

**REGIONAL WATER AUTHORITY  
EXECUTIVE COMMITTEE AGENDA  
April 27, 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, April 27, 2022 8:30 AM - 11:30 AM (PST)

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

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**Access Code:** 789-768-101

**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 March 23, 2022, Executive Committee meeting

3c. Approve 2022 Groundwater Substitution Transfer Staffing Support Agreement

**Action: Approve Consent Calendar**

**4. FISCAL YEAR 2022-2023 BUDGET**

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

**Action: Recommend RWA Board adoption of the Fiscal Year 2022-2023 Budget**

**5. RWA FINANCIAL POLICY UPDATES AND A NEW COVID-19 EMPLOYEE VACCINATION POLICY**

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

**Action: Recommend to the Board approval of RWA Financial Policy Updates and adoption of a new COVID-19 Employee Vaccination Policy via the consent calendar**

**6. EMPLOYEE COMPENSATION STUDY AND POSITION RECLASSIFICATIONS UPDATE**

Information: Jim Peifer, Executive Director

**7. NEW RWA MEMBER APPLICATIONS**

Presentation and Information: Jim Peifer, Executive Director

**Action: Recommend RWA Board approval of three RWA member applications via the consent calendar**

**8. SUBSCRIPTION PROGRAM AGREEMENT FOR BIOLOGICAL OPINION SUPPORT SERVICES (BOSS)**

Presentation and Information: Jim Peifer, Executive Director

**Action: Recommend Board approval of the Biological Opinion Support Services Subscription Program via the consent calendar**

**9. LEGISLATIVE/REGULATORY UPDATE**

Information: Ryan Ojakian, Legislative and Regulatory Affairs Manager

**Action: Take Positions on Legislation**

**10. AD HOC COMMITTEE UPDATES**

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

**11. RWA MAY 12, 2022 BOARD MEETING AGENDA**

**Action: Approve the RWA MAY 12, 2022 BOARD MEETING AGENDA**

**12. EXECUTIVE DIRECTOR'S REPORT**

**13. DIRECTORS' COMMENTS**

**ADJOURNMENT**

**Upcoming meetings:**

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.

Executive Committee Meeting: Wednesday, May 25, 2022 commencing 8:30 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.

<p style="text-align: center;"><b>RWA Board of Directors</b></p> <p style="text-align: center;"><b>2022 Chair: Dan York</b></p> <p style="text-align: center;"><b>2022 Vice Chair: Tony Firenzi</b></p>
<p><b><i>S. Audie Foster</i></b>, General Manager, California American Water</p> <p><i>Evan Jacobs</i>, Operations Manager, California American Water</p>
<p><b><i>Ron Greenwood</i></b>, Board Member, Carmichael Water District</p> <p><i>Cathy Lee</i>, General Manager, Carmichael Water District</p>
<p><i>Caryl Sheehan</i>, Director, Citrus Heights Water District</p> <p><i>Hilary Straus</i>, General Manager, Citrus Heights Water District</p> <p><i>Raymond Riehle</i>, Director, Citrus Heights Water District (alternate)</p> <p><i>Rebecca Scott</i>, Principal Operations Specialist (alternate)</p>
<p><i>Kerri Howell</i>, Councilmember, City of Folsom</p> <p><i>Marcus Yasutake</i>, Environmental/Water Resources Director, City of Folsom</p>
<p><i>William Lauritsen</i>, Councilmember, City of Lincoln</p> <p><i>Angela Frost</i>, Environmental Services Manager, City of Lincoln</p>
<p><i>Bruce Houdesheldt</i>, Councilmember, City of Roseville</p> <p><b><i>Sean Bigley</i></b>, Assistant Environment Utilities Director, City of Roseville</p> <p><i>Rich Plecker</i>, Director of Utilities, City of Roseville (alternate)</p> <p><i>Trevor Joseph</i>, Hydrogeologist, City of Roseville (alternate)</p> <p><i>Pauline Roccucci</i>, Councilmember, City of Roseville (alternate)</p>
<p><i>Jeff S. Harris</i>, Councilmember, City of Sacramento</p> <p><b><i>Brett Ewart</i></b>, Senior Engineer, City of Sacramento</p> <p><i>Michelle Carrey</i>, Supervising Engineer, City of Sacramento (alternate)</p> <p><i>Bill Busath</i>, Director of Utilities, City of Sacramento (alternate)</p> <p><i>Anne Sanger</i>, Policy and Legislative Specialist, City of Sacramento (alternate)</p>
<p><i>Martha Guerrero</i>, Council Member, City of West Sacramento</p> <p><b><i>William Roberts</i></b>, Director of Public Works and Operations, City of West Sacramento</p>
<p><b><i>Grace Espindola</i></b>, Councilmember, City of Yuba City</p> <p><i>Diana Langley</i>, Public Works Director/City Manager, City of Yuba City</p>
<p><i>Ryan Saunders</i>, Board Member, Del Paso Manor Water District</p> <p><i>Alan Gardner</i>, General Manager, Del Paso Manor Water District</p>
<p><i>Pat Dwyer</i>, Director/Board President, El Dorado Irrigation District</p> <p><i>Jim Abercrombie</i>, General Manager, El Dorado Irrigation District</p> <p><i>Brian Mueller</i>, Engineering Director, El Dorado Irrigation District (alternate)</p>
<p><i>Sophia Scherman</i>, Board Chair, Elk Grove Water District</p> <p><i>Bruce Kamilos</i>, General Manager, Elk Grove Water District</p>
<p><i>Randy Marx</i>, Board Member, Fair Oaks Water District</p> <p><i>Tom Gray</i>, General Manager, Fair Oaks Water District</p>

\* Names highlighted in red are Executive Committee members

<b><i>Paul Schubert</i></b> , General Manager, Golden State Water Company <b><i>Ernie Gisler</i></b> , Capital Program Manager, Golden State Water Company
<b><i>Robert Hunter</i></b> , Board Member, Orange Vale Water Company <b><i>Joe Duran</i></b> , General Manager, Orange Vale Water Company
<b><i>Robert Dugan</i></b> , Board Member, Placer County Water Agency <b><i>Tony Firenzi</i></b> , Director of Strategic Affairs, Placer County Water Agency, Vice Chair <b><i>Andy Fecko</i></b> , General Manager, Placer County Water Agency (alternate) <b><i>Mike Lee</i></b> , Board Member, Placer County Water Agency (alternate)
<b><i>Tim Maybee</i></b> , Director, Rancho Murieta Community Services District <b><i>Tom Hennig</i></b> , Interim General Manager, Rancho Murieta Community Services District
<b><i>Patrick Kennedy</i></b> , Supervisor, Sacramento County Water Agency <b><i>Kerry Schmitz</i></b> , Division Chief, Water Supply, Sacramento County Water Agency
<b><i>Dave Jones</i></b> , Board Member, Sacramento Suburban Water District <b><i>Dan York</i></b> , General Manager, Sacramento Suburban Water District, Chair <b><i>Kevin Thomas</i></b> , Board Member, Sacramento Suburban Water District (alternate)
<b><i>Dan Rich</i></b> , Director, San Juan Water District <b><i>Greg Zlotnick</i></b> , Water Resources and Strategic Affairs, San Juan Water District <b><i>Ted Costa</i></b> , Board President, San Juan Water District (alternate)

\* Names highlighted in red are Executive Committee members



## **RWA ASSOCIATES**

<b>Organization</b>	<b>Representatives</b>
El Dorado Water Agency	<b><i>Lori Parlin</i></b> , Chair <b><i>Ken Payne</i></b> , General Manager (alternate)
Placer County	<b><i>Ken Grehm</i></b> , Director Public Works and Facilities <b><i>Jared Deck</i></b> , Manager Environmental Engineering
Sacramento Municipal Utility District (SMUD)	<b><i>Arlen Orchard</i></b> , General Manage/CEO <b><i>Christopher Cole</i></b> , Strategic Account Advisor <b><i>Ansel Lundberg</i></b> , Energy Commodity Contracts Specialist
Sacramento Regional County Sanitation District (SRCSD)	<b><i>Mike Huot</i></b> , <i>Director of Policy and Planning</i> <b><i>Terrie Mitchell</i></b> , Manager Legislative and Regulatory Affairs <b><i>Jose Ramirez</i></b> , Policy and Planning <b><i>David Ocenosak</i></b> , Principal Engineer
Sacramento Area Flood Control Agency (SAFCA)	<b><i>Richard Johnson</i></b> , <i>Executive Director</i>

## RWA AFFILIATE MEMBERS

Organization	Representatives
Brown & Caldwell	<i>Paul Selsky</i> , Water Supply Planning, Vice president <i>LaSandra Edwards</i> , Civil Engineer <i>May Huang</i> , Engineer <i>David Zuber</i> , Vice President
GEI Consultants	<i>John Woodling</i> , Vice President, Branch Manager <i>Chris Petersen</i> , Principal Hydrogeologist <i>Richard Shatz</i> , Principal Hydrogeologist
HDR, Inc.	<i>Jafar Faghieh</i> , Water Resources Engineer <i>Ed Winkler</i> , Client Development Lead
Sacramento Association of Realtors	<i>David Tanner</i> , Chief Executive Officer <i>Christopher Ly</i> , Chief Operations Officer
Stantec	<i>Kari Shively</i> , Vice President <i>Vanessa Nishikawa</i> , Principal Water Resources Engineer <i>Yung-Hsin Sun</i> , Principal Engineer <i>Rebecca Guo</i> , Senior Associate Water Resources Engineer <i>Ibrahim Khadam</i> , Principal Engineer
West Yost Associates	<i>Charles Duncan</i> , President <i>Abigail Madrone</i> , Business Development Director <i>Kelye McKinney</i> , Engineering Manager I <i>Jim Mulligan</i> , Principal Engineer
Woodard & Curran	<i>Ali Taghavi</i> , Principal <i>Jim Graydon</i> , Senior Client Service Manager

## **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 March 23, 2022 Executive Committee Meeting
- c.** Approve the 2022 Groundwater Substitution Transfer Staffing Support Agreement

#### **Action: Approve Consent Calendar**

Attachments:

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

3c. 2022 Groundwater Substitution Transfer Staffing Support Agreement

### **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 March 23, 2022 Executive Committee Meeting**

Attachment:

Draft March 23, 2022 Minutes



**Regional Water Authority  
Executive Committee Meeting  
Draft Minutes  
March 23, 2022**

**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**

Ron Greenwood, Carmichael Water District  
Sean Bigley, City of Roseville  
Brett Ewart, City of Sacramento  
Bill Roberts, City of West Sacramento  
Grace Espindola, City of Yuba City  
Kerry Schmitz, Sacramento County Water Agency  
Dan York, Sacramento Suburban Water District

**Staff Members**

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

**Others in Attendance**

Brian Sanders, Trevor Joseph, Rebecca Scott, Tom Hennig, Paul Helliker, Greg Zlotnick, Angela Frost, William Lauritsen, Kevin Thomas, Robert Dugan, Tom Gray, Ed Winkler and Andy Fecko

- 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) Mr. Ewart moved, with a second by Mr. Bigley to approve the consent calendar items. Ron Greenwood, Carmichael Water District, Sean Bigley, City of Roseville, Brett Ewart, City of Sacramento, Bill Roberts, City of West Sacramento, Grace Espindola, City of Yuba City, Kerry Schmitz, Sacramento County Water Agency and Dan York, Sacramento Suburban Water District voted yes.

#### **4. AD HOC COMMITTEE UPDATES**

Mr. Peifer gave an update on the 3x3 committee, the Purchasing Ad Hoc committee, the Election Process Ad Hoc committee, the Executive Director Review Ad Hoc committee, and the Water Quality standing committee.

#### **5. EMPLOYEE COMPENSATION STUDY AND POSITION RECLASSIFICATIONS UPDATE**

Mr. Peifer said that the compensation survey is managed by the Executive Committee. A solicitation was sent electronically to seven firms with two firms declining to submit a proposal. The deadline to submit a proposal is March 25<sup>th</sup>. The Ad Hoc Committee will review the consultant selection and make a recommendation to the Executive Committee next month.

#### **6. FISCAL YEAR 2022-2023 BUDGET DISCUSSION ITEMS**

Ms. Reina-Luken said that staff is in the process of assembling the draft budget for consideration. She asked for confirmation on the Associate Member Dues Cap Increase, selecting the discount rate to be used for funding purposes of RWA's retiree health benefits trust (California Employee Retirement Benefits Trust - CERBT), determining RWA transfer percentage to the Water Efficiency Program Budget, the reduction of rent expense for Fiscal Year 2022-2023 and confirmation on the presentation of the budget layout.

The Executive Committee agreed to move forward on the Associate Member Dues Cap increase, maintain a conservative approach for CERBT, there were no objections to the proposed RWA transfer percentage to the Water Efficiency Program Budget, the committee confirmed reducing the rent expense and there was support for a three-year budget projection.

M/S/C Ms. Espindola moved, with a second by Mr. Greenwood for the Executive Committee to provide direction on various Fiscal Year 2022 – 2023 budget items. Ron Greenwood, Carmichael Water District, Sean Bigley, City of Roseville, Brett Ewart, City of Sacramento, Bill Roberts, City of West Sacramento, Grace Espindola, City of Yuba City, Kerry Schmitz, Sacramento County Water Agency and Dan York, Sacramento Suburban Water District voted yes.

#### **7. LEGISLATIVE/REGULATORY UPDATE**

Mr. Ojakian suggested taking support positions on AB 2078, the Department of Water Resources Atmospheric Rivers and FIRO, AB 2142, tax exemption for turf rebates, AB 2362, streamlined permitting for ecosystem restoration and climate adaptation, SB 1065, establishing a program to address abandoned and derelict commercial vessels in the Delta, SB 1197, creating the Initiative to Advance Water



Innovation and Drought Resiliency at the Office of Planning and Research, and SB 1469, adding water corporations to Public Utilities Commission responsibilities to ensure over collections and under collections are avoided. A support if amended position was suggested on AB 2313, water judges and technical support in water cases, AB 2387, \$7.4 billion water, fire, flood, extreme heat bond, AB 2419, requiring 50% of federal funds administered by the state be spent directly in disadvantaged communities, AB 2449, allowing greater flexibility for teleconferencing under the Brown Act, and SB 1188, allowing systems beyond those that serve disadvantaged communities to receive 100% grant funding or principal forgiveness. Oppose Unless Amended positions were suggested for AB 2639, prohibits extensions or new water rights unless the Water Board adopts a Bay Delta Water Quality Control Plan by end of 2023, SB 1157, lowers the existing indoor element of the water use efficiency objectives and expands the authorities granted to the Water Board to appoint an administrator to struggling water systems. The position on SB 1205, requiring the Water Board to adopt regulations to provide great specificity for determining water availability in the issuance and administration of water right permits and licenses was changed from Support if Amended to a Watch Position.

Mr. Peifer reported that a letter was sent to Senator Feinstein supporting her draft legislative proposal on the STREAM Act (Support to Rehydrate the Environment, Agriculture, and Municipalities Act).

Mr. Ojakian gave an update on the administrative draft of a new MCL on Chrome 6, the statewide drought conditions, and potential mandatory restrictions.

M/S/C Mr. Ewart moved, with a second by Ms. Espindola to take positions on State Legislation and affirm positions on Federal Legislation with the suggested amendment to the position on SB 1205. Ron Greenwood, Carmichael Water District, Sean Bigley, City of Roseville, Brett Ewart, City of Sacramento, Bill Roberts, City of West Sacramento, Grace Espindola, City of Yuba City, Kerry Schmitz, Sacramento County Water Agency and Dan York, Sacramento Suburban Water District voted yes.

## **8. FUTURE MEETING FORMAT**

Mr. Peifer provided options to consider for returning to in-person meetings. A hybrid meeting would require research to determine costs including RWA's information technology (IT) consultant, the purchase of additional equipment, and staff time.

There was discussion on utilizing larger meeting venues to provide adequate space for participants when attending in-person meetings. At this stage of the pandemic, some members are not comfortable with in-person meetings and would prefer the option of hybrid meetings that would combine in-person with a teleconference option. It was noted that RWA meetings conducted virtually have seen greater participation and engagement. It was suggested that exploring the hybrid option would be a good investment.

Mr. Ramos, legal counsel, said that we are currently allowed to meet virtually under the Governor's Emergency Order. At some point, the Emergency Order may no longer be in effect, and we will be forced to meet in-person.

## **9. EXECUTIVE DIRECTOR'S REPORT**

Mr. Peifer enjoyed a tour at Yuba City hosted by Grace Espindola that provided information on the area.

A dinner meeting with the Water Forum Environmental Caucus was held to discuss what their interests were with RWA and SGA initiatives.

Yuba City received a grant for an ASR well.

Listening Sessions with agencies will be begin soon for 2022.

The first Emergency Preparedness seminar was held with consultant Gannet Fleming. This is a subscription program that will explore opportunities for emergency services and assist with our response to future catastrophes.

Senator Feinstein and Senator Padilla have forwarded our request for congressionally directed funding for our list of projects.

## **10. DIRECTORS' COMMENTS**

Mr. Greenwood reported that Carmichael Water District received \$4 million to build much needed water wells. They also received \$2 million from the Bureau of Reclamation from the Water Smart Drought Response Program. The district will be requesting additional funds for infrastructure and pipeline projects.

## **ADJOURNMENT**

Chair York adjourned the meeting at 10:49 a.m.

By:

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Chairperson

Attest:

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Board Secretary

## **AGENDA ITEM 3c.: Approve 2022 Groundwater Substitution Transfer Staffing Support Agreement**

### **BACKGROUND:**

Seven RWA member agencies (City of Sacramento, Sacramento Suburban Water District, Sacramento County Water Agency, Carmichael Water District, San Juan Water District, Citrus Heights Water District, and Fair Oaks Water District), desire to participate in a regionally coordinated groundwater substitution transfer in 2022. The City of Sacramento (COS) is serving as the manager of funds received from the transfer on behalf of the participating agencies and as the manager of contractors hired to support the transfer. These agencies have requested assistance from RWA in completing some of the technical components of the transfer.

RWA staff and legal counsel developed an agreement for the 2020 regional transfer to receive compensation for time spent in support of the transfer. The agreement was also approved in 2021, but the transfer request was denied by the State Water Resources Control Board. The 2022 agreement uses the same form of the approved 2020 and 2021 agreements and will be executed between RWA and the COS acting on behalf of the other participants. RWA will invoice COS for actual time incurred on the project. The estimated not-to-exceed budget ranges from \$45,000 to \$50,000, depending on the length of the transfer. A copy of the agreement is included in the packet.

Attachment:

Staffing Support Agreement

## **2022 Regional Groundwater Substitution Transfer Program Staffing Support Agreement**

THIS AGREEMENT is made and entered as of March 1, 2022, by and between the Regional Water Authority (“RWA”) and City of Sacramento (“City”).

Under RWA’s October 8, 2013 Amended and Restated Joint Exercise of Powers Agreement (“JPA Agreement”). RWA’s goals include to “[f]acilitate . . . action on matters of regional priority and interest” and its powers including “[m]aking and enter[ing] into contracts” and “[e]xercising jointly the common powers of its Members in . . . planning and implementing ways and means to provide reasonable and financially-feasible projects, programs and cooperative operations activities for Members.” In addition, the JPA Agreement’s section 7.a.12 states that RWA can exercise the powers of a community services district if not in conflict with the JPA Agreement under the Community Services District Law (Government Code § 61000 et seq.) That law states, in pertinent part, “A district may contract with any local agency . . . for the provision by or to the district of any facilities, services, or programs authorized by this division, within or without the district . . .” (Government Code § 61070.)

In 2022, a number of RWA member agencies and contracting entities (the “Partners”) desire to participate in a regionally-coordinated groundwater substitution transfer (the “Transfer”). The City of Sacramento is serving as the manager of funds received as a result of the Transfer on behalf of the Partners and as the Partners’ manager of contractors and consultants hired to support the Transfer. The Partners have requested assistance from RWA to assist with completing certain technical components of the Transfer. In support of this effort, RWA and the City of Sacramento agree as follows:

- 1. Scope of Work.** RWA will provide technical support in support of the Transfer, including:
  - A. Provide general support to Partners, including facilitation of Transfer-related coordination meetings.
  - B. Update baseline groundwater usage for each of the Partners.
  - C. Ensure that all Partner wells and associated information have been added to the Department of Water Resources’ (“DWR”) Water Transfer Information Management System as required for Transfers.
  - D. Develop a Regional Monitoring and Mitigation Plan for the Partners as required for transfers.
  - E. Conduct monthly groundwater level monitoring in the Partners’ relevant wells before and after the Transfer and weekly groundwater level monitoring during the Transfer.
  - F. Develop, maintain, and submit required reporting spreadsheets for the duration of the Transfer.
  - G. Assist in preparing the final reports on the Transfer required by DWR and the State Water Resources Control Board.
- 2. Budget.** The City of Sacramento shall pay RWA for its services based on the time RWA’s employees expend in working on the Transfer, and RWA’s associated costs, up to a not-to-exceed amount of \$45,000 for a three-month (July 1 through September 30) Transfer window. If a five-month (July 1 through November 30) Transfer window is necessary, the not-to-exceed amount will be \$50,000. RWA’s detailed budget estimate is included as Exhibit 1 to this Agreement. Exhibit 1 is an estimate and not a binding statement of RWA’s work or charges. RWA will not exceed the stated not-to-exceed amounts without prior consultation with and approval by the City.
- 3. Invoices and Payment.** RWA shall invoice the City for actual time worked, and costs incurred, in working on the Transfer no more frequently than on a monthly basis. The City shall pay RWA’s charges on a net-30 day basis, unless the City disputes some or all of those charges. The City’s obligation to pay those charges is not dependent on the success of the Transfer or the receipt of payment for the Transfer by the City or any of the other Partners. If the City disputes a portion of RWA’s charges, the City will pay the undisputed portion as indicated above. In relation to any disputed portion of RWA’s charges, RWA and the City will consult one another as rapidly as possible to attempt to resolve the dispute. If the dispute cannot be resolved within 90 days, RWA and the City will submit the matter to binding arbitration before a mutually acceptable arbitrator, who need not be an attorney. If RWA and the City cannot agree on an arbitrator, either may petition the Sacramento County Superior Court to appoint an arbitrator under Code of Civil Procedure section 1281.6.

