



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

**Regional Water Authority  
Executive Committee Meeting  
Final Minutes  
April 28, 2010**

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## **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  
Ken Payne, City of Folsom  
Derrick Whitehead, City of Roseville  
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  
Nancy Marrier  
Linda Higgins  
Cecilia Partridge

### Others in Attendance

Bruce Burnworth and Ed Crouse.  
Nicole Krotoski participated via conference phone.

## **2. PUBLIC COMMENT**

None.

Mr. Bruce Burnworth introduced himself as the new City Engineer for the City of Lincoln. Mr. Burnworth formerly worked for both the City and the County of Santa Barbara.

## **3. CONSENT CALENDAR**

Draft minutes from the Executive Committee meeting held March 24, 2010.

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

#### **4. FY 2010-2011 BUDGET**

At its March 24, 2010 meeting the RWA Executive Committee reviewed the initial proposed budget for FY 2010-2011. Staff was instructed to bring back information about COLA history, as well the Financial Designation/Reserve Policy for further discussion. No changes were made to the budget version that was presented in March.

Major budget assumptions used in preparing the budget projections for FY11 include:

##### **CORE PROGRAM**

###### ***Revenues***

- 1) A fee increase on general dues at 0%.
- 2) SGA service fees represents 50% cost sharing.
- 3) Other revenues represent interest income and holiday social revenues.

###### ***Expenses***

1. The core program budget includes the WEP staffing position.
2. Excluding the WEP position, the staffing costs are allocated 50/50 to SGA and RWA, resulting in 3 FTEs for RWA and 2 FTEs for SGA.
3. Salary reflects a 4% projected increase, which is lower than previous years (6%), which includes COLA. In FY10 a 2% adjustment was authorized, but not used.
4. Office costs increases are based upon estimated specific increases in FY11. For FY12 and beyond, these costs are estimated at 3% annual increases unless specific increases have been identified.
5. Professional fees include audit, actuarial analysis, public relations, accounting, legal, and management fees.
6. Other includes office equipment purchases.

###### ***Revenues net of Expenses***

- 1) Core expenses in excess of core revenues of \$194,580 are substantially funded from the subscription based programs, leaving a net cash outflow of \$33,380 for the core program (see cash reserve section, netting \$194,580 loss with \$161,200 in cash contribution from Subscription based programs). The subscription based programs pay for use of staff time as well as some allocated office costs to run these programs.

- 2) Combining subscription programs and the core program, overall expenses are expected to exceed revenues by \$176,380. Previously collected restricted subscription designations are expected to fund \$143,000 of this cash outflow. Subscription programs often collect funds in advance to pay for subscription based program expenses, such as allocated RWA staff times to manage the programs.

### ***Designations***

- 1) The operating fund is targeted at approximately 2 months for FYE 10-11, which falls in the lower end of the policy guideline of two to four months.
- 2) The designations are detailed by type. The total change in cash from Projected FY10 to Proposed FY11 by subtotal for the core program reflects the overall net cash outflow of \$33,380 and the effect on each type of designation.
- 3) The designations for the subscription program reflect a decrease of \$143,000 to pay for subscription based expenses in excess of revenues.

### **SUBSCRIPTION PROGRAMS**

These subscription based programs are subject to approval by the individual participants. The revenues are included for total estimate purposes. Adopting the fiscal year 2010-2011 budget does not approve the subscription based programs.

- 1) Subscription program revenues are projected for the Water Efficiency Program (WEP), the Prop 50, IRWMP and ARBCUP. The revenues include fees from participants and grant reimbursements from existing grants.
- 2) The WEP program budget information is subject to additional refinement. The FY10 information does reflect the best estimate of costs. However, FY11 and beyond will be revised based upon budget information provided by the WEP manager.
- 3) Subscription program expenses represent the direct consulting and hard costs for these subscription programs. It also includes the costs of using RWA staff and allocated office costs to determine the cash flow effect on these programs. In a combined budget, these costs are netted out to avoid double counting of the costs. See Summary Table - Split Program for a reconciliation of the individual budgets to the overall RWA budget per the Summary Table.
- 4) The subscription restrictions reflect the available funds for these programs. The use of cash projected in FY11 is reflected in the changes in the individual restrictions.
- 5) There are additional program advances that only are recognized as income as the related expenses are incurred. These advances are tracked for budgeting purposes and also included on the detail program only budget sheet. The subscription based programs collect fees in advance of expenses and often straddle several years prior to completion. The funds are held in an advance restriction until the expenses are incurred.

## Outlook for FY 2012

In looking out to the future, RWA can anticipate a potential 12% increase in dues in FY12 in order to meet expenses and maintain reserves. The large rate increases are in part driven by the need to maintain reserves as well as make up for reduced earnings from lower cash balances. This significant dues increase helps catch up the FY11 expenses in excess of fees of \$33,380, making up for lower earnings from lower cash balances, and paying for the cost increases "budgeted" for FY11. However, approving the proposed budget does not approve the FY12 through FY15 budgets. This forward looking information is provided for planning purposes.

