



Regional Water Authority
BUILDING ALLIANCES IN NORTHERN CALIFORNIA

**Regional Water Authority
Executive Committee Meeting
Final Minutes
February 24, 2010**

1. CALL TO ORDER

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

Executive Committee Members

Joe Dion, Citrus Heights Water District
Derrick Whitehead, City of Roseville
Marty Hanneman, City of Sacramento
Bill George, El Dorado Irrigation District
Paul Schubert, Golden State Water Company
Brian Martin, Placer County Water Agency
Rob Roscoe, Sacramento Suburban Water District
Shauna Lorange, San Juan Water District

Staff Members

John Woodling, Executive Director
Paul Bartkiewicz, Legal Counsel
Rob Swartz
Cecilia Partridge

Others in Attendance

Nicole Krotoski participated via conference phone.

2. PUBLIC COMMENT

None.

3. CONSENT CALENDAR

Draft minutes from the Executive Committee meeting held January 27, 2010.

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

4. OTHER POST EMPLOYMENT BENEFITS (OPEB) FUNDING POLICY (500.10) TERMINOLOGY MODIFICATION AND CLARIFICATION

At the July 9, 2009 Board meeting, the Board adopted the OPEB funding policy based upon the actions and recommendations of the March 12, 2009 Board meeting.

The draft revised policy makes a technical correction to the OPEB terminology used in the policy as it relates to the actuarial accrued liability (AAL). Additionally, the funding policy articulates the Board's intent to fund the annual required contribution (ARC), which was part of the calculated OPEB contribution approved on March 12, 2009. The policy also clarifies some of the assumptions used by the actuary to calculate the AAL as listed in the actuarial report. Finally, the policy adds that changes to the AAL only need to be computed when an actuarial analysis is required by GASB or the OPEB trustee. These changes do not create any fiscal impact.

Ms. Krotoski reported that an actuarial analysis will be completed in the next fiscal year. We have been informed by the CERBT that RWA may be required to prepare an additional analysis to match their cycle. Thereafter, reporting will be every other year.

M/S/C Mr. Hanneman moved, with a second by Mr. Dion, to approve revisions to Other Post Employment Benefits (OPEB) Funding Policy 500.10.

5. REVISION TO CHECK SIGNING POLICY 500.6

The current check signing policy was adopted on March 13, 2008. Suggested revisions to the policy include:

- 1) The current policy allows for checks over \$10,000 to be signed by the Executive Director and the RWA Board Chair. The policy also states that a person otherwise authorized to sign checks on behalf of RWA is prohibited from signing any check on which he or she is the payee. Given that RWA has several large grants, there is a good possibility that the chair may be asked to sign a check to which their agency is a recipient. Adding the Vice Chair to the list of signatories will avoid this situation and also provide for a secondary signer in the Chair's absence.
- 2) Adds a provision to allow for the Executive Director or the Finance and Administrative Services Officer to sign checks up to \$20,000 for grant/incentive reimbursement checks to participants. This provision will shorten the wait period for grant reimbursement checks for participants once grant funds are received.

- 3) Outlines the current practice of electronic funds transfers (EFT) for payroll processing which is in excess of \$10,000. These EFTs are deducted as a lump sum from the General Fund Account and have not required check signature authority since the actual paychecks are then processed by a third party vendor (currently ADP). However, payroll has been routinely reviewed by the Executive Director evidenced by his signature on the supporting documentation.
- 4) Clarifies that transfer of funds are between the General Account and LAIF.

M/S/C Ms. Lorange moved, with a second by Mr. Dion, to approve revisions to Check Signing Policy 500.6.

6. MARCH 11, 2010 BOARD MEETING AGENDA

There was discussion regarding the importance of a Bay Delta Conservation Planning (BDCP) update. Mr. Bartkiewicz mentioned that he had attended a BDCP presentation that was very informative and thought it would be beneficial for the members.

M/S/C Ms. Lorange moved, with a second by Mr. George, to approve the March 11, 2010 RWA Board meeting agenda with the addition of a BDCP update to be added as agenda item number 5.

7. EXECUTIVE DIRECTOR'S REPORT

RWA Financial Report – The *Investments, Designated Funds, Undesignated Funds and Cash Report* through December 31, 2009 was included in the packet.

Government Affairs Update – RWA's Government Affairs Committee met on February 18, 2010. Shauna Lorange provided a legislation summary. Six RWA members (Cities of Folsom, Roseville, and Citrus Heights, San Juan Water District, Sacramento Suburban Water District, and Placer County Water Agency) have engaged a lobbyist for legislative advocacy, and will coordinate with other lobbyists from the region on an ongoing basis.

