

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS**

Wednesday, May 11, 2016; 9:00 am

10060 Goethe Road

Sacramento, CA 95827

(SRCSD/SASD Office Building South Conference Room No. 1212 – Sunset Maple)

The Board will discuss all items on this agenda, and may take action on any of those items, including information items and continued items. The Board may also discuss other items that do not appear on this agenda, but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this agenda.

1. CALL TO ORDER AND ROLL CALL – 9:00 a.m.

- 2. PUBLIC COMMENT:** Members of the audience may comment on any item of interest to the public within the subject matter jurisdiction of the Groundwater Authority. Each person will be allowed three minutes, or less if a large number of requests are received on a particular subject. No action may be taken on non-agendized items raised under “Public Comment” until the matter has been specifically included on an agenda as an action item. If a member of the public wants a response to a specific question, they are encouraged to contact any member of the Board or the Executive Director at any time. Members of the audience wishing to address a specific agendized item are encouraged to offer their public comment during consideration of that item.

3. CONSENT CALENDAR

- Minutes of the April 20, 2016 Board meeting, minutes of the April 20, 2016 Budget Subcommittee meeting, minutes of the April 21, 2016 SGMA Subcommittee meeting, and minutes of the April 28, 2016 Budget Subcommittee meeting.

Recommended Action: Approve Consent Calendar items.

4. BUDGET SUBCOMMITTEE REPORT

- Presentation on changes to SCGA’s current finance methodology to align SCGA member contributions with increased costs due to inflation, preparing for and conducting monthly Board Meetings and various subcommittee meetings, and increasing SGMA development and implementation responsibilities.
- Review Budget Subcommittee recommendations for the 2016/2017 fiscal year budget.

Recommended Actions:

- 1. Approve changes to Section 5.22 of the Authority’s Policies and Procedures deleting paragraphs (e) and (f) of Section 5.22.***

2. *Adopt the proposed Resolution to fund the Authority's administrative budget for fiscal year 2016/2017 and provide for the collection of revised annual contributions.*

5. BUDGET REPORT

- Status of the 2015/2016 budget.
Action: Information.

6. PUBLIC HEARING TO CONSIDER SCGA BECOMING A GROUNDWATER SUSTAINABILITY AGENCY IN AREAS OF THE SOUTH AMERICAN SUBBASIN (PORTIONS OF BULLETIN 118-03 BASIN 5-21.65)

- Pursuant to the April 20, 2016 SCGA Board Resolution 2016-002, this item contemplates three resolutions corresponding to the three areas for SCGA GSA formation within the South American subbasin: Area 1 is currently uncontested by any other groundwater management entity; Area 2 is within OHWD's jurisdiction and would be contested if OHWD files to become a GSA within the South American jurisdiction; Area 3 is within SRCD's jurisdiction and would be contested if SRCD files to become a GSA within the South American subbasin.
- Public Notice was provided in accordance with California Government Code section 6066 in the Sacramento Bee on April 27, 2016, and May 4, 2016. Notices were mailed on May 3, 2016, to SGMA Subcommittee identified Interested Parties.
- The public hearing is being held in accordance with California Water Code section 10723. The SCGA Board may take action to become a GSA immediately following the public hearing.

Recommended Actions:

1. *Open the public hearing and accept public testimony;*
2. *Close the public hearing;*
3. *Consider and Adopt Resolution to become the GSA for Area 1;*
4. *Consider and Adopt Resolution to become the GSA for Area 2; and,*
5. *Consider and Adopt Resolution to become the GSA for Area 3.*

7. EXECUTIVE DIRECTOR'S REPORT

- May 18th SGMA Groundwater Sustainability Plan (GSP) Regulation Hearing - California Water Commission
- Elk Grove Dry Well Project April 2016 Report
- SGMA Subcommittee Meeting
Regional Activities

8. DIRECTOR'S COMMENTS

ADJOURNMENT

Upcoming meetings –

Next SCGA Board of Directors Meeting – Wednesday, June 8, 2016, 9:00 am;
10060 Goethe Road, SRCSD/SASD Office Building South Conference Room No.
1205 (Valley Oak).

AGENDA ITEM 3: CONSENT CALENDER

BACKGROUND:

The Board package includes draft minutes of the April 20, 2016 Board meeting, minutes of the April 20, 2016 Budget Subcommittee meeting, minutes of the April 21, 2016 SGMA Subcommittee meeting, and minutes of the April 28, 2016 Budget Subcommittee meeting. Draft meeting minutes are provided for Board approval.

STAFF RECOMMENDATION:

Action: Approve Consent Calendar items.

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Governing Board Meeting
Draft Minutes
April 20, 2016

LOCATION: 10060 Goethe Road, Room 1205
Sacramento, CA 95827
9:00 a.m. to 11:00 a.m.

MINUTES:

1. CALL TO ORDER AND ROLL CALL

Brett Ewart called the meeting to order at 9:00 a.m. Mr. Ewart announced that Darrell Eck could not attend the meeting due to an emergency and that Ramon Roybal would serve in his place for the meeting.

The following meeting participants were in attendance:

Board Members (Primary Rep):

Tom Nelson, Florin Resource Conservation District/Elk Grove Water District
Tom Mahon, Agricultural Interests
Todd Eising, City of Folsom
Rick Bettis, Conservation Landowners
Christine Thompson, Public Agencies Self-Supplied
Dave Ocenosak, Sacramento Regional County Sanitation District
Paul Schubert, Golden State Water Company
Carl Werder, Agricultural-Residential
Ron Lowry, Omoichumne-Hartnell Water District

Board Members (Alternate Rep):

Brett Ewart, City of Sacramento
Forrest Williams, Sacramento County
Amittoj Thandi, City of Elk Grove
José Ramirez, Sacramento Regional County Sanitation District
Allen Quynn, City of Rancho Cordova

Staff Members:

Sarah Britton, Legal Counsel
Ping Chen
Ramon Roybal
Vicki Brennan, Clerk of the Board

Others in Attendance:

Jonathan Goetz, GEI
Mark Madison, Florin Resource Conservation District/Elk Grove Water District
Bruce Kamilos, Florin Resource Conservation District/Elk Grove Water District
Jesse Roseman, The Nature Conservancy
Rodney Fricke, Public
Darlene Gillum, Rancho Murieta CSD
Hong Lin, State DWR
Mike Wackman, Omochumne-Hartnell Water District
Leland Schneider, Omochumne-Hartnell Water District
Mike Eaton, Cosumnes Coalition
Melinda Frost-Hurzel
Jay Schneider, Sloughhouse RCD
Herb Garms, Sloughhouse RCD
Hanspeter Walter, Sloughhouse RCD
Mike Koza, Sacramento County Department of Waste Management
Joe Turner, Kleinfelder
Jim Blanke, RMC Water and Environment
Lisa Dills, Southgate Recreation and Park District
Suzanne Pecci, Domestic Well Owner Elk Grove
Ron Pecci, Domestic Well Owner Elk Grove
Scott Goulart, Aerojet Rockdyne
Kerry Schmitz, Sacramento County Water Agency
Fred Hegge, Cosumnes CPAC
Madeleine Morton, Sacramento County Water Agency
Bill Konigsmark, Sacramento County Water Agency

Member Agencies Absent

*Rancho Murieta CSD
Commercial/Industrial Self-Supplied
California-American Water Company*

2. PUBLIC COMMENT

None.

3. CONSENT CALENDAR

The draft meeting minutes for the March 9, 2016 Board meeting, minutes of the March 10, 2016 SGMA Subcommittee meeting, minutes of the March 30, 2016 Budget Subcommittee, and minutes of the April 7, 2016 SGMA Subcommittee meeting were reviewed for final approval.

Motion/Second/Carried – Mr. Schubert moved, seconded by Mr. Bettis, the motion carried unanimously to approve the minutes.

4. SCGA UPDATE ON DRAFT GROUNDWATER SUSTAINABILITY PLAN (GSP) EMERGENCY REGULATIONS

Jon Goetz with GEI provided a review of the draft GSP regulations addressing their purpose, importance, and current status relative to their June 1, 2016 adoption (*Note: Mr. Goetz's review can be viewed on the Authority's website for the 4/20/2106 meeting date*). Mr. Goetz reported SCGA's concurrence with the Association of California Water Agencies proposed "General Principles" regarding comments relative to the draft regulations and presented SCGA staff's four focus areas of comments which were, honoring existing programs, ensuring integration of Alternative Submittal, external agency coordination, and the State's technical and financial assistance. Mr. Goetz then stated that staff would continue to monitor development of the regulations and mentioned that individual SCGA member organizations were also monitoring the regulations.

Mr. Bettis asked how DWR would be responding to the comments that were received. Hong Lin, with State DWR, replied that SGMA did not require that DWR provide a written response to comments received but that the comments would be considered in the further development of the draft regulations. Ms. Lin stated that the DWR was making a presentation to the State Water Commission that morning to review the nature of the comments. Ms. Lin reported that a total of 153 comments were received by DWR from various interests. Ms. Lin stated that DWR planned to present the regulations to the Water Commission on May 18, 2016 for final adoption.

5. SGMA SUBCOMMITTEE REPORT BACK AND RECOMMENDATIONS

Mr. Schubert, chair of the SGMA Subcommittee, provided a report of the subcommittee's activities. Mr. Schubert stated that the subcommittee had met twice since the last board meeting and had mainly discussed the various impacts of Omochumne-Hartnell Water District (OHWD) and Sloughhouse RCD's GSA applications and proposed basin boundary modification, specifically its impact on SCGA's current management program, impact on the Alternative Plan submittal process, and financial impact. Mr. Schubert stated that had reviewed the basin boundary modification application as submitted by OHWD and Sloughhouse RCD to DWR and remained in opposition to the modification for both jurisdictional and scientific reasons. Mr. Schubert reported that JPA issues had also been discussed and that the proposed JPA brought forth by FRCD would be discussed at the next SGMA Subcommittee meeting.

Mr. Mahon commented as a member of the SGMA Subcommittee that consideration should be given relative to San Joaquin's proposed boundary modification as it was almost a mirror image of OHWD and Sloughhouse RCD's proposed modification. Mr. Mahon stated that thought should be given towards allowing for the agricultural areas of the South American Subbasin to join with like interests in the Cosumnes Subbasin.

Mr. Ewart commented that he respected the idea of local control and had no interest in interfering with the actions of another agency but that his opinion and that of the City of Sacramento was to support the concept of a collaborative process and that to go it alone introduced the risk of prolonged conflict. Mr. Ewart referred to the SCGA model that each member entity of its board had an equal vote and stated that it should be remembered. Mr. Ewart said that the OHWD and Sloughhouse RCD basin boundary modification application was posted on the DWR website for review. Mr. Ewart stated that the City of Sacramento remained in opposition of the modification.

Mr. Williams stated that the County of Sacramento recognized and supported SCGA as an existing groundwater management agency and as the most appropriate structure to move forward towards SGMA implementation for the subbasin.

6. INITIATE “ALTERNATIVE” PLAN SUBMITTAL PROCESS AND DELEGATE PREPARATORY ACTIONS TO STAFF

Mr. Roybal reminded the board that the idea of an alternative plan submittal was first introduced at the January 13, 2015 board meeting and was again discussed at the March 9, 2015 board meeting at which time staff announced the need for the submittal to cover the entire groundwater basin over which the submitting agency was applying. Mr. Roybal then reported that the draft GSP regulations clarified that an alternative submittal may include agreements with local public agencies in areas not covered by the submitting agency’s jurisdiction which in the case of SCGA included that area of the South American Subbasin west of Interstate 5. Mr. Roybal stated that initially, the alternative submittal would include the existing SCGA service area as depicted in the Water Forum Agreement and the SCGA GMP. There were two reasons for keeping SCGA whole through the alternative submittal process; the first was to ensure the relationship between the regional groundwater management goals of the Water Forum Agreement in the management area titled, “South Sacramento Groundwater Zone.” The second was to show SCGA service area portions to be included in existing or proposed GSA governance structures at the time of submittal. Mr. Roybal reported that an alternative plan must be submitted by January 1, 2017 and given that the GSP regulations would not be adopted until June 1, 2016, staff would have six months to complete the application. Mr. Roybal stated that proposed resolution delegated authority to staff to begin the effort by initiating outreach to other local agencies and stakeholders outside of SCGA’s jurisdiction to discuss an alternative plan submittal, to seek potentially necessary agreements, and upon State DWR’s adoption of the GSP Regulations, to modify and supplement the GMP and other SCGA resources as may be required to develop a successful submittal.

Mr. Goetz then gave a presentation on the technical reasoning for SCGA’s existing boundary and how the alternative submittal process could proceed (*Note: Mr. Goetz’s review can be viewed on the Authority’s website for the 4/20/2106 meeting date*). Mr. Goetz also compared the GSP process with the alternative plan submittal process and provided some pros and cons for an alternative submittal.

Mr. Nelson asked if the alternative submittal process would interfere with OHWD's GSA formation process. Ms. Britton responded that the regulations were still vague but that an alternative plan could be developed for an entire basin but that the governance of the plan via GSA's overlying that basin would have to come to some kind of agreement relative to how it governance and implementation of the plan would function. Ms. Britton presumed that DWR would consider an alternative plan only if there was reconciliation between the plan itself and governance of the plan but that development of an alternative plan did not necessarily preclude the development of any GSAs within a subbasin.

Mr. Werder expressed a concern regarding the second item of the Resolution which directed staff to modify and supplement the GMP and other SCGA resources as may be required by adopted GSP regulations to develop an alternative plan submittal. Mr. Werder stated that he was concerned that it may give staff the ability to over spend or otherwise make modifications in excess of what was necessary. Ms. Britton advised that before an alternative plan was submitted to the State that it be brought back to the SCGA board for its review and a resolution approving its final submittal. Ms. Britton stated that the language delegated a lot of responsibility to staff but did not delegate a blank check. Ms. Britton also stated that the language of the resolution had to consider the tight timeframes under SGMA and to allow staff and the board flexibility to operate within the time constraints. Mr. Schubert stated that staff would also be subject to operating within the parameters of the approved SCGA budget and that any additional funding would have to come to the board for approval.

Mr. Nelson asked if the alternative plan submittal process would conflict with FRCD's proposed changes to the JPA. Ms. Britton responded that the alternative submittal process would be put at risk if there was no management structure identified to implement the plan. If the existing JPA was nullified without agreements in place that would address those management issues it could be a problem. Ms. Britton stated that an amendment to the existing JPA that did not interfere with the management of the basin might not be an issue.

Ms. Lin stated that an alternative plan had to cover the entirety of a subbasin and that if there was an exclusive GSA with its own GSP for a portion of that subbasin, an alternative plan would have to have a coordination agreement with the exclusive GSA to reconcile the two plans.

Mr. Ocenosak stated his contention that where the groundwater flowed should determine who should be included in the management of that resource. Mr. Ocenosak stated that Mr. Goetz had done a good job during previous presentations to the board to explain how the groundwater flowed in the South American Subbasin and that in his opinion, the information presented as a part of OHWD and Sloughhouse RCD's basin modification application supported what Mr. Goetz had explained. Mr. Ocenosak stated his support of the alternative plan submittal process.

Jay Schneider, Vice Chairman Sloughhouse RCD, commented as a member of the public. Mr. Schneider stated that the scientific studies conducted as a part of OHWD and Sloughhouse RCD's basin boundary modification application demonstrated conclusively that there was no subsurface connection between the American River and Cosumnes River and that the two basins were similar adjacent swimming pools. Mr. Schneider requested that SCGA support OHWD and Sloughhouse RCD's jurisdictional boundary change that would

follow the watershed boundary. Mr. Schneider then requested that SCGA support Sloughhouse RCD's GSA application and to not obstruct its right to form a GSA. Mr. Schneider stated that until SCGA recognized interests in the south basin no negotiations could take place.

Mike Wackman, General Manager, OHWD, asked Mr. Goetz if the alternative plan would include those portions of OHWD and the current SCGA boundary that extended south of the Cosumnes River. Mr. Goetz replied that the alternative plan would have to include those areas as those areas supported the ten plus years of data collection, modeling, and groundwater management that would be considered for the alternative plan. Mr. Wackman replied that OHWD did not object to the SCGA's alternative plan proposal but that it did have concerns that an alternative plan could interfere with its plans for management as a GSA. Mr. Wackman stated that the process could work if the GSP regulations allowed for agreements and coordination to be developed that would enable an alternative plan that did not conflict with OHWD's GSA management and any plan that it sought to implement. Mr. Wackman further stated support of the SCGA's GMP, data collection, and technical studies and that he agreed that those efforts should be utilized going forward and that OHWD had used some of those resources in developing its basin boundary modification application. Ms. Britton stated that she envisioned that the GSP regulations would ultimately allow for OHWD to develop its own GSP as an exclusive GSA and that any areas that overlapped with SCGA's alternative plan, they would be reconciled via a coordination agreement. Ms. Britton stated that the process would also not preclude SCGA staff from outreaching to OHWD regarding OHWD's management of an alternative plan as developed by SCGA.

Jesse Roseman, Project Manager for The Nature Conservancy and the Cosumnes River Preserve, stated that no matter the outcome of the management arrangement for the region encompassing the Cosumnes River, there needed to be coordination such that the river was managed as a whole with equal consideration of upstream and downstream impacts and benefits.

Mark Madison, General Manager of Florin Resource Conservation District, stated that his agency was in support of the concept of an alternative plan submittal but that it was concerned that the process might preclude the consideration and adoption of the structural changes that it had proposed to the existing JPA Agreement.