Mr. Woodling reviewed the salary information that was requested at the last Executive Committee meeting. The average CPI over the last five years was approximately 2.5%. The average salary increase for RWA staff was 5.6%. He explained that part of that increase included a 9.7% increase in salaries (in fiscal year 2008) after a salary survey revealed that the salary levels were low and some staff had to be brought up to the lower end of the salary range. Ms. Lorance commented that the FY 08 number is deceptive because the amount was not really a merit increase but was meant to bring staff up to the base salary range and if the number were removed the total would drop significantly. Mr. Woodling explained that the actual salary line item in the budget has always been below the budgeted amounts with the exception of 2007 where we had a limited term Water Efficiency Program Manger on loan from the state and in 2009 when we hired a new Water Efficiency Program Manger mid-year. Both of these positions were not budgeted, but were paid for through the Water Efficiency Program.

Mr. Woodling also commented that RWA staff has worked hard to lower office expenses. He noted that during the same five year period, expenses in many categories are significantly lower than the peak year. Overall expenses were approximately 10% lower in fiscal year 2009 compared to the high in 2006-2007. Mr. Woodling reported that earlier this month the SGA board approved a similar budget for approval in June. A full budget presentation will be made at the RWA Board meeting next month.

Chair Roscoe asked for clarification that all employees work for RWA and that SGA has a contract with RWA for labor support. Mr. Bartkiewicz, legal counsel, confirmed that RWA is the employer and that the SGA board does not affect the salary decisions for staff.

M/S/C Ms. Lorance moved, with a second by Mr. Martin, to recommend RWA Board approval of proposed FY 2010-2011 Budget and Fees. The vote was unanimous.

## **5. MAY 13, 2010 RWA BOARD MEETING AGENDA**

Mr. Woodling reported that in addition to the budget presentation, Tom Gohring, Water Forum Executive Director, will give an update on a number of issues including the new water conservation element and the progress on the environmental documentation studies for the flow standard. Mr. Larry Dale, Lawrence Berkeley National Laboratory, has a grant to do a study of energy and water use in the SMUD service area. He will be looking for cooperation from water agencies by allowing SMUD to provide energy use data for the modeling. Mr. Woodling will also update the board on the Government Affairs Committee, including an update from Ms. Lorange on lobbying efforts.

M/S/C Mr. George moved, with a second by Mr. Dion, to approve the May 13, 2010 proposed RWA Board meeting agenda.

## **6. REGIONAL WATER EFFICIENCY PROGRAM UPDATE**

AB1420 Compliance: RWA and Water Forum staff gave a workshop on AB1420 compliance on April 13, 2010. Agencies were provided a packet and CD of agency specific materials. Materials included: Tables 1 and 2, AB1420 FAQ's, and a spreadsheet detailing the agencies' 2007-08 compliance with the CUWCC BMP's. Staff and Mark Roberson will schedule technical assistance sessions with each agency to help answer questions regarding interpretation of the compliance materials.

Sacramento County received a \$773,000 grant to expand and promote the River Friendly Landscaping program to reduce greenhouse gases. RWA will receive \$7,500 each year for the life of the grant to host 2 additional Green Gardener Training Sessions. Staff is assisting County staff in reviewing existing tools that calculate greenhouse gas reduction from water and energy saving measures.

The WEP launched the Blue Thumb regional outreach campaign on April 14, 2010 in the City of Sacramento. The campaign design is based on the outreach telephone survey completed in September 2009. The Blue Thumb launch included a press event at a local resident's home, who appeared in the campaign.

Linda Higgins, WEP Manager, gave an overview on the 2010 Public Outreach Campaign progress. The campaign strategy includes media outreach, advertising and community based marketing with press coverage in several local newspapers. From information obtained from a telephone survey, the Public Outreach Team is focused on promoting measures that the public is willing to do to conserve water. Future Blue Thumb Campaign events have been planned to inform and educate the public, making them aware of possible conservation practices and getting them involved. There are events planned at Home Depot, radio Psa's and Radio Disney Ads will air and a River Cats and ACWA

partnership has been formed to facilitate the campaign. There is also a partnership with ACWA, DWR and River Cats to promote efficient water use.

Mr. Woodling said that this aggressive campaign will hopefully translate into meeting part of the 20x2020 savings without spending additional funds.

## 7. EXECUTIVE DIRECTOR'S REPORT

**Sacramento County Membership** – Mr. Woodling has been in discussion with staff of Sacramento County Water Agency regarding their joining RWA. Executive Committee support of a letter inviting SCWA to apply for membership in RWA could be beneficial to the discussion. Mr. Woodling requested feedback from the Executive Committee on a letter to SCWA urging them to apply for membership. Mr. Woodling said that it was possible that Ms. Kerry Schmitz could be the RWA primary representative if membership is approved. The Executive Committee agreed that SCWA membership in RWA would be positive for the organization.