4. **Term.** This Agreement will remain in effect until the later of the date that all obligations under this Agreement have been satisfied or the date that all obligations associated with the Transfer have been satisfied.

5. **Withdrawal.** The City of Sacramento may withdraw from this Agreement effective upon 10 days' notice to RWA, provided that, the City will pay RWA for all services RWA rendered, and all costs RWA incurred, under this Agreement prior to the effective date of the City's withdrawal.

6. **General Terms**

6.1. **Information and Expertise.** RWA can rely on information provided by the City or one of the other Partners in working on the Transfer. The City will provide to RWA, as promptly as possible, any information that RWA reasonably requests to support RWA's work on the Transfer. RWA will reasonably exercise its professional expertise and judgment in performing work on the Transfer.

6.2. **RWA's Role in Transfer.** RWA's role in the Transfer is to provide professional support for the City's and the other Partners' planning and implementation of the Transfer. RWA makes no guarantees about the success of the Transfer or the acceptance of its work by DWR, the Bureau of Reclamation or any other third party who may consider that work. For itself and the other Partners, the City acknowledges that: (A) they will make their own decisions concerning the planning and implementation of the Transfer; and (B) they will obtain or assure compliance with all regulatory requirements for the Transfer, including without limitation obtaining any necessary coverage under the California Environmental Quality Act (Public Resources Code § 21000 et seq.), and any necessary approvals from the State Water Resources Control Board.

6.3. **Applicable Law.** All work and activities under this Agreement will comply with the applicable state, federal and other laws. RWA and the City, for itself and the other Partners, acknowledge that: (A) RWA and the City are both public agencies that are subject to California laws concerning the open nature of their operations, including without limitation the Public Records Act (Government Code § 6250 et seq.); and (B) as a result of these laws' application, documents prepared or exchanged under this Agreement may be subject to disclosure to members of the public.

6.4. **Complete Agreement and Amendments.** This Agreement is the sole, complete and exclusive statement of RWA's and the City's terms of agreement concerning this Agreement's subject matter. This Agreement may be amended from time to time only with the written agreement of both the City and RWA.

RWA and the City of Sacramento execute this Agreement as of the date first written above.

Regional Water Authority

City of Sacramento

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By  
James Peifer  
Executive Director

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By  
[Name]  
[Title]

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Date

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Date

## 2022 Regional Groundwater Substitution Transfer Program

### Exhibit 1 - Budget

#### Estimate for July 1 through September 30 Transfer

Task	Staff	Rate	Hours	Total
Transfer Coordination Meetings	R. Swartz	\$ 205	16	\$ 3,280
Stream Depletion Analysis	R. Swartz	\$ 205	24	\$ 4,920
Update Baseline Groundwater Usage	R. Swartz	\$ 205	12	\$ 2,460
Update CASGEM/WTIMS	R. Swartz	\$ 205	64	\$ 13,120
Update Monitoring and Mitigation Plan	R. Swartz	\$ 205	12	\$ 2,460
	M. Garcia	\$ 110	8	\$ 880
Monthly/Weekly Well Monitoring	M. Garcia	\$ 110	48	\$ 5,280
Develop/Maintain Reporting Spreadsheets	R. Swartz	\$ 205	24	\$ 4,920
Final Report Assistance	R. Swartz	\$ 205	8	\$ 1,640
	M. Garcia	\$ 110	16	\$ 1,760
				\$ 40,720
Contingency 10%				\$ 4,072
Total				\$ 44,792

#### Estimate for July 1 through November 30 Transfer

Task	Staff	Rate	Hours	Total
Transfer Coordination Meetings	R. Swartz	\$ 205	16	\$ 3,280
Stream Depletion Analysis	R. Swartz	\$ 205	24	\$ 4,920
Update Baseline Groundwater Usage	R. Swartz	\$ 205	12	\$ 2,460
Update CASGEM/WTIMS	R. Swartz	\$ 205	64	\$ 13,120
Update Monitoring and Mitigation Plan	R. Swartz	\$ 205	12	\$ 2,460
	M. Garcia	\$ 110	8	\$ 880
Monthly/Weekly Well Monitoring	M. Garcia	\$ 110	76	\$ 8,360
Develop/Maintain Reporting Spreadsheets	R. Swartz	\$ 205	32	\$ 6,560
Final Report Assistance	R. Swartz	\$ 205	8	\$ 1,640
	M. Garcia	\$ 110	16	\$ 1,760
				\$ 45,440
Contingency 10%				\$ 4,544
Total				\$ 49,984

## **AGENDA ITEM 4: FISCAL YEAR 2022-2023 BUDGET DISCUSSION ITEMS**

### **BACKGROUND:**

Each year the Executive Committee (EC) reviews and makes a recommendation for adoption of the budget by the Regional Water Authority (RWA) board. Executive Committee members may remember that the Board did not raise dues in Fiscal Year 2021-2022.

The EC discussed some budget variables of the proposed Fiscal Year 2022-2023 budget ("FY23 Budget") at the March 23, 2022 EC meeting specifically including Associate dues, expected rate of returns for OPEB trust, water efficiency program (WEP) transfer, rental expense, and budget layout. The RWA Board met on March 10, 2022 to review the current year budget outlook and review some of the key expense areas. The Board requested that the budget link certain expenses to RWA's Strategic Plan.

In addition to the above objectives, RWA must account annually for increased expenses in its operating budget in the categories of staffing and benefits, office expense, professional services, and any one-time expenditures (such as an Anniversary event, office relocation, Strategic Plan consultants, salary surveys, etc.). Staff recommends dues be adjusted by 3.7% for the Fiscal Year 2022-2023 budget. While year over year inflation is approximately 9% (as of March, using the RWA's measure of inflation<sup>1</sup>), the proposed budget is offset by some FY 2021-2022 budget savings, subscription program revenue and the addition of potential new RWA members (pending Board approval.)

The budget reflects the reimbursement from the Sacramento Groundwater Authority for its share of staff and office expense, the remaining operating expense, unfunded pension liability expense, and potential office relocation. WEP will draw down its cash reserves/fund balance in addition to receiving a 20% RWA transfer which will allow for a 0% increase in WEP dues. Additionally, three subscription programs are being proposed to cover the cost of the Manager of Strategic Affairs position including Major Projects Management Services (MPMS), Resilience, and a new subscription program, Biological Opinion Support Services (BOSS). Revenues collected from the aforementioned programs were collected in February 2021. Due to the pandemic and lower actual costs compared to budgeted costs, these revenues are expected to cover the program expenses through June 30, 2022. As of July 1, the fees for these three programs will be reallocated based on their subscription program needs.

### **Strategic Plan Alignment**

The FY23 budget supports the following RWA Strategic Plan Objectives:

Budget allocations that facilitate completion of the Planning Goal include program

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<sup>1</sup> United States Department of Labor's Consumer Price Index (CPI) for All Western Small Cities (population under 2.5 million)

revenues and expenses associated with Phase 1 and Phase 2 of the Sacramento Regional Water Bank. All of the funds for this initiative are to improve water supply, reliability, and resilience. Member contributions have been collected in advance (exceeding \$1 million) and pose to be a major program area where staff will be focusing time in the upcoming fiscal year. As a compliment to the Water Bank, MPMS and Resilience subscription programs respond to impacts on the region's water suppliers and operations at the state and federal level.

RWA's internal planning includes this budget document and forecast along with meeting designation policies to ensure the sustainability of the RWA organization and its members. In order to ensure that RWA continues to attract and retain talented employees, RWA will undertake a salary survey this year (\$30,000 estimated budget), continue to provide additional payments to its PERS unfunded liability (\$36,700 annual payment), and investigate options for a potential office relocation to accommodate RWA's expanding staff.

Additionally, RWA's technology infrastructure will be upgrading its security protocols to minimize any cyberthreats (additional \$6,000 per year in computer support) and looking at options to host hybrid virtual/in-person board meetings to allow for greater ease of member participation.

The Implementation Goal of the Strategic Plan is built upon staff's ability to carry out the securing of funds and assisting in resourcing projects and programs of regional priorities that specifically improve water reliability and resilience. It is important to note that 70% of RWA's total expense budget is to fund staff salaries and benefits which work together to execute all of the outlined Strategic Plan goal areas over the next three years.

Additional programs that support members' efforts in this category include carrying out Integrated Regional Water Management (IRWM) plan, Resilience, and MPMS programs. Water Use Efficiency compliance with applicable state and local requirements for conservation efforts is provided by the WEP subscription program budget.

Advocacy Goal provides members with staff and contractor support (RWA Lobbyist contract expense of \$125,000 annually) to positively influence legislative and regulatory policies and actions.

Communication Goal supports all of the above listed goal by providing outreach, education materials, and cultivates relationships. Specific budget line items include public outreach of \$130,000 in contractor support and \$25,000 in dues, subscriptions, and sponsorships to align RWA interests with its regional partners.

Certain expenses, such as legal services (\$75,000) do not fit neatly into one goal. Instead, that expense supports all of the strategic plan goals.



## **Outlook for FY2024 and beyond**

In looking out to the future, RWA can anticipate a consistent increase in dues at 4.5% annually over the next two years to meet increased expenses and maintain compliance with all budget policies. Future budget projections include a \$50,000 assumption on subscription program revenues to offset salary costs. The farther out in the future, the more difficult it is to estimate projections. However, RWA's history shows that this number increases over time, so this assumption is conservatively estimated given that the availability of grants which can fluctuate year to year and may not remain consistent.

Designation amounts and restricted fund balances also change over time as funds are expended. It is expected that all non-restricted cash will be depleted as of FY22. Although RWA will still have more than the minimum requirement of four months in its Operating Fund designation, RWA will not have the same cash fluidity as it has experienced in prior years should unplanned expenditures arise. Future projections assume that the RWA and SGA staffing and administrative cost share agreement will remain the same. There are three new RWA memberships included in the FY23 budget subject to Board approval with the applicable discounts and terms applied. Any additional membership changes could have a significant financial impact on RWA's future budget years. As with all budgets, RWA's budget projections are built on the current information available and/or estimates. Therefore, budget results cannot be certain.

Based upon the discussions above, staff recommends that the Executive Committee accept the draft Fiscal Year 2022- 2023 proposed budget and recommend it for Board approval.

### **Action: Recommend RWA Board adoption of the Fiscal Year 2022-2023 Budget**

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

Attachments:

Summary Budget Overview  
Draft Fiscal Year 2022 – 2022 Budget  
Fiscal Year 2022 – 2023 PowerPoint Presentation

## Summary Budget Overview

### Revenues

A 3.7% increase on general membership and associate membership fees is proposed. Originally a 3% increase was forecasted when the Board adopted the FY 21/22 budget in May 2021. The slight increase is the difference of escalating costs after adding three additional RWA member dues (1 general member, 1 associate member and 1 affiliate member). Additionally, RWA's FY22 year-end budget projections have improved due to operational budget savings in the first half of the fiscal year as a result of reduced spending stemming from the pandemic.

The amount of available cash projected at year end FY22 may appear to be even larger than expected. However, these funds have been restricted in the designation section of RWA's budget since they are dedicated for various projects, grants, and member subscription programs in FY23 and in future budget years. Some of these projects include Water Bank, Water Efficiency Program, Bonneville Grant Foundation, Powerhouse Science Center, etc.

Prior year budget savings will also assist towards the unfunded pension liability payments, possible office relocation, and increased communications in FY23 and beyond.

Associate membership fees are at 3.7% increase in FY23 same as RWA full members and projected to increase a maximum of 4.5% per year in future budget years. No increases to affiliate fees are planned.

SGA service fees represent 50% sharable costs according to the Administrative Services Agreement and exclude the Water Efficiency Program staffing. SGA does pay for 20% of the Project Research Assistant position, 10% of the Legislative and Regulatory Program Manager position, 100% of one, full-time Program Manager (position to begin at the end of FY22/beginning FY23). As RWA is the employer of all staff, SGA positions, even those that are dedicated solely to SGA, are budgeted within RWA but then reimbursed by SGA service fees.

WEP Program provides approximately 8% of the needed RWA Core revenues and reflects income earned from providing staffing and office support to the WEP program.

Other subscription program and grant revenues provide approximately 16% of needed RWA Core revenues and reflect income earned from providing staffing and office support to subscription-based programs. These revenues are not always known at the time when the budget is being developed and can have a positive impact on RWA's net income.

Other revenues represent interest income, holiday social revenues, and purchasing rebates and are stated as miscellaneous income.

## Expenses

The core program budgets for all staffing positions including salary and benefits.

Shared staffing costs for four administrative staff positions are allocated 50/50 to SGA and RWA (2 FTE each RWA and SGA). For FY23, the Legislative and Regulatory Program Manager is 90% funded by RWA (.9 FTE); the Water Efficiency Program Manager is funded 100% by WEP (1 FTE); and the Project Research Assistant is funded 80% by WEP and various RWA projects (.8 FTE), the Strategic Affairs Manager is fully paid for by subscription program fees (1 FTE), resulting in 5.7 FTEs for RWA. When added to the 3.8 FTEs for SGA; total of 9.0 staff members.

Staff salaries are within ranges assigned by the compensation survey and reflect a possible 4% increase for merit if eligible plus an assumption of 4% for a cost-of-living allowance (COLA) and a similar combined increase in the out years. Beginning in FY19, staff is paying the full employee share of their pension contributions.

Benefit costs also include projected increases for retiree health care and PERS retirement benefits. Benefits expense line item also include estimates for Other Post Employment Benefit (OPEB) costs for active and future retirees.

RWA continues to plan for additional CalPERS pension payments for the unfunded liability. The planned additional payment in FY23 is \$36,700.

Despite actual declining office cost expenses for FY22, the budget uses an escalator based upon previous budget numbers so as not to budget based on uncommon circumstances. For FY23 and beyond, these costs are estimated at a maximum of 3% annual increases unless specific increases have been identified.

Professional fees include audit, accounting, and actuarial analysis fees due to the reporting requirement for GASB 68 and GASB 75, increase in public relations, human resources assistance, increase in legal costs, IRWM consulting costs, and 100% of the state's water advocacy consulting fees. Although the prior year actual expenses may not have used the entire allotted budget, budget amounts are based on foreseen increased usage.

Other includes office furniture purchases related to the hiring of additional staff.

Core project expenses include costs a placeholder associated with the IRWM expenses at \$15,000 per year to provide for needed improvements to the database system and Powerhouse Science Center/MOSAC partnership at approximately \$25,000 per year through FY 2030.

## **Revenues net of Expenses**

Fiscal Year 2023 reflects expenses in excess of revenues by \$142,388, which is a deficit. However, FY22 improved projected budget results in combination with additional revenues from new members and a 3.7% increase in dues will offset the deficit and still allow for RWA to be compliant with all budget policies.

## **Designations/Restrictions**

The operating designation for FY23 is 4.7 months which is within the target of between 4 to 6 months of the operating fund (using the method of netting SGA reimbursements), which is compliant to RWA's budget policy. Funds in excess of the Operating Fund Designation revert to undesignated (non-restricted) cash which can later be applied towards future year expenses. The Powerhouse Science Center ("PSC")/MOSAC designation represents the difference in collection of fees for this project versus the payments made per the PSC contract. The restrictions for the WEP subscription programs reflect a decrease in approximately \$8,244 over subscription-based expenses after completion of the Bonneville grant program of \$242,000.

## **Subscription Programs**

Subscription-based programs are subject to approval by the individual participants. Adopting the fiscal year 2022-2023 budget does not approve the subscription-based programs. The revenues are included for total estimated purposes and to reflect the expected contribution towards RWA for staffing and office costs. Grant and subscription program revenues for staff administration, labeled as Staff Reimbursements, are projected for Prop 1, 2021 Urban Drought Grant, Regional Water Bank, and annual water transfers.

Grant and subscription program expenses, labeled "Pass-Thru", represent the direct consulting and third-party costs for these programs. These programs typically collect fees in advance of expenses and often straddle multiple fiscal years prior to completion. The funds are held in restriction as unearned revenues until the expenses are incurred. These advances are tracked for budgeting purposes and included under the designation section at the bottom of RWA's budget sheet.

Other subscription programs that fund staff positions and programmatic costs in its entirety include WEP and Major Projects, Resilience, and BOSS programs. These fees are recognized as incurred. For FY23, a total of 20% of WEP's staffing and office expenses (approximately \$55,000) will be paid for by RWA core dues as reimbursement for time that the WEP Manager spends on non-WEP related activities. With this transfer, WEP projects expenses in excess of revenues by approximately \$8,244 which will be paid from WEP reserves. Major Projects, Resilience, and BOSS programs cover 100% of the Manager of Strategic Affairs salary with a cost share of 45/10/45 percent respectively. All other funds collected are for programmatic purposes as approved by the subscription members.



**2022 - 2023 FYE Budget Summary**  
**Projected Fee Increase: 3.7%**  
**Combined Core & Subscription Program Budget**

	Approved FY22	Projected FY22	Proposed FY23	Change from Prior Year	Comments
<b>Revenues</b>					
Dues	\$ 1,053,470	\$ 1,051,442	\$ 1,126,909	\$ 75,467	3.7% rate increase; new dues structure adopted in FY2022 includes new members
SGA Service Fee	\$ 794,363	\$ 633,937	\$ 857,842	\$ 223,905	Based upon shared costs and additional SGA position
Other	\$ 29,400	\$ 17,580	\$ 20,300	\$ 2,720	Interest, holiday social, other reimbursements
Subscription Program	\$ 405,979	\$ 403,001	\$ 615,474	\$ 212,473	Water Efficiency Program, Major Projects/Resilience Program, Regional Water Bank, Prop 84, Prop 1 IRWM, 2014 Drought, 2021 Urban Drought, water transfers and WEP grants
Total Revenues	\$ 2,283,212	\$ 2,105,960	\$ 2,620,525	\$ 514,565	
<b>Expenses</b>					
Staff and Benefits	\$ 1,849,767	\$ 1,673,396	\$ 2,036,013	\$ 362,617	All staff costs, including additional pension plan liability payment
Office	\$ 213,314	\$ 180,074	\$ 178,200	\$ (1,874)	General 3% cost increases assumed and some specific cost increases
Professional Fees	\$ 451,350	\$ 407,920	\$ 488,700	\$ 80,780	Audit, PR, accounting, legal, actuary, human resources, water advocacy
Other expenses	\$ 10,000	\$ -	\$ 20,000	\$ 20,000	Office equipment
Core Project Expenses	\$ 35,000	\$ 25,000	\$ 40,000	\$ 15,000	IRWM and Powerhouse Science Center
Total Expenses	\$ 2,559,431	\$ 2,286,390	\$ 2,762,913	\$ 476,523	
<b>Revenues net of Expenses</b>	\$ (276,219)	\$ (180,430)	\$ (142,388)	\$ 38,042	
<b>Cash, beginning</b>	\$ 2,051,233	\$ 2,330,200	\$ 2,149,770	\$ (180,430)	
Source (Use) of Funds	\$ (276,219)	\$ (180,430)	\$ (142,388)	\$ 38,042	
<b>Cash, ending</b>	\$ 1,775,014	\$ 2,149,770	\$ 2,007,382	\$ (142,388)	
					Increase (decrease) in Cash
<b>DESIGNATIONS/RESTRICTIONS/ADVANCES</b>					
<i>Designations</i>					
Operating Fund	\$ 663,193	\$ 707,166	\$ 729,271	\$ 22,105	
Membership Dues Fund	\$ 157,100	\$ 156,800	\$ 168,100	\$ 11,300	
Subscription Program Stabilization	\$ 21,354	\$ 32,906	\$ 52,357	\$ 19,452	
Powerhouse Science Center	\$ 111,053	\$ 180,000	\$ 155,000	\$ (25,000)	
Office Relocation	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)	
RWA Restricted Program/Advances	\$ 246,000	\$ 246,000	\$ 346,000	\$ 100,000	
WEP Restricted Program/Advances	\$ 551,333	\$ 806,898	\$ 556,654	\$ (250,244)	
Non-designated cash	\$ 4,981	\$ -	\$ -	\$ -	
<b>Subtotal core cash</b>	\$ 1,775,014	\$ 2,149,770	\$ 2,007,382	\$ (142,387)	
No. of months cash pays for operations	<u>4.6</u>	<u>5.2</u>	<u>4.7</u>		



## 2022 - 2023 FYE Budget Summary

Projected Fee Increase 3.7%

### Major Assumptions - Combined Core & Subscription Program Budget

#### Revenues

- 1) Fee Increase on General Dues - see attachment for fees by agency. 3.7%
- 2) SGA Service Fees represents 50% cost sharing excluding staffing allocated to WEP, Major projects/Resilience, 90% of legislative program manager, 80% of the Project Assistant, and RWA only costs.
- 3) WEP represents approximately 8% towards Core operations which provides for WEP Manager, 60% of the Project Assistant, and admin support.
- 4) Subscription Program/Grants - Staff Reimbursements which contribute approximately \$50,000 towards Core operations and represent fees earned by RWA for providing staff consulting services and allocated office costs to the subscription programs. These revenues come from Regional Water Bank Prop 84, Prop 1, Drought grants, USBR Interties, water transfers and WEP grants. These subscriptions based programs are subject to approval by the program participants. Pass thru revenues and expenses are included for total cash flow estimate purposes.
- 5) Subscription Program revenues for Major Projects/Resilience programs support the Strategic Affairs Manager position and allocated program costs.
- 6) Adopting the fiscal year 2022-2023 budget does not approve any of the subscription based programs.

