

Director name: Gary Martin
Meeting attended: ACWA & ACWA JPIA Fall Conference
Date of meeting: December 2-6, 2019
Location: Manchester Grand Hyatt San Diego, CA
SCV Water Board meeting to be presented at: December 17, 2019

Programs Attended and Points of Interest:

December 2

1. ACWA JPIA Finance and Audit Committee meeting.

- Actuary report provided estimates of outstanding losses for the Liability, Property and Worker's Compensation Programs.
- Update of the annual audit report was provided.
- Update on the Captive Insurance Company was provided. The California Water Insurance Fund (CWIF) received the Certificate of Authority from the State of Utah, effective October 1, 2019. The CWIF developed and approved the Investment Policy Statement on October 28, 2019. The policy objective is the targeted return rate over a 20-year period.

2. SCWA JPIA Executive Committee meeting.

- The Committee approved removal of the Incentive Rate Participation Requirement.
- An insurance market update was provided. World-wide in 2019, 19 billion in covered expenses. In 2017, 104% of revenues were paid out. ACWA JPIA is generally self-insured for \$5 million with another \$55 million purchased on the insurance market.
- Andy Sells provided the CEO update on current issues, progress on the goals and objectives set for 2020, and potential opportunities and challenges.

3. ACWA JPIA Board of Directors Meeting

- Received an update from ACWA Executive Director Dave Eggerton. Highlighted the major issues ACWA will be focused on in the coming year.
- Received an update on the California Water Insurance Fund (CWIF)
- Received an informational presentation on the CWIF investment policy.
- Approved the ACWA JPIA Conflict of Interest Code.
- Received a presentation on the Liability & Property Programs Excess Insurance Renewals. The cost of excess insurance 50%, but ACWA JPIA customers did not see an increase. This probably will not hold for 2020.
- Received informational presentations on the pooled programs and employee benefits programs.
- Received informational updates on the various member benefits.
- CEO Update – the year in review.

December 3

1. Attended the ACWA JPIA program "Steady as She Goes for Stable Board Meetings," presented by Ann G. MacFarlane, Professional Registered Parliamentarian. This was a very interesting and informative workshop-style presentation on how to run an effective board meeting.

2. Attended the ACWA Groundwater Committee meeting.

- Viewed the latest video in the ACWA H2O series dealing with groundwater recharge. The entire series is now available for viewing at the ACWA website.
- Received an update from Eric Averett on ACWA's Groundwater Replenishment Initiative. The document "A Technical Framework for Increasing Groundwater Replenishment," was published as November 2019. The document is described in the executive summary as "a roadmap document for local agencies or groundwater sustainability agencies to utilize when navigating how to develop groundwater replenishment projects. As

further explained by Eric, the document contains tools, resources, and case studies of current groundwater replenishment projects.

- Received a lengthy SGMA update from the DWR team lead by Taryn Ravazzini, DWR Deputy Director. Ms. Ravazzini presented an overview of activities over the last 5 years since SGMA was passed, and recognized the significant role that ACWA has played in getting the program this far. The detailed update was then presented by the DWR team. GSP submittals are due by January 31, 2020. Then there will be a 60-day public comment period followed by the 2-year technical review and approval process. The DWR deliverables following review will be one of 3 options; approved, incomplete, not approved. The DWR presentation then proceeded to cover the various assistance and funding programs.
- A presentation was provided by Briana Seapy, Department of Fish and Wildlife, on the "Critical Species LookBook Tool." This tool gives a face to "environmental beneficial users of groundwater."

December 4

1. Attended the Statewide Issues Forum – Achieving Groundwater Sustainability: A Toolbox Approach. The following key points were made:

- Any water available for replenishment has water rights associated with it.
- There are significant challenges to finding water for replenishment.
- Taryn Ravazzini presented the role(s) played by DWR and components of the GSP (basically the who, what, where and when).
- Eric Averett presented water rights permitting options available, which are 180-day temporary permit, 5-year temporary permit, standard permit, and standard permit with streamlined pathway.
- By 2100, it is predicted that there will be no snowpack due to climate change, and therefore we must be able to store runoff in our groundwater basins.
- The question was raised whether groundwater storage was a beneficial use. Erik Ekdahl of the SWQCB answered that in some cases water left in the GW basin is a beneficial use.