Leland Schneider, alternate to Ron Lowry as representative for OHWD, commented that OHWD was formed in the 1950's by the residents of the Cosumnes River area for management of the groundwater and river. Mr. Schneider stated that significant resources and money had been invested by the residents of OHWD. He then stated that management of Cosumnes River actually dated back to 1913 with the installation of the first dam diversion to spread water along the sides of the river and in the 1940's with the development of local farm bureaus. Mr. Schneider mentioned that OHWD had started a JPA in 1997. Mr. Schneider stated that SCGA had formed over the top of OHWD and its JPA and now wanted to form a GSA over the top of an OHWD GSA and asked that SCGA reconsider doing so.

Motion/Second/Carried – Ms. Thompson moved, seconded by Mr. Williams, the motion carried to adopt the proposed resolution. Mr. Lowry, Mr. Mahon, and Mr. Nelson opposed the motion.

7. INITIATE THE PROCESS TO BECOME A GROUNDWATER SUSTAINABILITY AGENCY WITHIN IDENTIFIED AREAS OF SCGA’S JURISDICTION IN THE SOUTH AMERICAN SUBBASIN

Mr. Roybal explained that the proposed resolution was another outcome of discussion and recommendation from the SGMA Subcommittee. Mr. Roybal reported that a principle concern that motivated recommendation of the resolution were the actions by OHWD and Sloughhouse RCD to move forward with notice of GSA formation of area within the South American Subbasin and SCGA’s existing management area. Mr. Roybal reported that the recommendation for SCGA to proceed with its own notice of GSA formation was not done as a means to compete over management area but as a method to halt the GSA process to allow time for necessary coordination to occur or potentially for a formal mediation process that would allow SCGA the opportunity to preserve its past management efforts.

Mr. Goetz then provided a review of past SCGA board actions relative to GSA formation, a review of OHWD and Sloughhouse RCD’s actions, and reiterated that SCGA’s initiating to become a GSA would be done in order to preserve its ability to file an alternative plan submittal. Mr. Goetz then reviewed the proposed SCGA GSA areas described in the resolution (*Note: Mr. Goetz’s review can be viewed on the Authority’s website for the 4/20/2106 meeting date*).

Mr. Nelson asked if it was necessary to begin the GSA formation process at the current time. Ms. Britton explained that both the OHWD and Sloughhouse RCD boards had taken formal actions to notice GSA formation in areas within the South American Subbasin and although neither of the notices had been posted to DWR it could be reasonably assumed that they would do so thus beginning a 90 day period after which they would become the exclusive GSA’s for those areas.

Ms. Lin stated that Sloughhouse RCD’s GSA notification had been posted to DWR’s website and that the ninety day period for a competing GSA to be filed had begun. Ms. Britton asked for clarification as to whether the ninety day period would continue to run if Sloughhouse RCD had subsequently notified for GSA formation in the area within the South American Subbasin as its board had voted to do under its amended GSA board action. Ms. Lin replied that she would have to check with someone else from DWR.

Mr. Ewart asked for clarification with respect to breaking up the SCGA GSA notification into three subareas. Mr. Ewart wanted to clarify that it was done to allow for the flexibility to move forward in uncontested areas while the contested areas were worked out. Ms. Britton replied that it provided a tool for SCGA to use while it continued to negotiate with other entities within the subbasin and with State DWR as the deadline for GSA formation approached. Ms. Britton stated that the proposed resolution was intended to be a formal written clarification of prior SCGA board actions accounting for nuanced changes that had

occurred since those actions. Ms. Britton reminded that a formal process as prescribed by the SGMA legislation would still have to be followed for GSA formation.

Jay Schneider stated that Sloughhouse RCD requested that SCGA limit its GSA notification to Area 1 and to abandon Areas 2 and 3. Mr. Schneider stated that if SCGA did as requested the process would be much smoother and less adversarial.

Mr. Nelson asked if the clock had started or not with respect to OHWD and Sloughhouse RCD's GSA notices and if not why start the process for SCGA. Mr. Schubert pointed out that the boards for those entities had taken actions to proceed with the notices and that it would take a separate action for them to do something different. Mr. Schubert concluded that absent any indication otherwise that those processes were proceeding. Ms. Britton pointed out the SCGA board had taken previous action directing staff to proceed with a notice of GSA formation in response to Sloughhouse RCD noticing of GSA formation within the South American Subbasin and thus obligating staff to do so. Ms. Britton stated that another previous action by the board provided similar direction if any entity filed for GSA formation within SCGA's jurisdictional boundaries. Ms. Britton stated the decision before the board was whether or not OHWD's action to notice a GSA formation should result in directing staff to proceed with GSA formation in Area 2. Mr. Ewart stated that there was an interest for SCGA to extend the 90 day period to allow for further negotiation through the services offered through the Water Forum. Mr. Williams stated that he felt that there had not been sufficient outreach and negotiation on the part of OHWD and Sloughhouse RCD to convince SCGA that their proposals should be supported. Mr. Williams said that those entities were the ones who initiated the GSA formation process and that SCGA was now forced to initiate its own GSA formation process in order to defend its program.

Mr. Wackman urged the board to remember that it had decided previously to allow OHWD to form a GSA although he understood that other actions since then may have changed people's feelings. Mr. Wackman stated that OHWD was active in groundwater management and in its participation with SCGA and was not seeking to operate in an isolated manner. Mr. Wackman stated that SGMA required substantial coordination regardless of what the final management arrangement would be.

Suzanne Pecci commented as a private well owner within the City of Elk Grove that she was in support of SCGA becoming a GSA over the entire subbasin and was against the OHWD and Sloughhouse RCD efforts to become exclusive GSA's within the South American subbasin. Ms. Pecci explained that her opposition to OHWD and Sloughhouse RCD mainly stemmed from their lack of public outreach and lack of disclosure and explanation regarding their plans for the future under SGMA. Ms. Pecci then stated that much of the area under discussion was also urban or planned for urban development along with a significant number of existing domestic well users and that it needed to be discussed within that context along with the agricultural interests. Ms. Pecci stated that she agreed with the sentiment of what was the rush for OHWD and Sloughhouse RCD to move forward with the GSA process given the number of issues that still needed to be negotiated. Ms. Pecci then said that she had urged the City of Elk Grove to become more active in the SGMA process particularly with public involvement and that the City had planned for a discussion during an upcoming City

Council meeting at which a member of the County would provide information. Ms. Pecci then urged for more outreach to the public at large.

Hanspeter Walter, legal counsel for Sloughhouse RCD, commented that outreach and dialogue should be conducted equally with Sloughhouse RCD and not exclusively with OHWD as had occurred. Mr. Walter added that discussions that SCGA has with DWR should include all parties to avoid the potential for illegal side-lobbying. Mr. Walter stated that the tight timeframe for resolving all of the issues was due to the law itself and that Sloughhouse RCD desired to become a GSA and had decided to move forward. Mr. Walter stated that Sloughhouse RCD did not see it as rushing and that the issues could still be discussed. Mr. Walter stated that he was trying to understand the pertinent issues alluded to in previous SCGA board actions as needing to be resolved. Mr. Walter stated that he had asked for an explanation and was referred to technical documentation on the Authority's website which he felt was not a reasonable direction. Mr. Walter requested that SCGA staff be directed to provide those issues in writing to Sloughhouse RCD.

Motion/Second/Carried – Ms. Thompson moved, seconded by Mr. Williams, the motion carried to adopt the proposed resolution. Mr. Lowry, Mr. Mahon, and Mr. Nelson opposed the motion. Mr. Eising had departed the meeting and was not present for the vote.

8. COSUMNES COALITION OUTREACH TO SCGA

Melinda Frost-Hurzel and Mike Eaton gave a presentation on the Cosumnes Coalition in an effort to establish a stakeholder partnership with SCGA with the goal of working toward effective approaches to support aquifer and river health (*Note: Ms. Frost-Hurzel's presentation can be viewed on the Authority's website for the 4/20/2106 meeting date*).

Mr. Schubert expressed an interest in gaining more understanding of the Coalition and its efforts in the future.

9. 2014/2015 AUDIT REPORT

Bill Konigsmark distributed and provided a review of the 2014/2015 Audit Report. Mr. Konigsmark reported that the budgetary and fiscal portion of the audit contained no issues or findings. Mr. Konigsmark reported that release of the Audit Report was held up due to a finding related to Internal Controls specifically due to the non-filing of Form 700 by members of the board. The auditors had pointed out the non-filing of Form 700 the previous year with the warning that it would be treated as a finding if it occurred again. Mr. Konigsmark pointed out that the issue was not necessarily with the non-filing of the forms but that there was not a system in place to reconcile the non-filing with the Fair Political Practices Commission. Mr. Konigsmark explained that a corrective action had been developed and recorded in the Audit Report.

Mr. Madison asked if the audit report required a board action to be received and filed. Ms. Britton stated that the item was agendized as an informational item and that she was not aware of how it was handled in the past. Mr. Roybal stated that he did not recollect the board

taking formal action in the past to receive the audit report but that the question would be looked into.

10. EXECUTIVE DIRECTOR'S REPORT

Mr. Roybal announced that the City of Rancho Cordova City Council had appointed Albert Stricker as representative and Allen Quynn as alternate on May 21, 2016.

Mr. Roybal then announced that staff would be sending out a data request to member purveyors and other groundwater users in the basin in preparation for the development of the biannual basin management report.

11. DIRECTORS' COMMENTS

Mr. Ewart encouraged board members to look at the presentation for the March 30, 2016 Budget Subcommittee that contained a description of significant changes to the funding structure of the Authority that were being considered for recommendation to the board. Mr. Ewart suggested that any comments regarding those proposed changes be directed to staff.

ADJOURNMENT

Brett Ewart adjourned the meeting at 12:00 p.m.

Upcoming Meetings –

Next SCGA Board of Directors Meeting – Wednesday, May 11, 2016, 9 am; 10060 Goethe Road, South Conference Room No. 1212 (Sunset Maple).

By:

Chairperson

Date

Date

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Budget Sub-Committee Meeting
Draft Minutes
April 20, 2016

LOCATION: 10060 Goethe Road, Room 1213
Sacramento, CA 95827
12:00 p.m. to 12:15 p.m.

MINUTES:

1. Call to Order and Roll Call

Brett Ewart called the meeting to order at 12:00 p.m.

The starting of the meeting was delayed due to the SCGA board meeting running an hour longer than scheduled.

The following meeting participants were in attendance:

Board Members:

Paul Schubert, Golden State Water Company
Tom Mahon, Agricultural Interests
Brett Ewart, City of Sacramento
Forrest Williams, County of Sacramento
Carl Werder, Agricultural-Residential

Staff Members:

Ramon Roybal, SCA

Others in Attendance:

Bruce Kamilos, FRCD/EGWD
Jonathan Goetz, GEI

2. Public Comment

None

3. Discussion of the 2016-2017 SCGA Fiscal Year Budget to Provide Staff with Further Direction Regarding Edits to the Proposed Model

Mr. Goetz reported that he had yet to hear back from the City of Folsom regarding the distribution of water connection accounts north and south of the American River. Mr. Goetz stated that the depending on what the answer was it could have a significant ripple effect on the interim finance model.

Mr. Werder asked why there were two plans that were presented, one with the current arrangement and one as a stand-alone agency. Mr. Werder asked if there could be a way to develop a hybrid model where SCGA would switch from its current model to a standalone agency with the completion of certain milestones towards full SGMA compliance. Mr. Goetz replied that the model he developed followed a hybrid methodology but that it was a question of timing. Mr. Werder agreed and stated that it would be premature to become a standalone agency now but that the 2017-2018 timeframe may be reasonable.

Mr. Werder then asked why the budget projections appeared to be static in future years. Mr. Werder stated that the other interests on the board would likely want to have an idea of what those future costs might reasonably be. Mr. Goetz replied that the model was set to look roughly six months forward but was designed to be a transitional model that could be recalibrated when an understanding of what might be expected became more clear.

The subcommittee discussed the timing of bringing a proposed interim budget and finance model to the board by the May board meeting for adoption. Mr. Ewart stated that he had recommended during the director's comments of the just completed board meeting that the other board members look at the previous budget subcommittee meeting materials to get an idea of the significant changes that would be proposed and to provide feedback.

The subcommittee then agreed to pick up the discussion at the scheduled April 28, 2016 Budget Subcommittee meeting.

4. Budget Committee Member Comments

None.

ADJOURNMENT

Mr. Ewart adjourned the meeting at 12:10 pm

Upcoming meetings –

Next SCGA Board of Directors Meeting – Wednesday, May 11, 2016, 9:00 am; SASD South Conference Room 1212, Sunset Maple.

By:

Chairperson

Date

Date

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Sustainable Groundwater Management Act Sub-Committee Meeting
Draft Minutes
April 21, 2016

LOCATION: 10060 Goethe Road, Room 1213
Sacramento, CA 95827
1:00 p.m. to 3:00 p.m.

MINUTES:

1. Call to Order and Roll Call

Paul Schubert called the meeting to order at 1:30 p.m.

The following meeting participants were in attendance:

Board Members:

Paul Schubert, Golden State Water Company
Tom Nelson, FRCD/EGWD
Tom Mahon, Agricultural Interests
Brett Ewart, City of Sacramento
Forrest Williams, County of Sacramento

Staff Members:

Darrell Eck, SCGA
Sarah Britton, Legal Counsel
Ping Chen, SCGA
Ramon Roybal, SCA

Others in Attendance:

Mark Madison, FRCD/EGWD
Bruce Kamilos, FRCD/EGWD
David Aladjem, FRCD/EGWD
Jonathan Goetz, GEI
Kerry Schmitz, Sacramento County Water Agency
Rodney Fricke, Consulting Hydrogeologist
Jay Schneider, Sloughhouse RCD
Amanda Platt, Sloughhouse RCD
Joe Turner, Kleinfelder
Suzanne Pecci, Domestic Well Owner Elk Grove
Ron Pecci, Domestic Well Owner Elk Grove

2. Public Comment

None

3. Request by Florin Resource Conservation District for a New Joint Powers Agreement

Tom Nelson stated the need for SCGA to accept change in response to SGMA and that the JPA proposed by FRCD included some of the needed changes. Mr. Nelson then introduced Mark Madison to discuss the proposal in more detail.

Mr. Madison introduced himself, Mr. Nelson, Bruce Kamilos, and the FRCD attorney, David Aladjem. Mr. Madison stated that governance was the most important issue facing SCGA in order to set the ground rules for how the organization would function under SGMA. Mr. Madison stated that the current JPA had functioned well to date but that there were some problems that they had identified. Mr. Madison said that the underlying theme being promoted with their proposed JPA was equality because the existing JPA did not. The next issue was the termination clause which allowed for any of the signatories to opt out and terminate the agreement. Mr. Madison then mentioned issues with voting particularly as it concerned fiscal items. Mr. Madison stated that the proposed JPA addressed concerns over powers under a different signature arrangement and that Mr. Aladjem had ensured that the proposed JPA would provide full powers for SGMA compliance. Mr. Madison then mentioned that the proposed JPA addressed issues concerning funding of the Authority and accommodation of a new rate structure as had been discussed by the Budget Subcommittee. Mr. Madison then stated that the proposed JPA was intended to be an interim agreement to be effective until SCGA began GSP implementation after which it was envisioned that a new governance structure would take effect hopefully for a stand-alone agency. Mr. Madison stated that the proposed JPA did not contemplate implementation under an alternative plan. Mr. Madison announced the title of the organization would be changed by the proposed agreement to the Sacramento Central Groundwater Sustainability Authority. Mr. Madison said that all public agencies would be signatory to the proposed agreement and further discussion could look into possibly having private utilities as signatories. Mr. Madison said that all signatories would be able to appoint their own representatives.

Mr. Ewart asked what specifically FRCD was not able to accomplish under the existing JPA. Mr. Madison replied that there was nothing that they had not been able to accomplish and that the existing JPA had worked well to date but that it did not mean that it would not be better to make a change going forward. Mr. Madison stated that the proposed JPA might alleviate feelings of inequality and mistrust and might offer the best opportunity to keep the SCGA board together especially in consideration of OHWD's actions.

Mr. Williams stated that the appropriate time for addressing changes to the JPA was during the GSP process and that to do so currently would compromise more pressing issues that needed to be addressed. Mr. Schubert stated that he thought it had been decided to table discussion of changes to the JPA until the GSP process because that would be the time when the elements of governance under SGMA would become

apparent. Mr. Schubert stated that an interim step would not accomplish much other than addressing FRCD's specific issues. Mr. Schubert then asked if a letter amendment could be made to the current JPA to address some of FRCD's more pressing procedural issues. Ms. Britton responded that there was a process for amending the JPA but that it would take additional analysis to determine if certain entities were required to have elected members of those organizations as representatives to the board.

Mr. Schubert stated that opening up the JPA would take a substantial amount of time to work through and may extend past the time that the GSP would be completed. Mr. Schubert explained that it was likely that if the JPA was opened up that many if not all potential signatories would take the opportunity to conduct their own legal review and provide comments and that a drawn out negotiation process would follow. Mr. Madison stated that the proposal was not radical in nature. He asked that besides a potential issue of a dilution of power what were the elements of the proposal that would cause a disruption. Mr. Schubert stated that his role on the board was to protect the groundwater basin not his agency's power on the board and that the proposed JPA did not augment the protection of the groundwater basin.

Mr. Ewart stated he would not be in favor of opening up the entire JPA but saw the importance of looking into accommodating some of the functional issues that FRCD had in its role with SCGA such as how and who was appointed to represent FRCD. He also stated that the current termination clause was concerning.

Mr. Aladjem suggested that he and Ms. Britton could confer and produce a tight set of amendments that would be technical and not disrupt the basic police power of the Authority and would address the appointment process and clarify the termination clause. Mr. Aladjem suggested holding off on the discussion concerning who could be signatory and interpretations on the dilution of powers that may or may not result. Mr. Aladjem asked if there was consensus amongst the committee on what he had proposed.

