

RWA Executive Committee Meeting- Wednesday, February 21, 2018 for the first time this year with all nine members in attendance. The following summary of the meeting, primarily addressing items on which the Executive Committee took action.

1. **Actuarial Study**- The Executive Committee approved an extension of an existing contract with Bickmore Risk Services to conduct a required biennial actuarial study in 2018. Bickmore has provided quality consulting services to RWA and has existing knowledge of RWA's personnel and operations. The work discussed is estimated to be \$8,000 for the next two years.
2. **Powerhouse Science Center**- The Committee also approval of an Amended Agreement with the Powerhouse Science Center. In November 2014, the RWA Board authorized the Executive Director, John Woodling, to enter into an agreement with Powerhouse Science Center to sponsor two water related exhibits for a minimum of 15 years. In May, 2014 RWA executed an agreement with Powerhouse for \$500,000 which had been scheduled to open in January, 2017. Due to a series of funding complications, Powerhouse has experienced delays in construction and still has not opened. RWA has amended the agreement to include several dated milestones related to future funding. The amended agreement provides RWA the option to withhold future payments (\$25,000) per year until the scheduled milestones are reached. Currently, RWA has a remaining balance of \$325,000 to be paid over the next 13 years (including 2018).
3. **Fiscal Year 2018-19 Budget**- Each year the RWA Executive Committee reviews and makes a recommendation for adoption of the budget by the full board. There were several key topics discussed that impact the budget. One of those is **The Strategic Plan Fund** which began in FY16. FY18 represented the first full year of execution of **The Advocacy Element** of the Strategic Plan. Currently only 13 members have been carrying the expense of the Advocacy Program. But now it is no longer a Subscription Program, but one carried by all members. It was disclosed that there is a balance from the Subscription Program of approximately \$100K left that will be

used to help keep dues increases down.

4. In addition, **The Water Efficiency Program (WEP)** has a program manager position. For the last few years, that position has been assisting with RWA core function. Since this position supports multiple core programs, the budget will reflect an increase to 10% of staffing and related office costs each year to be funded by core dues. Last year the WEP program represented 1/6 of our operating costs.
5. **The Pension Plan Unfunded Liability** is another major part of our budget over the next 4 years, SGA paying its own contributions direct to Cal PERS. RWA will continue to fund the OPEB plan.

Good news came in a couple of ways with one being that this is the last year that RWA will be collecting for the Powerhouse Science Center, plus RWA staff negotiated a very favorable lease. The new lease will increase costs to \$1.00 per square foot over the next 2 years and \$1.10 per square foot for three additional years and that includes parking plus use of the two conference rooms. A fantastic commercial deal.

In closing, the proposed budget will call for a total **4%** increase on general and associate membership fees. A 10% increase was forecast in the previous year for FY19. The increase is needed to fully implement the strategic plan including consulting services, plus continuing to pay sums towards the unfunded pension liability.

In closing, two of the EC members shared information from their areas. Director Robert Dugan reported on the Auburn Dam (JPA) that is STILL meeting and functioning, and in his words, “wasting a lot of time and money”. He disclosed that there are still a number of individuals trying to resurrect this project which

has virtually been shut down. He specifically said that they are targeting representatives from the Carmichael and Fair Oaks areas.

Also, Deborah Sedwick from Del Paso Manor shared that they are looking at a rate increase to meet current shortfalls. She said it would be the first in 6 years. They are currently holding meetings and looking for public comments.

Ron Greenwood, Director

Carmichael Water District