RWA staff is routinely attending the meetings of the ACWA State Legislative Committee and evaluating a number of new and redrafted bills. The deadline for bill introduction was February 19th. A legislation tracking table will be developed and distributed to RWA members in the next several weeks. One of the most significant bills to watch is SB 565 (Pavley and Steinberg). This bill contains many of the provisions of last year's SB 229 regarding water rights enforcement. There was discussion about the possible scenarios that water users may face depending on the outcome of these bills. Mr. Woodling reported that we have a government affairs committee and the March executive committee meeting to further address these bills and determine if we need to take a position.

RWA is working closely with ACWA to develop a proposed methodology for the “fourth alternative” to complying with SBX7 7. The methodology would reflect the differences in climate and residential density that drive regional differences in water use. Drafts of the methodology will be circulated to RWA members for comment. DWR, which is charged with developing the method, plans to hold public meetings on the issue in March.

After some discussion of energy related issues, Mr. Woodling suggested that we need a presentation on energy water interface at a future board meeting.

Integrated Regional Water Management Update – Work on the IRWM Update is ongoing. RWA staff conducted an IRWM Planning Forum to discuss projects on February 18, 2010. There were 30 participants in the forum. Staff provided background on the statewide IRWM effort and the American River Basin IRWM. Staff sought input on identifying additional key individuals and organizations under the IRWM objectives and how to make the planning forum more effective in the future. One attendee suggested an online survey to get feedback from a large number of interested parties quickly. DWR staff reports that they are seeking management approval to release draft IRWM guidelines, which will be available for a 45-day comment period. The revised guidelines reflect changes to IRWM based on Prop 84 and other recent legislation.

Mr. Woodling commented that a lot of stakeholders, especially watershed groups, view the plan as “pay-to-play” and that the outcome of projects that will receive grant funding is pre-determined. We are trying to change that impression and focus on improving the breadth of the plan’s scope and objectives. He reported that our revised governance structure was approved by DWR in the regional acceptance process (RAP). More interaction through the stakeholder and planning forums will help foster relationships and coordination with broader interests to identify more integrated projects in the plan and to improve our planning objectives. In order to further broaden representation, an advisory committee was proposed in the RAP to look at the projects with an impartial view. The committee includes a representative from each county (El Dorado, Placer and Sacramento) within the plan, as well as RWA and the Water Forum. Mr. Woodling noted that we will need to do additional work to include others that may not have the full capacity to help support the plan development, but we also have an expectation that project proponents still have the responsibility to develop their project information for inclusion in the plan. Additionally, the project proponents would still have the responsibility to develop any required information should a future regional grant funding opportunity arise.

Mr. Swartz reported that we have some notable weaknesses in our planning objectives for stormwater quality, resources stewardship, habitat improvement, and floodplain management. Mr. Swartz stated that we believe that the watershed groups that we are now engaging through the forums would be

valuable in helping establish criteria under these objectives and identify projects that help meet these criteria. The IRWM Management Committee talked about using a consultant that works closely with several of these groups to host workshops to engage these groups to help further develop these objectives.

Mr. Whitehead expressed concern that the IRWM development effort has not had an adequate and consistent funding stream. He is concerned that the planning has only occurred when grant funding or other funding partnership has been available, and that not all agencies have been participating. Mr. Woodling agreed that if the state funds dry up, we will need money to continue the effort in the long-term.

The Executive Committee directed staff to prepare to discuss the possibility of shifting the model for funding this effort in the future at the next Executive Committee meeting.

Grant Funding Update – Ongoing grants include: Prop 50 Implementation Grant (\$25 million); Prop 50 Drought Grant (\$1.97 million); Prop 50 Toilet Rebate Grant (\$1.12 million); USBR Meter Grant (\$5 million); USBR ET Controller Grant (\$294,000). RWA recently received payment of \$369,000 on behalf of Carmichael Water District for its water treatment plant expansion, which is partially funded by the Prop 50 implementation grant.

Regional Water Efficiency Program Update – The four work teams formed during the WEP Leadership Summit are making good progress and the large Leadership Summit group may be reconvened at a later date. A summary of each team's progress is below.

Water Shortage Contingency Regional Consistency – The team has agreed on common drought stage nomenclature and percent reductions. In addition, the team has developed a set of common recommendations for efficient water use that can be conveyed to customers throughout the region. Some agencies may choose to adopt some of these recommendations as requirements. The draft recommendations will be distributed to a broader audience within the next week to solicit input.

AB 1420 Compliance – After reviewing the scope of this effort, the approach has shifted to a workshop format, rather than a work team. The goal will be to assist all agencies in developing the information necessary to comply. A series of workshops will be scheduled to coincide with the monthly Regional Water Efficiency Program (RWEPP) meetings. Mark Roberson from the Water Forum and RWA staff will assist members in 1) identifying information needs to complete the analysis, 2) determining BMP targets, 2) completing Table 1, required by DWR, which reports on past performance and 3) completing Table 2, which requires projections, schedule, and budget for future compliance. Compliance with AB

1420 is required to be eligible to receive grant funds for water projects from the state.