Mr. Madison clarified the three most important issues that FRCD had as 1) becoming a signatory to the JPA, 2) not requiring the approval of another agency for appointment to the board, and 3) the ability to appoint whoever it wished.

Mr. Madison suggested that a rate study be conducted as a part of the restructuring of the budget to ensure that contributions were to be collected equitably and legally. Specifically, Mr. Madison expressed a concern over the collection of the Zone 13 fee and its contribution to the SCGA budget and whether or not there was a double collection of fees being contributed to SCGA. Ms. Britton responded that it might be more appropriate for the individual agencies that make contributions to SCGA conduct a rate study if necessary.

Mr. Schubert recommended that the first item that would change the signatory structure of the JPA should be brought before the board for consideration but that items two and three should be analyzed by SCGA and FRCD legal counsel to determine if those changes could be codified into an amendment without compromising the powers of the

Authority. If so, that language would then be brought to the SGMA Subcommittee for its consideration and possible recommendation to the full board for adoption. Mr. Mahon supported the recommendation saying that it was important to address those specific issues. Mr. Williams and Mr. Ewart also expressed their support.

Suzanne Pecci, domestic well owner in the City of Elk Grove commented that she was in support of SCGA's actions from the previous day's board meeting to move forward with GSA formation and an alternative plan and stated that if FRCD's proposal interfered with those actions then she would not support it. Ms. Pecci then stated that there was a lot of change occurring in the region and in the City of Elk Grove especially as it concerned SGMA and that stability and a measured approach to the change was needed and that the SCGA board represented that. She then commended the members of the subcommittee for their comportment during discussion of FRCD's proposal. Ms. Pecci then mentioned if there was a concern regarding the collection of fees for contribution to SCGA then there should be a concern over the passing of legal fees, on the part of FRCD, onto its customers to develop a fast-tracked interim plan.

Jay Schneider with the Sloughhouse RCD commented that SCGA should recognize and allow OHWD to form its own GSA. Mr. Schneider then advocated for the rights of the local residents of the Sloughhouse RCD to self-govern and to form their own GSA without interference from SCGA.

4. Update of Draft Emergency Regulations for Groundwater Sustainability Plans and Alternatives

Mr. Goetz provided a review of the California Water Commission hearing from the previous day during which comments regarding the draft emergency GSP regulations were discussed. Mr. Goetz reported that the next Water Commission hearing was set for May 18, 2016 and that the final draft GSP regulations would be considered during that hearing.

Amanda Platt with the Sloughhouse RCD commented that her board sought to be supportive of the alternative plan process as they recognized its benefits to SCGA and the South American Subbasin. Ms. Platt stated that Sloughhouse RCD was not involved in the development of the current SCGA GMP but that going forward, Sloughhouse RCD wished to be included in negotiations and development the alternative plan, specifically as it may affect its ability to comply with SGMA.

5. Action Items/Next Steps Assignments

The subcommittee agreed to reconvene on May 16, 2016 at 1 pm.

ADJOURNMENT

Mr. Schubert adjourned the meeting at 2:57 pm

Upcoming meetings –

Next SCGA Board of Directors Meeting – Wednesday, May 11, 2016, 9:00 am; SASD
South Conference Room 1212, Sunset Maple.

By:

Chairperson

Date

Date

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Budget Sub-Committee Meeting
Draft Minutes
April 28, 2016

LOCATION: 10060 Goethe Road, Room 1213
Sacramento, CA 95827
1:00 p.m. to 3:00 p.m.

MINUTES:

1. Call to Order and Roll Call

Brett Ewart called the meeting to order at 1:00 p.m.

The following meeting participants were in attendance:

Board Members:

Paul Schubert, Golden State Water Company
Brett Ewart, City of Sacramento
Forrest Williams, County of Sacramento
Carl Werder, Agricultural-Residential

Staff Members:

Darrell Eck, SCGA
Ping Chen, SCGA
Ramon Roybal, SCA

Others in Attendance:

Bruce Kamilos, FRCD/EGWD
Jonathan Goetz, GEI

2. Public Comment

None

3. Discussion of the 2016-2017 Fiscal Year Budget for the Sacramento Central Groundwater Authority

Mr. Eck led a discussion of a handout detailing the finance methodology and model summary with an emphasis on the planned expenditures going forward into the next fiscal year.

Mr. Schubert asked if there was a budget reserve incorporated in the finance model. Mr. Goetz replied in the affirmative.

Mr. Kamilos suggested that the estimated legal costs should be higher. Mr. Schubert concurred and suggested that estimate for 2016/17 should be tripled in consideration of working through the GSA process. Mr. Schubert then recommended that the budget reserve be codified. Mr. Eck stated that it could also be included in the staff report to the board. Mr. Ewart concurred. Mr. Eck stated that there was language addressing a budget reserve in the policies and procedures document but could not recall off hand the exact wording. Mr. Eck suggested that the existing language could be modified by the board to reflect an updated budget reserve if necessary.

Mr. Werder suggested having a minimum line-item break down of expenditures such that it would provide adequate detail but not include trivial costs. Mr. Eck agreed and said that part of the budget development process was identifying that balance.

Mr. Ewart clarified that some of the contingencies built into the model or spread over various expenditure elements should be pulled out and specifically identified or reflected in the reserve.

Mr. Werder suggested that the boundary line adjustment item and intra/inter basin item should be likely be increased substantially. Mr. Goetz replied that those items had not been updated and did not account for the issues with OHWD and Sloughhouse RCD and needed to be addressed. Mr. Goetz stated that SCGA was expending a significant amount of resources in defending its GSA formation and boundary line. Mr. Eck suggested that staff would confer with legal counsel on the level of effort that might be expected to resolve those issues.

Mr. Ewart asked if staffing levels were adequate to accomplish what was necessary and to raise the issue if they were not. Mr. Eck replied that staffing requirements were estimated for the proposed finance methodology and those levels were higher than the current levels.

Mr. Kamilos asked for clarification on the JPA update line item and what it accounted for. Mr. Goetz replied that it reflected the conversation regarding a need for updates to the JPA that occurred in February at which time it was decided to table the issue until the other processes were resolved. Mr. Kamilos then asked how the committee felt about moving toward a stand-alone budget. Mr. Schubert recalled that previous discussion had resulted in a decision to keep the current staffing arrangement through the GSA formation process and then re-evaluate it at that time. Mr. Ewart concurred.

Mr. Kamilos then asked why ag and ag-res were getting a discounted charge for their contributions. Mr. Eck replied that it was a negotiated element of the current JPA. Mr. Kamilos asked if it was fair going forward. Mr. Eck replied that it would be for the board to decide. Mr. Kamilos stated that FRCD's opinion was that in terms of governance or funding the outcome needed to be equitable.

Mr. Kamilos brought up the necessity of hiring a consultant to conduct a rate study. The rest of the subcommittee expressed an opinion that it wasn't necessary at the moment. Mr. Schubert stated that it would be appropriate once SCGA worked through the GSA process and suggested noting it somewhere as a future task. Mr. Williams suggested creating a list of items that would be triggered in the future at the appropriate time such

as modifications to the JPA, conducting a rate study, and analyzing a switch to an independent structure.

Mr. Eck reiterated that staff would clarify some of the line items on the expenditures table, would confer with legal counsel on estimated effort and cost over the next year, and clarify the presentation of the upcoming fiscal year budget.

Mr. Ewart wanted to make sure that staff communicated to the board that the recommended finance model and budget were recognized as an interim step and subject to change in the future given the fluid nature of everything happening in response to SGMA.

4. Budget Committee Member Comments

None.

ADJOURNMENT

Mr. Ewart adjourned the meeting at 2:35 pm

Upcoming meetings –

Next SCGA Board of Directors Meeting – Wednesday, May 11, 2016, 9:00 am; SASD South Conference Room 1212, Sunset Maple.

By:

Chairperson

Date

Date

AGENDA ITEM 4: BUDGET SUBCOMMITTEE REPORT

BACKGROUND:

At the May 13, 2015 Board meeting it was reported by the Budget Subcommittee that in the coming fiscal year the Authority would need to review how it collected its annual contributions because they were not covering expenses and that declining pumping was exacerbating the problem. The committee went on to report that a new fee structure may be required by the next fiscal year in order to sustainably fund operation of the Authority. Comments by Board members indicated a need to identify the appropriate level of resources, including staffing and budget, necessary to comply with SGMA requirements. At the September 9, 2015 Board meeting the SGMA Subcommittee was directed to evaluate required actions by SCGA to achieve financial stability in its member contributions now and over the coming years. As directed by the SGMA Subcommittee, staff prepared the January 25, 2016 SCGA Finance Update presentation to summarize the outcome of the subcommittee's comments on how to best proceed with a Sacramento Groundwater Authority (SGA)-like contribution methodology. At the February 10, 2016 Board meeting the Board was presented with the findings of the SGMA Subcommittee and their recommendation to form a Budget Subcommittee to finalize the SCGA Interim Finance Model and make recommendations for the FY 2016/2017 budget. The SCGA Interim Finance Model was then briefly introduced to the Board at their April 20, 2016 meeting.

The Budget Subcommittee met on April 28, 2016 to finalize the following items: contribution methodology, unit contribution amounts, fair share allocation amongst participating members, naming conventions, long range level of effort, and confirmation of the upcoming 2016/2017 fiscal year budget. As is implied by its title, SCGA Interim Finance Model, these changes are considered a necessary transitional adjustment in contributions to account for increases in SCGA operation costs resulting from 10 years with no inflationary increases to existing contributions, impacts from reduced pumping due to the extended California drought, and the expected higher cost of doing business going into SGMA development and implementation in the coming years. The SCGA Interim Finance Model developed as part of this long range planning effort will be updated as SCGA refines its understanding of the level of state financial and in-kind support, and the added responsibilities of becoming SGMA-compliant.

Three elements are included in the updated contribution calculation methodology. The Base contribution element recognizes the active voting participation of each Board member with a fixed \$10,000 cost for non-signatory members and \$20,000 for signatory members. Similar to SGA, the Connection-based contribution element is a set unit cost of \$0.68 per water service connection for each water provider with water service connections greater than 6,000. A minimum connection fee of \$8,000 is used for smaller water providers with connections less than or equal to 6,000 connections. The Usage contribution element is treated as per the SCGA JPA with a unit pumping amount of \$3.15/AF. In total, fiscal year 2016/17 contributions are \$573,424. The total fiscal year budget is estimated to be \$718,723.

Section 5.22 of the Authority's Policies and Procedures provides for the adoption of assessments, fees and charges. With the adoption of the new funding methodology for the Authority paragraphs (e) and (f) of this section are no longer required.

Staff recommends that paragraphs (e) and (f) of Section 5.22 of the Authority's Policies and Procedures be deleted. Staff also recommends that the Board adopt the resolution to fund the Authority's budget for fiscal year 2016/2017 and provide for the collection of the revised annual contributions.

STAFF RECOMMENDATION:

Action:

- 1. Approve changes to Section 5.22 of the Authority's Policies and Procedures deleting paragraphs (e) and (f) of Section 5.22.***
- 2. Adopt the proposed Resolution to fund the Authority's administrative budget for fiscal year 2016/2017 and provide for the collection of revised annual contributions.***

Policies and Procedures ~~§ 5.22~~ Strikethrough Version

**CHAPTER 5.
FINANCE**

**ARTICLE 1.
BUDGET**

§ 5.01 Establishment of Budget

- (a) Prior to the commencement of each fiscal year, the Board shall adopt a budget for the Authority for the ensuing fiscal year.
- (b) The Executive Director shall present to the Board a proposed budget no later than the last regularly scheduled meeting before the commencement of the ensuing fiscal year.
- (c) The Board shall direct that a copy of the budget be filed with the Controller within a reasonable time after adoption.
- (d) The Executive Director shall recommend modifications of the budget to the Board if the approved budget is inadequate due to events occurring subsequent to the approval of the budget. The Board shall consider the recommended modifications and shall vote to adopt the amended budget as it deems appropriate. The amended budget shall be filed with the Controller within a reasonable time after adoption.
- (e) The Executive Director shall implement the budgets and amended budgets approved by the Board. Expenditures of the Authority shall be made in accordance with the procedures set forth in Article 3 of this Chapter.
- (f) The fiscal year for the Authority is July 1 through June 30.
- (g) The Board shall maintain a reserve for operation expenses at a minimum of twenty (20) percent of the projected annual expenditures. Said reserve will be taken from the prior year fund balance and shall be used to meet Authority operating expenses until contributions as set forth in Article 2 of this Chapter have been received.

**ARTICLE 2.
ASSESSMENTS, FEES, AND CHARGES**

§ 5.21 General

Assessments, fees and charges shall be approved, levied, collected and spent consistent with these Rules and all applicable laws and constitutional limitations.

§ 5.22 Adoption of Assessments, Fees and Charges

- (a) The Board shall establish assessments, fees, and/or charges sufficient to recover the costs of services provided by the Authority. Assessments, fees, and charges shall not exceed the reasonable cost of the services provided.

- (b) The Board shall conduct at least one public meeting and one public hearing prior to adopting or increasing an assessment, fee, or charge. Notice of the meeting and hearing shall be provided as specified in these Rules of Procedure and as required by law.
- (c) Prior to adopting or increasing an assessment, fee, or charge, the Board shall make a finding that the proposed assessment, fee, or charge is reasonable in relation to the services provided and the costs of those services. The finding shall be adopted by resolution of the Board.
- (d) The Board shall review its assessments, fees, or charges annually, and shall modify such assessments, fees and charges consistent with the findings made in the Board's annual review.
- ~~(e) The Authority shall be initially funded as follows:~~
 - ~~(1) An annual contribution by the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento in the amount of ten thousand dollars (\$10,000.00) each. (These entities shall not be required to pay any additional fee or assessment, such as that described in subsection (e)(2) below.)~~
 - ~~(2) An annual contribution by each of those water purveyors represented on the Board, other than those listed in subsection (e)(1) above, that purvey surface water in the amount of six thousand dollars (\$6,000.00).~~
 - ~~(3) An annual contribution by each of those water purveyors represented on the Board, other than those entities listed in subsection (e)(1) above, that utilize groundwater, calculated at the rate of two dollars and seven cents (\$2.07) per acre foot of groundwater pumped from the basin, averaged over the three (3) previous years and excluding the first five thousand (5000) acre feet pumped in each of those years.~~
 - ~~(4) An annual contribution by agriculture computed at twenty five percent (25 %) of the estimated annual pumping (as determined by the Sacramento County Water Agency) at the rate of two dollars and seven cents (\$2.07) per acre foot and paid out of Sacramento County Water Agency (SCWA) Zone 13 funds.~~
 - ~~(5) An annual contribution by agricultural/residential groundwater users computed at twenty five percent (25%) of the estimated annual pumping (as determined by SCWA) at the rate of two dollars and seven cents (\$2.07) per acre foot and paid out of SCWA Zone 13 funds.~~
 - ~~(6) All annual funds shall be paid by July 1 of each year, commencing on July 1, 2006. The annual fee for the first year after the effective date of the JPA shall be prorated from the last signatory approval establishing the Authority.~~
- ~~(f) The Board of the Authority may, at its discretion, adjust the funding contributions set forth in subsection (e) above, subject to compliance with the voting requirements prescribed in section 3.13 subsection (d) above.~~

§ 5.23 Adoption of Assessments, Fees and Charges for Water Costs

- (a) The Board shall establish, approve, levy, and collect assessments, fees and/or charges for Water Costs incurred by the Authority. Consistent with applicable

Policies and Procedures **§5.22** Final Version

CHAPTER 5. FINANCE

ARTICLE 1. BUDGET

§ 5.01 Establishment of Budget

- (a) Prior to the commencement of each fiscal year, the Board shall adopt a budget for the Authority for the ensuing fiscal year.
- (b) The Executive Director shall present to the Board a proposed budget no later than the last regularly scheduled meeting before the commencement of the ensuing fiscal year.
- (c) The Board shall direct that a copy of the budget be filed with the Controller within a reasonable time after adoption.
- (d) The Executive Director shall recommend modifications of the budget to the Board if the approved budget is inadequate due to events occurring subsequent to the approval of the budget. The Board shall consider the recommended modifications and shall vote to adopt the amended budget as it deems appropriate. The amended budget shall be filed with the Controller within a reasonable time after adoption.
- (e) The Executive Director shall implement the budgets and amended budgets approved by the Board. Expenditures of the Authority shall be made in accordance with the procedures set forth in Article 3 of this Chapter.
- (f) The fiscal year for the Authority is July 1 through June 30.
- (g) The Board shall maintain a reserve for operation expenses at a minimum of twenty (20) percent of the projected annual expenditures. Said reserve will be taken from the prior year fund balance and shall be used to meet Authority operating expenses until contributions as set forth in Article 2 of this Chapter have been received.

ARTICLE 2. ASSESSMENTS, FEES, AND CHARGES

§ 5.21 General

Assessments, fees and charges shall be approved, levied, collected and spent consistent with these Rules and all applicable laws and constitutional limitations.

§ 5.22 Adoption of Assessments, Fees and Charges

- (a) The Board shall establish assessments, fees, and/or charges sufficient to recover the costs of services provided by the Authority. Assessments, fees, and charges shall not exceed the reasonable cost of the services provided.

- (b) The Board shall conduct at least one public meeting and one public hearing prior to adopting or increasing an assessment, fee, or charge. Notice of the meeting and hearing shall be provided as specified in these Rules of Procedure and as required by law.
- (c) Prior to adopting or increasing an assessment, fee, or charge, the Board shall make a finding that the proposed assessment, fee, or charge is reasonable in relation to the services provided and the costs of those services. The finding shall be adopted by resolution of the Board.
- (d) The Board shall review its assessments, fees, or charges annually, and shall modify such assessments, fees and charges consistent with the findings made in the Board's annual review.