#### Expenses

- 1) Staffing costs include the WEP, Major Projects/Resilience, and SGA program staff.
- 2) Staff is allocated 50/50 to SGA and RWA, excluding the WEP Manager, Manager of Strategic Affairs, the Project Assistant and water advocacy staff. The Project Assistant splits time between SGA, WEP and RWA subscription projects. With the addition of a Program Manager for SGA and SGA's 10% contribution towards RWA's Legislative Manager position, RWA has 5.7 FTEs and SGA has 3.3 FTEs.
- 3) Staffing costs are projected within the salary ranges in accordance with RWA policy. Since FY19, employees pay their entire employee PERS cost.
- 4) Staffing expenses include additional annual payments to pay the unfunded PERS pension liability over a four year period.
- 5) For FY23, the WEP will receive a 20% Core transfer of the WEP manager and office expense to offset time spent on non-WEP related activities.
- 6) Office costs generally assume a maximum of 3% increases unless specific increases have been identified, such as the office lease.
- 7) Professional fees include audit, actuarial, PR, accounting, legal, human resources, regional water issues and general consulting.
- 8) Other includes office furniture and computer equipment purchases.
- 9) Core Project Expenses includes Powerhouse Science Center expense and IRWM placeholder for consulting fees.
- 10) Subscription Pass Thru represents the direct consulting and expenses for these subscription programs as well as the staff and office costs for these programs. Costs have been included in the program budget only to show the cash flow effect on these programs but removed from the Summary Table



## **2022 - 2023 FYE Budget Summary**

**Projected Fee Increase 3.7%**

**Major Assumptions - Combined Core & Subscription Program Budget**

### **Revenues in excess of Expenses//Expenses in excess of Revenues**

- 1) Core expenses are expected to exceed revenues by approximately \$142,388. The difference will be paid from the Powerhouse Science Center Fund at \$25,000 with the remainder being paid from prior year savings.
- 2) The WEP program projects expenses in excess of revenues by approximately \$8,244. The difference will be paid from WEP reserves.

### **Designations/Restrictions**

- 1) The Operating fund is projected to be 4.7 months at the end of FY2023 with a 3.7% increase
- 2) In FY21/22, a designation has been set aside for a possible office relocation in FY22/23.
- 3) The designations and restrictions are broken out by type and subtotaled by core and subscription services. The total change in cash from Projected FY21/22 to Proposed FY22/23 by subtotal reflect the departmental effect on each designation and restriction group.
- 4) Unrestricted cash is the remaining balance after all restricted and designated funds have been made. For the most part, this amount represents the residual amount leftover after rounding the Operation fund to the nearest tenth.

### **FY24 and beyond**

- 1) RWA dues have been projected at 4.5%. These estimates assume approx. \$50,000 annual staff reimbursements from program/grants which can fluctuate from year to year.
- 2) The unfunded pension plan liability additional annual payments is based upon RWA's policy. These annual payments can expect to fluctuate significantly, positive or negative, due to the shorter time frame for paying down this liability.
- 3) RWA can expect to incur additional integrated water management costs which are forecasted to be approximately \$15K per year.
- 4) The budget assumes that the current membership remains stable.
- 5) Budget estimated numbers are based on current information. Therefore, budget results cannot be assured.

% increase in fees:

3.7%

4.5%

4.5%

**RWA PROPOSED FY2022-2023 BUDGET PROJECTION**

**2-Year Projection**

	<b>RWA FY 22 Approved Budget</b>	<b>RWA Total FY 22 Projected</b>	<b>RWA FY 23 Proposed Budget</b>	<b>RWA Projected FY 24 Budget</b>	<b>RWA Projected FY 25 Budget</b>	<b>Notes</b>
<b>ANNUAL REVENUES</b>						
<b>OPERATING REVENUES</b>						
General Assessments/Dues	\$ 989,826	\$ 985,598	\$ 1,052,415	\$ 1,109,250	\$ 1,171,300	Assumes a 3.7% increase in RWA general fees + 1 new member
Associate Membership Dues	\$ 57,644	\$ 59,844	\$ 68,494	\$ 73,576	\$ 79,887	There are five associate members + 1 new member
Affiliate Membership Dues	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	There are eight affiliate members.
SGA Service Agreement Fee	\$ 794,363	\$ 633,937	\$ 857,842	\$ 907,038	\$ 947,503	Fees from Sacramento Groundwater Authority (SGA)
WEP Subscription Program	\$ 213,538	\$ 246,405	\$ 208,574	\$ 216,917	\$ 225,594	Fees from Water Efficiency Program
Subscription Program/Grant - Staff Reimbursement	\$ 109,791	\$ 73,946	\$ 91,900	\$ 44,580	\$ 50,000	Staff time reimbursements from Program Budget
Subscription Program - Major Projects/Resilience	\$ 82,650	\$ 82,650	\$ 315,000	\$ 319,500	\$ 330,000	Fees supporting Manager of Strategic Affairs costs
Misc. Revenues	\$ 8,200	\$ 5,580	\$ 7,800	\$ 8,200	\$ 8,600	Holiday Social payments and cash discounts
Interest Income	\$ 21,200	\$ 12,000	\$ 12,500	\$ 14,500	\$ 15,000	RWA Local Agency Investment Fund (LAIF) account
<b>TOTAL REVENUE</b>	<b>\$ 2,283,212</b>	<b>\$ 2,105,960</b>	<b>\$ 2,620,525</b>	<b>\$ 2,699,561</b>	<b>\$ 2,833,884</b>	
<b>ANNUAL EXPENSES</b>						
<b>STAFF EXPENSES (General):</b>						
Staff Salaries/Wages - 100%	\$ 1,229,339	\$ 1,158,024	\$ 1,426,985	\$ 1,504,303	\$ 1,578,597	For nine full time positions (RWA 5.7 FTE; SGA 3.3 FTE)
Benefits	\$ 432,931	\$ 352,030	\$ 404,469	\$ 436,236	\$ 454,475	PERS, medical, vision, dental, disability, OPEB and workers' comp
Pension Plan Unfunded Liability	\$ 36,700	\$ 36,700	\$ 36,700	\$ 36,700	\$ 36,700	Installment payment; unfunded pension liability divided by four years
Payroll Taxes	\$ 98,347	\$ 92,642	\$ 114,159	\$ 120,344	\$ 126,288	Payroll taxes for nine staff members
Travel/Meals/Conferences	\$ 42,450	\$ 30,000	\$ 43,700	\$ 45,000	\$ 46,300	Travel and Conferences
Professional Development/Training	\$ 10,000	\$ 4,000	\$ 10,000	\$ 10,500	\$ 11,000	License renewals, training and professional development classes
<b>TOTAL GENERAL STAFF EXPENSES</b>	<b>\$ 1,849,767</b>	<b>\$ 1,673,396</b>	<b>\$ 2,036,013</b>	<b>\$ 2,153,083</b>	<b>\$ 2,253,360</b>	
<b>OFFICE EXPENSES:</b>						
Rent & Utilities Contract	\$ 52,000	\$ 35,600	\$ 35,600	\$ 57,200	\$ 57,200	Office lease at \$1.10 per sq/ft. Current lease expires in 08/2023
General Liability Insurance	\$ 33,000	\$ 32,000	\$ 33,000	\$ 39,150	\$ 40,325	Property, Liability, and Auto through ACWA JPIA
Office Maintenance	\$ 800	\$ 2,750	\$ 1,000	\$ 1,000	\$ 1,000	Office maintenance as needed
Postage and Postal Meter	\$ 3,400	\$ 1,200	\$ 3,600	\$ 3,800	\$ 4,000	Cost of meter rental and postage
Internet/web hosting	\$ 10,000	\$ 9,000	\$ 10,000	\$ 10,000	\$ 10,000	Conference call service, web hosting, and internet service costs
Meetings & RWA 20th Anniversary	\$ 38,214	\$ 45,124	\$ 14,000	\$ 14,250	\$ 14,500	Meeting charges including food/refreshments incl. Holiday Social
Printing/Supplies	\$ 23,900	\$ 5,000	\$ 23,000	\$ 24,000	\$ 25,000	Printing, copier maintenance and lease costs, associated supplies
Dues, Subscriptions and Sponsorships	\$ 25,000	\$ 23,500	\$ 25,000	\$ 25,750	\$ 26,525	ACWA, AWWA, CSDA, PPIC, Sac Metro Chamber, WEF, etc.
Computer hardware/software	\$ 6,000	\$ 5,600	\$ 6,000	\$ 6,200	\$ 6,500	Acquisition of new and replacement hardware/software
Computer maintenance	\$ 21,000	\$ 20,300	\$ 27,000	\$ 27,000	\$ 27,000	Phone and computer maintenance and consulting service
<b>TOTAL OFFICE EXPENSE</b>	<b>\$ 213,314</b>	<b>\$ 180,074</b>	<b>\$ 178,200</b>	<b>\$ 208,350</b>	<b>\$ 212,050</b>	
<b>PROFESSIONAL FEES</b>						
RWA Legal	\$ 72,250	\$ 54,000	\$ 75,000	\$ 78,750	\$ 82,000	Legal expenses in support of RWA activities
RWA/SGA Audit	\$ 28,700	\$ 29,220	\$ 30,800	\$ 40,000	\$ 40,000	Audit fees are set by the awarded proposal thru FY2023
ADP Payroll Services/banking	\$ 3,400	\$ 3,200	\$ 3,600	\$ 3,800	\$ 4,000	Payroll service costs for nine staff and banking fees
RWA Lobbyist Services	\$ 125,000	\$ 120,000	\$ 125,000	\$ 127,500	\$ 130,000	Lobbying Services for RWA Core Membership



% increase in fees:

3.7%

4.5%

4.5%

**RWA PROPOSED FY2022-2023 BUDGET PROJECTION**

**2-Year Projection**

	RWA FY 22 Approved Budget	RWA Total FY 22 Projected	RWA FY 23 Proposed Budget	RWA Projected FY 24 Budget	RWA Projected FY 25 Budget	Notes
RWA Public Outreach Services	\$ 120,000	\$ 120,000	\$ 130,000	\$ 132,000	\$ 135,000	Communication consultant expense for RWA Core Membership
Budget/Audit Support Services	\$ 65,000	\$ 47,000	\$ 67,600	\$ 68,000	\$ 68,500	Accounting consultant to support annual financial audit (shared expense)
Actuarial Services	\$ 8,500	\$ 8,500	\$ 4,200	\$ 8,900	\$ 4,500	Actuary consultant to produce biennial forecasts (shared expense)
Human Resources Services	\$ 5,000	\$ 5,000	\$ 12,500	\$ 15,000	\$ 15,000	Expense for recruitments, onboarding, and guidance (shared expense)
Salary Survey	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ -	5-Year Salary Survey (shared expense straddles over two fiscal years)
General Consulting Services	\$ 23,500	\$ 6,000	\$ 25,000	\$ 26,000	\$ 27,000	For response and as needed service requests (shared expense)
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 451,350</b>	<b>\$ 407,920</b>	<b>\$ 488,700</b>	<b>\$ 499,950</b>	<b>\$ 506,000</b>	
<b>OTHER EXPENSES</b>						
Office furniture & Fixed Assets - Net	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 3,750	Furniture and Office Equipment
Office Move	\$ -		\$ 20,000	\$ 20,000	\$ -	Amount for Office Move (50% to be SGA reimbursed)
New Server		\$ -	\$ -		\$ 15,000	Server Replacement per Fixed Asset Policy
<b>TOTAL Other Expenses</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ 30,000</b>	<b>\$ 18,750</b>	
<b>CORE PROJECT EXPENSES</b>						
IRWM	\$ 10,000	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	Optisystem upgrade and IRWM unplanned costs
Powerhouse Science Center	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	Annual payment Powerhouse Science Center exhibit at MOSAC
<b>Total Core Project Expenses</b>	<b>\$ 35,000</b>	<b>\$ 25,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	
<b>TOTAL EXPENSES</b>	<b>\$ 2,559,431</b>	<b>\$ 2,286,390</b>	<b>\$ 2,762,913</b>	<b>\$ 2,931,383</b>	<b>\$ 3,030,159</b>	
<b>Net Income (Loss) - Total</b>	<b>\$ (276,219)</b>	<b>\$ (180,430)</b>	<b>\$ (142,388)</b>	<b>\$ (231,822)</b>	<b>\$ (196,275)</b>	Difference between total funds received versus total expenses
<b>CALCULATED CASH RESERVES</b>						
<b>CASH available, Beginning</b>	<b>\$ 2,051,233</b>	<b>\$ 2,330,200</b>	<b>\$ 2,149,770</b>	<b>\$ 2,007,382</b>	<b>\$ 1,775,560</b>	Beginning balance from FY21 Annual Financial Statement
<b>SOURCE (USE) OF FUNDS</b>	<b>\$ (276,219)</b>	<b>\$ (180,430)</b>	<b>\$ (142,388)</b>	<b>\$ (231,822)</b>	<b>\$ (196,275)</b>	Roll forward based on projected cash and future expenditures
<b>CASH available, Ending</b>	<b>\$ 1,775,014</b>	<b>\$ 2,149,770</b>	<b>\$ 2,007,382</b>	<b>\$ 1,775,560</b>	<b>\$ 1,579,285</b>	RWA's estimated year ending cash balance
<b>DESIGNATIONS</b>						
<b>Operating Fund (4 to 6 months)</b>	<b>\$ 663,193</b>	<b>\$ 707,166</b>	<b>\$ 729,271</b>	<b>\$ 717,397</b>	<b>\$ 691,079</b>	RWA Designations are set per RWA Policy 500.1
<b>Membership Dues Stabilization @ 15%</b>	<b>\$ 157,100</b>	<b>\$ 156,800</b>	<b>\$ 168,100</b>	<b>\$ 177,424</b>	<b>\$ 186,077</b>	RWA Designations are set per RWA Policy 500.1
<b>Subscription Progr. Stabilization @ 10%</b>	<b>\$ 21,354</b>	<b>\$ 32,906</b>	<b>\$ 52,357</b>	<b>\$ 53,642</b>	<b>\$ 55,559</b>	RWA Designations are set per RWA Policy 500.1
<b>Powerhouse Science Center Fund</b>	<b>\$ 111,053</b>	<b>\$ 180,000</b>	<b>\$ 155,000</b>	<b>\$ 130,000</b>	<b>\$ 105,000</b>	Designation for future payments - 15 years total through 2030
<b>Office Relocation</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	See Office Move
<b>RWA Restricted/Program Advances</b>	<b>\$ 246,000</b>	<b>\$ 246,000</b>	<b>\$ 346,000</b>	<b>\$ 220,000</b>	<b>\$ 150,000</b>	Restricted funds for RWA Program Advances
<b>WEP Restricted/Program Advances</b>	<b>\$ 551,333</b>	<b>\$ 806,898</b>	<b>\$ 556,654</b>	<b>\$ 477,098</b>	<b>\$ 391,569</b>	Restricted funds for Water Efficiency Program
<b>Non-restricted Cash</b>	<b>\$ 4,981</b>					Non-restricted Funds
<b>Total Cash in bank</b>	<b>\$ 1,775,014</b>	<b>\$ 2,149,770</b>	<b>\$ 2,007,382</b>	<b>\$ 1,775,560</b>	<b>\$ 1,579,285</b>	
<b># of months core + non-designated cash cover exp</b>	<b>4.6</b>	<b>5.2</b>	<b>4.7</b>	<b>4.4</b>	<b>4.1</b>	

**Regional Water Authority**  
**Program Summary Budget**  
**Fiscal Year 2022-2025**

GRANTS & PROJECTS	FY22 Adopted	FY22 Projected	FY23 Proposed	Notes	FY24 Forecasted	FY25 Forecasted
<b>Revenues (Pass thru)</b>						
2014 Drought Grant RWA Reimburse from DWR	\$ 237,024	\$ 1,058,157	\$ -	1	\$ -	\$ -
2014 Drought Grant WEP Reimburse from DWR		\$ 59,810	\$ -	1	\$ -	\$ -
2015 IRWM Grant Pass Through (RWA R3)	\$ 65,700	\$ -	\$ -	2	\$ -	\$ -
2015 IRWM Grant Pass Through (WEP R3)	\$ 66,604	\$ 89,450	\$ -	2	\$ -	\$ -
Rachio Controllor Program - (WEP R3)	\$ -	\$ 65,264	\$ -	3	\$ -	\$ -
Prop 1 Round 1 RWA PT	\$ 1,864,500	\$ 791,692	\$ 2,314,786	4	\$ 1,206,696	\$ -
Prop 1 Round 1 WEP PT	\$ 1,222,000	\$ 134,849	\$ 596,352	4	\$ -	\$ -
Bonneville Grant	\$ 242,000		\$ 242,000	6	\$ -	\$ -
Regional Water Bank Phase 1	\$ 313,247		\$ 313,247	8	\$ -	\$ -
Regional Water Bank Phase 2	\$ 850,000	\$ 27,500	\$ 110,000	8	\$ 220,000	\$ 150,000
<b>Total Revenues Collected</b>	<b>\$ 3,697,828</b>	<b>\$ 2,199,222</b>	<b>\$ 3,153,138</b>	<b>9</b>	<b>\$ 1,206,696</b>	<b>\$ -</b>
<b>Expenses (Pass thru)</b>						
2014 Drought Grant RWA Reimburse from DWR	\$ 237,024	\$ 1,058,157		1	\$ -	\$ -
2014 Drought Grant WEP Reimburse from DWR		\$ 59,810		1	\$ -	\$ -
2015 IRWM Grant Pass Through (RWA R3)	\$ 65,700	\$ -		2	\$ -	\$ -
2015 IRWM Grant Pass Through (WEP R3)	\$ 66,604	\$ 89,450		2	\$ -	\$ -
Rachio Controllor Program - (WEP R3)	\$ -	\$ 65,264	\$ -	3	\$ -	\$ -
Prop 1 Round 1 PT	\$ 1,864,500	\$ 791,692	\$ 2,314,786	4	\$ 1,206,696	\$ -
Prop 1 Round 1 WEP PT	\$ 1,222,000	\$ 134,849	\$ 596,352	4	\$ -	\$ -
Bonneville Grant	\$ 242,000		\$ 242,000	6	\$ -	\$ -
Regional Water Bank Phase 1	\$ 313,247		\$ 313,247	8	\$ -	\$ -
Regional Water Bank Phase 2	\$ 850,000	\$ 27,500	\$ 110,000	8	\$ 220,000	\$ 150,000
<b>Total Expenses Disbursed</b>	<b>\$ 3,697,828</b>	<b>\$ 2,199,222</b>	<b>\$ 3,153,138</b>	<b>9</b>	<b>\$ 1,206,696</b>	<b>\$ -</b>
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>