2. Attended the ACWA Region 8 Issue Forum "The Role of Stormwater in Regional Water Sustainability." The panel explored how stormwater projects can offset potable demand, reduce urban stormwater runoff pollution, and contribute to regional water sustainability. Objectives and challenges cited:

- Take advantage of opportunities to capture storm runoff
- Need political support to get traction of any plan.
- Provides a backstop and do things in an economic and environmentally responsible way.
- Maximize local resources.
- Various plans were discussed, including LADWP Stormwater Capture Master Plan.
- Multi-Agency, multi-benefit projects will have a funding and permitting advantage.

December 5

1. Attended the Finance Program: Addressing Growing Retirement Costs – Pension Financing Solutions and How to Use a 115 Trust. The program focused on rising pension and retiree medical costs, with an emphasis on "unfunded accrued liabilities," (UAL). Some of the key points were as follows:

- Factors impacting unsustainability: enhanced benefits, investment losses, COLA, demographics, CalPERS contribution policy.
- Targeting strategies: use of reserves and 1-time money; leveraged refunding; tax-exempt exchange (use reserves to pay capital costs and use bond revenue to pay UAL costs (7% carrying cost of UAL vs. 3% cost of bond financing)
- Pay now or pay a lot more later.
- If you need to borrow, do it now.
- Conclusion is that agencies need a plan to pay for UAL.

2. Attended the Attorney's Program: What's the Big Deal about PFAS and Why Should You Care? The program focused on three questions: What is PFAs? What is the Law? What are Legal Risks?

- The panel began with a description of what PFAS is.

- Observation: from 2000 to 2016, PFOA and PFOS blood levels have fallen.
 - Sampling and lab testing is difficult because it is contained in so many things.
 - To give some perspective, the following analogies were presented to describe 1 part per trillion: 1 second in 31,708 years, 6" in 93 million miles, 1/1000 of a drop in an Olympic-sized pool.
 - Notification and response levels we explained.
 - The panel explained some of the legal actions that have been taken.
 - Legal risks explained: regulatory enforcement, citizen lawsuits, toxic torts, PFAS settlements.
 - manufacturing modifications to produce a "longer chain." Less bio-accumulative but harder to treat.
 - Uncertainties: harm, legal standards, solutions
 - Only certainties: more regulations, more litigation.
3. Attended the ACWA Region 8 business meeting and reported out on the groundwater committee meeting.

December 6

1. Attended the Hans Doe Past Presidents Breakfast in Partnership with ACWA JPIA.
 - ACWA JPIA CEO Andy Sells provided an update on ACWA JPIA.
 - John Meyers, Sacramento Bureau Chief, LA Times, gave the keynote address on what's happening in Sacramento and how political decisions coming out of Sacramento will affect every water agency.

I found the conference to be very informative and important to SCVWA, and I appreciate being able to attend.

Director AB 1234 Report
December 17, 2019

ITEM NO.
12.5

Director name: Gary Martin

Meeting attended: Breakfast meeting to discuss possible changes to the General Manager's contract.

Date of meeting: December 9, 2019

Location: Mimi's Restaurant in Valencia.

SCV Water Board meeting to be presented at: December 17, 2019

Attended a breakfast meeting with President Cooper, Vice President Gutzeit and Joe Byrne to discuss possible changes in Matt Stone's contract as part of his annual evaluation and compensation review.

DIRECTOR AB 1234 REPORT

Director Name: Maria Gutzeit

Meeting Attended: City Council Outgoing Mayor Recognition

Date of Meeting: 12/10/19

Board Meeting to Be Presented At: 12/17/19

Points of Interest: I attended the session recognizing the outgoing City of Santa Clarita Mayor, Marsha McLean, and presented her with a certificate of recognition from SCV Water. It was a full meeting room and all other local representatives were there to honor Ms. McLean's service.

Director AB 1234 Report
December 17, 2019

ITEM NO. 12.5

Director name: Gary Martin

Meeting attended: Meeting to discuss 2020 SCVWA Water Summit planning

Date of meeting: December 16, 2019

Location: SCVWA Water Resources Conference Room

SCV Water Board meeting to be presented at: December 17, 2019

Attended a meeting with SCVWA staff to discuss plans for the upcoming 2020 SCVWA Water Summit.