§ 5.23 Adoption of Assessments, Fees and Charges for Water Costs

- (a) The Board shall establish, approve, levy, and collect assessments, fees and/or charges for Water Costs incurred by the Authority. Consistent with applicable law and constitutional limitations, the Board may establish, as it deems appropriate, specific formulas, categories and/or rates applicable to such assessments, fees or charges.
- (b) Consistent with applicable law, constitutional limitations, and the Joint Powers Agreement, the Board may establish specific formulas, categories and/or rates for setting assessments, fees or charges necessary to create incentives and disincentives for the use or non-use of the groundwater resources within the boundaries of the Authority.

§ 5.24 Variances from Assessments, Fees and Charges by the Authority

In its discretion, and consistent with applicable law and constitutional limitations, the Board may establish procedures and criteria for issuing variances from assessments, fees and charges levied by the Authority.


§ 5.25 Challenges to Assessments, Fees and Charges by the Authority

In its discretion, and consistent with applicable law and constitutional limitations, the Board may establish procedures and administrative remedies governing challenges to assessments, fees and charges imposed and levied by the Authority.

**ARTICLE 3.
PURCHASING AND EXPENDITURES**

§ 5.31 Deposits

- (a) The Authority shall establish one or more deposit accounts with State or national banks or savings associations upon such terms and conditions as may be agreed upon. The Chair and Treasurer shall establish or cause to be established such accounts in the name of the Authority for general fund expenditures.

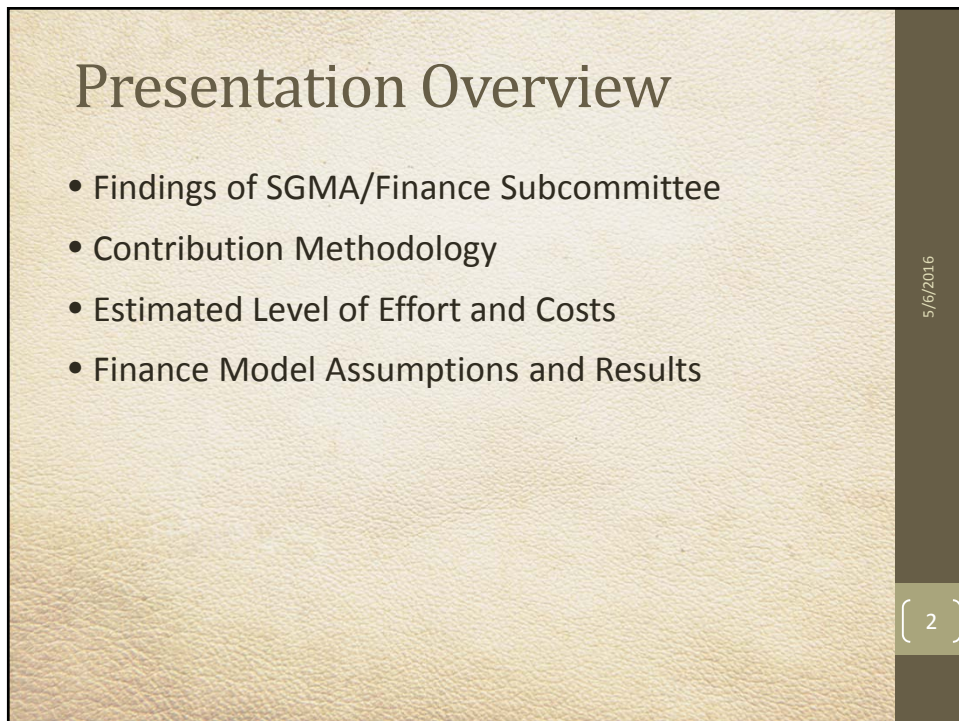
The slide features a background image of a rural landscape with a dirt road leading through fields towards a small town. A semi-transparent map of California is overlaid on the right side of the image. The title "SCGA Finance Update" is prominently displayed in the center. Below it, the subtitle "SCGA Update of Financial Methodologies" and the date "May 11, 2016" are shown. At the bottom right, the text "May 2016 Board Hearing" is present. A vertical sidebar on the right contains the date "5/6/2016" and a page indicator "[1]".

SCGA Finance Update

SCGA Update of Financial Methodologies
May 11, 2016

May 2016 Board Hearing

5/6/2016
[1]

The slide has a solid light beige background. The title "Presentation Overview" is centered at the top. Below the title is a bulleted list of four items: "Findings of SGMA/Finance Subcommittee", "Contribution Methodology", "Estimated Level of Effort and Costs", and "Finance Model Assumptions and Results". A vertical sidebar on the right contains the date "5/6/2016" and a page indicator "[2]".

Presentation Overview

- Findings of SGMA/Finance Subcommittee
- Contribution Methodology
- Estimated Level of Effort and Costs
- Finance Model Assumptions and Results

5/6/2016
[2]

SGMA/Finance Subcommittee Findings

- Current finance methodology results in shortage (i.e., pre- and post- SGMA)
- JPA already provides a means to adjust contributions
- Conversion to a SGA-like methodology
- Include a minimum contribution to participate as a voting Board member
- Keep current labor and overhead sharing structure

5/6/2016

[3]

Contribution Methodology

5/6/2016

[4]

Establishing Clear Benefits

Categories

- **Base** (ability to vote)
 - Basis: Being a Board Member/Signatory
- **Connection** (assurance of available groundwater)
 - Basis: Number of Water Service Accounts
 - Benefit: Assures access to an alternative source of water supply
- **Usage** (ability to extract groundwater)
 - Basis: Amount of Groundwater Pumped
 - Benefit: Continued reliable use of groundwater



Yea or Nay



5/6/2016

[5]

Methodology Assumptions

- **Base**
 - JPA Appointed Members pay a fixed amount of \$10,000
 - Signatory Members pay 2 times Appointed Members amount or \$20,000
- **Connection (applies only to water purveyors)**
 - Purveyors pay Connection Contribution based on number of service connections
 - Minimum Connection Contribution amount of \$8,000 if total connections below 6,000
 - A set unit cost per water service connection \$0.65
 - Calculated Water Purveyor Fee (>Min) = \$8,000 + (total connections - 6,000 connections) * \$0.65
- **Usage**
 - Average groundwater extraction = average pumping over last 3 yrs
 - Ag/Ag-Res Pumping Adjustment set to equate to 25% of total pumping
 - A set unit cost per acre-foot (\$3.15/AF) multiplied by the average adjusted groundwater extraction amount

5/6/2016

[6]

Inflationary Adjustments

- Inflation is currently not accounted for in the Finance Methodology
- Language that includes inflationary adjustments will be determined in the future
 - Adjustment will likely be based on a modified cost index (e.g., ENR CCI + CPI) depending on level of capital improvement program

5/6/2016

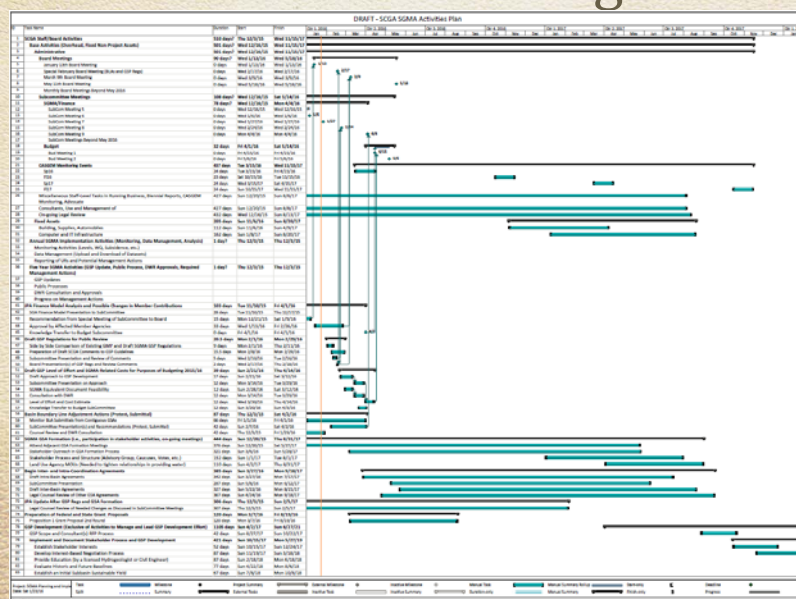
[7]

Estimated Level of Effort and Costs

5/6/2016

[8]

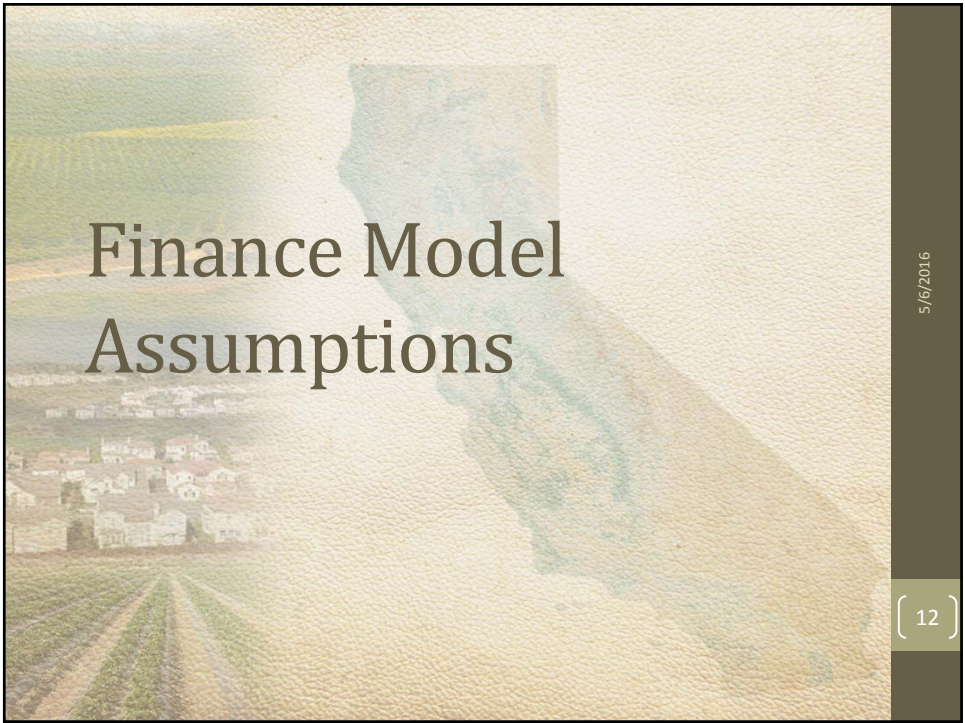
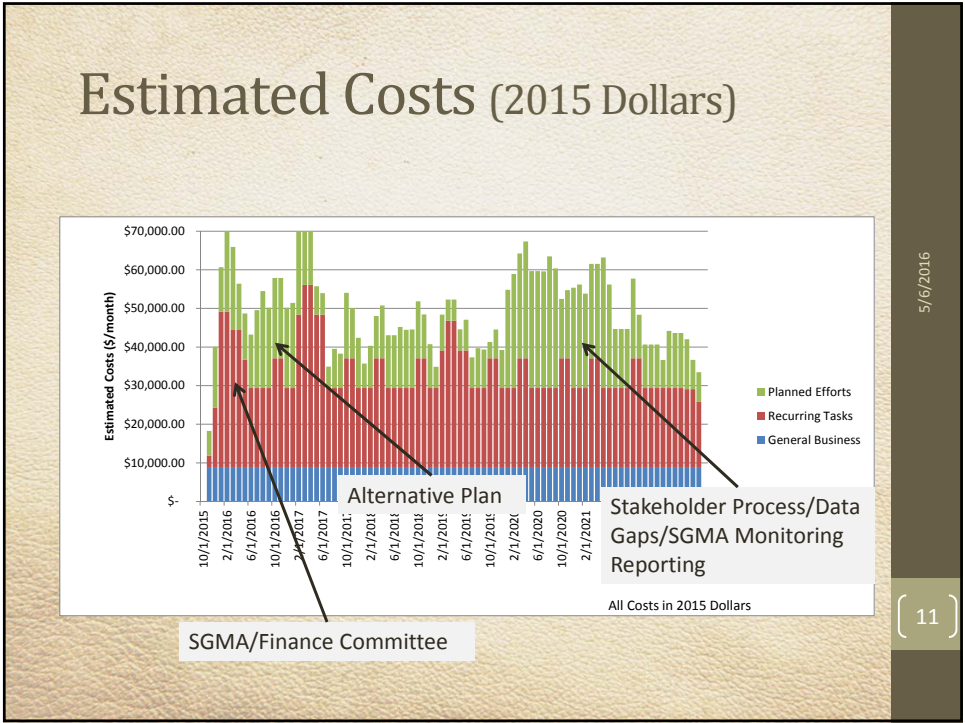
Detailed Task Scheduling



5/6/2016

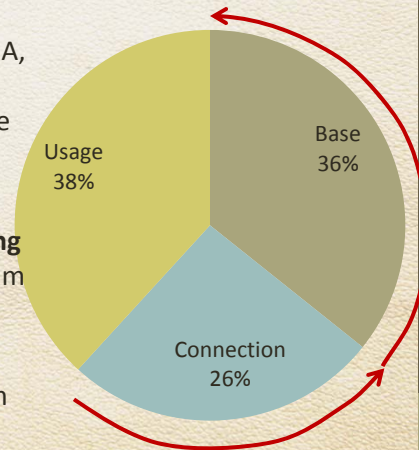
Summary of Estimated Costs

Annual Estimated Costs							
	2015/16(Por.)	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1.General Business							
Administrative, Staff Meetings (internal business duties)	\$ 63,333	\$ 95,000	\$ 94,974	\$ 94,969	\$ 94,969	\$ 94,969	\$ 94,969
Accounting (Financials, Audits, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Counsel (non-project related)	\$ 25,463	\$ 38,195	\$ 38,195	\$ 38,195	\$ 38,195	\$ 38,195	\$ 38,195
Consultant Contract Management	\$ 6,154	\$ 9,231	\$ 9,176	\$ 9,165	\$ 9,165	\$ 9,165	\$ 9,165
Subtotal	\$ 94,951	\$ 142,426	\$ 142,346	\$ 142,330	\$ 142,330	\$ 142,330	\$ 142,330
2.Recurring Tasks							
Board/Committee Meetings and Preparation	\$ 178,954	\$ 206,807	\$ 206,807	\$ 206,807	\$ 206,807	\$ 206,807	\$ 206,807
Biennial State of the Basin	\$ -	\$ 46,317	\$ -	\$ -	\$ -	\$ -	\$ -
Groundwater Model Update	\$ -	\$ 48,833	\$ -	\$ 48,833	\$ -	\$ -	\$ -
CAGSEM Monitoring	\$ 15,380	\$ 30,760	\$ 30,760	\$ 30,760	\$ 30,760	\$ 30,760	\$ 15,380
Management of Special GW Projects Management	\$ 266	\$ 3,196	\$ 3,196	\$ 3,196	\$ 3,196	\$ 3,196	\$ 3,196
Subtotal	\$ 194,600	\$ 335,913	\$ 240,763	\$ 289,597	\$ 240,763	\$ 240,763	\$ 225,383
3.Planned Efforts							
JPA Finance Model Analysis	\$ 9,340	\$ 16,120	\$ -	\$ -	\$ -	\$ -	\$ -
Review of Draft GSP Regulations	\$ 22,427	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assess GSP Level of Effort (for Budgeting)	\$ 38,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Basin Boundary Line Adjustment Actions (Protest, Submittal)	\$ 24,508	\$ 4,431	\$ -	\$ -	\$ -	\$ -	\$ -
GSA Formation (i.e., participation in stakeholder activities, on-going meetings)	\$ 12,154	\$ 33,643	\$ 1,764	\$ -	\$ -	\$ -	\$ -
Intra- and Inter-Basin GSA Coordination Agreements	\$ -	\$ 6,268	\$ 26,476	\$ 3,177	\$ -	\$ -	\$ -
JPA Updates	\$ 8,633	\$ 14,800	\$ 2,467	\$ -	\$ -	\$ -	\$ -
Federal and State Grant Proposals	\$ 1,327	\$ 3,982	\$ 3,982	\$ 3,982	\$ 664	\$ -	\$ -
Alternative Development and Stakeholder Processes	\$ -	\$ 152,340	\$ 59,550	\$ 52,448	\$ -	\$ -	\$ -
Alt to GSP Development, 5 Year Updates	\$ -	\$ 8,800	\$ 34,720	\$ 47,077	\$ 184,308	\$ 180,259	\$ 32,533
GSA Facilities Planning, Coordination, CEQA, CIP	\$ -	\$ -	\$ -	\$ -	\$ 16,856	\$ 112,099	\$ 85,486
GSP Monitoring, Data Management, Annual Reporting (\$ -	\$ -	\$ 8,081	\$ 16,162	\$ 21,153	\$ 22,817	\$ 44,422
Subtotal	\$ 116,608	\$ 240,384	\$ 137,039	\$ 122,846	\$ 222,980	\$ 315,175	\$ 162,441
Totals	\$ 406,159	\$ 718,723	\$ 520,148	\$ 554,772	\$ 606,073	\$ 698,268	\$ 530,154
Contributions	\$ -	\$ 573,424	\$ 573,424	\$ 573,424	\$ 573,424	\$ 573,424	\$ 573,424



SGMA Redefines Minimum Operating Expense

- SCGA is required to meet SGMA, regardless of the amount of groundwater pumped from the basin.
- **General Business and Recurring Tasks** are the absolute minimum level of effort
- **Connection + Base** > Minimum Expense



5/6/2016

[13]

Initial Finance Assumptions

- Base + Connection + Usage = Total Contribution
- Non-purveyor members are **not** required to pay the minimum Connection contribution (i.e., no customers)
- Maintain 25% pumping reduction for Ag and to effect no change in contribution with addition of Base Contribution
- Florin County, Fruitridge Vista, and Tokay Park are not included
- Keep rates proportional to SGA Model
- **No** Inflationary Increases