Regional Outreach – The RWEF Outreach Committee and full RWEF continue development of the two-year outreach work plan. RWEF funds, grant funds, and member outreach efforts will all be leveraged to present common messages to customers.

RWA sought and received permission from the American Water Works Association to use the words “Blue Thumb” and the new logo.

Mayor Kevin Johnson and River Cats Dinger are confirmed as influencers for the 2010 Blue Thumb Outreach advertising campaign. The Blue Thumb announcement and recruitment media stories have appeared in eight local publications, (Sacramento Bee Home and Garden, Roseville Press Tribune and Granite Bay Press Tribune, Lincoln News Messenger, The News Ledger, Carmichael Times, Pocket News, Sacramento Press, and Craig’s List).

Three neighborhoods have been nominated as potential pilot neighborhoods for the Community Based Social Marketing component of the campaign. Water agency staff and outreach consultant are visiting the neighborhoods and meeting with neighborhood leaders. SSWD’s Barnet Circle, City of Roseville’s Cresthaven, and City of Sacramento’s Riverlake are the three potential pilot neighborhoods. One neighborhood will be chosen for the pilot.

School Education - the Sacramento Bee is now accepting orders from K-8 teachers for the updated Be Water Smart News supplement through the Newspapers in Education program. Staff contracted with Radio Disney to promote and incentivize teacher participation in the Be Water Smart supplement. WEP’s goal is to increase teacher participation by 25% over 2009 participants.

UWMP and Technical Support – The team held a meeting to discuss regional approaches to UWMP development. RWA staff will develop an assessment of UWMP sections that may be conducive to a regional effort. RWA staff will contact the Department of Water Resources to discuss strategies to streamline the preparation and review of “regional” sections of UWMPs. For SB 7 (20x2020) compliance, Brown and Caldwell have been tasked to develop an approach to the "fourth option" for compliance, which will be developed by DWR. The approach focuses on the differing climate and residential density throughout the state. RWA and member agency staff is working closely with an ACWA effort to provide input to the "fourth alternative." DWR intends to begin holding public meetings on the development of methodologies for SB 7 in March. RWA staff circulated a spreadsheet and urged agencies to begin to calculate their 10-year average water use and population for periods ending in 2004 through 2010. These calculations will be needed to define a baseline gpcd for SB 7 compliance purposes.

Little Hoover Commission Hearing on Water Transfers – Mr. Woodling participated in an advisory committee meeting of the Little Hoover Commission on water transfers. A summary of the meeting was included in the packet.

Sacramento Metro Chamber Cap to Cap Update – The 2010 Cap-to-Cap trip to Washington D.C. is scheduled for April 17-21. Co-Chairs of the Water Resources Team are John Woodling, Derrick Whitehead, and Ed Winkler. Please contact one of the co-chairs if you would like to be involved in the Water Resources Team.

Regional Groundwater Modeling Status – The City of Roseville has recently developed a groundwater model to aid them in the analysis of their Aquifer Storage and Recovery Project. The model was developed to cover a large region extending from the Bear River on the north to the Mokelumne River on the south, and bounded by the Sacramento River and Sierra Nevada on the west and east. As many of you know, an Integrated Groundwater – Surface Water (IGSM) model has been developed over many years for Sacramento County, and can be linked to an IGSM model of western Placer County.

The board of the Sacramento Groundwater Authority (SGA) directed staff to work with the Sacramento Central Groundwater Authority (SCGA), Placer County groundwater users, and Sutter County to evaluate future modeling needs and appropriate tools, in an effort to maintain a coordinated and consistently applied regional model. There will be a Special SGA Board meeting in March to find a consultant who can lead us through the process to define objectives and evaluate tools.

Mr. Roscoe gave a summary on the fluoridation meeting that was held on February 11, 2010. The participating agencies identified what their agency's current fluoridation policies and what their future plans include. The meeting included discussion on the implications of the various issues of fluoridating for individual agencies and their water customers. There was discussion by the Executive Committee on the legal issues involved for the agencies on fluoridating.

8. DIRECTORS' COMMENTS

Mr. Martin announced that Placer County Water Agency (PCWA) received the American Society of Civil Engineers Outstanding Project Award for the State of California for two of PCWA's projects.

Mr. Roscoe commended John Woodling and Rob Swartz for their Groundwater Accounting Framework presentation that they gave to the SSWD Board on February 22.

ADJOURNMENT

With no further business to come before the Board, Chair Roscoe adjourned the meeting at 10:22 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer