their families in our health program, making us the largest defined-benefit public pension in the U.S. CalPERS' total fund market value currently stands at approximately \$495 billion. For more information, visit www.calpers.ca.gov.

**The asset allocation chart was updated on 11/16/21.*

MacLeod Watts

Actuarially Determined Contribution Development at a 6.5% Discount Rate

The chart below develops ADCs for the FYEs June 30, 2022, 2023 and 2024, based on the results of the June 30, 2021 valuation of OPEB liabilities assuming that RWA uses a 6.5% discount rate determined to reflect the expected timing and amount of future retiree medical benefit payments.

For Fiscal Year Ending	6/30/2022	6/30/2023	6/30/2024
Discount Rate	6.50%	6.50%	6.50%
Actuarial Accrued Liability (projected)	\$ 1,073,359	\$ 1,166,224	\$ 1,287,074
Actuarial Value of Assets (projected)	1,569,148	1,656,310	1,771,513
Unfunded Actuarial Accrued Liability (UAAL)	(495,789)	(490,086)	(484,439)
Amortization Factor*	13.9075	13.9075	13.9075
Actuarially Determined Contribution for FYE 2022			
Amortization of UAAL	(35,649)	(35,239)	(34,833)
Normal Cost	91,047	93,778	96,592
Interest to Fiscal Year End	1,312	2,106	2,005
Total ADC	\$ 56,710	\$ 60,646	\$ 63,764

*Determined on a level \$ basis over a open 30 year period

Projected Funding Amounts

Implicit subsidy contribution	23,195	8,772	12,534
Projected agency paid premiums for retirees	48,348	44,331	50,272
Estimated contribution to (refund from) CERBT	(14,833)	7,543	958
Total Expected Employer Contributions	56,710	60,646	63,764



MacLeod Watts

Actuarially Determined Contribution Development at a 6.75% Discount Rate

The chart below develops ADCs for the FYEs June 30, 2022, 2023 and 2024, based on the results of the June 30, 2021 valuation of OPEB liabilities assuming that RWA uses a 6.75% discount rate determined to reflect the expected timing and amount of future retiree medical benefit payments.

For Fiscal Year Ending	6/30/2022	6/30/2023	6/30/2024
Discount Rate	6.75%	6.75%	6.75%
Actuarial Accrued Liability (projected)	\$ 1,045,136	\$ 1,135,120	\$ 1,253,042
Actuarial Value of Assets (projected)	1,569,148	1,653,369	1,765,582
Unfunded Actuarial Accrued Liability (UAAL)	(524,012)	(518,249)	(512,540)
Amortization Factor*	13.5862	13.5862	13.5862
Actuarially Determined Contribution for FYE 2022			
Amortization of UAAL	(38,569)	(38,145)	(37,725)
Normal Cost	87,489	90,114	92,817
Interest to Fiscal Year End	927	1,745	1,634
Total ADC	\$ 49,847	\$ 53,713	\$ 56,726

*Determined on a level \$ basis over a open 30 year period

Projected Funding Amounts

Implicit subsidy contribution	23,195	8,772	12,534
Projected agency paid premiums for retirees	48,348	44,331	50,272
Estimated contribution to (refund from) CERBT	(21,696)	610	(6,080)
Total Expected Employer Contributions	49,847	53,713	56,726



MacLeod Watts

Actuarially Determined Contribution Development at a 6.85% Discount Rate

The chart below develops ADCs for the FYEs June 30, 2022, 2023 and 2024, based on the results of the June 30, 2021 valuation of OPEB liabilities assuming that RWA uses a 6.85% discount rate determined to reflect the expected timing and amount of future retiree medical benefit payments.

For Fiscal Year Ending	6/30/2022	6/30/2023	6/30/2024
Discount Rate	6.85%	6.85%	6.85%
Actuarial Accrued Liability (projected)	\$ 1,034,193	\$ 1,123,059	\$ 1,239,844
Actuarial Value of Assets (projected)	1,569,148	1,652,237	1,763,297
Unfunded Actuarial Accrued Liability (UAAL)	(534,955)	(529,178)	(523,453)
Amortization Factor*	13.4613	13.4613	13.4613
Actuarially Determined Contribution for FYE 2022			
Amortization of UAAL	(39,740)	(39,311)	(38,886)
Normal Cost	86,118	88,702	91,363
Interest to Fiscal Year End	767	1,595	1,479
Total ADC	\$ 47,145	\$ 50,985	\$ 53,956