5/6/2016

[14]

Initial Finance Assumptions

- Minimum fund balance is sufficient to cover 6 months of expense, or 20% of operating expenses, whichever is greater
- Contributions occur over July – Sept of each year

5/6/2016

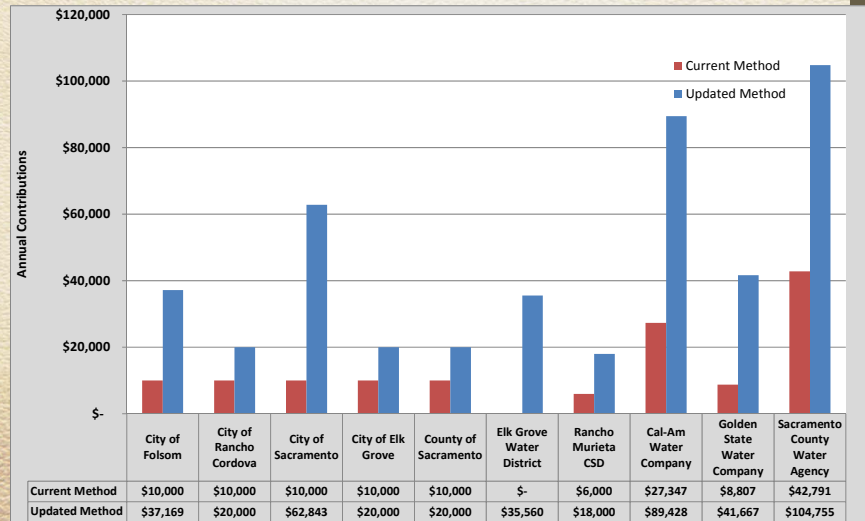
[15]

Model Results

Source of SCWA Funding	Agency	Base	Retail Water Connections (see below)	Connection (Minimum\$ or Minimum\$ + (Conn - Min Conn)*Fee\$	Groundwater Average (3 Yrs) Extraction, Acre Feet	Usage	Proposed FY Total Estimated Fees
Member Agency	City of Folsom	\$ 20,000	19,434	\$ 17,169	-	\$ -	\$ 37,169
Member Agency	City of Rancho Cordova	\$ 20,000	-	\$ -	-	\$ -	\$ 20,000
Member Agency	City of Sacramento	\$ 20,000	57,052	\$ 42,843	-	\$ -	\$ 62,843
Member Agency	City of Elk Grove	\$ 20,000	-	\$ -	-	\$ -	\$ 20,000
SCWA Z40	County of Sacramento	\$ 20,000	-	\$ -	-	\$ -	\$ 20,000
Member Agency	Elk Grove Water District	\$ 10,000	12,159	\$ 12,204	4,237	\$ 13,356	\$ 35,560
Member Agency	Rancho Murietta CSD	\$ 10,000	1,800	\$ 8,000	-	\$ -	\$ 18,000
Member Agency	Cal-Am Water Company	\$ 10,000	31,350	\$ 25,301	17,169	\$ 54,126	\$ 89,428
Member Agency	Golden State Water Company	\$ 10,000	14,839	\$ 14,033	5,594	\$ 17,634	\$ 41,667
SCWA Z61	Sacramento County Water Agency	-	49,792	\$ 37,888	21,211	\$ 66,867	\$ 104,755
SCWA Z13	Onondumne-Hartnell Water District	-	-	not a member of SCGA in the future	-	\$ -	\$ -
Member Agency	SRCSO	\$ 10,000	-	\$ -	-	\$ -	\$ 10,000
SCWA Z13	Ag Interests	\$ 10,000	-	\$ -	16,445	\$ 51,841	\$ 61,842
SCWA Z13	Ag-Res Interests	\$ 10,000	-	\$ -	3,857	\$ 12,159	\$ 22,160
SCWA Z13	Comm/Industrial Self Supplied	\$ 10,000	-	\$ -	-	\$ -	\$ 10,000
SCWA Z13	Public Agency Self Supplied	\$ 10,000	-	\$ -	-	\$ -	\$ 10,000
SCWA Z13	Conservation Land Owners	\$ 10,000	-	\$ -	-	\$ -	\$ 10,000
TOTALS		\$ 200,000	186,426	\$ 157,438	68,512	\$ 215,984	\$ 573,424
Percent of Total Annual Contribution		35%		27%		38%	

[16]

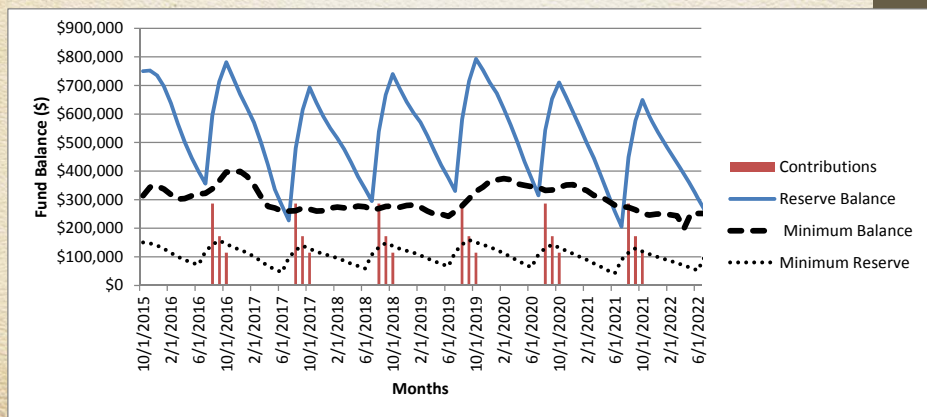
Model Results



5/6/2016

17

Model Results



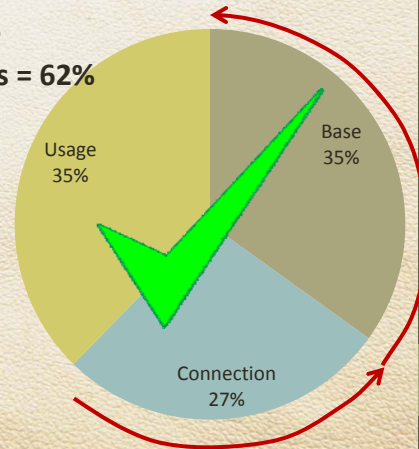
18

Test for Minimum Operating Expenses

5 Year Avg Minimum Operating Expense vs. Contributions

General + Recurring Costs = 66%

Base + Connection Contributions = 62%



5/6/2016

[19]

End of Presentation

5/6/2016

[20]

2015/16 SCGA Budget Subcommittee - Finance Methodology Update and Model Summary

SCGA Using Shared Resources with SCWA (May 11, 2016)

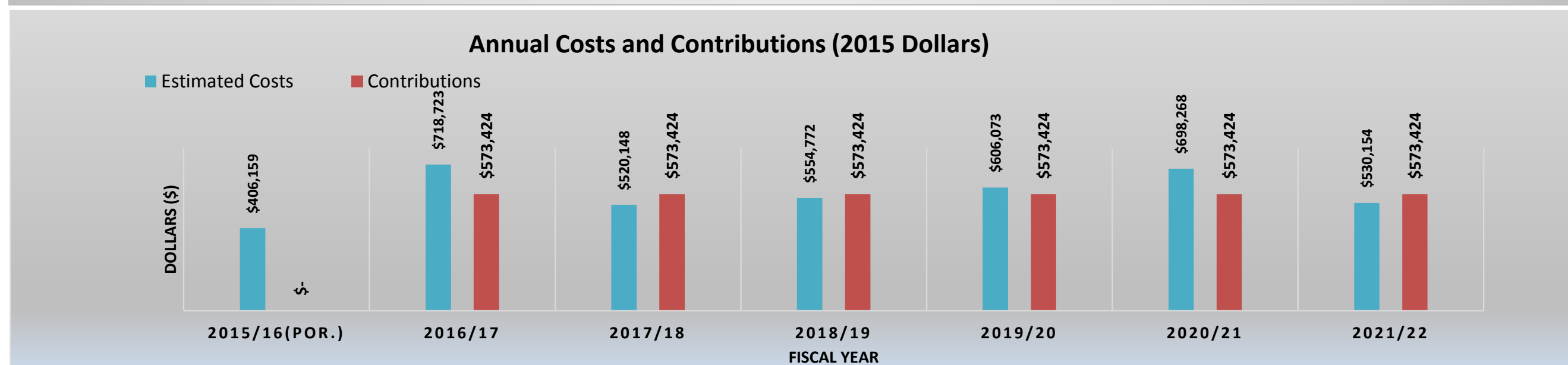
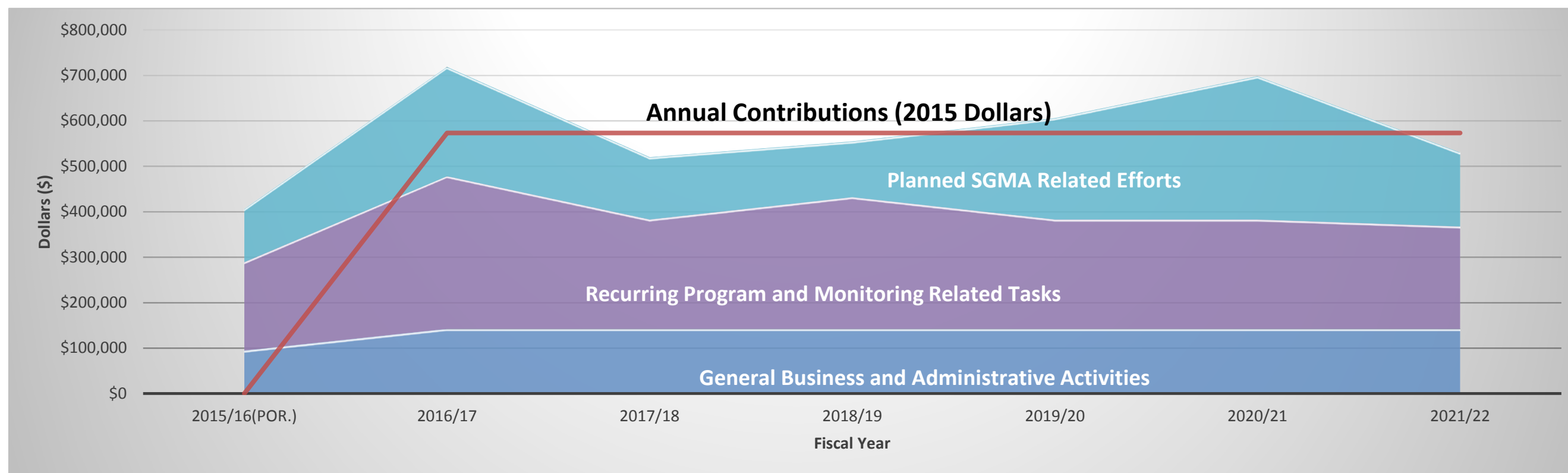


Sacramento Central Groundwater Authority
*Managing Groundwater Resources
in Central Sacramento County*

SCGA Estimated Fiscal Year Costs for Budget Subcommittee (May 11, 2016) – SCGA Using Shared Resources with SCWA

Annual Estimated Costs	2015/16(Por.)	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	6.5 Year Total	Average Annual (2016/17-2020/21)
General Business									
Administrative, Staff Meetings	\$ 65,897	\$ 98,846	\$ 98,819	\$ 98,814	\$ 98,814	\$ 98,814	\$ 98,814	\$ 658,818	\$ 98,821
Accounting, audits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Counsel	\$ 9,167	\$ 13,750	\$ 13,750	\$ 13,750	\$ 13,750	\$ 13,750	\$ 13,750	\$ 91,669	\$ 13,750
Consultant/Contract Management	\$ 6,154	\$ 9,231	\$ 9,176	\$ 9,165	\$ 9,165	\$ 9,165	\$ 9,165	\$ 61,222	\$ 9,181
Subtotal	\$ 81,218	\$ 121,827	\$ 121,746	\$ 121,730	\$ 121,730	\$ 121,730	\$ 121,730	\$ 811,709	\$ 121,752
Recurring Tasks									
Board/Committee Meetings and Preparation	\$ 174,926	\$ 202,153	\$ 202,153	\$ 202,153	\$ 202,153	\$ 202,153	\$ 202,153	\$ 1,387,842	\$ 202,153
Biennial State of the Basin	\$ -	\$ 46,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,200	\$ 9,240
Groundwater Model Update	\$ -	\$ 48,833	\$ -	\$ 48,833	\$ -	\$ -	\$ -	\$ 97,667	\$ 19,533
CASGEM Monitoring	\$ 15,380	\$ 30,760	\$ 30,760	\$ 30,760	\$ 30,760	\$ 30,760	\$ 15,380	\$ 184,560	\$ 30,760
Management of Special GW Projects Management	\$ 266	\$ 3,196	\$ 3,196	\$ 3,196	\$ 3,196	\$ 3,196	\$ 3,196	\$ 19,442	\$ 3,196
Subtotal	\$ 190,572	\$ 331,142	\$ 236,108	\$ 284,942	\$ 236,108	\$ 236,108	\$ 220,728	\$ 1,735,710	\$ 264,882
Planned Efforts									
JPA Finance Model Analysis	\$ 9,580	\$ 15,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,510	\$ 3,186
Review of Draft GSP Regulations	\$ 18,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,853	\$ -
Assess GSP Level of Effort (for Budgeting)	\$ 35,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,387	\$ -
Basin Boundary Line Adjustment Actions (Protest, Submittal)	\$ 10,889	\$ 898	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,787	\$ 180
GSA Formation (i.e., participation in stakeholder activities, on-going meetings)	\$ 12,388	\$ 31,110	\$ 865	\$ -	\$ -	\$ -	\$ -	\$ 44,363	\$ 6,395
Intra- and Inter-Basin GSA Coordination Agreements	\$ -	\$ 5,732	\$ 24,808	\$ 2,888	\$ -	\$ -	\$ -	\$ 33,428	\$ 6,686
JPA Updates	\$ 7,588	\$ 13,008	\$ 2,168	\$ -	\$ -	\$ -	\$ -	\$ 22,764	\$ 3,035
Federal and State Grant Proposals	\$ 1,327	\$ 3,982	\$ 3,982	\$ 3,982	\$ 664	\$ -	\$ -	\$ 13,936	\$ 2,522
GSP Stakeholder Processes	\$ -	\$ -	\$ 58,290	\$ 51,440	\$ -	\$ -	\$ -	\$ 109,730	\$ 21,946
GSP Development, Adoption, and DWR Submittal, 5 Year Updates	\$ -	\$ 8,800	\$ 34,440	\$ 45,845	\$ 182,343	\$ 176,389	\$ 32,533	\$ 480,351	\$ 89,564
GSA Facilities Planning, Coordination, CEQA, CIP	\$ -	\$ -	\$ -	\$ -	\$ 16,856	\$ 179,931	\$ 84,206	\$ 280,993	\$ 39,357
GSP Monitoring, Data Management, Annual Reporting	\$ -	\$ -	\$ 12,280	\$ 24,560	\$ 27,351	\$ 20,095	\$ 32,534	\$ 116,819	\$ 16,857
Subtotal	\$ 96,011	\$ 79,460	\$ 136,833	\$ 128,715	\$ 227,214	\$ 376,415	\$ 149,273	\$ 1,193,921	\$ 189,727
Totals	\$ 367,802	\$ 532,429	\$ 494,687	\$ 535,386	\$ 585,052	\$ 734,253	\$ 491,731	\$ 3,741,340	\$ 576,361
Contributions	\$ -	\$ 573,424	\$ 573,424	\$ 573,424	\$ 573,424	\$ 573,424	\$ 573,424	\$ 3,440,544	\$ 573,424

Annual Estimated Costs (2015 Dollars with no inflationary increase) vs. SCGA Member Annual Contributions

