



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

**Regional Water Authority  
Executive Committee Meeting  
Final Minutes  
January 28, 2009**

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**1. CALL TO ORDER**

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

Board Members

Andy Soule<sup>3</sup>, California American Water  
Steve Nugent, Carmichael Water District  
Joe Dion, Citrus Heights Water District  
Ken Payne, City of Folsom  
Bill George, El Dorado Irrigation District  
Paul Schubert, Golden State Water Company  
Gray Allen, Placer County Water Agency  
Rob Roscoe, Sacramento Suburban Water District (Vice Chair)  
Shauna Lorance, San Juan Water District (Chair)

Staff Members

John Woodling, Executive Director  
Paul Bartkiewicz, Legal Counsel  
Rob Swartz  
Nancy Marrier  
Linda Higgins  
Cecilia Partridge

**2. PUBLIC COMMENT**

None.

**3. CONSENT CALENDAR**

Draft minutes from the Executive Committee meeting held December 10, 2008.

Motion/Second/Carried (M/S/C) Mr. Dion moved, with a second by Mr. Payne, to approve the consent calendar.

#### **4. 2009 EXECUTIVE COMMITTEE MEETING SCHEDULE**

RWA Executive Committee meetings are held on the fourth Wednesday of each month at the RWA office, 5620 Birdcage Street, Ste. 110 in Citrus Heights. The meetings begin at 8:30 a.m. A copy of the proposed schedule of meetings for 2009 was included in the packet. It was agreed that the Executive Committee would continue to meet on the fourth Wednesday of each month with the exception of November and December. These two meetings will be combined and will be held on November 18, 2009.

M/S/C Mr. Roscoe moved, with a second by Mr. Nugent, to adopt the proposed schedule of Executive Committee meetings for 2009.

#### **5. OTHER POST-EMPLOYMENT BENEFITS (OPEB) UPDATE**

Ms. Nicole Krotoski participated via conference call for this agenda item. Bickmore Risk Services and Consulting conducted an actuarial evaluation of the Regional Water Authority's Other Postemployment Benefits (OPEB) in compliance with GASB 45. The draft report was presented to the Executive Committee at its December 10, 2008 meeting. Chair Dion appointed the following members to an Ad Hoc OPEB Committee: Rob Roscoe, Paul Schubert, Joe Dion and Derrick Whitehead. The Committee was charged with coming up with recommendations on 1) when to disclose; 2) how the organization is going to fund the liability and at what level; and 3) the appropriate investment vehicle to use if the organization decides to pre-fund.

The Committee met on December 17, 2008 and again on January 21, 2009. The Committee recommended that we disclose and fund the past service liability at the end of fiscal year 2009. Staff looked at the reserves available to pay for both active and retired employees' health benefit promises for work conducted by the employees through the evaluation date of July 1, 2008. Interest on this amount and the additional normal cost obligations incurred in fiscal year 2009 bring the total June 30, 2009 obligation to \$428,375. At this time there are enough reserves to fund our current existing liabilities. It was suggested that RWA have an additional actuarial analysis to split the employees into three groups as follows: 1) RWA/SGA pool, which would represent one retiree that has served both organizations as well as the obligations for four of the current staff; 2) RWA-only pool, which would include one employee who worked exclusively for Sacramento Metropolitan Water Authority (SMWA), which was superseded by RWA; and 3) Water Efficiency Program (WEP) pool, which would include one retiree that worked exclusively for the WEP program and any obligation for the current WEP program manager. On a go-forward basis, each group would pay for the appropriate staff.

Staff will request that the actuary calculate, based on our funding strategy, what the obligation would be for each of these sources of funds for this fiscal year and

going forward. The Ad Hoc OPEB Committee will keep the current members. This issue will be brought back to the Executive Committee for action in February.

Mr. Bartkiewicz suggested that the RWA/SGA shared cost agreement be reviewed to clarify the allocation for these costs. Mr. Roscoe also suggested that language be included in future below-the-green-line subscription contracts to be sure that they include the retirement liabilities.

## **6. CALPERS DEFERRED COMPENSATION PLAN**

Currently, RWA provides a deferred compensation plan through American International Group, Inc. (AIG). The recent financial troubles reported in the news about AIG prompted staff to look into the possibility of offering an alternative plan to its employees. CalPERS offers a deferred compensation plan, and its management fees are generally lower than AIG. Employees would have the option of contributing to either plan, and employees currently in the AIG plan would have the option to move their funds to CalPERS. RWA does not contribute to the plan on behalf of its employees.