*Determined on a level \$ basis over a open 30 year period

Projected Funding Amounts

Implicit subsidy contribution	23,195	8,772	12,534
Projected agency paid premiums for retirees	48,348	44,331	50,272
Estimated contribution to (refund from) CERBT	(24,398)	(2,118)	(8,850)
Total Expected Employer Contributions	47,145	50,985	53,956



AGENDA ITEM 7: LEGISLATIVE/REGULATORY UPDATE

BACKGROUND:

First policy committee hearings have begun. Bills must pass their assigned policy committee(s) in their house of origin (Assembly bills in the Assembly, Senate bills in the Senate) by May 6th. In order to register position on bills in their initial policy committee(s), staff is suggesting that the Executive Committee take a position on the following bills:

AB 2078 (Flora R- Ripon) DWR department on Atmospheric Rivers and FIRO- Support

AB 2142 (Gabriel D- Encino) Tax exemption for turf rebates- Support

AB 2313 (Bloom D- Santa Monica) Water Judges and technical support in water cases- Support if Amended

AB 2362 (Mullin D- South San Francisco) Streamlined permitting for ecosystem restoration and climate adaptation- Support

AB 2387 (E. Garcia D- Coachella) \$7.4 billion water, fire, flood, extreme heat bond- Support if Amended

AB 2419 (Bryan D- Los Angeles) Requires at least 50% of federal funds administered by the state be spent directly in disadvantaged communities- Support if Amended

AB 2449 (B. Rubio D- Baldwin Park) Allows greater flexibility for teleconferencing under the Brown Act- Support if Amended

AB 2639 (Quirk D- Fremont) Prohibits extensions or new water rights unless the Water Board to adopts a Bay Delta Water Quality Control Plan by the end of 2023- Oppose Unless Amended

SB 1065 (Eggman D- Stockton) Establishes program to address Abandoned and Derelict Commercial Vessel in the Delta- Support

SB 1157 (Hertzberg D- Van Nuys) Lowers the existing indoor element of the water use efficiency objective from 52.5 GPCD in 2025 to 47 GPCD and from 50 GPCD in 2030 to 42 GPCD- Oppose Unless Amended

SB 1188 (Laird D- Santa Cruz) Allows systems beyond those that serve disadvantaged communities to receive 100% grant funding or principal forgiveness- Support if Amended

SB 1197 (Caballero D- Salinas) Creates the Initiative to Advance Water Innovation and Drought Resiliency at the Office of Planning and Research (OPR)- Support

SB 1205 (Allen D- Santa Monica) Requires the Water Board to adopt regulations to provide greater specificity for determining water availability in the issuance and administration of water right permits and licenses- Support if Amended

SB 1254 (Hertzberg D- Van Nuys) Expands the authorities granted to the Water Board to appoint an administrator to struggling water systems- Oppose Unless Amended

SB 1469 (Bradford D- Gardena) Adds water corporations to Public Utilities Commission responsibilities to ensure overcollections and undercollections are avoided- Support

A letter of support has been sent to Senator Feinstein on the Support to Rehydrate the Environment, Agriculture and Municipalities Act, or STREAM Act, at the request of Senator Feinstein's office. Staff is recommending the Executive Committee affirm the position of support for the STREAM Act. The STREAM Act would allow RWA members to pursue grants to assist in funding the construction of the infrastructure needed for the Water Bank.

The Water Board is expected to imminently release an administrative draft of a new Chrome VI MCL. This draft MCL will test the new position the Water Board has taken on the ability to provide a compliance period and any changes to economic feasibility.

With statewide drought conditions severe there has been increased attention on water supply and demands. Media and some advocates have been calling for mandatory water use reductions, similar to the actions taken by Governor Brown in 2015. There have been discussions within the statewide water community and with state regulators on a revised "stress test" that was required by the state at the end of the last drought. Much of what the water community is proposing are accelerated reporting of supply and demand and response that is already required. There are two areas being discussed that are not currently required. First, that all water suppliers recognize and message that there is a statewide drought. Second, there is an effort to have operational and infrastructure actions considered as part of water supplier response.