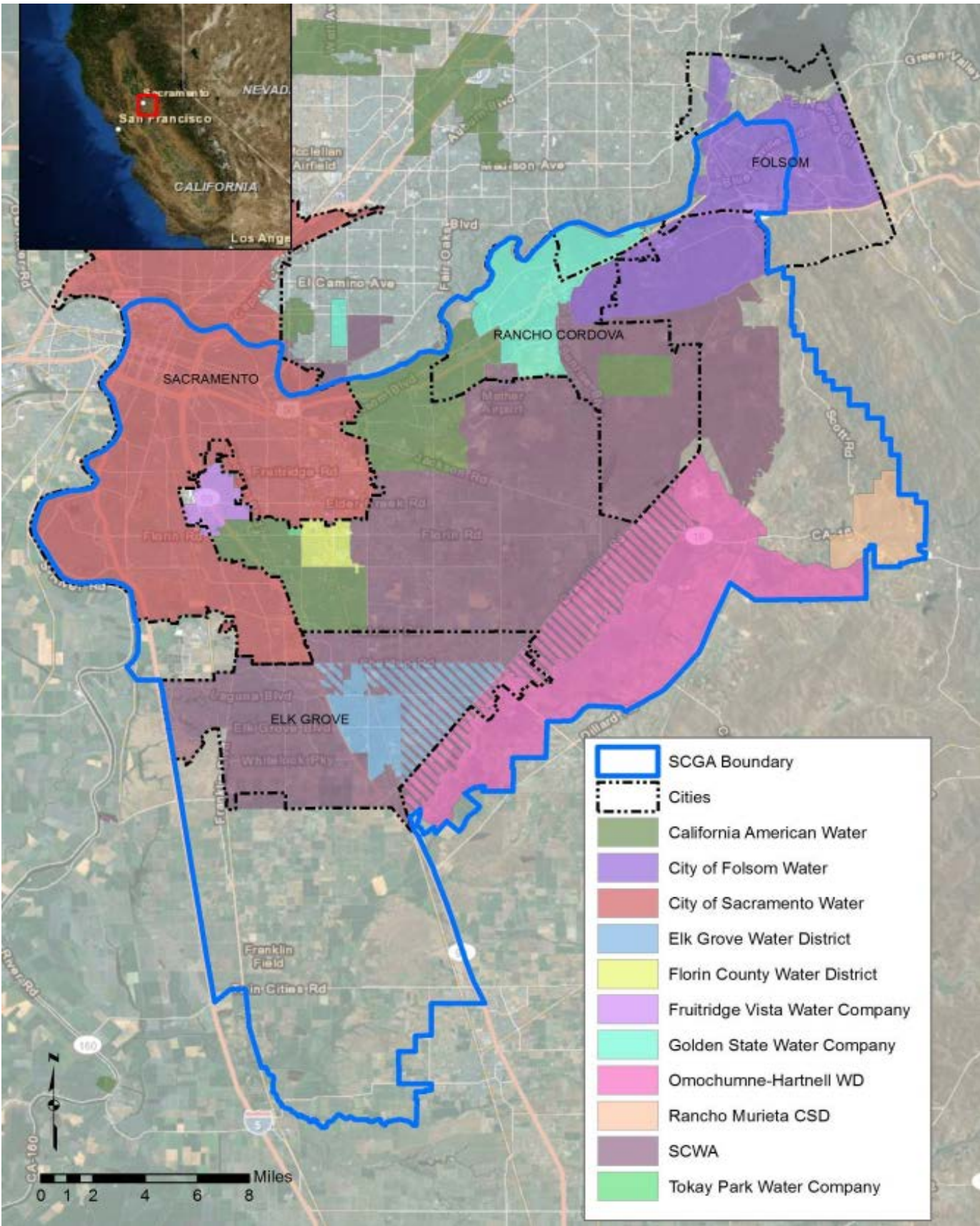


SCGA Finance Methodology Update Assumptions (DRAFT) – SCGA
Using Shared Resources with SCWA

Ag/Ag-Res Pumping Discount		19%
Base Fee – JPA Signatory Members		\$ 20,000
Base Fee – JPA Members		\$ 10,000
Minimum Number of Connections		6,000
Minimum “Service” Connection Fee		\$ 8,000
Unit Cost for Connections greater than Min Connections	\$/Conn	\$ 0.68
Purveyor GW Extraction-based Fee	per AF	\$ 3.15
Agricultural/Ag-Res GW Extraction-based Fee	per AF	\$ 3.15

Definition of Unit Contributions

- **Base**
 - JPA Appointed Members pay a fixed amount
 - Signatory Members pay 2 times Appointed Members amount
- **Connection (applies only to water purveyors)**
 - Water purveyors pay Connection fee using number of service connections
 - A minimum Connection fee amount
 - A minimum number of connections
 - If total connections below minimum connection, pay minimum Connection fee
 - A set unit cost per water service connection
 - Calculated Water Purveyor Fee = minimum Connection fee \$\$ + (total connections -minimum connections) * unit cost\$\$
 - Connection contribution is greater of the two
- **Usage**
 - Average groundwater extraction = average pumping over last 3 yrs
 - Ag/Ag-Res Pumping Adjustment set to equate to 25% of total pumping



SCGA Member Contributions for Budget Subcommittee (May 11, 2016) – SCGA Using Shared Resources with SCWA

Source of SCWA Funding	Agency	Base	Retail Water Connections (see below)	Connection (Minimum\$ or Minimum\$ + (Conn - Min Conn)*Fee\$	Groundwater Average (3 Yrs) Extraction, Acre Feet	Usage	Proposed FY Total Estimated Fees
Member Agency	City of Folsom	\$ 20,000	19,434	\$ 17,169	-	\$ -	\$ 37,169
Member Agency	City of Rancho Cordova	\$ 20,000		\$ -			\$ 20,000
Member Agency	City of Sacramento	\$ 20,000	57,052	\$ 42,843	-	\$ -	\$ 62,843
Member Agency	City of Elk Grove	\$ 20,000		\$ -			\$ 20,000
SCWA Z40	County of Sacramento	\$ 20,000		\$ -			\$ 20,000
Member Agency	Elk Grove Water District	\$ 10,000	12,159	\$ 12,204	4,237	\$ 13,356	\$ 35,560
Member Agency	Rancho Murieta CSD	\$ 10,000	1,800	\$ 8,000	-	\$ -	\$ 18,000
Member Agency	Cal-Am Water Company	\$ 10,000	31,350	\$ 25,301	17,169	\$ 54,126	\$ 89,428
Member Agency	Golden State Water Company	\$ 10,000	14,839	\$ 14,033	5,594	\$ 17,634	\$ 41,667
SCWA Z41	SCWA		49,792	\$ 37,888	21,211	\$ 66,867	\$ 104,755
SCWA Z13	Omochumne-Hartnell Water District	\$ -		\$ -	-	\$ -	\$ -
Member Agency	SRCS D	\$ 10,000		\$ -	-	\$ -	\$ 10,000
SCWA Z13	Ag Interests	\$ 10,000		\$ -	16,445	\$ 51,841	\$ 61,842
SCWA Z13	Ag-Res Interests	\$ 10,000		\$ -	3,857	\$ 12,159	\$ 22,160
SCWA Z13	Comm/Industrial Self Supplied	\$ 10,000		\$ -	-	\$ -	\$ 10,000
SCWA Z13	Public Agency Self Supplied	\$ 10,000		\$ -	-	\$ -	\$ 10,000
SCWA Z13	Conservation Land Owners	\$ 10,000		\$ -	-	\$ -	\$ 10,000
	TOTALS	\$ 200,000	186,426	\$ 157,438	68,512	\$ 215,984	\$ 573,424

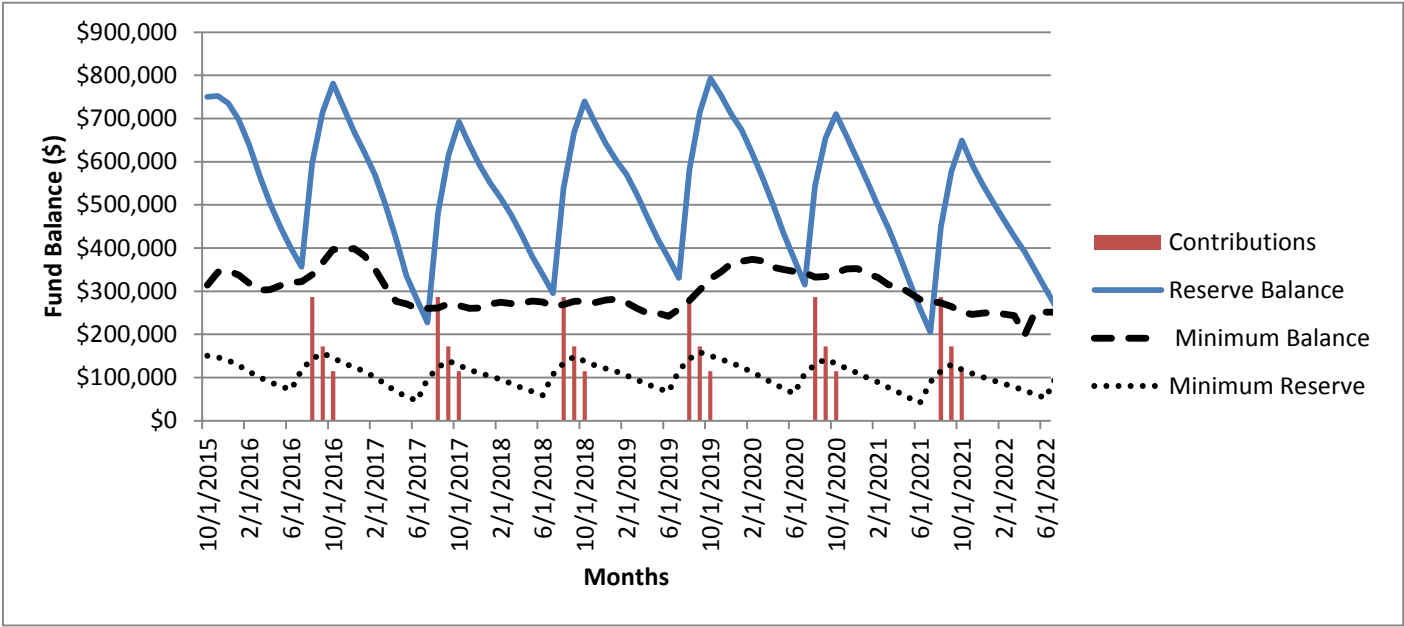
Percent of Total Annual Contribution

35%

27%

38%

Finance Model Results – SCGA Using Shared Resources with SCWA



SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

RESOLUTION NO. 2016-_____

RESOLUTION ADOPTING AND ASSIGNING COSTS TO FUND ADMINISTRATIVE AND PROGRAM BUDGETS FOR FISCAL YEAR 2016/2017 AND PROVIDE FOR THE COLLECTION OF ANNUAL CONTRIBUTIONS

WHEREAS, on August 29, 2006 the Joint Powers Agreement Between the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento and the County of Sacramento Creating the Sacramento Central Groundwater Authority (“JPA”) established a separate public entity identified as the Sacramento Central Groundwater Authority (“AUTHORITY”) with its own Board of Directors; and

WHEREAS, the AUTHORITY was created to maintain the long-term sustainable yield of the Central Basin in accordance with the Central Sacramento County Groundwater Management Plan; and

WHEREAS, the JPA provides for the collection of annual contributions to fund implementation of the Central Sacramento County Groundwater Management Plan;

WHEREAS, the AUTHORITY has decided to adjust its annual contribution methodology to better align with other local management authorities and to reduce the potential risk of underfunding groundwater management programs in the future;

WHEREAS, Section 8(e) of the JPA provides for the AUTHORITY’s adjustment of funding contributions subject to compliance with Section 8 (c) which requires an affirmative vote of eleven of the sixteen members of the governing board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento, and the County of Sacramento;

WHEREAS, the AUTHORITY’s administrative budget for fiscal year 2016/2017 is specified in Attachment A. The budget includes projections of revenues, staff expenses, consultant expenses, office expenses and Groundwater Management Plan related expenses. The administrative budget is required to finance the administrative activities necessary to manage the Central Sacramento County groundwater management area.

NOW, THEREFORE, be it resolved by the SCGA Board of Directors:

1. The above recitals are correct and the SCGA Board of Directors so finds and determines.
2. The SCGA Board of Directors finds and determines that:
 - a. The SCGA administrative budget for fiscal year 2016/2017 as specified in Attachment A is hereby adopted; and
 - b. The annual contributions to fund the SCGA administrative budget for fiscal year 2016/2017 are revised from the initial funding contributions identified in the JPA Section 8(d), and will be collected from the contributors pursuant to Attachment B; and
 - c. Billing for the fiscal year 2016/2017 annual contributions shall be mailed not later than thirty (30) days following the adoption of this resolution with payment to be made within thirty (30) days of receipt of billing.

ON A MOTION by Director _____, and seconded by Director _____, the foregoing resolution was passed and adopted by the Board of Directors of SCGA this 11th day of May, 2016, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

RECUSAL: Directors,
(PER POLITICAL REFORM ACT (§ 18702.5.)

ABSENT: Directors,

ABSTAIN: Directors,

Chair of the Board of Directors
of the Sacramento Central Groundwater Authority,
a duly formed Joint Powers Authority

(SEAL)

ATTEST: _____
Clerk of the Board of Directors of
the Sacramento Central Groundwater Authority

ATTACHMENT A - Fiscal Year 2016-2017 Authority's Budget

FUND: Sacramento Central Groundwater Authority (096B)

ACTIVITY: Groundwater Supply Operations (0960001)

FISCAL YEAR: 2016-17

	Actual 2011-2012	Actual 2012-2013	Actual 2013-14	Actual 2014-15	Estimate 2015-16	Requested 2016-17
MEANS OF FINANCING						
Reserves:						
Prior Year Fund Balance	\$ 631,157	\$ 714,927	\$ 139,454	\$ 116,451	\$ 358,049	\$ 145,302
Revenues:						
Contributions from other Agencies	\$ 264,047	\$ 254,492	\$ 244,222	\$ 236,962	\$ 210,423	\$ 573,420
Interfund Charges (Transfer In / Out) reimbursement from SCGA WPP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Release	\$ -	\$ -	\$ -	\$ 278,934	\$ 36,233	\$ -
Interest Income	\$ 2,862	\$ 5,332	\$ 2,000	\$ -	\$ (2,905)	\$ -
AB303 Grant Reimbursement	\$ -	\$ -	\$ 200,000	\$ 199,823	\$ 29,000	\$ -
Encumbrance Rollover from Prior Year	\$ 2,900	\$ (1,370)	\$ -	\$ -	\$ -	\$ -
Total Means of Financing	\$ 900,966	\$ 973,381	\$ 585,676	\$ 832,170	\$ 630,800	\$ 718,723
FINANCING USES						
Provision for Reserves	\$ -	\$ 707,430	\$ 31,626	\$ -	\$ -	\$ -
Interfund Charges (Transfer In / Out) reimbursement from SCGA WPP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries / Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies	\$ 186,039	\$ 126,497	\$ 554,050	\$ 832,170	\$ 485,498	\$ 718,723
Other Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Financing Uses	\$ 186,039	\$ 833,927	\$ 585,676	\$ 832,170	\$ 485,498	\$ 718,723
ENDING FUND BALANCE	\$ 714,927	\$ 139,454	\$ -	\$ -	\$ 145,302	\$ -

See Attachment D for Budget Detail

need reserve of 20% of expenditures.

143,745

Authority's Members Contribution (2016-2017)

	Base Contribution	Connection Contribution	Groundwater Usage Contribution	Total Annual Contribution
Board Members				
City of Folsom	\$ 20,000	\$ 17,169	\$ -	\$ 37,169
City of Rancho Cordova	\$ 20,000	\$ -	\$ -	\$ 20,000
City of Sacramento	\$ 20,000	\$ 42,843	\$ -	\$ 62,843
City of Elk Grove	\$ 20,000	\$ -	\$ -	\$ 20,000
County of Sacramento	\$ 20,000	\$ -	\$ -	\$ 20,000
Elk Grove Water District	\$ 10,000	\$ 12,204	\$ 13,356	\$ 35,560
Rancho Murieta CSD	\$ 10,000	\$ 8,000	\$ -	\$ 18,000
Cal-Am Water Company	\$ 10,000	\$ 25,301	\$ 54,126	\$ 89,427
Golden State Water Company	\$ 10,000	\$ 14,033	\$ 17,634	\$ 41,667
Omoichumne-Hartnell Water District	Not Included in Current Fiscal Year Contributions			
SRCS	\$ 10,000	\$ -	\$ -	\$ 10,000
Ag Interests	\$ 10,000	\$ -	\$ 51,841	\$ 61,841
Ag-Res Interests	\$ 10,000	\$ -	\$ 12,159	\$ 22,159
Comm/Industrial Self Supplied	\$ 10,000	\$ -	\$ -	\$ 10,000
Public Agency Self Supplied	\$ 10,000	\$ -	\$ -	\$ 10,000
Conservation Land Owners	\$ 10,000	\$ -	\$ -	\$ 10,000
Other				
Sacramento County Water Agency	\$ -	\$ 37,888	\$ 66,867	\$ 104,755
Total	\$ 200,000	\$ 157,437	\$ 215,983	\$ 573,420

Base Fee Component

Annual Base Contribution is \$10,000 for non-signatory members and \$20,000 for signatory members

- Annual Base Contribution of \$10,000 for Agriculture and Agriculture/Residential is paid out of SCWA Zone 13 funds

Connection Fee Component

Annual Connection Contribution is \$8,000 plus \$0.68 per connection for number of water service connections over the 6,000 connection minimum.

- An annual minimum Connection Contribution of \$8,000 is assessed for water districts with less than the 6,000 connection minimum.