STAFF TIME REIMBURSEMENTS	FY22 Adopted	FY22 Projected	FY23 Proposed	Notes	Forecasted FY24	Forecasted FY25
<b>Grants &amp; Projects Reimbursements</b>						
2015 IRWM Grant Management Fees (RWA R3)	\$ 11,871	\$ 3,129	\$ -	2	\$ -	\$ -
Prop 1 Round 1 RWA PM	\$ 36,397	\$ 36,397	\$ 20,000	4	\$ 10,000	\$ -
2021 Urban Drought Grant	\$ -	\$ 4,160	\$ 9,580	5	\$ 9,580	\$ -
USBR Interties	\$ 3,150	\$ 2,550	\$ -	7	\$ -	\$ -
Regional Water Bank Phase 1	\$ 4,000	\$ 4,510	\$ 4,920	8	\$ -	\$ -
Regional Water Bank Phase 2	\$ 20,000	\$ 10,250	\$ 16,400	8	\$ -	\$ -
2021 Water Transfer	\$ 18,420	\$ 9,080	\$ -	10	\$ -	\$ -
2022 Water Transfer	\$ -	\$ -	\$ 35,000	10	\$ -	\$ -
Placeholder for future years not yet forecasted	\$ -	\$ -	\$ -		\$ 25,000	\$ 50,000
<b>RWA Staff Time Reimbursement</b>	<b>\$ 93,838</b>	<b>\$ 70,076</b>	<b>\$ 85,900</b>	<b>11</b>	<b>\$ 44,580</b>	<b>\$ 50,000</b>
<b>WATER EFFICIENCY PROGRAM (WEP)</b>						
2014 Drought Grant Management Fees (WEP)	\$ 10,953	\$ 1,350	\$ -	1	\$ -	\$ -
2015 IRWM Grant Management Fees (WEP R3)	\$ -	\$ 2,520	\$ -	2	\$ -	\$ -
Prop 1 Round 1 WEP PM	\$ -	\$ -	\$ -	4	\$ 5,000	\$ -
Bonneville Grant	\$ 5,000	\$ -	\$ 6,000	6	\$ -	\$ -
Water Efficiency Program Admin. Fees (Cat.1)	\$ 448,110	\$ 462,919	\$ 448,110	12	\$ 466,034	\$ 484,676
Water Efficiency Grant Revenues (Cat. 2)	\$ 250,000	\$ 171,223	\$ 192,714	13	\$ 100,500	\$ 100,500
RWA Transfer to WEP (based on 20%)	\$ -	\$ -	\$ 60,000	14	\$ 60,500	\$ 65,350
<b>Total WEP Revenues</b>	<b>\$ 714,063</b>	<b>\$ 638,012</b>	<b>\$ 706,824</b>		<b>\$ 632,034</b>	<b>\$ 650,526</b>
WEP Expenses:						
Water Efficiency Program Admin. (Cat.1)	\$ 505,705	\$ 517,708	\$ 588,068	12	\$ 611,591	\$ 636,054
Water Efficiency Grant Payments (Cat. 2)	\$ 250,000	\$ 105,830	\$ 127,000	13	\$ 100,000	\$ 100,000
<b>Total WEP Expenses</b>	<b>\$ 755,705</b>	<b>\$ 623,538</b>	<b>\$ 715,068</b>		<b>\$ 711,591</b>	<b>\$ 736,054</b>
<b>WEP Net Income (Loss)</b>	<b>\$ (41,642)</b>	<b>\$ 14,474</b>	<b>\$ (8,244)</b>	<b>15</b>	<b>\$ (79,556)</b>	<b>\$ (85,529)</b>
<b>STRATEGIC AFFAIRS (SA) PROGRAMS</b>						
Major Projects Subscription Program	\$ 41,325	\$ -	\$ 168,000	16	\$ 174,720	\$ 181,709
Resilience Subscription Program	\$ 41,325	\$ -	\$ 147,000	17	\$ 152,880	\$ 158,995
<b>Total SA Revenues</b>	<b>\$ 82,650</b>	<b>\$ -</b>	<b>\$ 315,000</b>		<b>\$ 327,600</b>	<b>\$ 340,704</b>
SA Expenses						
Major Projects Subscription Program	\$ 41,325	\$ -	\$ 168,000	16	\$ 174,720	\$ 181,709
Resilience Subscription Program	\$ 41,325	\$ -	\$ 147,000	17	\$ 152,880	\$ 158,995
<b>Total SA Expenses</b>	<b>\$ 82,650</b>	<b>\$ -</b>	<b>\$ 315,000</b>		<b>\$ 327,600</b>	<b>\$ 340,704</b>
<b>SA Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>18</b>	<b>\$ -</b>	<b>\$ -</b>

**RWA**  
**FY 2022-2023 BUDGET PROJECTION NOTES**  
**PROGRAM ONLY**

- 1 RWA received a \$9.765 million award from Department of Water Resources (DWR) 2014 Integrated Regional Water Management Drought Grant funded through Proposition 84. The grant partially funds 17 projects by 12 different agencies that will help the region maintain water supply during a drought. The DWR funding agreement was completed in July 2015 and the grant is expected to be completed in FY20 with up to 3 years of post-project performance monitoring required.
- 2 RWA was awarded the IRWM grant and collected fees for program management. This IRWM grant through DWR developed and executed a funding agreement for the \$1.757 million grant award from the 2015 Proposition 84 Integrated Regional Water Management Implementation Grant to support four priority projects in the region, including a regional water efficiency grant.
- 3 In partnership with Bay Area Water Supply & Conservation Agency, RWA will assist with the implementation of RWA's Regional Smart Controller Water Program for all member agencies. Funds will be collected from agencies in advance and then returned upon reimbursement from DWR grant in FY21.
- 4 On November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Proposition 1 authorized \$510 million in Integrated Regional Water Management (IRWM) funding. Funds are allocated to 12 hydrologic region-based Funding Areas including the Sacramento Region including a WEP project.
- 5 In 2021, the Department of Water Resources (DWR) awarded over \$4 million in grant funding to RWA and two of its members for projects that advance drought and climate resiliency. Funded projects include planning for the Sacramento Regional Water Bank, groundwater wells for the Fair Oaks Water District and Orange Vale Water Company, and grant administration.
- 6 This grant, executed in 2021, will upgrade the landscape areas of commercial, industrial, institutional (CII) properties in the riparian zone and surrounding watershed of the North American River Subbasin which drains to the Lower American River through a variety of interventions including conversion of turfgrass to native and low water use plant material (including trees), installation of high efficiency irrigation equipment, and the creation of site-specific landscape budgets.
- 7 In FY18, RWA assisted San Juan Water District and Sacramento County Water Agency in securing a \$300K Reclamation grant to construct interties to assist during drought conditions. SJWD is the grant recipient. RWA will assist in managing the grant on behalf of the agencies. Funds for RWA staff support are being collected in FY19 and will be expended in FY19 and FY20.
- 8 The Regional Reliability Plan was a subscription project launched in FY17 to fund consultant support to develop the plan, which will include an update to the RWA Integrated Regional Water Management Plan. In FY20, the project transitioned to the Regional Water Bank, Phase 1 and in FY21, the beginning of Regional Water Bank Phase 2.

**RWA**  
**FY 2022-2023 BUDGET PROJECTION NOTES**  
**PROGRAM ONLY**

- 9 Anticipated total pass through revenues to be received by grantor and disbursed to member agencies through RWA. Net result of revenues minus expenses should be zero.
- 10 Each year, depending on drought conditions, RWA member agencies may conduct water transfer actions in/outside of the region. When working within the RWA membership composition, staff may assist in completing these transactions. Revenues indicated for these year(s) are to account for reimbursement of these services.
- 11 Anticipated total revenues to be received as a result of billing staff time reimbursements to grants and projects. This amount will be used as an offset to salary expense.
- 12 Anticipated revenues and direct costs for the program from the Water Efficiency (WEP) Program for Category I. WEP budget still under development.
- 13 WEP Category II revenue and expenses are projected for the SRCSD incentives program and other misc. reimbursements and expenses related to WEP member programs.
- 14 Represents the amount of RWA Core Program transfer to WEP for reimbursement of staff time spent on non-WEP related activities.
- 15 Represents the cumulative funds in excess of revenues for the Water Efficiency Program. Starting in FY15, \$5K per year for 10 years is being allocated from WEP Cat 1 to Powerhouse Science Center.
- 16 Anticipated revenues and direct costs for the Strategic Affairs program from the Major Projects subscription agreement.
- 17 Anticipated revenues and direct costs for the Strategic Affairs program from the Resilience subscription agreement.

## RWA FY2022-2023 DUES

	2021 Retail Connections	First 3,000 Connections	3,001-7,000 Connections				Proposed FY23 Dues	Current FY22 Dues	Difference
Small agencies		\$2.28	\$1.14						
Del Paso Manor WD	1,801	\$ 4,106					\$ 4,106	\$ 3,962	\$ 144
Rancho Murrieta CSD	2,732	\$ 6,229					\$ 6,229	\$ 5,991	\$ 238
Orange Vale WC	5,690	\$ 6,840	\$ 3,067				\$ 9,907	\$ 9,554	\$ 353
		Up to 30,000 Connections							
Medium agencies		\$2.28							
Nevada Irrigation District	19,600	\$ 17,875					\$ 17,875	NA	NA
Carmichael WD	11,828	\$ 26,968					\$ 26,968	\$ 25,747	\$ 1,221
Elk Grove WD	13,154	\$ 29,991					\$ 29,991	\$ 28,937	\$ 1,055
Fair Oaks WD	14,390	\$ 32,809					\$ 32,809	\$ 31,658	\$ 1,151
City of West Sacramento (1)	15,558	\$ 35,472					\$ 31,925	\$ 30,526	\$ 1,399
Golden State WC	17,114	\$ 39,020					\$ 39,020	\$ 37,613	\$ 1,407
City of Lincoln	20,815	\$ 47,458					\$ 47,458	\$ 43,254	\$ 4,204
Yuba City (1)	19,300	\$ 44,004					\$ 39,604	\$ 38,056	\$ 1,548
Citrus Heights WD	20,224	\$ 46,111					\$ 46,111	\$ 43,980	\$ 2,131
City of Folsom	23,183	\$ 52,857					\$ 52,857	\$ 48,990	\$ 3,868
		Up to 30,000 Connections	Up to 40,000	Up to 50,000	Up to 60,000	Over 60,000			
Large agencies		\$2.28	\$1.14	\$0.57	\$0.29	\$0.07			
San Juan WD (2)	10,721	\$ 68,400					\$ 68,400	\$ 66,000	\$ 2,400
Placer County WA	39,072	\$ 68,400	\$ 10,342				\$ 78,742	\$ 75,428	\$ 3,314
El Dorado ID	43,045	\$ 68,400	\$ 11,400	\$ 1,736			\$ 81,536	\$ 78,311	\$ 3,224
City of Roseville	46,906	\$ 68,400	\$ 11,400	\$ 3,936			\$ 83,736	\$ 80,453	\$ 3,284
Sacramento Suburban WD	47,102	\$ 68,400	\$ 11,400	\$ 4,048			\$ 83,848	\$ 80,615	\$ 3,233
Sacramento County WA	59,622	\$ 68,400	\$ 11,400	\$ 5,700	\$ 2,742		\$ 88,242	\$ 84,778	\$ 3,464
CA American Water	66,634	\$ 68,400	\$ 11,400	\$ 5,700	\$ 2,850	\$ 464	\$ 88,814	\$ 85,250	\$ 3,564
City of Sacramento	144,089	\$ 68,400	\$ 11,400	\$ 5,700	\$ 2,850	\$ 5,886	\$ 94,236	\$ 90,724	\$ 3,512
	642,580	\$ 936,945	\$ 81,810	\$ 26,821	\$ 8,442	\$ 5,886	\$ 1,052,415	\$ 989,826	

(1) Agency is outside of core American River Basin region, so it receives a 10% discount on its dues after they are calculated based on # of connections.

(2) San Juan Water District *Wholesale* is a community services district that provides drinking water to 160,000 people in portions of Sacramento and Placer Counties so it is treated as the minimum size of a large member agency.

RWA Associate Members	FY2023	FY2022
El Dorado Water Agency	\$ 6,056	\$ 5,840
Placer County	\$ 15,637	\$ 14,492
Sacramento Area Flood Control Agency	\$ 8,636	\$ 8,328
Sacramento Municipal Utilities District	\$ 15,028	\$ 14,492
Sac Regional Comm. Services (SRCSD)	\$ 15,637	\$ 14,492
New Member w/discount	\$ 7,500	\$ 2,200
<b>ASSOCIATE MEMBER TOTAL</b>	<b>\$ 68,494</b>	<b>\$ 59,844</b>





**Regional Water Authority**  
BUILDING ALLIANCES IN NORTHERN CALIFORNIA



# Regional Water Authority

## *Fiscal Year 2022-23 Budget*

April 27, 2022



# Overview

- Proposed Dues
- Budget Assumptions
- FY22/23 Revenues
- FY22/23 Expenses
- Unfunded Pension Plan Funding
- FY22/23 Budget Results
- Strategic Plan Alignment
- Budget Outlook
- Timeline
- Questions and Discussion



# Proposed Dues

- Using the new rate structure adopted in 2021, retail connection fee base increases from \$2.20/connection to \$2.28/connection and then decreases with volume
- FY21/22 Budget was a 0% increase year for all RWA programs and forecasted a 3% increase in FY22/23
- Actual increase is 3.7% for FY22/23 for RWA and Associate members
- No changes to:
  - ✓ Affiliate Members
  - ✓ WEP Dues
- Stabilization designation increase



# Budget Assumptions

- SGA shares 50% in common office/admin costs
  - SGA pays for 50% of Administrative staff (equiv. of 2 FTEs), 20% of Project Assistant time, 10% of Legislative and Regulatory Manager and 1 new Program Manager
  - SGA pays its own PERS
- Administrative 5.7 FTEs for RWA (of 9.0 FTE)
  - Compensation in accordance with RWA Policy 400.2
    - using 4% COLA assumption
- Approving budget does not approve subscription-based programs.
  - Subscription programs support RWA core staff costs
  - WEP transfer for FY22/23 is 20%
  - Stabilization designation increase



# FY22/23 Revenues

- Member Dues – includes three new members
- SGA Reimbursements – increase due to additional staffing and annual increase in shared expenses
- Subscription Program Revenues:
  - WEP Subscription Program – revenues covers WEP PM staffing + overhead charges to the program
  - Staff Reimbursements – Program Management Fees charged to various Programs and Grants
  - Major Projects and Resilience Program – funds Strategic Manager position
  - New BiOps subscription program that will also fund Strategic Manager position
- Misc. and Interest Income – Interest is slowly increasing but not like previous years
- Total FY22/23 Revenues = \$2,620,525





## FY22/23 Expenses

- Expenses are adjusted from FY21/22 budgeted amounts
- Staffing Expense – higher due to additional staff members and COLA. Offset by SGA and subscription programs
- Office Expense – higher due to annual increase, rent and utilities decrease for office space pending committee direction, and IT security upgrades
- Professional Fees – higher due to annual increase and additional funding for public outreach and communication services (Strategic Plan support)
- Other expenses – potential expense for office relocation
- Core Project expenses – IRWM (Opti-system upgrades) and Powerhouse Science Center/MOSAC payment
- Total FY22/23 Expenses = \$2,762,913





# RWA's Unfunded Pension Plan & OPEB Funding

- RWA Policy 500.15 – pay unfunded liability over 4 year rolling period
- CalPERS January 2022 letter estimates 6.30.22 balance at \$146,217 (post FY21/22 payment)
- FY22/23 budget uses a 6.5% discount rate for funding calculations (subject to change in the out years based on CalPERS updated CERBT discount rate)
- Based on policy guidelines, staff recommends keeping current level of funding \$36,700 for budgetary purposes
- No additional RWA payments for OPEB funding is needed

# FY22/23 Budget Results

- FY22/23 Budget Result is a planned deficit of (\$142,388)
- FY21/22 Projected Budget Result is improved by approx. \$96k as compared to Approved Budget due to savings in operational costs:
  - ❖ Office Expense - \$33k mostly from rent savings
  - ❖ Prof Services - \$43k in Legal and Budget/Audit support
  - ❖ Other and Core Expense - \$20k in IRWM & furniture
- Remaining shortfall will be offset by available cash balance and Powerhouse Science Center designation
- Possibility for FY22/23 expenses to be higher due to salary survey results, inflation, potential office relocation, and/or upgrade of conference room to host hybrid meetings.

# Strategic Plan Alignment

Strategic Plan Goal	Associated Budget Item
Planning Goal	Regional Water Bank - \$1,000,500 Major Projects Program - \$161,750 Resilience Program - \$31,500
Implementation Goal	Staff and Benefits - \$1,918,892 Water Efficiency Program - \$588,068 IRWM - \$15,000 Salary Survey - \$15,000 PERS Unfunded Liability - \$36,700 Office Move - \$20,000 IT Upgrades - \$6,000
Advocacy Goal	Lobbyist Consultant - \$125,000 Legal - \$75,000
Communication Goal	Public Outreach Consultant - \$125,000 Dues, Subscriptions, & Sponsor - \$25,000 Powerhouse Science Center - \$25,000

# Strategic Plan Alignment

Overall , RWA spends approximately:

- \$1,945,613 in staffing and salary costs to implement Strategic Plan (70%)
- \$342,000 in direct costs (12.5%) can be linked to a Strategic Plan Goal.
- Over 82% of budget connected to RWA' Strategic Plan. Remaining budget of \$474,600 is either overhead, regulatory (audit) costs, or as needed consulting services
- Subscription Programs support RWA goals in a total amount of \$1,806,818 for Water Bank, WEP, Major Projects, Resilience, and Powerhouse Science Center







## Budget Outlook

- FY23/24 and FY24/25 forecast membership dues increase annually by 4.5% subject to budget performance
- Future years are compliant with the Operating Designation Policy parameters
- All non-restricted cash is depleted
- Currently, there are no new programs or grants forecasted beyond FY23/24 – \$50k plug in future years.
- Any changes in current membership could have significant financial impact on future budgets
- Budget numbers are based on estimates. Actual budget results may not be achieved.

# Timeline

Date	Action
May 12, 2022	Draft budget to RWA Board for possible adoption
May 25, 2022	Budget back to EC if not adopted
Special June Meeting	Budget to RWA Board for adoption



## Questions and Discussion

## **AGENDA ITEM 5: RWA FINANCIAL POLICY UPDATES AND COVID-19 EMPLOYEE VACCINATION POLICY**

### **BACKGROUND:**

As part of the ongoing process to conduct a thorough inspection of all RWA policies, staff has reviewed RWA's financial policies (500 series). At the February Executive Committee meeting, policies that required an interval review were presented with no substantive changes added which was then recommended and later adopted by the RWA Board of Directors at the March board meeting. The remaining financial policies do not require a specified time review as many of them are standing policies. Nonetheless, staff has reviewed the entire 500 series and have no suggested changes to the following policies as listed below. If applicable, policies which are referenced throughout the year during various financial undertakings (annual audit, budget development process, etc.) have been noted.

- Financial Policy 500.2 – Investment Policy – reviewed annually by the EC and Board of Directors
- Financial Policy 500.3 – WEP Fiscal Policy – reviewed and amended on 01-14-2021
- Financial Policy 500.4 – Auditor Rotation – reviewed every 5 years in conjunction with the rotation of auditors
- Financial Policy 500.10 – OPEB Funding Policy – reviewed annually in conjunction with the budget development process
- Financial Policy 500.11 – Budget Policy – reviewed annually in conjunction with the budget development process
- Financial Policy 500.12 – Audit Report Filing Policy – no changes – standing policy
- RWA Financial Policy 500.13 – Business Expense Reimbursement Policy – no changes – standing policy
- RWA Financial Policy 500.14 – Grant Funding Policy – no changes – standing policy
- RWA Financial Policy 500.15 – Pension Plan Funding Policy - reviewed annually in conjunction with the budget development process
- RWA Financial Policy 500.16 – Liability Allocation to Withdrawing Members – no changes – standing policy

Staff has six policies that they would like to recommend minor changes. A copy of each draft policy is attached with corresponding track changes and summarized below.

- Financial Policy 500.1 – Financial Designation – removes the word “maximum” six months financial designation.

Rationale: Designations are reserves and/or restricted funds. For the purpose of the Operating Designation Policy, there has to be a minimum level of reserve of 4 months of operating expense. The target of 4 to 6 months is a staff guideline when preparing the annual budget. The Board of Directors may approve whatever

maximum they are comfortable with depending upon the current financial situation which can fluctuate on a yearly basis.

- Financial Policy 500.5 – Collection and Use of Sponsor Contributions - suggested changes include types of recognition provided to RWA sponsors and application of sponsorship funds at celebratory.

Rationale: Celebratory events, like RWA's 20<sup>th</sup> Anniversary Event, need to be included as part of this policy which relies heavily on sponsorships to cover a majority of event costs.

- Financial Policy 500.6 – Check Signing Authority Policy – increases Executive Director's check signing authority from \$10,000 to \$15,000 for general fund account expenses and increases from \$20,000 to \$30,000 in grant/incentive reimbursement checks without a secondary check signature by the Chair or Vice Chair.

Rationale: As this policy was drafted in 2008, staff is recommending this increase in order to keep pace with inflation as well as reduce the number of monthly documents that the Chair has to execute.

- Financial Policy 500.7 – Journal Entry Approval Policy – suggested changes are aimed to increase efficiency and time of the Executive Director to approve and initial recurring and non-recurring journal entries, like account miscodes, in one list at the end of the month as part of the monthly reconciliation process rather than signing each individual journal entry.

Rationale: These entries are also reviewed by RWA's accounting consultant and auditor as part of the Annual Financial Statement process.

- Financial Policy 500.8 – Purchasing Card Policy – adds Manager of Strategic Affairs position and purchasing limit, imposes Chair required signing of the Executive Director credit card statement only when the monthly balance is above \$500.00 in order to minimize the number of documents that the Chair has to execute.