Presentation and Discussion: Ryan Ojikian, Legislative and Regulatory Affairs Manager

Action: Take Positions on State Legislation

Action: Affirm Positions on Federal Legislation

Attachments:

Summary of draft STREAM Act

Letter of Support - STREAM Act

Summary of Draft STREAM Act
“Support To Rehydrate the Environment, Agriculture and Municipalities Act”

- Authorizes the following funding:
 - **\$750 million for storage and conveyance projects, including \$50 million for natural water retention and release projects**
 - **\$300 million for water recycling projects**
 - **\$250 million in environmental restoration funding**
 - **\$150 million in desalination funding**
 - **\$100 million for drinking water assistance to disadvantaged communities**
 - **\$150 million for loans at 30-year Treasury rate for water supply projects (expected to make available \$8 to \$12 billion in lending authority under OMB scoring protocols)**
- **Expedites water recycling and desalination projects, and non-federal storage projects with less than \$250 million in federal funding, by allowing Interior to approve the projects**
 - This legislation is needed in the wake of the WIIN Act’s expiration in December 2021. Absent this provision, Congress must individually authorize all water recycling, desalination and storage projects, with the exception of projects that receive construction funding under the bipartisan infrastructure legislation.
 - Allowing projects to proceed with Interior’s approval avoids frequent, lengthy delays in the Congressional approval process.
- **Requires Congressional approval of future federal storage projects** and non-federal storage projects with over \$250 million in federal funding. Congressional approval is appropriate for the federal and most expensive projects. Shortens timeline for Congressional approval of these projects through a “Reclamation WRDA” process where Reclamation notifies Congress of completed feasibility studies each year to set up an orderly process to authorize projects.
- **Grandfathers storage projects that receive construction funding from the \$1.15 billion storage pot in the bipartisan infrastructure legislation** so they can receive storage funds authorized under this bill and they do not need further authorization to complete construction.
- **Federal non-reimbursable grants are available for non-Federal storage projects funded by the bill only if they have public benefits** that are provided either directly as part of the project or through federal spending on environmental benefits in the same watershed approved as part of a watershed plan adopted together with the project. Non-federal storage projects with water supply benefits only are eligible for reimbursable funding.
- **Projects to repair aging Reclamation infrastructure are authorized to include modified components with additional public benefits or other project benefits**, if the modification increases costs by less than 25% (or less than \$25 million for projects under \$100 million).
- **During droughts, Interior can implement emergency drought relief projects through building permanent facilities, if those facilities are supported by the State where the projects are located and require a federal investment of less than \$30 million.**
 - Current law allows Interior only to install temporary facilities during droughts, with the exception of groundwater wells.
 - Given the increased frequency of droughts, it seems more efficient to install permanent facilities than to frequently install and remove temporary facilities.

March 18, 2022



Dan York, Chair
Tony Firenzi, Vice
Chair

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

RE: Support for the STREAM Act

Members

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

Dear Senator Feinstein,

On behalf of the Regional Water Authority (RWA), I am writing to express our support of your draft legislative proposal, the STREAM Act (Support To Rehydrate the Environment, Agriculture, and Municipalities Act) and look forward to working with you on this important legislation.

RWA represents 20 water purveyors within the greater Sacramento, California region. Our mission is to serve, represent and align the interests of regional water providers and stakeholders for the purpose of improving water supply reliability, availability, quality and affordability.

The STREAM Act would allow RWA members to pursue grants to assist in funding the construction of the infrastructure needed for the Sacramento Regional Water Bank (Water Bank.) The Water Bank is an innovative groundwater storage program that will allow the region to sustainably increase its use of groundwater as a local water source during dry periods, allowing reduced surface water diversions to help meet local environmental needs. The Water Bank has been identified as a primary resiliency investment through many years of inclusive regional planning by local stakeholders and continues the region's commitment to the principles of the Sacramento Water Forum, a diverse, multi-stakeholder regional organization established more than two decades ago to promote and implement sustainable water management practices such as conjunctive use that balance water supply needs and the environmental health of the lower American River.

Associates

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

As always, we thank you for your leadership in Congress on western water issues. Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Peifer', is written over a horizontal line.

James Peifer
Executive Director

AGENDA ITEM 8: FUTURE MEETING FORMAT

BACKGROUND:

This item is to discuss future meeting formats for the RWA Executive Committee and Board of Directors meetings.

Due to the pandemic, all RWA meetings are currently held virtually. The Executive Committee will need to provide direction as to whether or not: 1) to continue virtual meetings; 2) to commence in-person meetings (either at the RWA conference room or a different location); or 3) invest in conducting hybrid meetings. Depending upon the Committee's direction, staff will need to understand what types of meeting protocols, if any, are to be employed. If the Committee recommends exploring hybrid meetings, staff will likely need to enlist RWA's information technology consultant to provide a cost estimate for hardware, software, and professional services to configure a meeting space that will allow both in-person and remote participation.

Based on this item's outcome, future meeting formats or locations will be determined for each meeting in the near term.

Discussion: Jim Peifer, Executive Director

AGENDA ITEM 9: EXECUTIVE DIRECTOR'S REPORT

An oral report will be provided.

AGENDA ITEM 10: DIRECTORS' COMMENTS