Groundwater Usage Component

Annual Groundwater Usage Contribution is \$3.15/acre-foot of groundwater pumped from the basin averaged over previous three calendar years

- Annual Groundwater Usage Contribution by Agriculture is 25-percent of the estimated annual pumping (as determined by SCWA) at the rate of \$3.15/acre-foot and paid out of SCWA Zone 13 funds
- Annual Groundwater Usage Contribution by Agriculture/Residential is 25-percent of the estimated annual pumping (as determined by SCWA) at the rate of \$3.15/acre-foot and paid out of SCWA Zone 13 funds

Groundwater Usage Component 2016 Pumping Data

Water Purveyors	Pumping Amount (acre-feet)	Exclusion (acre-feet)	Net Pumping (acre-feet)	Rate (\$/acre-foot)	Contribution
Commercial/Industrial Self Supplied	0	0	0	\$ 3.15	\$ -
Public Agencies/Self Supplied	0	0	0	\$ 3.15	\$ -
Elk Grove Water Service	4,237	0	4237	\$ 3.15	\$ 13,356
Omochumne-Hartnell Water District	0	0	0	\$ 3.15	\$ -
Rancho Murieta CSD	0	0	0	\$ 3.15	\$ -
California-American Water Co.	17,169	0	17,169	\$ 3.15	\$ 54,126
Golden State Water Company	5,594	0	5,594	\$ 3.15	\$ 17,634
Sacramento County Water Agency - Zone 41	21,211	0	21,211	\$ 3.15	\$ 66,867
Ag and Conservation Land Owners					
		25% of estimated pumping			
Agricultural Interests	65,778	0.25	16,445	\$ 3.15	\$ 51,842
Conservation Land Owners	0	0.25	0	\$ 3.15	\$ -
Agriculture-Residential					
		25% of estimated pumping			
Agriculture-Residential	15,428	0.25	3,857	\$ 3.15	\$ 12,159

Water Service Connection Component 2016 Water Service Connection Data

Water Purveyors	Number of Connections	Minimum Number of Connections	Number of Connections Exceeding Minimum	Rate (\$/connection)	Contribution
Commercial/Industrial Self Supplied	-	6,000	-	\$ 0.68	\$ -
Public Agencies/Self Supplied	-	6,000	-	\$ 0.68	\$ -
City of Folsom	19,434	6,000	13,434	\$ 0.68	\$ 17,169
City of Sacramento	57,052	6,000	51,052	\$ 0.68	\$ 42,843
Elk Grove Water Service	12,159	6,000	6,159	\$ 0.68	\$ 12,204
Omochumne-Hartnell Water District	-	6,000	-	\$ 0.68	\$ -
Rancho Murieta CSD	1,800	6,000	-	\$ 0.68	\$ 8,000
California-American Water Co.	31,350	6,000	25,350	\$ 0.68	\$ 25,301
Golden State Water Company	14,839	6,000	8,839	\$ 0.68	\$ 14,033
Sacramento County Water Agency - Zone 41	49,792	6,000	43,792	\$ 0.68	\$ 37,888

ATTACHMENT C - Fiscal Year 2016-2017 Authority's 2-Year Budget Breakdown

	Proposed FY15/16 Budget	Proposed FY16/17 Budget
MEANS OF FINANCING		
Operating Account		
Beginning Operating Fund Balance	\$ 358,049	\$ 145,302
Revenues:		
Contributions from Member Agencies	\$ 210,423	\$ 573,420
Reserve Release	36,233	-
AB 303 Grant (Prop. 84)	29,000	
Interest Income	(2,905)	-
Total Means of Financing	\$ 630,800	\$ 718,723
FINANCING USES		
Salaries/Benefits	\$ -	\$ -
Services & Supplies:		
Staff Expenses	291,500	511,532
Consultant Expenses	333,000	200,891
Office Expenses	6,300	6,300
GMP Related Expenses	-	-
Reporting Expenses	-	-
Provision for Reserve	-	-
Total Financing Uses	\$ 630,800	\$ 718,723

Attachment D - Authority's Operating Expenses (2016 -2017)

Operating Expenses	FY 2015_16	FY 2016_17	Notes
<u>1. Staff Expenses</u>			
Staff	\$ 265,000	\$ 310,066	G/L 20293403 Executive Director & G/L 20293403 Staff & Temporary Contract Employee
Legal Counsel	\$ 12,000	\$ 149,070	G/L 20253100
Financial/IT/Secretary	\$ 11,000	\$ 48,895	G/L 20293403; Remie and Bill
AFS Contract Services	\$ 2,000	\$ 2,000	Contract payment and writing allocation costs. (G/L 20293401)
Travel/Conference	\$ 1,500	\$ 1,500	G/L 20202900
Total Staff Expenses	\$ 291,500	\$ 511,532	
<u>2. Consultant Expenses</u>			
Audit Report	\$ 9,000	\$ 9,000	VTD & Co. Audit Expense, G/L 20250500
Technical Services	\$ 245,000	\$ 191,891	1. \$100k - Develop and Support Alternative Submittal; 2. \$66k - Assist SCGA staff transitioning to a GSA, including grant application, data management, public outreach, and website update etc. 3. \$10k - Ag/Res Water Conservation 4. \$25k - GAP Study
AB303 Grant	\$ 79,000		RMC Contract - Completed
Total Consultant Expenses	\$ 333,000	\$ 200,891	
<u>3. Office Expenses</u>			
General Liability Insurance	\$ 6,000	\$ 6,000	Annual premium paid to Sacramento County Risk Management
Office Supplies/Postage	\$ 150	\$ 150	G/L 20207600
Dues & Subscriptions	\$ 150	\$ 150	GRA Membership dues (G/L 20206100)
Total Office Expenses	\$ 6,300	\$ 6,300	
GRAND TOTAL	\$ 630,800	\$ 718,723	

AGENDA ITEM 5: BUDGET REPORT

BACKGROUND:

Report back on current budget status comparing fiscal year revenues and year-to-date costs. This staff report focuses on Authority expenditures over the 2015/16 fiscal year providing a breakdown in staffing, consulting, and administrative costs.

STAFF RECOMMENDATION:

Action: Receive and file.

Sacramento Central Groundwater Authority

Budget Status Update

Year-to-Date Performance, March 2016

		2015/16 Budget	YTD (plus Encumbrance) 31-Mar-16	% Annual Budget
REVENUES				
Interest Income	\$	(2,905)	\$ -	0.0%
Contributions	\$	210,423	\$ 210,423	100.0%
State Aid - Other Misc. AB 303 Grant Revenue (\$249,964)	\$	29,000	\$ 98,238	338.8%
Reserve Release	\$	36,233	\$ 37,139	102.5%
Prior Year Fund Balance	\$	358,049	\$ 357,143	
TOTAL	\$	630,800	\$ 702,943	111.4%
EXPENDITURES				
Office Expenses	\$	6,300	\$ (7.52)	-0.1%
Staff Expenses	\$	291,500	\$ 190,282	65.3%
Consultant Expenses	\$	333,000	\$ 134,419	40.4%
TOTAL	\$	630,800	\$ 324,694	51.5%

AGENDA ITEM 6: PUBLIC HEARING TO CONSIDER SCGA BECOMING A GROUNDWATER SUSTAINABILITY AGENCY IN AREAS OF THE SOUTH AMERICAN SUBBASIN (PORTIONS OF BULLETIN 118-03 BASIN 5-21.65)

BACKGROUND:

Pursuant to SCGA Resolution 2016-002, SCGA resolved to hold a public hearing to consider becoming a groundwater sustainability agency in areas of the South American groundwater subbasin. Today's public hearing satisfies California Water Code section 10723 along with the Public Notice of this hearing provided in accordance with California Government Code section 6066 in the Sacramento Bee on April 27, 2016, and May 4, 2016 (see attachment 4). Individual informational notices (see attachment 5) were mailed on May 3, 2016, to Interested Parties, as defined by SGMA, and identified by the SGMA Subcommittee (see attachment 6 for complete list).

Pursuant to this public hearing three resolutions are being considered corresponding to the three GSA formation areas within the South American subbasin identified in Resolution 2016-002. These three areas are shown on Exhibit "A" of each of the attached resolutions and include: Area 1, currently uncontested by any other groundwater management entity; Area 2, located within OHWD's jurisdiction and would be contested if OHWD files to become a GSA within the South American jurisdiction; and, Area 3, located within SRCD's jurisdiction and would be contested if SRCD files to become a GSA within the South American subbasin.

SCGA's member agency, Omochumne-Hartnell Water District, along with the Sloughhouse Resource Conservation District, have submitted a joint basin boundary modification to state DWR requesting to remove Area 2 and Area 3 from the South American Subbasin, creating uncertainty in SCGA's continued governance over these two areas. Since the state's basin boundary modification process may not be completed until December 2016, the two areas are being treated separately as part of SCGA's moving forward to become a GSA within the South American Subbasin portions of its jurisdictional boundaries.

If no overlapping GSA is filed within the ninety (90) day period, starting at the time DWR posts SCGA's Notice of Formation as a GSA, SCGA will be recognized as the exclusive SGMA groundwater management authority for the noticed areas, unless another local agency submits a Notice of Formation identifying overlapping area of intended management (California Water Code 10723.8(c) and (d)). In this case, if one or both areas remain in the South American Subbasin, action will be taken with the state to combine multiple GSA areas.

STAFF RECOMMENDATION:

Recommended Actions:

- 1. Adopt Resolution to become the exclusive GSA for Area 1.***
- 2. Adopt Resolution to become the exclusive GSA for Area 2.***
- 3. Adopt Resolution to become the exclusive GSA for Area 3.***

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

RESOLUTION NO. 2016-_____

RESOLUTION FORMING A GROUNDWATER SUSTAINABILITY AGENCY FOR AREA 1 OF THE SOUTH AMERICAN SUBBASIN

WHEREAS, the Sustainable Groundwater Management Act of 2014 (SGMA) authorizes a local agency overlying a groundwater basin to become a Groundwater Sustainability Agency (GSA) in satisfaction of SGMA objectives (California Water Code §10723(a)); and

WHEREAS, the Sacramento Central Groundwater Authority (SCGA) was duly formed under the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code) pursuant to a Joint Powers Agreement by and among the County of Sacramento and Cities of Sacramento, Elk Grove, Rancho Cordova, and Folsom dated August 29, 2006 (JPA), after outreach to fifty (50) regional stakeholders, representing agricultural, urban, self-supplied, environmental, and other groundwater interests; and

WHEREAS, SCGA was created for the primary purpose of maintaining the sustainable yield within the SCGA Groundwater Management Plan (GMP), and thereby qualifies as a local agency as defined in SGMA; and

WHEREAS, SCGA's jurisdiction overlies a portion of the South American subbasin, as defined in California Department of Water Resources' (DWR) Bulletin 118-03, identified as classified as high priority; and

WHEREAS, SGMA requires a GSA be formed for high and medium priority groundwater subbasins in California by June 30, 2017; and

WHEREAS, Before deciding to become a GSA, SCGA must specially publish and hold a public hearing to consider GSA formation within its jurisdictional area, and adopt a resolution forming the GSA within identified service area boundaries; and

WHEREAS, SCGA published notice of public hearing to accept public comment on whether it should form a GSA for areas within its jurisdiction of the South American

in accordance with California Government Code §6066 and California Water Code §10723; and

WHEREAS, SCGA held a public hearing and accepted public comment on whether it should form a GSA for areas within its jurisdiction of the South American; and

WHEREAS, SCGA has identified and engaged with other local agencies within the South American subbasin that have expressed interest in SGMA groundwater management, and encouraged a collaborative process to basin-wide groundwater governance; and

WHEREAS, SCGA has ongoing coordination and communication with other groundwater management entities in the North American, South American, and Cosumnes subbasins; and

WHEREAS, SCGA will continue communication and collaboration with other local agencies interested in SGMA groundwater management in the North American, South American, and Cosumnes subbasins to achieve basin-wide governance and inter-basin coordination in an efficient and effective manner; and

WHEREAS, SCGA has developed a list of parties for whom SCGA shall consider interests as beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans, and an explanation of how such interests will be considered by SCGA's GSA and its development and implementation of a sustainability plan, in accordance with California Water Code §10723.2

WHEREAS, SCGA has determined that its election to become a GSA is not a project and is thus not subject to the California Environmental Quality Act (Title 14 Cal. Code of Regs. §15378(b)(13)); and

WHEREAS, SCGA has significant interest and investment in using its GMP and management authority for the sustainable management of groundwater within the South American subbasin.

NOW, THEREFORE, BE IT RESOLVED the SCGA Board of Directors:

1. Incorporates and adopts the above recitals as if they were fully set forth herein; and,

2. Elects to be the GSA for a portion of the groundwater subbasin overlying the County of Sacramento within the South American subbasin as defined by Bulletin 118-03, and identified as SCGA GSA1, graphically depicted in Exhibit “A” to this resolution, incorporated by reference herein; and
3. Will continue to provide opportunity for public involvement in the ongoing management of groundwater under SGMA; and
4. Supports resolving any overlapping GSA formations within SCGA’s jurisdiction with expeditious intent, use of mediation services available in the region, and through continued coordination, communication, and collaboration with groundwater management interests in the region; and
5. Will cause DWR to be notified of its intent to be SCGA GSA1 as depicted herein pursuant to California Water Code 10723.8.

ON A MOTION by Director _____, and seconded by Director _____, the foregoing resolution was passed and adopted by the Board of Directors of SCGA this 20th day of April, 2016, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

RECUSAL: Directors,
(PER POLITICAL REFORM ACT (§ 18702.5.))

ABSENT: Directors,

ABSTAIN: Directors,

Chair of the Board of Directors
of the Sacramento Central Groundwater Authority,
a duly formed Joint Powers Authority

(SEAL)

ATTEST: _____
Clerk of the Board of Directors of
the Sacramento Central Groundwater Authority

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

RESOLUTION NO. 2016-_____

RESOLUTION FORMING A GROUNDWATER SUSTAINABILITY AGENCY FOR AREA 2 OF THE SOUTH AMERICAN SUBBASIN

WHEREAS, the Sustainable Groundwater Management Act of 2014 (SGMA) authorizes a local agency overlying a groundwater basin to become a Groundwater Sustainability Agency (GSA) in satisfaction of SGMA objectives (California Water Code §10723(a)); and

WHEREAS, the Sacramento Central Groundwater Authority (SCGA) was duly formed under the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code) pursuant to a Joint Powers Agreement by and among the County of Sacramento and Cities of Sacramento, Elk Grove, Rancho Cordova, and Folsom dated August 29, 2006 (JPA), after outreach to fifty (50) regional stakeholders, representing agricultural, urban, self-supplied, environmental, and other groundwater interests; and

WHEREAS, SCGA was created for the primary purpose of maintaining the sustainable yield within the SCGA Groundwater Management Plan (GMP), and thereby qualifies as a local agency as defined in SGMA; and

WHEREAS, SCGA's jurisdiction overlies a portion of the South American subbasin, as defined in California Department of Water Resources' (DWR) Bulletin 118-03, identified as classified as high priority; and

WHEREAS, SGMA requires a GSA be formed for high and medium priority groundwater subbasins in California by June 30, 2017; and

WHEREAS, Before deciding to become a GSA, SCGA must specially publish and hold a public hearing to consider GSA formation within its jurisdictional area, and adopt a resolution forming the GSA within identified service area boundaries; and

WHEREAS, SCGA published notice of public hearing to accept public comment on whether it should form a GSA for areas within its jurisdiction of the South American in accordance with California Government Code §6066 and California Water Code §10723; and

WHEREAS, SCGA held a public hearing and accepted public comment on whether it should form a GSA for areas within its jurisdiction of the South American; and

WHEREAS, SCGA has identified and engaged with other local agencies within the South American subbasin that have expressed interest in SGMA groundwater management, and encouraged a collaborative process to basin-wide groundwater governance; and

WHEREAS, SCGA has ongoing coordination and communication with other groundwater management entities in the North American, South American, and Cosumnes subbasins; and

WHEREAS, SCGA will continue communication and collaboration with other local agencies interested in SGMA groundwater management in the North American, South American, and Cosumnes subbasins to achieve basin-wide governance and inter-basin coordination in an efficient and effective manner; and

WHEREAS, SCGA has developed a list of parties for whom SCGA shall consider interests as beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans, and an explanation of how such interests will be considered by SCGA's GSA and its development and implementation of a sustainability plan, in accordance with California Water Code §10723.2

WHEREAS, SCGA has determined that its election to become a GSA is not a project and is thus not subject to the California Environmental Quality Act (Title 14 Cal. Code of Regs. §15378(b)(13)); and

WHEREAS, SCGA has significant interest and investment in using its GMP and management authority for the sustainable management of groundwater within the South American subbasin.

NOW, THEREFORE, BE IT RESOLVED the SCGA Board of Directors:

1. Incorporates and adopts the above recitals as if they were fully set forth herein; and,
2. Elects to be the GSA for a portion of the groundwater subbasin overlying the County of Sacramento within the South American subbasin as defined by

Bulletin 118-03, and identified as SCGA GSA2, graphically depicted in Exhibit “A” to this resolution, incorporated by reference herein; and

3. Will continue to provide opportunity for public involvement in the ongoing management of groundwater under SGMA; and
4. Supports resolving any overlapping GSA formations within SCGA’s jurisdiction with expeditious intent, use of mediation services available in the region, and through continued coordination, communication, and collaboration with groundwater management interests in the region; and
5. Will cause DWR to be notified of its intent to be SCGA GSA2 as depicted herein pursuant to California Water Code 10723.8.

ON A MOTION by Director _____, and seconded by Director _____, the foregoing resolution was passed and adopted by the Board of Directors of SCGA this 20th day of April, 2016, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

RECUSAL: Directors,
(PER POLITICAL REFORM ACT (§ 18702.5.)

ABSENT: Directors,

ABSTAIN: Directors,

Chair of the Board of Directors
of the Sacramento Central Groundwater Authority,
a duly formed Joint Powers Authority

(SEAL)

ATTEST: _____
Clerk of the Board of Directors of
the Sacramento Central Groundwater Authority

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

RESOLUTION NO. 2016-_____

RESOLUTION FORMING A GROUNDWATER SUSTAINABILITY AGENCY FOR AREA 3 OF THE SOUTH AMERICAN SUBBASIN

WHEREAS, the Sustainable Groundwater Management Act of 2014 (SGMA) authorizes a local agency overlying a groundwater basin to become a Groundwater Sustainability Agency (GSA) in satisfaction of SGMA objectives (California Water Code §10723(a)); and

WHEREAS, the Sacramento Central Groundwater Authority (SCGA) was duly formed under the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code) pursuant to a Joint Powers Agreement by and among the County of Sacramento and Cities of Sacramento, Elk Grove, Rancho Cordova, and Folsom dated August 29, 2006 (JPA), after outreach to fifty (50) regional stakeholders, representing agricultural, urban, self-supplied, environmental, and other groundwater interests; and

WHEREAS, SCGA was created for the primary purpose of maintaining the sustainable yield within the SCGA Groundwater Management Plan (GMP), and thereby qualifies as a local agency as defined in SGMA; and

WHEREAS, SCGA's jurisdiction overlies a portion of the South American subbasin, as defined in California Department of Water Resources' (DWR) Bulletin 118-03, identified as classified as high priority; and

WHEREAS, SGMA requires a GSA be formed for high and medium priority groundwater subbasins in California by June 30, 2017; and

WHEREAS, Before deciding to become a GSA, SCGA must specially publish and hold a public hearing to consider GSA formation within its jurisdictional area, and adopt a resolution forming the GSA within identified service area boundaries; and

WHEREAS, SCGA published notice of public hearing to accept public comment on whether it should form a GSA for areas within its jurisdiction of the South American in accordance with California Government Code §6066 and California Water Code §10723; and

WHEREAS, SCGA held a public hearing and accepted public comment on whether it should form a GSA for areas within its jurisdiction of the South American; and

WHEREAS, SCGA has identified and engaged with other local agencies within the South American subbasin that have expressed interest in SGMA groundwater management, and encouraged a collaborative process to basin-wide groundwater governance; and

WHEREAS, SCGA has ongoing coordination and communication with other groundwater management entities in the North American, South American, and Cosumnes subbasins; and

WHEREAS, SCGA will continue communication and collaboration with other local agencies interested in SGMA groundwater management in the North American, South American, and Cosumnes subbasins to achieve basin-wide governance and inter-basin coordination in an efficient and effective manner; and

WHEREAS, SCGA has developed a list of parties for whom SCGA shall consider interests as beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans, and an explanation of how such interests will be considered by SCGA's GSA and its development and implementation of a sustainability plan, in accordance with California Water Code §10723.2

WHEREAS, SCGA has determined that its election to become a GSA is not a project and is thus not subject to the California Environmental Quality Act (Title 14 Cal. Code of Regs. §15378(b)(13)); and

WHEREAS, SCGA has significant interest and investment in using its GMP and management authority for the sustainable management of groundwater within the South American subbasin.