Rationale: The Executive Director has the authority to approve up to \$5,000 in staff credit card purchases. In conjunction with the check signing policy, the Executive Director should have a limit set for his/her credit card purchase for minimal charges within the travel and meeting budget.

- Financial Policy 500.18 – New Members Discount – clarifies new member discounts do not apply to Affiliate memberships and states new member discount to be prorated to include the following fiscal year in order to have all members on a July billing cycle.

Staff is also recommending approval of a new policy stemming from the pandemic to address employee vaccination status for current and new employees. As RWA prepares to recruit for a new SGA Program Manager, this issue is needed to be addressed now before a candidate is selected and made an offer of employment. Several public agencies have already adopted similar policies regarding employees to be vaccinated including boosters prior to a certain date. Additionally, there is unknown consequences in the future for employers that do not require vaccinations regarding their ability to receive state and federal funds. Staff has reviewed this policy with RWA legal counsel and current RWA employees do not have any conflicts should this policy be adopted. The draft policy is attached.

**Action: Recommend RWA Board approval of RWA Financial Policy Updates and adoption of a new COVID-19 Employee Vaccination Policy via the consent calendar**

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

**Attachments:**

Draft RWA Policies 500.1, 500.5, 500.6, 500.7, 500.8, and 500.18

New – Draft RWA Policy 400.6 -COVID-19 Employee Vaccination Policy

# REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

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Policy Type : Fiscal Management  
Policy Title : Financial Designation/Reserve Policy  
Policy Number : 500.1  
Date Adopted : May 12, 2005  
Date Amended : November 8, 2007  
July 12, 2012  
May 14, 2015  
March 8, 2018

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## FINANCIAL DESIGNATION/RESERVE POLICY

The policy establishes financial designation funds to mitigate current and future risks due to revenue shortfalls and unanticipated expenses, or to designate funds for specific purposes. Designation funds are discretionary funds designated by the Regional Water Authority (RWA) Board of Directors to accomplish financial obligations and objectives of the organization. These balances are a crucial consideration in long-term financial planning. The adequacy of the target designation balance and/or annual contributions will be reviewed annually during the RWA budgeting process and may be revised accordingly as necessary, including but not limited to temporary suspension or reduction of minimum or maximum target balances. The following designation categories are established:

### I. Operating Fund:

- A. Purpose: To ensure cash resources are available to fund daily administration and operations for RWA member services. Additionally, this fund may provide resources for the matching fund component for partnership funding opportunities not previously anticipated during the annual budget process.
- B. Use of Funds: These funds will be used to pay for expenses according to budget and spending authority. This fund may also be used as the matching fund component for partnership opportunities with other local, state or federal organizations that were not anticipated during the budget process. Additionally, this fund will be used to cover the timing lag of invoicing for fees versus receipts of fees. Funds in excess of the maximum target balance may be used to offset future member fees. This

fund will be reviewed on an annual basis to determine the fund's adequacy.

- C. Rationale: RWA has a fiduciary responsibility to maintain adequate cash flow to meet its operating expenses in a timely manner. Additionally, matching funds are sometimes needed on short notice to take advantage of state and/or federal partnership funding opportunities. Government Code Section 53646(b) (3) suggests that an agency should have sufficient cash flow to meet the next six months of budgeted expenses. The next six months of projected cash revenues can be included as a source of cash flow to satisfy this requirement. The Government Finance Officers Association ("GFOA") recommends a baseline of ninety days' worth of working capital (designations) and then adjusts the target based on the particular characteristics of the enterprise fund<sup>1</sup>.
- D. Target Balance: A minimum target balance will be 33% or four months of cash to fund budgeted operating expenses. A ~~maximum~~ target balance will be approximately 50% of annual budgeted operating expenses (approximately six months of operating expenses). Since SGA reimburses RWA for common costs, these estimated reimbursements are deducted from total budgeted operating expenses to determine RWA's net cash requirement for operating expenses. Additionally, non-recurring expenditures are not included in the operating expense calculation to determine the target balance.
- E. Replenishment: Annual replenishment will vary, depending upon other designation requirements and current year expense requirements. As part of the annual operating budget process, the operating fund should be budgeted to comply with the target balance. However, the Board may consider suspending the target balance when evaluating the overall budget on an annual basis.

## II. Membership Fees Stabilization Fund:

- A. Purpose: To mitigate the financial impact of membership non-renewal.
- B. Use of Funds: These funds will be used to supplement operating cash flow in the event a member does not renew. Alternatively, this fund can be used for pro-rated refunds for membership termination (subject to a proper notice period)<sup>2</sup>. This fund will be reviewed on an annual basis to determine the fund's adequacy.

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<sup>1</sup> From GFOA best practices, "Determining the Appropriate Levels of Working Capital in Enterprise Funds", February 2011.

<sup>2</sup> Only current year fees could be subject to potential refunds and would require Executive Committee approval.



- C. Rationale: RWA derives its financial support from membership fees. Membership fees are based upon the assumption that current year members renew in the subsequent year. The membership base is small and could easily be adversely affected by one or two members choosing not to renew membership. This fund could mitigate requiring additional contributions for membership fees in the year of occurrence. It provides RWA and renewing members a one year planning horizon to address the financial impact of these occurrences.
- D. Target Balance: The minimum target balance is approximately 15% of total membership fees (equal to approximately one large agency, one medium agency, and one small agency).
- E. Replenishment: Annual replenishment will vary, depending upon other designation requirements, current year expense requirements and use of this fund.

### III. Subscription Program Revenue Fund:

- A. Purpose: To mitigate the financial impact of uncertain collection of operating fund revenues paid through subscription program funding.
- B. Use of Funds: These funds will be used to supplement operating cash flow in the event subscription program net revenue does not materialize as planned.
- C. Rationale: A portion of RWA's financial support is derived from subscription based programs. Membership fees are based upon some net subscription revenues contributing to the RWA operations. To the extent these net revenues do not materialize as planned, RWA needs additional resources to maintain basic operations.
- D. Target Balance: The minimum target balance of 10% of net subscription program revenues is designated for this fund.
- E. Replenishment: Annual replenishment will vary, depending upon other designation requirements and current year expense requirements.

### IV. Subscription Program Fund:

- A. Purpose: To set aside subscription program operating funds for the purposes of administering the subscription programs. These funds are committed by individual contract obligations between the various participating agencies.

- B. Use of Funds: These funds will be used to administer the specific subscription programs.
- C. Rationale: In administering a subscription program, the program often expands beyond one fiscal year. The unused and unspent funds of an active subscription program are restricted for use within that program by contract.
- D. Target Balance: No target balance needed as these funds will be dependent upon the life cycle and existence of a subscription program.
- E. Replenishment: Replenishment will come from the subscription program agreements as needed.

V. Retirement Benefits Fund:

- A. Purpose: To set aside funds for the purpose of funding the cost of the retirement benefits earned for prior service of retired and current employees.
- B. Use of Funds: These funds will be used specifically for funding payment of retirement benefits.
- C. Rationale: This fund is used to set aside non-recurring contributions for retirement related benefits, such as other post-employment benefits or additional lump sum payments for unfunded pension plan liabilities.
- D. Target Balance: The target balance will be dependent upon the actuarial calculation of any actual liability accrued for unfunded retirement benefits of any kind. The valuation will be dependent upon RWA's timing of funding this liability. RWA may fund the historically determined liability over several years.
- E. Replenishment: Replenishment will come from the RWA membership fees.

VI. Sponsorship Contribution Fund:

- A. Purpose: To help offset the costs of special events such as educational workshops, seminars, the annual holiday social and/or long-term collaborative partnerships and projects<sup>3</sup>.
- B. Use of Funds: Whenever possible, RWA will use all of the funds collected for each special event on the specific event for which those funds were solicited. In the event that not all of the sponsorship funds collected for a specified event are used for the event, any excess funds will be deposited in this fund for use at RWA's next scheduled special event.
- C. Rationale: Sponsorship contributions should be applied toward the costs of hosting and conducting the specific event for which the contributions were solicited. Appropriate costs include: food and non-alcoholic beverages; speaker costs; and miscellaneous event costs such as room rental, audio visual equipment, direct project collaboration costs, long-term partnership costs, etc.
- D. Target Balance: No target balance is required because this fund should be used only when all sponsorship funding for a special event cannot be spent. Excess funds will be used to the next special event.
- E. Replenishment: There is no formal replenishment process for this fund. Contributions for this fund come from private firms, companies and/or public agencies from solicitations for these events.

## VII. Strategic Plan Fund

- A. Purpose: To designate resources needed to achieve multi-year objectives and goals that arise from RWA's strategic plan.<sup>4</sup>
- B. Use of Funds: These funds will be used specifically for launching or expanding programs and projects to achieve strategic plan objectives and goals. Designation of contributions of funds, and use of the funds, will be approved by the Board of Directors during the annual budget process as recommended by the Executive Committee.
- C. Rationale: Over the years, RWA has evolved and provides increased services for its members and influence on regional water issues. As RWA continues to expand services, the cost of these services may require significant increase in membership fees. Since RWA members

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<sup>3</sup> An example would be the Powerhouse Science Center partnership started in fiscal year 2015.

<sup>4</sup> Establishing this fund does not preclude RWA from immediate implementation of strategic plan objectives as part of the annual budget adoption.

adopt annual budgets and have varied fiscal years that may be different than RWA, setting aside incremental resources to implement these additional services will aid the membership in fiscal budgeting and planning with their various governing bodies.

- D. Target Balance: No target balance is required and will depend upon the Board's approval of which strategic objective to fulfill, the timing of when to start it, and the pace at which to implement it. These factors will influence the required cash flow.
- E. Replenishment: Annual replenishment will vary, depending upon the required costs to achieve the strategic objectives, the timing and pace at which to implement them.

# REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

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Policy Type : Fiscal Management  
Policy Title : Collection and Use of Sponsor Contributions  
Policy Number : 500.5  
Date Adopted : November 8, 2007  
Date Amended : September 11, 2008  
September 13, 2012  
May 12, 2016 (reviewed by staff)

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## COLLECTION AND USE OF SPONSOR CONTRIBUTIONS POLICY

### General

From time to time, it is appropriate for the RWA Executive Director to solicit “sponsorship” contributions from private firms, companies and/or public agencies to help offset the costs of special events or activities such as educational workshops, seminars, awards for service to the region, and/or development of educational or informational literature or presentations. The following are policy guidelines for the Executive Director to follow concerning the collection and use of such contributions.

### Collection of Sponsorship Contributions

RWA should make a reasonable effort to include appropriate local firms when soliciting contributions. Such solicitations should not be limited to firms that have done business or are currently under contract to RWA or its members. A solicitation for sponsorships should identify the event or purpose for which the contributions are intended.

At the discretion of the Executive Director, RWA may give credit to sponsors in the form of signage at the event, verbal announcements, printed acknowledgements (i.e. newsletter or press releases), complimentary event tickets and/or website postings. The Executive Director may establish different levels of sponsorship for an event. The Executive Director will provide the same type of credit(s) to all sponsors in the same sponsorship level.

### Use of Sponsorship Contributions

To the extent possible, sponsorship contributions should be applied toward the costs of hosting and conducting the specific event or conducting the activity for which the contributions were solicited, and should be used to provide informational or educational benefits for members or the public at large. Appropriate costs include: food and non-alcoholic beverages when associated with educational events; speaker costs; costs to

develop informational material or presentations; and miscellaneous event costs such as room rental, audio visual equipment, etc. For celebratory events, sponsorships can be used for any costs associated with the specified occasion. Strictly social events shall not be funded from sponsorship contributions.

In the event that a balance of sponsorship contributions remains after a specific event, these funds are to be added to the Sponsorship Contribution Fund, which is described in Part VI of RWA's Financial Designation Reserve Policy.

#### Reporting Requirements

The Executive Director will develop a procedure to ensure receipt of sponsorship donations complies with Fair Political Practices Commission regulations.

# REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

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Policy Type : Fiscal Management  
Policy Title : Check Signing Authority Policy  
Policy Number : 500.6  
Date Adopted : March 13, 2008  
Date Amended : March 11, 2010  
July 10, 2014

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## CHECK SIGNING AUTHORITY POLICY

Only persons authorized by the Board of Directors may sign checks or transfer funds from or between depositories. The following persons are authorized to sign checks or transfer funds of RWA:

- RWA Chair
- RWA Vice Chair
- Executive Director
- Finance and Administrative Services Manager
- Manager of Technical Services

### I. General Fund Account

A. For amounts up to \$~~1015~~15,000, **one** of the following signatures is required:

- Executive Director
- Finance and Administrative Services Manager
- Manager of Technical Services

B. For amounts over \$~~1015~~15,000, the following signatures are required:

- The RWA Board Chair, or RWA Vice-Chair, and **one** of the following:
- Executive Director
- Manager of Technical Services
- Finance and Administrative Services Manager

C. For grant/incentive reimbursement checks payable to participants up to \$~~2030~~30,000, one of the following signatures is required:

- Executive Director
- Finance and Administrative Services Manager
- Manager of Technical Services

D. For grant/incentive reimbursement checks payable to participants over \$~~2030~~30,000, the following two signatures are required:

The RWA Board Chair or RWA Vice Chair, and **one** from the following:

- Executive Director
- Manager of Technical Services
- Finance and Administrative Services Manager

E. Payroll and CalPERS standard pension and health benefit electronic payments do not require signatures and can exceed the \$~~40~~15,000 limit per payment. These electronic payments require approval by the Executive Director evidenced by his signature on supporting documentation.

F. The Executive Director should sign checks under the \$~~40~~15,000 limit or \$~~20~~30,000 for grant/incentive reimbursement limit, and cosign checks above these limits whenever feasible. In rare instances, when the Executive Director is unavailable to sign and a check is needed, upon verbal or written approval from the Executive Director the Manager of Technical Services or the Finance and Administrative Services Manager may be authorized to sign a check. This approval should be documented by the Executive Director's signature on the supporting invoice/receipt as soon as practical.

G. The Executive Director receives a reimbursement check for miscellaneous expenses approximately once per month. The RWA Chair reviews and approves the expense reimbursement form prior to a reimbursement check being processed. The Finance and Administrative Services Manager, or the RWA Chair, is authorized to sign this check.

H. A person otherwise authorized by this Policy to sign checks on behalf of RWA is prohibited from signing any check on which he/she or their agency is the payee.

## II. Investment Account(s)

A. For amounts up to \$~~40~~15,000, except transfers between the General Fund Account and LAIF Account as provided in Part III, the following **two** signatures are required:

- Executive Director
- Finance and Administrative Services Manager

B. For amounts over \$~~40~~15,000, except transfers between the General Fund Account and LAIF Account as provided in Part III, the following **two** signatures are required:

- RWA Board Chair
- Executive Director



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- C. In the event the Chair is unavailable or is prohibited from signing, the Vice Chair is authorized to sign.

### III. Transfer of Funds

- A. Transfer of funds in either direction between General Fund and LAIF accounts can be executed using electronic or phone procedures by either of the following individuals:
- Executive Director
  - Finance and Administrative Services Manager
- B. All transfers of funds between accounts shall be reviewed by the Executive Director and approval for such transfers evidenced by the Executive Director's signature on the documentation for the transfer.

# REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

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Policy Type : Fiscal Management  
Policy Title : Journal Entry Approval Policy  
Policy Number : 500.7  
Date Adopted : March 13, 2008  
Date Amended : September 13, 2012  
May 12, 2016

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## JOURNAL ENTRY APPROVAL POLICY

Journal entries record accounting information into the accounting system general ledger that are not typically processed through the cash receipts or cash disbursement cycle. Journal entries can be classified as recurring and non-recurring. Recurring journal entries are typically routine in nature and can be repeated daily, weekly, monthly, quarterly or annually. Non-recurring journal entries are typically entries that record one-time transactions, correct mistakes into the accounting records, etc. Non-recurring entries are considered to have a higher risk potential and are reviewed by a Certified Professional Accounting consultant during audit preparation.

Responsibility for RWA's day-to-day accounting records, including journal entry processing, support, and posting, is a function of the Finance and Administrative Services Manager. This policy defines when additional approval is required for processing journal entries. All journal entries, recurring or non-recurring, shall be supported by appropriate supporting documentation maintained with the accounting records.

### 1. Recurring Journal Entries

- a. These journal entries would not require explicit approval by the Executive Director.
  - i. Automatically reversing journal entries that reverse a previous months' journal entry, which activity typically occurs in July of a new fiscal year.
  - ii. Recording the monthly amount of cash used or received by the Water Efficiency Program.
  - iii. Record quarterly LAIF interest earnings or other investment earnings.
  - iv. Recording the administrative costs allocation to the subscription based projects, including SGA. (Note: the allocation calculation is subject to approval by the Executive Director.)

- v. Annual depreciation and amortization of fixed assets.
- vi. Payroll and benefits related journal entries. (Note: the actual payroll register is approved by the Executive Director.)
- vii. Reclassification of accounting information to conform to the presentation of the audited financial statements (e.g. reclassifying grants receivable from ordinary receivables for financial statement reporting purposes; reclassifying SGA receivable from ordinary receivables to related party account receivables, etc.).
- viii. Year-end journal entries which adjust cash basis accounting records to accrual based records (i.e. accrual of income or expenses)

~~The Executive Director will review all recurring journal entries made by the Finance and Administrative Services Manager at least quarterly and document such review by noting any comments on and signing the journal entry ledger report reviewed.~~

## 2. Non-recurring Journal Entries:

- a. These journal entries ~~also would~~ require ~~explicit~~ approval by the Executive Director:
  - i. Journal entries which correct errors in posting to accounts
  - ii. Journal entries which reflect transfers of cash between bank and investment accounts
  - iii. Journal entries related to calculating grants and incentives receivable and the related income
  - iv. Journal entries related to grants payable to member agencies
  - v. Journal entries related to subscription program advances
  - vi. Journal entries for fixed asset disposal and/or write offs
  - vii. Recording of non-cash transactions.
  - viii. Recording pension plan accrual, and the related deferred inflows and deferred outflows in compliance with GASB 68

The Executive Director will review all recurring and nonrecurring journal entries made by the Finance and Administrative Services Manager as part of the monthly closing procedures. This review is complete by the Executive Director's initials on the monthly reconciliation report noting any comments to be reviewed by RWA's accounting consultant and certified by the annual audit.

# REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

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Policy Type : Fiscal Management  
Policy Title : Purchasing Card Policy  
Policy Number : 500.8  
Date Adopted : September 11, 2008  
Date Amended : January 10, 2013  
May 12, 2016

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## Purpose of the Policy

The purpose of this policy is to establish the Regional Water Authority's (RWA) requirements for procuring materials and trade services on credit through the use of purchasing cards.

## Definitions

**Purchasing Card** means the merchant purchase authorization card issued and administered by the State Department of General Services under the CAL-Card program. No other type of purchasing card will be authorized for RWA purchases.

**Cardholder** means the following RWA employees: the Executive Director, the Finance and Administrative Services Manager, the Manager of Technical Services, the Manager of Strategic Affairs, staff within the Principal, Senior, and Associate Project Manager series and the Executive Assistant.

## Authorized Purposes

RWA Purchasing Cards are provided solely for the purpose of obtaining authorized Authority goods and services. No other uses of RWA Purchasing Cards are permitted. The RWA's Executive Director (or his or her designee) will have oversight of the Purchasing Card program for the RWA.

A Purchasing Card may not be used for personal transactions. Any employee who uses or authorizes the use of the RWA Purchasing Card for unauthorized purposes will be required to immediately reimburse the RWA for the purchase and will be subject to disciplinary action up to and including termination. If the employee cannot repay the unauthorized amount immediately and the RWA is required to use the "VISA Waiver of Liability," the employee will still be required to pay the RWA in full for the purchase.

## Authorized Users and Purchasing Limits

The following RWA employees are authorized Purchasing Card holders, and may make purchases within the dollar limits specified:

<u>Authorized User</u>	<u>Purchasing Limits</u>
Executive Director	\$10,000 per transaction; \$10,000 per month
Finance and Administrative Services Manager	\$5,000 per transaction; \$5,000 per month
Manager of Technical Services	\$5,000 per transaction; \$5,000 per month
<u>Manager of Strategic Affairs</u>	<u>\$5,000 per transaction; \$5,000 per month</u>
Principal and Senior Project Managers	\$5,000 per transaction; \$5,000 per month
Associate Project Manager	\$2,500 per transaction; \$2,500 per month
Executive Assistant	\$1,500 per transaction; \$2,500 per month

Purchasing Card holders are required to: (1) follow all current Authority purchasing procedures and policies when placing orders; (2) document the receipt of goods or services; (3) receive monthly statements from U.S. Bank, review invoices on the statement, attach receipts, shipping orders and other required documentation; and (4) sign the statement of account before forwarding them to the Executive Director each month. If any charges are in dispute, card holder must comply with any RWA or CAL-Card procedures to facilitate processing the dispute.

If a Purchasing Card is lost or stolen, the Purchasing Card holder must report the lost or stolen card to the Executive Director immediately.

Transaction and monthly amounts may be exceeded only with prior written approval of a specific purchase by the Executive ~~Director, but~~Director but may not exceed the Executive Director limits.

## Areas of Responsibilities

The Executive Director has overall responsibility for the Purchasing Card program within the RWA, will ensure that this policy is followed at all times and will provide for training to all Purchasing Card holders as necessary. The Executive Director has the authority to issue cards at his or her discretion.

## Reporting

A detailed listing of all transactions made by the Executive Director will be provided to the RWA Chair to review, consider and approve each month for monthly statements

| above \$500 balance. The Executive Director will review, consider and approve all staff transactions monthly.

### **Policy Review**

This policy will be reviewed by the Executive Committee at least every two years.

# REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

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Policy Type	:	Fiscal Management
Policy Title	:	New Members Discount
Policy number	:	500.18
Date Adopted	:	May 6, 2021
Date Amended	:	

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## Purpose of the Policy

The RWA may benefit from adding new members. New members may bring in revenue that may result in increasing services or reduce the costs to existing members. Discounts offered to new members, who are interested in becoming full or Associate members, on the first- and second-year dues may incentivize new members to join the RWA. The purpose of this policy is to establish new member discounts on core RWA member dues at full or Associate member levels.

## General

These ~~New~~ new members will be offered a 50 percent discount on their first-year dues and a 25 percent discount on their second-year dues prorated to include the next fiscal year cycle beginning on July 1. The new member must commit to remaining in the RWA for three years. The discount does not apply to former RWA members or Affiliate members.

## Other Provisions

The provisions in Article 15 in Policy 100.1 (AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT REGIONAL WATER AUTHORITY) continue to apply to new members.

## Policy Review

This policy will be reviewed by the Executive Committee at least every five years, or as necessary.

# REGIONAL WATER AUTHORITY

## POLICIES AND PROCEDURES MANUAL

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Policy Type	:	Human Resources
Policy Title	:	COVID-19 Employee Vaccination Policy
Policy number	:	400.6
Date Adopted	:	Draft – May 12, 2022
Date Amended	:	

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### **Purpose of the Policy**

The Regional Water Authority (RWA) has a duty to provide and maintain a workplace that is free of known hazards. Federal and state agencies have determined that COVID-19 presents a significant risk of substantial harm and a direct threat to the health and safety of the workplace. The RWA Board of Directors is adopting this policy to safeguard the health of our employees, board members, and their families; our partners, contractors, and visitors; and the community at-large from infectious disease, such as COVID-19, that may be reduced by vaccinations. This policy will comply with all applicable laws and is based on the guidance from the Centers for Disease Control and Prevention, the Equal Employment Opportunity Commission, the Department of Fair Employment and Housing, and local health authorities, as applicable.

### **General**

On this policy's adoption date, all current RWA employees are required to be fully vaccinated unless RWA provides a reasonable accommodation as detailed below. Employees are considered "fully vaccinated" two weeks after completing primary vaccination with a COVID-19 vaccine, with, if applicable, at least the minimum recommended interval between doses.<sup>1</sup>

All employees are required to report their vaccination status and to provide proof of vaccination. Employees must provide truthful and accurate information about their COVID-19 vaccination status, and, if applicable, their testing results. Employees not in compliance with this policy will be subject to discipline.

All newly-hired employees must be fully vaccinated for COVID-19 before starting work unless RWA provides a reasonable accommodation as detailed below. An applicant's vaccination status will be reviewed as part of the post-offer, pre-employment process.

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<sup>1</sup> . For example, this includes two weeks after a second dose in a two-dose series, such as the Pfizer or Moderna vaccines, two weeks after a single-dose vaccine, such as the Johnson & Johnson vaccine, or two weeks after the second dose of any combination of two doses of different COVID-19 vaccines as part of one primary vaccination series.



RWA will pay employees' cost of COVID-19 vaccinations, which are currently free. Vaccinations should be run through the employee's health insurance and be submitted for reimbursement where applicable. All employees will be paid for time taken to receive COVID-19 vaccinations. Employees should coordinate with their supervisor to schedule appropriate time to comply with this policy.

### **Policy Exceptions and Reasonable Accommodations**

Employees may request an exception from this mandatory vaccination policy if the vaccine is medically contraindicated for them or medical necessity requires a delay in vaccination. An employee or applicant may also request a reasonable accommodation from this policy related to a disability or sincerely-held religious beliefs or practices. An employee must submit a written request for accommodation to the Executive Director. RWA will engage in the interactive process with the employee or applicant and provide a reasonable accommodation. Reasonable accommodations will be granted where they do not cause undue hardship or pose a direct threat to the health and safety of others.

## **AGENDA ITEM 6: 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.

In the last two months, the Executive Committee has reviewed the Request for Proposal advertisement and consultant mailing list for RWA's Employee Compensation and Reclassification Study with a proposal submission deadline of March 25, 2022. Additionally, the Executive Committee appointed an ad hoc committee to oversee the consultant selection process and the awarded consultant work products.

RWA received one proposal from Regional Government Services (RGS) out of the seven local firms solicited. Many firms responded that they could not propose based on current workload.

RGS is a reputable, joint powers association, that specializes in serving government agencies and has consulted with other RWA member agencies. RGS submitted a qualified bid of not-to-exceed \$25,500 with a project schedule that will begin upon contract award and conclude at the end of September 2022.

The ad hoc committee met on April 13, 2022 to review RGS's submission and recommended that the Executive Committee move forward with a professional services contract with RGS and appropriate a contingency budget for any additional consultant time as needed. The total project amount is to be cost-shared 50/50 with the Sacramento Groundwater Authority based on actual expenses incurred and will carry over to the next fiscal year (FY2022-2023).

**Action: Authorize the Executive Director to execute a contract with RGS for the RWA Compensation and Classification Study in the amount of \$25,500 with a \$4,500 contingency budget for a total budget allocation of \$30,000**

Information: Jim Peifer, Executive Director

## **AGENDA ITEM 7: NEW RWA MEMBER APPLICATIONS**

### **BACKGROUND:**

RWA has received three new requests for membership at various levels.

- Nevada Irrigation District – Full Membership
- Yuba Water Agency – Associate Membership
- Black and Veatch Corporation – Affiliate Membership

The three organizations collectively would add significant value to the RWA and help the RWA implement its strategic plan objectives.

Nevada Irrigation District (NID) water originates as snowmelt found in 70,000 acres of high elevation watershed near the headwaters of the Yuba River, Bear River and Deer Creek. NID water passes through hundreds of miles of canal and pipe to become drinking or irrigation water for 25,000 homes, farms and businesses. The district delivers three billion gallons of high-quality drinking water and enough irrigation water for 30,000 acres of agricultural land. NID produces power and is a leader among Northern California water agencies in the production of clean, renewable hydropower. NID operates seven hydroelectric plants and 9 miles of overhead powerlines that deliver 82 megawatts of clean, renewable energy to the power-grid, enough electricity to power 60,000 homes. NID manages 8 reservoirs in the foothills and Sierra Nevada Mountains that offer recreational opportunities such as hiking, camping, boating, fishing and swimming. NID provides recreational services including public parks, trails, campgrounds and beaches for the community's enjoyment.

NID delivers water for the environment and is a steward of the forested lands, working to maintain healthy forests and improve fire safety. NID works with partners to implement forest thinning, restore mountain meadows, and improve fish habitat. These efforts result in increased water yield, better water quality, and help to reduce wildfire threats. NID's goal is to improve the resiliency and sustainability of the watershed in our care.

Yuba Water Agency is a stand-alone public agency governed by a board of seven elected officials to serve the people of Yuba County. Established by a special act of the California State Legislature in 1959, the agency's primary missions are flood risk reduction, water supply reliability, fish habitat protection and enhancement, hydroelectric generation, and recreation at New Bullards Bar. Yuba Water Agency owns and operates facilities with a capacity of storing approximately one million acre-feet of water and generating more than 400 megawatts of hydropower. Each year, Yuba Water Agency releases more than 300,000 acre-feet of water to eight irrigation districts that convey the water to local farmers and ranchers in Yuba County.

Yuba Water Agency is a leader in water transfers, efficient water management and fisheries restoration, the agency is involved in many collaborative efforts with local, state and federal agencies, and conservation groups. In 2009, Yuba Water Agency received the Governor's Environmental and Economic Leadership Award (GEELA) for the Lower Yuba River Accord. Presented to the agency by Arnold Schwarzenegger, the GEELA is California's highest and most prestigious environmental honor.

Black and Veatch Inc. (B&V) is an employee-owned corporation comprised with over 9,500 employees located in 110 offices committed to providing critical infrastructure solutions to both public and private entities in the areas of water, power, communications, mining, transportation and manufacturing. With a local office in Rancho Cordova, B&V has already been working with many of RWA's member agencies and associates including City of Folsom, El Dorado Irrigation District, Placer County Water Agency, Regional San, and others throughout the region. Their Affiliate Member request letter is attached.

#### Financial Impact

In accordance with RWA Policy 500.18 and the adopted 2021 RWA Dues structure, these agency memberships would qualify for certain discounts. In the first year of membership, these three agencies combined would increase RWA revenues over \$22,000, and then would steadily increase in the second year, until full membership is reached in the third year, fiscal year 2024-2025, where membership total would exceed over \$40,000 in addition to any future board increases.

**Action: Recommend RWA Board approval of the three RWA member applications via the consent calendar**

Presentation and Information: Jim Peifer, Executive Director

Attachment:

Black and Veatch Corporation Membership Request



March 3, 2022

Regional Water Authority  
Attention: Josette Reina-Luken  
5620 Birdcage Street, Suite 180  
Citrus Heights, CA 95610

RE: Regional Water Authority Affiliate Program

Dear Ms. Reina-Luken:

**Black & Veatch** Corporation is interested in applying for membership into Regional Water Authority's Affiliate Program. Below is the additional requested information to apply for membership:

**Geographic Scope**

For more than 100 years, Black & Veatch has committed itself to growing a collaborative team across the globe and providing innovative solutions to the world's most important needs. Black & Veatch is a leading global engineering, consulting, and construction company specializing in infrastructure development in energy, water, telecommunications, management consulting, federal, and environmental markets. With more than 9,500 professionals working out of more than 110 offices worldwide, we have completed projects in more than 100 countries. Our Sacramento area office is located in Rancho Cordova.

**Nature of Organization**

Black & Veatch is an employee-owned corporation.

**Black & Veatch's Mission**

Black & Veatch provides critical infrastructure solutions to both public and private entities in the areas of water, power, communications, transportation, mining, and manufacturing.

Our continued success is due to the Vision, Mission and Core Values we all hold deeply:

- Mission: Building a world of difference through innovation in sustainable infrastructure.
- Vision: We work relentlessly to solve humanity's critical infrastructure challenges.
- Values: Our values start with Safety (Think, Plan, and Act for Zero incidents) and include accountability, collaboration, entrepreneurship, integrity, ownership, and respect.

**Why Black & Veatch Cares about Water Management in the Sacramento Region**

The Sacramento region's water resources (i.e., ground water, surface water, and recycled water) are critical to the quality of life in our local communities and beyond. Managing and ensuring sustainability of our precious Sacramento region's water supply and infrastructures advance lives, lifts communities, and enables prosperity.

The professionals in Black & Veatch's Rancho Cordova office live and work in the Sacramento region. We are innovative thinkers and trusted advisors who deliver excellence – and define commitment – to our local clients. We are local individuals with access to Black & Veatch's global technical resources, and

together we offer the expertise to continually transform today's technology into tomorrow's safe, long-lasting infrastructure.

**How Affiliate Membership is Mutually Beneficial to Black & Veatch and RWA**

Black & Veatch has already been working with many of RWA's member agencies and associates. Our local professionals regularly work with the City of Folsom, El Dorado Irrigation District, Placer County Water Agency, Regional San, and others throughout the region. One example of the water solutions we bring to the region; when Folsom residents started experiencing unusual copper pipe pinhole failures, the City turned to Black & Veatch to identify the primary cause of the copper pipe failures and to develop solutions.

On a regional scale, Black & Veatch has been working with the Sacramento Regional County Station District (Regional San) for several years to design the Echo Water's Biological Nutrient Removal (BNR) Facility. This BNR facility will reduce impacts to the Sacramento River ecosystem, both in the vicinity and downstream, by eliminating nearly all the ammonia and nitrate from Regional San's treated water effluent. After filtration and disinfection, this treated effluent water allows Regional San to provide recycled water to the region and reduce use of groundwater and surface water supplies for irrigation, industrial uses, and environmental restoration.

Black & Veatch will continue to develop tailored infrastructure solutions that meet RWA's members' and associates' needs while providing sustainable benefits. Solutions are provided from the broad line of service expertise available within Black & Veatch, including owner's engineer services, conceptual and preliminary engineering services, engineering design, procurement, construction, financial management, asset management, program management, construction management, environmental, security design and consulting, management consulting and infrastructure planning.

RWA's members and associates are experiencing unprecedented change and opportunity. Black & Veatch is committed to working with our Sacramento Region clients as trusted advisors so that together we may transform the infrastructures that enable a more sustainable and resilient future.

We are excited about the opportunity of becoming an RWA Affiliate member. If you have any questions, please contact me at (916)858-2424, [carlsondj@bv.com](mailto:carlsondj@bv.com).

Very truly yours,

Black & Veatch Corporation



David J. Carlson  
Vice President

## **AGENDA ITEM 8: SUBSCRIPTION PROGRAM AGREEMENT FOR BIOLOGICAL OPINION SUPPORT SERVICES (BOSS)**

### **BACKGROUND:**

A number of RWA member agencies have contracts with the Bureau of Reclamation (Reclamation). Reclamation is initiating a process to revise their Biological Opinion (BiOp) for the operation of the Central Valley Project. A revised BiOp may have positive or negative impacts on Reclamation contract holders such as improving or reducing the availability of surface water. The Biological Opinion Support Services subscription program is a new effort to assist these RWA member agencies in a way that collectively allows them to engage with Reclamation and try to ensure they will have continued access to surface water and enjoy their surface water entitlements.

**Action: Recommend RWA Board approval of the Biological Opinion Support Services Subscription Program via the consent calendar**

Presentation and Information: Jim Peifer, Executive Director

Attachment:

BOSS Subscription Program Agreement

## **REGIONAL WATER AUTHORITY PROGRAM AGREEMENT**

### **BIOLOGICAL OPIONION SERVICES AND SUPPORT**

This Agreement is made and entered into as of the \_\_\_\_<sup>th</sup> day of \_\_\_\_\_, 20\_\_\_\_, by and between the Regional Water Authority (“RWA”), a joint exercise of powers authority formed under California Government Code section 6500, and following, and the Members and Contracting Entities of RWA listed in Exhibit 1 to this Agreement, upon their execution of this Agreement (who are collectively referred to in this Agreement as “Participants”), to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the Participants.

### **RECITALS**

A. RWA is a joint powers authority, formed to serve and represent regional water supply interests and to assist its members in protecting and enhancing the reliability, availability, affordability and quality of water resources.

B. The joint powers agreement (“RWA JPA”) pursuant to which RWA was formed and operates, and as was amended on October 8, 2013, authorizes RWA to enter into a “Project or Program Agreement,” which is defined in the RWA JPA as an agreement between RWA and two or more of its Members or Contracting Entities to provide for carrying out a project or program that is within the authorized purposes of RWA and sharing in the cost and benefits by the parties to the Project or Program Agreement.

C. Article 21 of the RWA JPA states: “The Regional Authority’s projects are intended to facilitate and coordinate the development, design, construction, rehabilitation, acquisition or financing of water-related facilities (including sharing in the cost of federal, State or local projects) on behalf of Members and/or Contracting Entities. The Regional Authority may undertake the development, design, construction, rehabilitation, acquisition or funding of all or any portion of such projects on behalf of Members and/or Contracting Entities in the manner and to the extent authorized by such Members and/or Contracting Entities as provided in this Agreement, but shall not accomplish these functions, nor acquire or own water-related facilities in its own name.”

D. Article 22 of the RWA JPA states: “Prior to undertaking a project or program, the Members and/or Contracting Entities who elect to participate in a project or program shall enter into a Project or Program Agreement. Thereafter, all assets, benefits and obligations attributable to the project shall be assets, benefits and obligations of those Members and/or Contracting Entities that have entered into the Project or Program Agreement. Any debts, liabilities, obligations or indebtedness incurred by the Regional Authority in regard to a particular project or program, including startup costs advanced by the Regional Authority, shall be obligations of the participating Members and/or Contracting Entities, and shall not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed the Project or Program Agreement.”



E. RWA and the Participants desire to carry out a program as more fully described below and share in the costs and benefits of the program, as a Project or Program Agreement as provided for in Articles 21 and 22 of the RWA JPA.

F. The Bureau of Reclamation, responsible for the operation of Central Valley Project (CVP) facilities, such as Folsom Reservoir on the American River, has started the reinitiation of consultation on the coordinate long-term operation (ROC on LTO) of the CVP and the State Water Project, pursuant to the federal Endangered Species Act. This effort will result in the development of an Environmental Impact Statement (EIS) and Record of Decision (ROD) pursuant to the National Environmental Policy Act (NEPA), as well as a Biological Assessment (BA) that will support Biological Opinions (BiOps) issued by the National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service.

G. As part of the development of the BA and the BiOps, the Water Infrastructure Improvements for the Nation (WIIN) Act provides that water providers who contract for the delivery of water with Reclamation be included in the development of a new BiOp. This includes:

- Having the opportunity to submit to and discuss information with U.S. Fish and Wildlife Service (USFWS) and the National Oceanic and Atmospheric Administration (NOAA) for consideration in the development of a biological assessment;
- Be informed of the schedule for preparing a biological assessment;
- Be informed of the schedule for preparing a BiOp;
- Receive a copy of any draft BiOp and have an opportunity to review and comment on the BiOp;
- Having the opportunity to confer with USFWS or NOAA and the applicant about any reasonable and prudent alternatives (RPAs) prior to them being identified; and,
- Be informed of how each component of the RPAs will contribute to conserving species and the scientific justification supporting the RPAs. Further, be informed as to why other proposed alternative actions that would have fewer adverse economic and water supply effects were not adequate as an RPA.

H. Participants to this Program all contract for the delivery of water with the CVP and have a vested need to ensure that their interests are protected throughout the BiOp development process.

In consideration of the promises, terms, conditions and covenants contained herein, the parties to this Agreement hereby agree as follows:

**1. Recitals Incorporated.** The foregoing recitals are hereby incorporated by reference.

**2. Defined Terms.** Terms defined in the RWA JPA will have the same meaning in this Agreement.

**3. Description of the Program.** The RWA and the Participants desire to work collaboratively to ensure that information provided in support of the American River region's operations are carried out by qualified technical support staff and that all interests from Participants are reflected through a coordinated effort, called the Biological Opinion Services and Support (BOSS) Program ("Program"). The Program will provide the following:

- A coordinated effort to timely respond to information requests from Participants, Reclamation, or other interested parties.
- Consolidation and rectification of Participant comments on key documents used to support the BiOps, including: white papers, technical documentation, development of alternatives, development of a Proposed Action (PA) for the BA, coordination of EIS scoping comments, Draft and Final EIS comments, the Draft BiOps, etc.
- Attendance at meetings related to the development of regulatory documents to support the BiOps and forthcoming ROD.
- Preparation and facilitation of correspondence to appropriate parties.
- Conducting modeling for hydrologic, habitat, and temperature conditions.
- Analysis and synthesis of technical work.
- Establishment and implementation of a water provider technical team (WPTT) to review and discuss results from various analyses.
- Coordination between the WPTT and the Water Forum to disseminate information, as needed, and ensure a common understanding of any necessary information.
- Advocacy of American River water provider needs with Reclamation, California Department of Water Resources, USFWS, NMFS, California Department of Fish and Wildlife, or other entities to ensure local interests are being represented.
- Ensuring activities occurring outside of the watershed, such as those in-Delta or in other CVP divisions, are considered and impacts to the American River watershed are disclosed appropriately.
- Legal support services as needed.

**4. Program Committee.** The Participants hereby form a Program Committee consisting of one representative (and alternates) designated by each Participant. The Program Committee will meet as necessary from time to time to administer and implement this Agreement on behalf of the

Participants. The Program Committee will appoint a Chair and Vice-Chair from among its members. A majority of the total members of the Program Committee will constitute a quorum. Each member of the Program Committee will have one vote, either by its representative or an alternate. To proceed with a vote to take action, a quorum must be present at a meeting, with a majority of the number present required for an affirmative vote. In no event shall the composition of the Program Committee be such that the membership of the Program Committee constitutes a quorum of any RWA legislative body.

**5. Program Staffing and Resources.** RWA will utilize existing staff to implement the program, primarily the Manager of Strategic Affairs.

**6. Work Products.** Participants shall have full access to the work products of the Program, which will be provided upon execution of each member agency of a nondisclosure agreement.

**7. Sharing in Program Costs and Benefits.** The assessments for each Participant are further described and attached hereto as Exhibit 2 ("Financing Plan"). Each of the Participants shall pay the assessments set forth on Exhibit 2 at the time of entering the Program and pay such other assessments as are adopted by the Program Committee. In accordance with the provisions of Articles 21 and 22 of the RWA JPA, any debts, liabilities, obligations or indebtedness incurred by RWA in regard to the Program will be the obligations of the Participants, and will not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed this Agreement. The total cost for the Program is estimated as \$850,000. The breakdown of these costs is to be as follows:

- Approximately 45% of RWA staff time over the next year with overhead and expenses, beginning at the time of execution of this Agreement: \$141,750.
- Costs for technical consultants, with contracts to be executed by Bartkiewicz, Kronick, and Shanahan and Placer County Water Agency General Counsel: \$700,000.
- Legal support services provided by Bartkiewicz, Kronick, and Shanahan for needed legal review and support: \$20,000.

Future costs and allocations will be determined through a Work Plan approved by the Program Committee.

**8. Role of RWA.** The RWA will (a) ensure that the interests of Members and Contracting Entities of RWA who do not participate in this Program are not adversely affected in performing this Agreement, (b) provide information to the Participants on the status of implementation of the Program, (c) assist the Program Committee in carrying out its activities under this Agreement, (d) secure consultant support services through a competitive selection process as identified in RWA Policy 300.2, where applicable; and (e) manage consultant support services in completion of the Program.

**9. Authorization to Proceed with the Program.** The Biological Opinion Support and Services Program is authorized to proceed upon the commitment of \$850,000 to fund staff and

technical consulting work. Upon execution of this Agreement, the Participants agree to fund their portion of the Program costs in an amount and manner as described in Exhibit 3 ("Financing Plan") to this Agreement.

**10. Term.** This Agreement will remain in effect for so long as any obligations under this Agreement and/or obligations from other sources of funding secured remain outstanding.

**11. Withdrawal.** A Participant may withdraw from this Agreement without requiring termination of this Agreement, effective upon ninety days' notice to RWA and the other Participants, provided that, the withdrawing Participant will remain responsible for any indebtedness incurred by the Program and allocated to the Participant under this Agreement prior to the effective date of withdrawal. If any surplus funds remain after the withdrawing Participant has met all of its financial obligations under this Agreement, then such funds will be returned to the withdrawing Participant in proportion to the total contribution made by each Participant.

**12. Amendments.** This Agreement maybe amended from time to time with the approval of all current Participants and RWA.

**13. Unspent Funds.** In the event that RWA has remaining funds left at the conclusion of the work completed through agreements with BKS and Placer County Water Agency, then those funds shall be distributed back equally to BOSS Participants.

**14. Privileges and Immunities.** All of the privileges and immunities from liability; exemptions from laws, ordinances and rules; and all pension, relief, disability, worker's compensation and other benefits that apply to the activity of officers, agents or employees of RWA or the Participants when performing their respective functions for those agencies will, to the extent permitted by law, apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement. It is further understood and agreed by RWA and the Participants that, notwithstanding anything contained herein, the employees of RWA and of each Participant shall continue to be entirely and exclusively under the direction, supervision and control of the employing party.

**15. No Third-Party Beneficiary.** RWA and the Participants understand and agree that this Agreement creates rights and obligations solely between RWA and the Participants and is not intended to benefit any other party. No provision of this Agreement shall in any way inure to the benefit of any third person so as to constitute any such third person as a third-party beneficiary of this Agreement or any of its items of conditions, or otherwise give rise to any cause of action in any person not a party hereto.

**16. Liabilities.** With respect to this Agreement, RWA and the Participants expressly agree that the debts, liabilities and obligations of RWA and of each Participant shall remain the debts, liabilities and obligations of that party alone and shall not be the debts, liabilities and obligations of any other party to this Agreement, except as may be otherwise set forth herein or in an amendment to this Agreement.

**17. Audits and Accounting.** All funds provided under this Agreement shall be separately accounted for and maintained, with books and records of such funding open to inspection by the Participants. Funding under this Agreement shall be subject to and consistent with the audit and accounting procedures set forth in Articles 27 and 28 of the RWA JPA.

**18. General Provisions.** Any notice to be given under this Agreement shall be made by: (a) depositing in any United States Post Office, postage prepaid, and shall be deemed received at the expiration of 72 hours after its deposit; (b) transmission by facsimile copy; (c) transmission by electronic mail; or (d) personal delivery. This Agreement shall be governed by the laws of the State of California. The contact information for each Participant with respect to this section of the Agreement is set forth in Exhibit 3 (“Notice Information”). This Agreement may be executed by the parties in counterpart and by facsimile or PDF signatures, each of which when executed and delivered shall be an original and all of which together will constitute one and the same document.

**19. Signatories’ Authority.** The signatories to this Agreement represent that they have authority to execute this Agreement and to bind the Participant on whose behalf they execute it.

The foregoing Biological Opinion Services and Support Agreement is hereby agreed to by RWA and the Participants.

Dated: XX XX, 2022

XX XX, 2022

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Jim Peifer  
Executive Director  
Regional Water Authority

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Dan York  
Board Chair  
Regional Water Authority

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Marcus Yasutake  
City of Folsom

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Andy Fecko  
Placer County Water Agency

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Sean Bigley  
City of Roseville

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Michael Peterson  
Sacramento County Water Agency

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Bill Busath  
City of Sacramento

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Ansel Lundberg  
Sacramento Municipal Utility District

---

Jim Abercrombie

---

Dan York

---

El Dorado Irrigation District

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Sacramento Suburban Water District

**List of Agreement Exhibits**

Exhibit 1 – Program Participants

Exhibit 2 – Financing Plan

Exhibit 3 – Notice Information

**EXHIBIT 1**

**PROGRAM PARTICIPANTS**

**REGIONAL WATER AUTHORITY**

**BIOLOGICAL OPINION SERVICES AND SUPPORT PROGRAM**

**Agency (Proposed)**

City of Folsom

City of Roseville

City of Sacramento

El Dorado Irrigation District

Placer County Water Agency

Sacramento County Water Agency

Sacramento Municipal Utility District

Sacramento Suburban Water District

## **EXHIBIT 2**

### **FINANCING PLAN**

#### **REGIONAL WATER AUTHORITY**

#### **BIOLOGICAL OPINION SERVICES AND SUPPORT PROGRAM**

The fee for each Participant is shown in the table below. A Participant's fee will not be increased without the approval of that Participant.

**Proposed Fee Table**

<b>Agency</b>	<b>Total Fee</b>
City of Folsom	\$107,718.75
City of Roseville	\$107,718.75
City of Sacramento	\$107,718.75
El Dorado Irrigation District	\$107,718.75
Placer County Water Agency	\$107,718.75
Sacramento County Water Agency	\$107,718.75
Sacramento Municipal Utility District	\$107,718.75
Sacramento Suburban Water District	\$107,718.75
<b>Total</b>	<b>\$861,750</b>



**EXHIBIT 3**  
**NOTICE INFORMATION**  
**REGIONAL WATER AUTHORITY**  
**BIOLOGICAL OPINION SERVICES AND SUPPORT PROGRAM**

City of Folsom  
Attn: Marcus Yasutake  
50 Natoma Street  
Folsom, CA 95630  
Phone: (916) 461-6161  
Email: [myasutake@folsom.ca.us](mailto:myasutake@folsom.ca.us)

City of Roseville  
Attn: Sean Bigley  
2005 Hilltop Circle  
Roseville, CA 95747  
Phone: (916) 774-5513  
Email: [sbigley@roseville.ca.us](mailto:sbigley@roseville.ca.us)

City of Sacramento  
Attn: Bill Busath  
1395 35th Avenue  
Sacramento, CA 95822  
Phone: (916) 808-1434  
Email: [bbusath@cityofsacramento.org](mailto:bbusath@cityofsacramento.org)

El Dorado Irrigation District  
Attn: Jim Abercrombie  
280 Mosquito Road  
Placerville, CA 95667  
Phone: (530) 622-4513  
[jimabercrombie@eid.org](mailto:jimabercrombie@eid.org)

Placer County Water Agency  
Attn: Andy Fecko  
144 Ferguson Road  
Auburn, CA 95603  
Phone: (530) 823-4965  
Email: [afecko@pcwa.net](mailto:afecko@pcwa.net)

Sacramento County Water Agency  
Attn: Kerry Schmitz  
827 7th Street, Room 301  
Sacramento, CA 95814  
Phone: (916) 874-4681  
Fax: (916) 874-8693  
Email: [schmitzk@SacCounty.NET](mailto:schmitzk@SacCounty.NET)

Sacramento Suburban Water District  
Attn: Dan York  
3701 Marconi #100  
Sacramento, CA 95821  
Phone: (916) 679-3973  
Fax: (916) 972-7639  
Email: [dyork@sswd.org](mailto:dyork@sswd.org)

Sacramento Municipal Utility District  
Attn: Ansel Lundberg  
6301 S Street  
Mail Stop A-404  
Sacramento, CA 95817-1899  
Phone: (916) 732-6919  
Email: [ansel.lundberg@smud.org](mailto:ansel.lundberg@smud.org)

Regional Water Authority  
Attn: James Peifer  
5620 Birdcage Street, Suite 180  
Citrus Heights, CA 95610  
Phone: (916) 967-7692  
Email: [jpeifer@rwah2o.org](mailto:jpeifer@rwah2o.org)

## **AGENDA ITEM 9: LEGISLATIVE/REGULATORY UPDATE**

### **BACKGROUND:**

Policy committee hearings in the first house will be concluding in the next few weeks. 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 6<sup>th</sup>. A few bills were significantly amended since the Executive Committee last met. In order to register position on bills staff are suggesting that the Executive Committee take a position on the following bills:

AB 1931 (L. Rivas D- Arleta) Would significantly expand lead service line replacement and requirements on water agencies that could be in conflict with federal requirements. - Oppose

AB 2201 (Bennett D- Ventura) Would require all groundwater extraction facilities in critically overdraft basins, with specified exemptions, to have a permit from a GSA to extract groundwater after July 1, 2023. – Oppose Unless Amended

AB 2771 (Friedman D- Glendale) Would prohibit the intentional addition of PFAS to cosmetic products. – Support

AB 2895 (Arambula D- Fresno) Would revise and recast the water transfer process – Oppose Unless Amended

SB 1124 (Archuleta D- Pico Rivera) Would require the establishment of a public health goal and a primary MCL for Manganese – Oppose Unless Amended.

Several other bills have developed in the legislative process. Those bills include AB 2419, AB 2639, and SB 1157.

As required by the Governors March 28<sup>th</sup> Executive Order on drought the Water Board and DWR are moving forward with proposed actions on implementation of stage 2 of water shortage contingency plans, irrigation of non-functional turf, and annual water supply and demand assessments.

The state budget process continues to develop, and the Governors May revise is expected out on or around May 12<sup>th</sup>. The May revise is expected to set off a month of intense negotiations over the final budget.

### **Action: Take Positions on Legislation**

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

## **AGENDA ITEM 10: STANDING AND AD HOC COMMITTEE UPDATES**

### **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 – Members: D. York, T. Firenzi, K. Schmitz
- Revisions to [RWA Policy 400.4 Ad Hoc Committee](#) (Executive Director Performance Evaluation Procedure) – Members: R. Dugan (Chair), B. Ewart, C. Sheehan, M. Yasutake, D. York, S. Bigley
- Revisions to [RWA Policy 200.3 Ad Hoc Committee](#) (Election Procedures) – Members: K. Schmitz (Chair), D. York, C. Sheehan, T. Firenzi, C. Lee, A. Foster
- Employee Compensation Survey Oversight Ad Hoc Committee – Members: D. York (Chair), R. Dugan, G. Espindola, R. Greenwood, C. Sheehan
- Space Planning Ad Hoc Committee – Members: D. York (Chair), R. Greenwood, T. Firenzi, S. Bigley.
- Purchasing Ad Hoc Committee – Members: R. Scott (Chair), D. York, B. Smith, M. Carrey, T. Barela, T. Eising
- Awards Committee – Members: K. Schmitz (Chair), Paul Schubert, and Paul Selsky

#### **Standing Committees**

- Federal Affairs
- Water Quality

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

**AGENDA ITEM 11: RWA MAY 12, 2022 BOARD MEETING AGENDA**

**Action: Approve the RWA May 12, 2022 Board Meeting Agenda**

Attachment:

Draft Agenda for RWA May 12, 2022 Board of Directors Meeting

**REGIONAL WATER AUTHORITY**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
Thursday, May 12, 2022; 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 Board of Directors may consider any agenda item at any time during the meeting

RWA Board Meeting  
Thu, May 12, 2022 9:00 AM - 12:00 AM (PST)

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

<https://meet.goto.com/416713861>

**You can also dial in using your phone.**

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

**Access Code:** 416-713-861

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

- a. Authorize a Teleconference Meeting
- b. Approve the minutes of March 10, 2022 Board Meeting
- c. Approve new RWA Member Applications
- d. Approve Biological Opinion Support Services Subscription Program
- e. Approve RWA Financial Policy Updates and new COVID-19 Employee Vaccination Policy

**Action: Approve Consent Calendar**

**4. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA) - 3X3 UPDATE**

Information: Dan York (Chair), Tony Firenzi (Vice Chair), and Kerry Schmitz

**5. STRATEGIC PLAN REVIEW**

Information and Presentation: Jim Peifer, Executive Director

**6. FISCAL YEAR 2022 – 2023 BUDGET**

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

**Action: Approve Fiscal Year 2022-2023 Budget**

**7. LEGISLATIVE/REGULATORY UPDATE**

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

**8. EXECUTIVE DIRECTOR'S REPORT**

**9. DIRECTORS' COMMENTS**

**ADJOURNMENT**

**Next RWA Board of Director's Meeting:**

July 7, 2022, 9:00 a.m. at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights, the location is subject to change depending on the COVID-19 emergency.

**Next RWA Executive Committee Meeting:**

May 25, 2022, 8:30 a.m. at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights, the location is subject to change depending on the COVID-19 emergency.

Notification will be emailed when the RWA electronic packet is complete and posted on the RWA website at: <https://www.rwah2o.org/meetings/board-meetings/>.

## **AGENDA ITEM 12: EXECUTIVE DIRECTOR'S REPORT**

An oral report will be provided.

Attachments:

RWA State Budget Request Letter

Solve the Water Crisis Summary Flyer 04-15-2022

Solve the Water Crisis Coalition Questions and Answers 04-15-2022

Solve the Water Crisis Program Outline and Timeline 03-30-2022



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P.O. BOX 942849  
SACRAMENTO, CA 94249-0008  
(916) 319-2008  
FAX (916) 319-2108

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RANCHO CORDOVA, CA 95670  
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FAX (916) 464-1915

E-MAIL  
Assemblyman.Cooley@assembly.ca.gov

# Assembly California Legislature



COMMITTEES  
CHAIR: RULES  
GOVERNMENTAL ORGANIZATION  
INSURANCE  
PUBLIC EMPLOYEES, RETIREMENT,  
AND SOCIAL SECURITY  
ALFRED E. ALQUIST SEISMIC  
SAFETY COMMISSION

March 31, 2022

The Honorable Phil Ting  
Chair Assembly Budget Committee  
Capitol Office, 1021 O Street, Suite 8239  
P.O. Box 94289, Sacramento, CA 94249-0019

***Re: State Budget Request: \$16.7 million for water infrastructure projects in Sacramento Region to promote climate resiliency.***

Dear Chair Ting:

The undersigned Sacramento Area Assemblymembers respectfully request a one-time state budget appropriation of \$16.7 million to fund multi-benefit water infrastructure projects. After years of study and planning paid for by local water agencies, these projects are construction-ready, will leverage existing backbone infrastructure and build on proven efforts to adapt to climate change, the loss of snowpack, and more extreme “whiplash” between wet and dry conditions.

State investment in these projects is necessary to accelerate the Sacramento Region’s comprehensive plan to build a more climate resilient water system by significantly expanding the use of below-ground water in a region-wide water bank (“Sacramento Regional Water Bank”). As one of California’s source watersheds, building climate resilience in the Sacramento Region will benefit communities and the environment throughout the state as we collectively grapple with the impacts of climate change on our water resources.

Specifically, we are asking for \$14.2 million of funding that would be directed to individual water agencies to move the following projects forward:

- \$4.2 million for Highland Well Project (Citrus Heights)
- \$5 million for Fairbairn Water Treatment Plant Groundwater Well Improvement (Sacramento)
- \$5 million for Elk Grove Water District Well for enhanced conjunctive use (Elk Grove)

In addition, we are requesting \$2.5 million to conduct environmental planning for water infrastructure projects that will augment the Water Bank and reduce diversions from the lower American River providing environmental benefits.

- \$1.5 million for “RiverArc,” which will provide surface water from the Sacramento River for banking while benefitting the delicate ecosystem of the lower American River by reduced diversions (Sacramento).
- \$1 million for environmental planning and engineering work for a non-potable irrigation system to offset existing non-potable water demands, which will directly reduce diversions from Folsom reservoir (Folsom).

By advancing the development of the Sacramento Regional Water Bank, these projects will enhance the regional approach to water management and allow the region to expand its ability to store groundwater during wet times and shift to groundwater (and away from more environmentally sensitive and climate change impacted sources) during dry times. The Water Bank currently has the ability to store and manage up 60,000 acre-feet of water annually. The requested state funding will expand banking capacity. The total available capacity in the Water Bank today is twice the size of Folsom Reservoir. Studies demonstrate that this groundwater basin is sustainably managed and, according to the state Department of Water Resources, has seen increasing groundwater levels over the past two decades resulting from our proactive management, despite the megadrought.

With more severe effects of climate change increasing, we must increase the pace and scale of these kinds of proven multi-benefit projects. We are proud to submit this request for the residents of our respective districts, which will strengthen the resiliency of our water management systems for residents throughout California.

Thank you for your consideration of this state budget request.

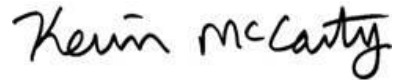
Sincerely,



Ken Cooley  
Assemblyman, 8<sup>th</sup> District



Jim Cooper  
Assemblymember, 9<sup>th</sup> District



Kevin McCarty  
Assemblymember, 7<sup>th</sup> District



# **SOLVE THE WATER CRISIS**

## **ACT NOW TO SECURE CALIFORNIA'S FUTURE.**

### **CLIMATE CHANGE IS NOW**



Unpredictable weather. Multi-year drought. Dwindling snowpack. Vanishing runoff. Intense atmospheric rivers. Increased flood risks. Extreme heat and catastrophic wildfires. Conditions Californians know all-too-well. What California policymakers and their constituents do not know well is that California is in the middle of a severe water supply crisis. This existential threat to California's future economic stability, security, and growth, as well as its environmental legacy, has been exacerbated by insufficient State investment in infrastructure and regulatory logjams resulting in the acceleration of reduced water supply reliability. The trajectory of this crisis must be reversed. California's future hangs in the balance.

Solve the Water Crisis Coalition, through a critically needed education effort, will bring into sharp focus the ongoing water supply crisis that is already impacting residents' quality of life, economic growth, community health, and the environment, as well as risking California's future. By raising awareness among California policymakers and thought leaders, Solve the Water Crisis Coalition will demonstrate the enormous water supply crisis and the urgency that requires bold and immediate State action to secure California's future.

### **OUR MISSION**



### **SOLVE THE WATER CRISIS COALITION WILL**

**1**

Elevate water as a crisis that is already here; educate leaders that this crisis must be addressed immediately to protect California's future.

**2**

Prioritize California legislators, regulators, and the Newsom Administration as our key audience.

**3**

Critically demonstrate to key audiences the need for comprehensive, long-term investments, improved science, and regulatory reforms to increase water supply and supply reliability for California.



## **SOLVE THE WATER CRISIS**

**ACT NOW TO SECURE CALIFORNIA'S FUTURE.**

### **What does zero percent allocation mean for our future?**

- No water for agriculture – threatening our nation's food security
- No outdoor irrigation
- Disadvantaged communities will suffer
- Catastrophic economic impacts statewide
- Depletion of groundwater basins
- Ecosystems and wildlife strained
- Increased water costs

In December 2021, after only two years of extreme drought, the California Department of Water Resources issued its first-ever zero percent allocation on the State Water Project, which meant that communities from the Bay Area to San Diego would receive only “health and safety” water. And for the second year in a row, Central Valley Project (CVP) allocations have been at zero percent, significantly impacting agriculture and further exacerbating the current water supply crisis statewide.

#### **MAKE POLICYMAKERS AWARE OF THE CRISIS.**



#### **ENCOURAGE A DISCUSSION AROUND SOLUTIONS.**



#### **CREATE THE ENVIRONMENT FOR SUCCESS.**



## **SOLUTIONS**

Solve the Water Crisis Coalition will focus on developing and elevating public awareness and support for solutions, urging the Governor, Legislature, and State Agencies to act now to address the water crisis by enhancing and rehabilitating statewide water solutions that will meet present and future needs of the state and its more than 40 million residents.

**FOR MORE INFORMATION  
VISIT [WWW.SOLVETHEWATERCRISIS.COM](http://WWW.SOLVETHEWATERCRISIS.COM)**







# **SOLVE THE WATER CRISIS**

## **ACT NOW TO SECURE CALIFORNIA'S FUTURE.**

## **Q&A**

### **1 WHAT IS THE OBJECTIVE OF THE SOLVE THE WATER CRISIS COALITION?**

The Solve the Water Crisis Coalition, through a critically needed education effort, will bring into sharp focus the ongoing water supply crisis that is already impacting residents' quality of life, economic growth, community health, and the environment, as well as risking California's future. By raising awareness among California policymakers and thought leaders, Solve the Water Crisis Coalition will demonstrate the enormous water supply crisis and the urgency that requires bold and immediate State action to secure California's future.



### **2 WILL SOLVE THE WATER CRISIS ADVOCATE FOR SPECIFIC SOLUTIONS IN SACRAMENTO?**

No. This effort does not have the ability to legally advocate for specific solutions with policymakers. Phase one will strictly be an education and awareness campaign designed and targeted to: (1) elevate the water crisis discussion in Sacramento; (2) reframe the mindset in the Capitol from being about making more demands on an already too stressed system to a wake-up call regarding how new hydrologic realities require immediate investments in California's water management infrastructure to reverse declining water supplies and supply reliability; and, (3) position water as a top policy item for legislators and the Administration.

### **3 HOW IS SOLVE THE WATER CRISIS DIFFERENT FROM PREVIOUS WATER EDUCATION EFFORTS?**

There are three key differences of Solve the Water Crisis:



Given the critical moment CA finds itself in with respect to the seismic hydrological shift of climate change making existing systems incapable of meeting California's needs, now is the time to act and do big things that could not be done before.



This effort will not be focused on the public or changing public perception. Poll after poll tells us the public "gets it". Solve the Water Crisis will prioritize legislators, the Newsom Administration, and state regulators as our key audiences. We will also identify within this audience water champions, legislative leadership, and water and budget committee members who can further support our efforts.



This effort seeks to bring together diverse stakeholders from across the state. This effort will not include just water agencies. The success of the effort will depend on effectively recruiting and mobilizing allies from across California, including business leaders and local influencers, who can provide further credibility to and increase the power of our effort, urging policymakers to act immediately.

Note: The Association of California Water Agencies (ACWA) is developing an education initiative that the Solve the Water Crisis effort will complement and make more effective. Solve the Water Crisis is intended to increase the receptivity to messaging of the ACWA effort and recommendations developed through other ACWA initiatives by informing policy makers that the reality of today's water management challenges is moving beyond the ability of water agencies to address effectively, with potential significant and severe operational and affordability impacts approaching on the near horizon unless action is taken now.



**SOLVE THE WATER CRISIS**  
ACT NOW TO SECURE CALIFORNIA'S FUTURE.

## 4 WHAT IS THE ORGANIZATIONAL STRUCTURE OF SOLVE THE WATER CRISIS?

Solve the Water Crisis is a group of water managers, operators, purveyors of all shapes and sizes, urban and Ag, North and South. We are experts in the field with a stake in the game and the desire to solve problems. We are responsible for implementing water management regulations, including contradicting ones.



### **COALITION BOARD:**

made up of all funding members; will receive regular updates and meet monthly to assess progress and discuss strategy.



### **STEERING COMMITTEE:**

made up of 7 – 10 general managers representing each California region; will guide strategy and provide input on educational materials and outreach. This group will be highly engaged, meeting weekly and supporting Coalition Board communication as well as mobilizing supportive workgroups as necessary.



### **COALITION PARTNERS:**

made up of the various stakeholders and supporters who join our effort to engage in message and material dissemination as a third-party and non-paying Water Agency and Stakeholder Effort to Secure an Adequate and Reliable Water Supply member; will be kept up to date through regular coalition communications.

## 5 WHAT IS THE ROLE AND EXPECTATION OF A SOLVE THE WATER CRISIS COALITION BOARD MEMBER?

A Coalition Board member is expected to financially support the effort through an initial contribution of \$15,000. There is also an expectation to participate in a monthly Coalition Board meeting where regular updates, effort developments, coalition activities, and calls to action will be shared.

## 6 HOW CAN SOLVE THE WATER CRISIS COALITION BOARD MEMBERS EXPECT TO BE UPDATED ON KEY COALITION ACTIVITIES AND DEVELOPMENTS?

Solve the Water Crisis will share updates and developments with Coalition Board members verbally at the monthly Coalition Board meeting, supplemented by a monthly written report. Additionally, frequent communications will go out to the coalition providing relevant updates, calls to action, and program developments. Solve the Water Crisis consultants are always available to answer any questions that Coalition Board members may have. If changes to the strategy, budget or scope of work arise, Coalition Board members will receive a written update and given an opportunity for input.

## 7 WILL COALITION BOARD MEMBERS BE MADE PUBLIC?

Coalition Board members will be listed on the Solve the Water Crisis website.



## **SOLVE THE WATER CRISIS**

ACT NOW TO SECURE CALIFORNIA'S FUTURE.



### **8 WHO ARE THE KEY DECISION MAKERS OF THE SOLVE THE WATER CRISIS EFFORT?**

All the funders of the effort will have input in the decision-making, with the day-to-day decisions being guided by the Steering Committee.

### **9 HOW WILL SOLVE THE WATER CRISIS ENGAGE AND COORDINATE WITH LOCAL WATER AGENCIES?**

Outside of the funding and leadership components, Solve the Water Crisis will seek to engage with local water agencies frequently. Guidance and support from local agencies on local stakeholder identification and outreach will be a critical element to our regional programs. The Solve the Water Crisis consultants will also work with participating water agencies on outreach to media, potential coalition members, local elected officials, and other key stakeholders.

### **10 HOW WILL A COALITION BOARD MEMBER FINANCIAL CONTRIBUTION TO SOLVE THE WATER CRISIS BE SPENT?**

In the Solve the Water Crisis Preliminary Program Outline and Timeline you will see a budget highlighting the key budget items for the phase one duration of the program. All funds will be spent according to that budget and if there are changes to the program strategy, necessitating a change in how money is spent, that will first be discussed and approved by the Steering Committee.

### **11 IS A FINANCIAL CONTRIBUTION TO SOLVE THE WATER CRISIS REPORTABLE UNDER FPPC RULES?**

No.



FOR MORE INFORMATION  
VISIT [WWW.SOLVETHEWATERCRISIS.COM](http://WWW.SOLVETHEWATERCRISIS.COM)





### Organization and Structure

KP will immediately work with individual water agencies to form the Solve the Water Crisis coalition and establish the following organizational and structural elements:

1. **Coalition Board:** made up all paying members; will receive regular updates and meet monthly to assess progress and discuss strategy.
2. **Steering Committee:** made up of 7 – 10 general managers representing each California region; will guide strategy and provide input on collateral development. This group will be highly engaged, meeting weekly and supporting Coalition Board communication.
3. **Coalition Partners:** made up of the various non-paying stakeholders and supporters who join our effort to engage in message and material dissemination as a third-party Solve the Water Crisis member; will be kept up to date through regular coalition communications.
4. **Working Groups:** as specific issue areas or items that may need attention from a smaller group arise, working groups will be developed to focus on the issue at hand.
5. **Funding:** each participating agency will contribute an up-front payment of \$15,000 to cover the first phase of the program. Once phase one is completed, a comprehensive evaluation will be conducted to determine effectiveness of phase one and determine next steps for phase two. If we proceed with phase two, a second installment of \$15,000 will be requested from participating members for the remainder of the program implementation. Phase one will be April through September, and phase two will be October to March 2023.
6. **Contract Management:** KP will hold all contributions in trust for the Solve the Water Crisis Coalition and will invoice for services against this amount and pay expenses approved by the Steering Committee.

### Coalition Mission

Solve the Water Crisis seeks to bring into sharp focus the discussion of the ongoing water supply crisis that is impacting residents, economic growth, community health, the environment, and the future generation of Californians. By raising awareness among California policymakers and thought leaders, Solve the Water Crisis will demonstrate the enormous water supply crisis that requires immediate State action.



## Water Agency Recruitment

KP will immediately work with the Steering Committee on developing key documents to support initial recruitment efforts of other water agencies to join the Coalition Board. Recruitment toolkit will include:

1. Program PowerPoint
2. Q and A
3. One Pager

## Strategy

Solve the Water Crisis will focus on implementing three strategies to achieve our education and awareness objectives, initial strategies include:

1. Elevate water as a crisis that is already here and that needs to be addressed immediately.
  - Give the process a “jolt” and provide justification for why now is the time for urgent action.
  - Illustrate the devastating impacts on commercial and industrial water customers on the horizon could motivate business groups more meaningfully than ever before.
  - Present the threat to the California economy as demonstrated in recent studies.
  - Demonstrate the negative impacts that lack of water will have on California residents and their lifestyles.
  - Highlight the environmental consequences of failing to invest in restoration and new infrastructure – water crisis threatens fish, wildlife, and habitat.
2. Make the water crisis relevant to the specific conditions in regions and districts throughout the state – build the narrative of lost jobs and opportunities and decreased lifestyle of Californians without a secure and reliable water supply.
  - Rather than debate the specifics, shift the debate to failed state policies emphasizing the state’s responsibility to fix the problem.
  - Create an approach that is tailored to legislators, outlining the specific water conditions and impact in their districts.
  - Promote water investments as a key climate adaptation strategy for every region – need to address extreme heat and fire risks.
3. Educate the legislature and state officials about CA’s deteriorating water supply and the benefits of a comprehensive, long-term solution that results in more water.
  - Work with community allies to provide information to decision-makers that describes the impact of California’s failing water system in their region.
  - Create water events at the Capitol that demonstrate the dire nature of the state’s water supply system.

## Solutions

Solve the Water Crisis will educate key audiences about the need for solutions to the address the state’s water supply and reliability issues. To conform to the rules regarding education efforts, this program will focus on the water supply crisis and the potential solutions but refrain from organizing public support for any policy solution. This program will focus on developing and elevating public awareness and support for

solutions, urging the Governor, Legislature, and State Agencies to provide a water action plan that will meet present and future needs of the state. The solutions that will be presented include the following:

1. Surface and groundwater storage
2. Inter-regional and local conveyance
3. Creative regulatory solutions, such as the voluntary agreements
4. Investments in local water infrastructure, such as groundwater recharge, desalination, and recycling

## Audience

This effort is not intended to focus on the general public. Solve the Water Crisis will prioritize legislators, the Newsom Administration, and state regulators as our key audience. We will also identify subgroups within this audience to further support our efforts including water champions, legislative leadership, and water and budget committees.

## Preliminary Messaging

Initial message tracks include:

1. State is facing a water supply crisis that will impact all parts of the economy, every region in the state, and all Californians.
  - The current water system was not built for current conditions.
  - The climate has changed, the population has doubled, but we continue to approach water supply and water policy as if neither has happened. These changes are evidenced by:
    - Reduced and less productive snowpack,
    - Large water runoff events,
    - Loss of stored water and hydro power,
    - Water supply shortage on farms and in cities, and
    - Extreme heat and wildfires
  - This water crisis will have an impact on the quality of life for Californians across the state.
  - The ripple effect of California's water crisis will have negative economic and environmental implications.
2. The current water crisis is due to antiquated state water policies and inadequate investments in large projects.
  - Local water agencies have done everything they can and have taken significant measures on recycling, conservation, and other measures to operate more efficiently under these conditions, while the state has taken few meaningful steps to solving the problem and implementing a solution.
  - The credibility of state government rests on the ability to provide a more secure water future by building new infrastructure such as new supply sources, storage, interties and conveyance, and habitat projects; and providing regulatory clarity to maintain a dependable and reliable water supply.
  - State policymakers must act now to secure a water supply future for the state and future generations.
  - "The politics of water became ossified – multiple interests fighting over shares of the current supply, which has become even less predictable due to climate change, and politicians going AWOL, seeing it as a no-win political quagmire." (Dan Walters)

3. Lack of progress in building an adequate water system will leave the next generation in a perilous condition.
  - The public wants a solution to the water supply crisis.
  - “California faces serious challenges around water—and the ground is shifting beneath our feet.” (PPIC)

## Refinement of Program

As Solve the Water Crisis ramps up in its initial weeks, we will work with Steering Committee members to refine key driving elements and principals of our effort, including:

1. Mission,
2. Strategy,
3. Messages, and
4. Creative.

## Research

With the significant amount of research already in the public domain on this issue, KP will work to conduct a comprehensive audit of existing research to further understand our areas of strength and vulnerabilities, allowing us to repurpose compelling documents and messengers that further support our arguments and overall effort. This will also include an assessment of our opponents messaging.

## Materials

We will develop key materials that will be used throughout our effort and will be critical in Solve the Water Crisis coalition building, media engagement, and education of various stakeholders. Initial materials will include:

1. Fact sheet educating on current problem, the ongoing crisis, and identified coalition solutions.
2. Infographic demonstrating why the issue is real now and different from before.
3. What Others are Saying (experts doc).
4. Fact sheet discussing/demonstrating everything water agencies have done and measures taken under dire conditions to help solve the problem, while the state has done little.
5. Regional fact sheets on local impact of water shortages.

## Coordination with Water Agencies

KP will work with participating water agency leadership to develop the most effective program for their service area, utilizing the materials developed and working with the individual water agencies to develop specialized materials. KP will also work with participating water agencies on outreach to media, potential coalition members, local elected officials, and other key stakeholders.

## Coalition Building

While our effort is positioned to have initial broad support from over 20 water agencies across the state, the effectiveness of Solve the Water Crisis will hinge on widespread and diverse support from a number of industries, organizations, and individuals across California. Mobilizing our Solve the Water Crisis coalition partners will be a critical element to building a solid foundation of allies who we can tap into for support and further dissemination of messages and materials. Coalition building efforts will include:

1. Development of comprehensive outreach list, initial groups include:

- Ag,
  - Business Chambers,
  - Builders,
  - Local Water Agencies, both urban and agricultural,
  - Labor,
  - Tourism,
  - Recreation,
  - Local Govt, and
  - Local Elected Officials.
2. Development of outreach email and Solve the Water Crisis coalition toolkit including Solve the Water Crisis materials and easily actionable items for allies to act quickly and seamlessly.
  3. Coordination with water agencies on local Solve the Water Crisis coalition outreach.
  4. Spokesperson identification.
  5. Development of speaker's bureau.
  6. Repurpose media wins with allies to amplify messages and reach.
  7. Frequent communications to Solve the Water Crisis coalition members to share updates, key developments, opportunities, and calls to action.

## Regional Program

To further support our Solve the Water Crisis coalition building activities and personalize water supply issues, we will incorporate a regional element into our stakeholder education and engagement efforts. This will be critical to generate interest from state legislators at home in their districts, identifying key issues that their constituents care about and will be impacted by, further elevating the issue up to the State Capitol and among water stakeholders. Regional program activities will include:

1. Identification of key impacted regions,
2. Identification of regionalized impacts,
3. Identification of target legislative districts,
4. Tailored materials for these regions, reinforcing our message tracks but highlighting regionalized impacts, and
5. Conduct regional briefings with local chambers, business groups, LEOs, etc.

## Media

Since this effort is not focused on the general public, media will be one of our most critical means to reach our Capitol audience. Elevating this issue with media will be key to achieving a level of awareness that will employ policymakers to act on solutions. Media activities will include:

1. Conduct a media audit to better understand the media landscape around this issue and identify who is reporting on it further informing where we may have opportunities to pitch stories or place opinion pieces.
2. Identification of media outlets and target journalists that we will target including but not limited to:
  - Water reporters,
  - Ag reporters,
  - Business reporters,
  - Political reporters,
  - Ed boards,
  - Community newspapers,
  - Major dailies, and

- Trade publications of impacted sectors.
- 3. Draft and distribute press release announcing Solve the Water Crisis effort.
- 4. Development of media background/briefing materials.
- 5. Conduct reporter briefings and backgrounders.
- 6. Conduct editorial board meetings.
- 7. Hold Capitol press conference once we reach critical mass of Solve the Water Crisis coalition support, timed with the legislative calendar.
- 8. Pitch journalists on local impacts and statewide impacts to secure favorable local and statewide media coverage.
- 9. Draft and place opinion pieces by water agencies and allies.
- 10. Disseminate published op-eds to state legislators, Newsom Administration, and state regulators.

## Website

KP will create a Solve the Water Crisis website that will house all Solve the Water Crisis materials, media wins, favorable news stories, and information on how to get involved in the effort. Website development will include SEO to ensure we are being seen and found by the right audience.

## Social Media

Social media will be a great supplement to the activities discussed above. We will utilize social to further engage our allies, encourage them to share and engage on their platforms, and amplify our media and coalition building activities. Social media activities will include:

1. Establishment of social platforms, including research to determine most appropriate social channels for our effort,
2. Development and implementation of social media calendar and graphics, and
3. Repurposing media wins, Solve the Water Crisis coalition activities, and newsworthy items.

## Tracking and Measurement

To ensure our effort is meeting the objectives and successful levels of effectiveness, we will implement tracking and measurement elements throughout the program, including:

1. Weekly 1 hour check in meetings with the Steering Committee to discuss developments, opportunities, and adjustments to strategy,
2. Monthly meetings with the Coalition Board to provide effort updates,
3. Monthly written report to all Coalition Board members,
4. Frequent communications to Steering Committee and Coalition Board to share updates, key communications, developments, etc.,
5. 3-month evaluation and written update of effort's progress, recommended adjustments,
6. 6-month evaluation and written update of effort's progress, recommended adjustments,
7. 9-month evaluation and written update of effort's progress, recommended adjustments, and
8. 1-year report summarizing effort's outcomes, recommendations for next steps.

## Timeline

While some activities may get shifted depending on unanticipated opportunities or challenges, the attached timeline coincides with all the activities discussed above for phase one.

## Phase One Budget

Budget Item	Cost
Management and execution fee <ul style="list-style-type: none"> <li>• KP Public Affairs (All aspects of education campaign including material development, media relations, coalition activities, social and digital media) – (\$22,000 per month)</li> <li>• Ethnic and regional media and outreach firms – (\$17,000 per month)</li> </ul>	\$39,000 per month
Social media ad budget	\$30,000
Video services	\$5,000
Travel, capitol events, and production costs	\$6,000
Total budget	\$275,000 ***If 20 agencies contribute, the cost per agency would be \$15,000 for phase one of the program.

ACTIVITY: Phase One	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022
<b>Organization/Structure</b>							
Establish Coalition Board, Steering Committee, Working Groups							
<b>Refinement</b>							
Program, goals, mission, strategy, messages, creative							
<b>Water Agency Recruitment</b>							
Develop toolkit including letter from Steering Committee, deck, Q and A							
Engagement of water agency boards							
<b>Research</b>							
Conduct audit of existing research, including opposition							
<b>Messaging</b>							
Develop key message tracks							
<b>Initial Materials</b>							
Development of key materials including: 1. Fact sheet educating on current problem, the crisis, and identified coalition solutions. 2. Infographic demonstrating why issue is real now and different from before 3. What Others are Saying (experts doc) 4. Fact sheet discussing/demonstrating everything water agencies have done and measures taken under dire conditions to help solve the problem, while the state has done little							

<b>Coalition Building</b>							
Development of comprehensive outreach list including but not limited to ag, business chambers, builders, labor, tourism, recreation, local government, and LEOs							
Create package of outreach materials and engagement toolkit with actionable items							
Spokesperson identification							
Establish speaker's bureau							
Coordinate with water agencies on outreach							
Conduct statewide outreach to generate support							
Repurpose media wins with allies to amplify messages and reach							
Frequent communications to coalition to share updates, key developments, opportunities, calls to action							
<b>Regional Program</b>							
Identify key impacted regions, including allies within these regions							
Coordinate with water agencies on regional targets							
Tailor materials for these groups							
Identify target legislative districts							
Conduct regional briefings with local chambers, business groups, LEOs, etc.							
Conduct targeted regional outreach to generate support							
<b>Media</b>							
Conduct media audit							
Identify media targets							
Development of media backgrounder/briefing materials							
Draft and distribute press release announcing effort							
Conduct reporter/ed board briefings, and story pitching to targeted outlets including community newspapers, major dailies, political outlets, water, and trade publications							



Draft and place op-eds authored by allies							
Disseminate published op-eds to Sacramento legislators, Administration, and regulators							
Hold Sacramento press conference with water agencies and allies							
<b>Website</b>							
Develop campaign website							
Populate website with materials							
Publish media wins, videos, news articles, coalition developments							
<b>Social</b>							
Establish social platforms							
Develop and implement social media calendar and graphics							
<b>Tracking and Measurement</b>							
Weekly 1 hour check in meetings with Steering Committee to discuss developments, opportunities, adjustments to strategy							
Frequent communications to Steering Committee and Coalition Board to share updates, key communications, developments, etc.							
Monthly 1 hour check in meetings with Coalition Board to provide effort updates							
Monthly written report to Coalition Board members							
3-month evaluation and written update of effort's progress, recommended adjustments							
6-month evaluation and written update of effort's progress, recommended adjustments							
Create Phase One report summarizing effort's outcomes and effectiveness, recommendations for next steps							

**AGENDA ITEM 13: DIRECTORS' COMMENTS**