M/S/C Mr. Roscoe moved, with a second by Mr. Nugent, to recommend RWA Board approval of Resolution 2009-01 approving adoption of California Public Employee's deferred compensation plan.

## **7. WATER EFFICIENCY PROGRAM**

In order to better respond to legislative developments and to inform the public in our region, RWA will task Brown and Caldwell with helping to develop a proactive message that identifies our water conservation accomplishments to date, identifies a reasonable set of next steps to which we are committed, and characterizes some of the challenges to water conservation in our region.

A majority of participants in the Regional Water Efficiency Program (RWEF) have consented to using program reserves to fund this work. Due to the urgent need for this material for outreach to legislators over the next few months, staff requests to waive a competitive process for selecting a consultant to do this work. Brown and Caldwell is familiar with the RWEF and many of the individual water conservation programs of the RWEF participants, which will result in completing the task in the most time-effective and cost-efficient manner.

There was discussion regarding the scope of the consulting services and their guidelines. It was suggested that member agency staff receive progress updates. Staff recommended that the task order reflect RWA ownership of the documents and products including raw data and summaries or analysis. Brown & Caldwell will be directed to include in their scope of work some recommended outreach methods.

M/S/C Mr. Roscoe moved, with a second by Mr. Nugent, to waive the competitive selection process for professional services identified in RWA Consultant /Professional Services Selection Policy (Policy Number 300.2) and to authorize the Executive Director to execute Task Order "09-01" with Brown and Caldwell for WEP conservation outreach development with a not-to-exceed budget of \$35,000.

## 8. STRATEGIC PLANNING WORKSHOP FOLLOW UP

RWA held a strategic planning workshop on January 20, 2009 at the North Ridge Country Club. Mr. Woodling, RWA Executive Director, gave an informational update including a draft of the values, an action item from the workshop, and a draft outline of the Strategic Plan document. There were eight core values that stood out from the workshop. The next steps are to turn the core strategies into goal statements. Mr. Woodling mentioned that there will be a Strategic Planning Committee meeting in February and he proposed a joint Strategic Planning / Executive Committee meeting discussion at the next Executive Committee meeting. A presentation of the objectives would be presented to the full board in March. There will be future opportunities for comment on the objectives outline as it progresses.

## 9. EXECUTIVE DIRECTOR'S REPORT

- **2009 Cost of Living Adjustments (COLA)** – Staff salaries and pay scales were increased by 0.7% effective January 1, 2009, consistent with the annual increase in the United States Department of Labor's Consumer Price Index (CPI) for All Western Small Cities (population under 1 million) ending November 30, 2008. The revised pay scales were attached.
- **RWA Financial Report** – A financial report for RWA for the period July 1, 2008 through December 31, 2008 was attached. All budget categories are within expectations for midyear.
- **RWA Action Plan Status Report** – The status of completion of the RWA adopted objectives for fiscal year 2008-09 was attached. Considerable progress has been made in a number of areas, and no objectives are currently significantly delayed or in jeopardy.
- **Status of RWA Consulting Agreements** – A report on the status of all open consulting agreements with RWA through January 13, 2009 was attached.
- **ACWA JPIA Insurance Program Awards** - RWA has received the ACWA JPIA President's Special Recognition Award for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums" in the Liability, Property and Workers' Compensation Programs for the period 07/04/04 through 06/30/07.

- **Delta Vision Update** - The Delta Vision Committee, made up of state agency secretaries, released its report with recommendations for implementation. The committee concurred with all of the goals and strategies in the Delta Vision Strategic Plan, with the exception of the proposed strong, centralized governance for the Delta. The committee instead recommended an interim governance structure. Concerns for our region still remain, among them:
  - How will the proposal for 20% per capita water use reduction by 2020 be implemented, and what will be the burden on our area?
  - How will fee proposals be implemented?
  - Will the need for water to implement restoration proposals affect our water rights and entitlements?
  - How will the proposal for Department of Fish and Game to develop flow requirements for Delta tributaries impact our own efforts to implement the Flow Management Standard for the Lower American River?

The RWA Delta Issues Committee met January 6, 2009. One of the outcomes of the meeting was agreement of some members to contribute the time of their legislative advocates to meet with RWA to explore development of a legislative agenda and outreach strategy. That meeting is being scheduled.