**Sacramento Metro Chamber Cap to Cap Report** – The 2010 Cap-to-Cap trip to Washington D.C. was April 17-21. Co-Chairs of the Water Resources Team were John Woodling, Derrick Whitehead, and Ed Winkler. The Water Team had 27 participants, up from 21 last year. The team conducted 29 lobbying meetings with legislators and their staff, administration agencies, and legislative committee staff. The Water Resources Team developed policy papers on the following topics 1) Regional Water Infrastructure Needs; 2) The Local Impacts of Folsom Operations and the Biological Opinions; 3) Groundwater Contamination; 4) Central Valley Salts; 5) Legacy Mercury; and 6) Delta Solution.

**Government Affairs Update** – RWA's Government Affairs Committee meets every other Tuesday at 10:00 by conference call. The last meeting of the month is in person at Sacramento Suburban Water District. The next scheduled meeting is May 11, 2010.

The Government Affairs Committee has recommended that positions on policy and specific bills be developed to seek support from the full RWA membership.

The Delta Stewardship Council has been formed and will meet on April 22<sup>nd</sup> and 23<sup>rd</sup>. David Eggerton has agreed to track the Council and report to the Government Affairs Committee. To be informed of Council activities, you may subscribe to a list server at [www.deltacouncil.ca.gov](http://www.deltacouncil.ca.gov).

Mr. Woodling said that a package will be sent out with positions for a number of bills for RWA unanimous consent. This is the first time that RWA has taken position on specific bills as opposed to general policy positions. The question was posed if Sacramento County has been approached on these bill positions. Mr. Woodling will touch base with the county before moving forward.

**Integrated Regional Water Management Update** – Work on the IRWM Update is ongoing. Staff has executed a not-to-exceed task order for \$10,000 with CKB Consulting to help staff develop objectives and work with stakeholders related primarily to habitat improvement, resources stewardship, and floodplain management. DWR conducted a public meeting on April 12 on its draft IRWM guidelines, draft IRWM implementation and planning grant proposal solicitation packages (PSP), and the draft storm water flood management PSP. Final comments on these documents will be due by April 23, 2010. While no date for the release of final documents has been announced, DWR indicated that it expects planning grant and the first round of implementation grants to be released by early summer 2010. The IRWM Committee will meet next on May 12, 2010.

**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 Outreach Activities** – Mr. Woodling, along with Lisa Brown (City of Roseville) and Liz Mansfield (EID) have been selected to serve on the Urban Stakeholder Committee (USC), which will provide input to DWR in implementing the water conservation requirements of SBX7 7. Einar Maisch (PCWA) will serve as an alternate. The first meeting of the USC was held by webinar on April 15, 2010. The committee consists of over 30 members, and public participation on the webinar brought the total attendance to over 100.

Mr. Woodling attended a forum held by state and federal agencies to seek input on their involvement in promoting recycled water and water conservation. Ruben Robles (SRCSD) also represented the Sacramento region. The half-day roundtable included Commissioner of Reclamation Mike Connor, EPA Deputy Pete Silva, DWR Director Mark Cowin, SWRCB Member Fran Spivey-Weber and other agency executives. A large focus of the meeting was collaboration in implementing the Interim Federal Action Plan. More information and meeting summaries are available at: <http://www.usbr.gov/mp/PA/h2oggoals/>.

## **DIRECTORS' COMMENTS**

Mr. Payne, City of Folsom, said that they are going through reorganization, combining and eliminating various departments. Mr. Payne will be moving into the City Manager's office, but will continue to serve in his current capacity.

Mr. Whitehead, City of Roseville, asked for a round of applause for Mr. Woodling for his efforts on Cap-to-Cap.

Mr. Dion announced that Citrus Heights Water District will be initiating a 10-hour four-day work week, closing on Fridays, as a trial period for one year. Citrus Heights Water District has increased their building security adding cement ball barriers in front of their building.

Mr. George, El Dorado Irrigation District, reported that they have signed a four-year MOU with their employee association. Of 14 employees who were laid off, four were hired by a private company that will operate EID's testing lab. Mr. George commented that California Sport Fishing Association has filed suit against EID.

Chair Roscoe commented that SSWD is pursuing a groundwater substitution transfer of City of Sacramento water to state water contractors. There will be 10 or 11 recipients in that group. SSWD has posted their environmental notices in the 10 recipient counties around the state.

Chair Roscoe updated the Executive Committee on the Executive Director's Evaluation process. The Evaluation Committee includes Rob Roscoe and Bill George for RWA and Walt Sadler and Randy Marx for SGA. The evaluation schedule will conclude in June with a performance recommendation. All Executive Committee members will receive a performance review form to complete for Mr. Woodling and should return it to Mr. Roscoe within two weeks.

Ms. Lorance said that San Juan Water District is considering a small pilot groundwater substitution transfer of 2500 acre-feet to San Diego County Water Authority. San Juan's CVP supply will be transferred to Santa Clara Valley Water District, and SCVWD State Water Project supply will be transferred to San Diego through Metropolitan Water District.

## **ADJOURNMENT**

With no further business to come before the Board, Chair Roscoe adjourned the meeting at 9:38 a.m.

By:

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Chairperson

Attest:

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Nancy Marrier, Board Secretary / Treasurer