RWA staff and representatives for several members participated in development of a policy paper by the Public Water Coalition of California, proposing an alternative plan for implementation of a Delta solution. The position paper was circulated for RWA adoption. Currently 15 members have responded affirmatively. Into the future, it would be beneficial if we could get unanimous response and formally join water users throughout the state. Mr. Bartkiewicz suggested that if we are going to obtain unanimous support that we should do it soon. Mr. Woodling said that he is working with the City of Sacramento staff to put together a workshop for the council on February 17. The council will not take any action on the Delta at the workshop.

- **Water Conservation Policy Update** - The state's development of the 20x2020 program continues. Further public meetings have not yet been scheduled, but the state currently plans to release a draft report in early 2009. ACWA has retained consultants to develop an alternative implementation strategy to meet the 20x2020 goal. The ACWA effort will focus on the level of water use that is reasonable for a given regional climate, land use setting, and lifestyle. In addition, the ACWA Board is expected to consider a set of water conservation principles. Assembly members Huffman and Feuer introduced AB 49, which will be the vehicle to implement the 20x2020 program. ACWA had circulated a proposal to gauge support for legislation that would require retrofit of plumbing fixtures on resale, but would be enforced by water agencies as a condition of providing service. Several members responded to ACWA voicing opposition to putting this burden on water purveyors to administer and enforce.

- **Economic Stimulus Package** - A federal economic stimulus package that will help fund infrastructure seems to be everyone's favorite topic these days. There are a number of potential mechanisms by which money could flow to the region for water, wastewater and flood control projects, including:
  - Cost share funding under our agreement with the Corps of Engineers
  - Bureau of Reclamation funding for water infrastructure
  - Clean Water State Revolving Fund (State Water Resources Control Board)
  - Safe Drinking Water State Revolving Fund (Department of Public Health)
 

There are a number of potential benefits to putting together a regional list of projects. The Corps of Engineers has funded our development of the integrated regional water management plan (IRWMP) so there is an existing connection that may prove beneficial. In addition, state law requires any program administered by the State Board or DPH to give a preference to projects that are included in an IRWMP. RWA staff is compiling a list with any input received from RWA general managers.

The State Board and DPH held a public workshop January 22, 2009 to discuss the economic stimulus package. They indicated that most of the money in their programs would be in the form of revolving fund loans, but that limited grant funding would be available to make projects affordable in small and disadvantaged communities. RWA staff met with our Corps of Engineers project manager, who requested information on projects, both near term (shovel-ready) and those that could be implemented over the next two years.

- **Legislation Update** – There are a number of bills and proposals we are tracking. Most notable are AB 39, a Delta Vision implementation bill and AB 49, an implementation bill for 20x2020. Also of note, Senator Steinberg has put Senator Florez on point to develop a water bond in the first 120 days of the legislative session.

AB 28 proposes to prohibit air quality management districts from restricting the use of natural gas powered generators for emergency water operations. At the January Board meeting, there was a request to develop comments on the legislation to extend it to all fossil fuel powered emergency equipment, and to extend the coverage to investor owned utilities. A comment letter on AB 28 was sent out seeking RWA unanimous consent.

Paul Bartkiewicz mentioned additional bills to watch. AB 13 will establish the Delta Conservancy and implement the Delta Vision Strategic Plan. AB 25 will direct completion of environmental documents on surface storage projects. SB 12 is the peripheral canal bill. The State of Emergency declared by Governor Schwarzenegger is an area of concern. There was discussion on

how this will affect water agencies, water rights and water customers. It was agreed that we need to show that we are doing our part to conserve.

- Mr. Woodling reported that we've been approached on a Green Building initiative for Sacramento County. Rob Swartz, Principal Project Manager, gave a brief overview of AB 32. A Sustainability Task Force has been formed that will come up with recommendations for green building including water conservation and water efficiency measures. There is potential for us to participate with meaningful input with the end goal to have recommendations for the city and county to consider adoption.

## **9. DIRECTORS' COMMENTS**

Mr. Roscoe is on the ASC Region 9 Water Environment Committee. The committee is trying to assemble a water policy white paper. Mr. Roscoe asked for input from the board members.

Chair Lorance mentioned that San Juan Water District is looking to develop an educational piece to mail to customers to explain what's going on in the water world (Delta Vision, 20X2020, etc.) This will be available for other water agencies to utilize.

## **ADJOURNMENT**

With no further business to come before the Board, Chair Lorance adjourned the meeting at 10:11 a.m.

By:

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Chairperson

Attest:

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Nancy Marrier, Board Secretary / Treasurer