NOW, THEREFORE, BE IT RESOLVED the SCGA Board of Directors:

1. Incorporates and adopts the above recitals as if they were fully set forth herein; and,
2. Elects to be the GSA for a portion of the groundwater subbasin overlying the County of Sacramento within the South American subbasin as defined by

Bulletin 118-03, and identified as SCGA GSA3, graphically depicted in Exhibit “A” to this resolution, incorporated by reference herein; and

3. Will continue to provide opportunity for public involvement in the ongoing management of groundwater under SGMA; and
4. Supports resolving any overlapping GSA formations within SCGA’s jurisdiction with expeditious intent, use of mediation services available in the region, and through continued coordination, communication, and collaboration with groundwater management interests in the region; and
5. Will cause DWR to be notified of its intent to be SCGA GSA3 as depicted herein pursuant to California Water Code 10723.8.

ON A MOTION by Director _____, and seconded by Director _____, the foregoing resolution was passed and adopted by the Board of Directors of SCGA this 20th day of April, 2016, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

RECUSAL: Directors,
(PER POLITICAL REFORM ACT (§ 18702.5.)

ABSENT: Directors,

ABSTAIN: Directors,

Chair of the Board of Directors
of the Sacramento Central Groundwater Authority,
a duly formed Joint Powers Authority

(SEAL)

ATTEST: _____
Clerk of the Board of Directors of
the Sacramento Central Groundwater Authority



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Notice Type : [Public Hearing](#) **Posting Date :** 4/27/2016

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NO 624 PUBLIC NOTICE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY NOTICE OF PUBLIC HEARING TO CONSIDER BECOMING A GROUNDWATER SUSTAINABILITY AGENCY NOTICE IS HEREBY GIVEN pursuant to California Water Code section 10723 and Government Code section 6066 that the SCGA Board of Directors (Board) will hold a public hearing on Wednesday, May 11, 2016 at 9:00 a.m., or as soon thereafter as may be heard, at 10060 Goethe Road, Sacramento Regional County Sanitation District Office Building South Conference Room 1212 in Sacramento, CA to receive public oral or written comments on whether SCGA should form a Groundwater Sustainability Agency for areas within its jurisdiction of the South American sub-basin of the Sacramento Valley groundwater basin (Basin ID 5-21.65). The Sacramento Central Groundwater Authority (SCGA) is a joint powers authority formed in 2006 to manage the groundwater basin underlying Sacramento County south of the American River. In 2014, the Sustainable Groundwater Management Act was passed. The Act requires creation of a Groundwater Sustainability Agency for groundwater basins in the state by June 30, 2017, followed by development of a Groundwater Sustainability Plan by 2022. For more information on SCGA or to find out more about its groundwater management efforts, visit <http://www.scgah2o.org>. Written comments may be submitted prior to the hearing until 5:00 p.m., May 6, 2016, in care of Darrell Eck, 827 7th Street, Suite 301, Sacramento, CA 95814. NOTICE IS HEREBY FURTHER GIVEN that the Board may take action to become a Groundwater Sustainability Agency immediately following the public hearing.

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SCGA GSA Interested Parties Contact List

Organization	Contact	Phone	Website	Mailing Address
Water Companies				
Fruitridge Vista Water Company	Robert C. Cook, General Manager	(916) 443-2607		PO Box 959, Sacramento CA 95812
Florin County Water District	Richard D. Bedal, General Manager	(916) 383-0808		PO Box 292055, Sacramento, CA 95829
Tokay Park Water Company	Elizabeth Laws, Secretary-Treasurer	(916) 383-3022		PO Box 292146, Sacramento, CA 95829-2146
Golf Courses				
Valley Hi Country Club	Jim Davis, General Manager	(916) 684-2120 or (916) 423-2093	https://members.valleyhicc.com/web/pa	9595 Franklin Blvd, Elk Grove, CA 95758
Bradshaw Ranch GC	Gary Johnsrud, Manager	(916) 363-6549	http://www.bradshawranchgolf.com/	7350 Bradshaw Rd, Sacramento, CA 95829
Mather GC	Asa Jennings, General Manager	(916) 364-4354	http://www.playmather.com/	4103 Zinfandel Dr, Mather, CA 95655
Resource Conservation Districts				
Lower Cosumnes RCD	Amanda Platt, Board Secretary amanda-platt@carcd.org dougchan@frontiernet.net lowercosumnesrcd@gmail.com	(916) 612-5163		
Sloughhouse RCD	Amanda Platt, Board Secretary amanda-platt@carcd.org sloughhousercd@gmail.com	(916) 612-5163		8698 Elk Grove Blvd Suite 1-207, Elk Grove, CA 95624
Cemeteries				
East Lawn	Alan Fisher, President info@eastlawn.com	Downtown: (916) 732-2000 Elk Grove: (916) 732-2031	http://www.eastlawn.com/	
Elk Grove Cosumnes Cemetery District (CD)	Michael R. Young, District Administrator info@egccd.com	(916) 686-5170	http://www.egccd.com/	Mailing: PO Box 1533 Elk Grove, CA 95759 Office: 8540 Elk Grove Blvd, Elk Grove, CA 95624
St. Joseph's Catholic Cemetery	Raymond Gierut, Associate Director	(916) 452-4831	http://cfcssacramento.org/	2615 21 Street, Sacramento, CA 95818
Calvary Catholic Cemetery	Raymond Gierut, Associate Director	(916) 726-1232	http://cfcssacramento.org/	7101 Verner Ave, Sacramento, CA 95841
St. Mary's Catholic Cemetery	Raymond Gierut, Associate Director	(916) 452-4831	http://cfcssacramento.org/	6700 21st Ave, Sacramento, CA 95820
Greater Sacramento Muslim Cemetery	Essop Kahn Imam Mumtaz Qasmi	(916) 925-2662 (916) 443-5167 (916) 214-5167	http://sacramentomuslimcemetery.com/	Mailing: PO Box 1584, Sacramento, CA 95812
Sacramento Historic Cemetery	info@oldcitycemetery.com	(916) 448-0811 City of Sac : (916) 264-5621	http://oldcitycemetery.com/indexbad.htm	1000 Broadway, Sacramento, CA 95818
Quiet Haven Memorial Park	Nikolai Seitser, Administrator	Office: (916) 369-5504 Cell: (916) 802-0000	http://www.quiethaven.org/	9899 Elder Creek Rd, Sacramento, CA 95829
Sacramento Pet Cemetery		(916) 423-1042	http://www.sacramentopetcemetery.com	9558 Gerber Rd, Sacramento, CA 95829
Camellia Memorial Lawn		(916) 363-9431	http://www.memorialsolutions.com/site/	10221 Jackson Rd, Sacramento, CA 95827
Odd Fellows Lawn Cemetery		(916) 443-8598	http://oddfellows-cmtry-sac.com/index.php	2720 Riverside Blvd., Sacramento, CA 95818
Reclamation Districts				
Reclamation District 800	Marsha Holmes	(916) 685-9461		PO Box 115, Elk Grove, CA 95759
Reclamation District 1002	Lana Mirko	(916) 775-1674		962 Lambert Rd., Courtland CA 95615-9728
Others				
Stone Lakes National Wildlife Refuge	Bart McDermott, Refuge Manager	Office: (916) 775-4426 Cell: (916) 869-6632	http://www.fws.gov/refuge/stone_lakes/	Elk Grove, CA
Ken Giberson Cosumnes Coalition SAFCA	kgiberson@msce.com Melinda Frost-Hurzel, Cosumnes River Monitoring Coordinator Timothy Washburn, Director of Planning		rhurzel@saber.net	1007 7th Street, 7th Floor, Sacramento, CA 95814
Individuals				
Suzanne Pecci		(916) 686-6768	specci@aol.com	



Sacramento Central Groundwater Authority
*Managing Groundwater Resources
in Central Sacramento County*

827 7th St, Rm 301
Sacramento, CA 95814

Tel: (916) 874-6851
Fax: (916) 874-5698
www.scgah2o.org

May 2, 2016

Darrell K. Eck
Executive Director

California-American
Water Company

City of Elk Grove

City of Folsom

City of Rancho Cordova

City of Sacramento

County of Sacramento

Florin Resource Conservation
District/Elk Grove Water
Service

Golden State Water Company

Omoichumne-Hartnell
Water District

Rancho Murieta Community
Services District

Sacramento Regional
County Sanitation District

Agricultural Representative

Agricultural-Residential
Representative

Commercial/Industrial
Representative

Conservation Landowners

Public Agencies/Self-
Supplied Representative

Bart McDermott, Refuge Manager
Stone Lakes National Wildlife Refuge
bart_mcdermott@fws.gov

Dear Mr. McDermott:

I represent the Sacramento Central Groundwater Authority (SCGA) and am writing to provide important information related to the groundwater basin underlying central Sacramento County.

Since 2007, SCGA has served as the primary groundwater management agency responsible for ensuring a sustainable groundwater supply underlying the Central Sacramento region, identified by the State as the South American Groundwater Subbasin. SCGA was formed to implement the groundwater management element of a long-term water resources plan known as the Sacramento Water Forum Agreement (January 2000). The Agreement is based on the coequal objectives of providing reliable water supplies for our region's economy and protecting and enhancing the environment of the lower American River.

SCGA was created as a joint powers agency by the County of Sacramento and the cities of Sacramento, Folsom, Elk Grove and Rancho Cordova. Those jurisdictions appoint members to the SCGA board to achieve a broad representation of groundwater interests in the region. Members include five (5) water supply agencies, as well as representatives of self-supplied groundwater users/interests including:

1. urban public agencies
2. commercial/industrial/remediation users
3. agricultural stakeholder groups and districts
4. agriculture-residential interests
5. conservation landowners

The SCGA Board of Directors (totaling 16 members) currently meets on the second Wednesday of every month. SCGA's activities include:

- Education and notification of groundwater-related matters,
- Monitoring water levels and water quality within the groundwater basin,
- Providing a framework to account for groundwater use by water supply agencies to ensure long term sustainability,
- Tracking and responding to regional-scale groundwater contamination,

- Taking all necessary actions to comply with state law regarding groundwater management.

More detail on SCGA's management activities and meeting agendas and location can be found at our website www.scgah2o.org.

Sustainable Groundwater Management Act (SGMA)

California's groundwater basins have served an important role in being able to supply water during the current state drought. The Sacramento Region's early recognition of the need for groundwater management has kept our basins reasonably healthy, even in this critical period of statewide pumping stress and reported groundwater-related impacts. In recognition of groundwater's importance to California's overall water supplies, in September 2014, the Sustainable Groundwater Management Act (SGMA) was passed by the legislature and signed by Governor Brown. The Act specifically addresses undesirable results occurring by over-reliance on groundwater.

To achieve statewide management through local agency participation, the Act requires creation of one or more locally supported Groundwater Sustainability Agencies (GSAs) for all medium and high priority groundwater subbasins in the state by June 30, 2017, followed by development of Groundwater Sustainability Plans by 2022. The Act provides for state intervention if local management requirements are not met.

As a public agency, SCGA is well situated to continue its management actions under the new state law. In order to continue to comply with state law, the SCGA Board of Directors, in their May 11th Board Hearing, will hold a public hearing and consider becoming a GSA for portions of the South American Subbasin currently underlying SCGA. Among other conditions, SGMA requires a GSA to consider the interests of all local users of groundwater and to establish a list of persons interested in the GSA's formation and management of the groundwater subbasin.

If you wish to be included on this list, and to receive SGMA-related emails and SCGA Board agendas, or otherwise want to discuss groundwater in the region, please contact Ramon Roybal or myself at (916) 874-6851 or email roybalr@saccounty.net.

Sincerely,



Darrell K. Eck
Executive Director

AGENDA ITEM 7: EXECUTIVE DIRECTOR'S REPORT

BACKGROUND:

- May 18th SGMA Groundwater Sustainability Plan (GSP) Regulation Hearing – California Water Commission
- Elk Grove Dry Well Project April 2016 Report
- SGMA Subcommittee Meeting
- Regional Activities

Elk Grove Dry Well Project

Project Update – April, 2016

Dear TAC Members:

We are happy to get some rain this season! This bulletin provides reporting information on the first two successful sampling events this rainy season.



Figure 1. SDB sampling site, November 2, 2015.

First Sampling Event - November 2, 2015

Approximately 0.5" of rain fell on November 2nd, producing our "first flush" event. The first flush is the first rainfall of the season, which mobilizes contaminants that build up during the dry season. Two composite samples were collected for this rain event representing the first 20% and the next 60% of runoff from the storm, which captures the greatest concentration of contaminants. Groundwater samples were collected two days after the event. Results from this rain event show a similar trend to last season:

- No detections of volatile or semi-volatile organic compounds, chlorinated herbicides, or TPH gas/diesel at either the Corporation Yard (CY) or Strawberry Creek Water Quality Basin (SDB).
- Drinking water metals (Al, Fe, Cr, Mn, vanadium) detected at both sites. Aluminum and iron exceeded the secondary MCL for organoleptic effects (Al-50 ppb and Fe-300 ppb).
- Four species of pyrethroids were detected at low levels (15 ng/L or less) entering the basin at SDB but most were reduced or not detected prior to entering the dry well.
- High levels of coliform (>1,600 MPN/100 ml) were found in both stormwater and in water collected from the vadose zone at SDB.



Figure 2. Dry well at CY, November 2, 2015.

You may recall that there was an issue in the past with slow infiltration through the dry well at SDB. Investigation into the issue revealed that over 5' of sand had been added to this dry well during construction instead of the 1' called for in the design plans. This excess sand was removed and replaced over the summer with 4' of pea gravel and 1' of dry well sand. Since then the infiltration rates have increased significantly. Over the course of the November 2nd rain event, approximately 28,000 gallons passed through the dry well. In contrast, the infiltration rate at the CY was 1,100 gallons which was considerably slower due to the small drainage area and short duration of the storm.

Second Sampling Event - January 5, 2016

The second sampling event occurred on January 5, 2016. Composite samples were collected where water enters the vegetative pretreatment and where it enters the drywell to determine the degree to which the vegetated pretreatment feature reduced the concentration of contaminants. Since there has been no detection of volatile or semi-volatile organics to date, we asked the lab to report analytical results down to the detection limit (not the reporting limit) to learn more about mineral/physical measurements



Figure 3. The project team worked through the night to collect stormwater samples. This photo was taken at the CY, January 5, 2016.

from the analysis; and added motor oil which would be more relevant, particularly at the CY where the City houses its bus fleet.

Detections of common organics, such as di (2-ethylhexyl) phthalate (DEHP) and acetone, were found just above the detection limits in stormwater samples at both sites.

At the CY, samples collected from the upgradient water table well and downgradient vadose zone well had levels of acetone and DEHP below the reporting limits as well. The data suggests that the dry wells were not the source of the detected contaminants. There were no contaminants detected at SDB.

Aluminum and iron exceeded the secondary MCL for organoleptic effects (Al - 50 ppb and Fe - 300 ppb) at both sites, but were significantly higher at the CY. The concentration of aluminum was 2,100 µg/L as water entered the drywell at the CY, more than double the MCL (1,000 µg/L), but it was not detected in the downgradient water table wells. This finding along with preliminary results from researchers at UC Davis, modeling the fate and transport of contaminants through the vadose zone, suggests that the vadose zone sequesters aluminum and likely most other metals as well.

Results of pyrethroid analysis are not available at this time.

The rain event produced approximate 1" of rain in 12 hours. Stormwater infiltration amounts measured from the January 5th rain event are as follows:

- CY: 8,360 gallons
- SDB: 9,170 gallons

The rate of infiltration was significantly lower at SDB compared to the first event. The project team suspects this is due to saturation of the subsurface resulting from the numerous rain events that occurred in December, 2015.

Summary

Key lessons learned from these two monitoring events are:

- The vegetated pre-treatment removed metals with an efficiency of about 35%.
- The infiltration problem at the SDB was resolved, resulting in good infiltration rates.
- There is no detection of contaminants in groundwater, with the exception of coliform.

Public Outreach

A new factsheet on Oregon's Dry Well Program is now available on the project's website.

http://www.elkgrovecity.org/UserFiles/Servers/Server_109585/File/Departments/Public%20Works/Drainage/Dry%20Wells/OEHHA.pdf

Meetings with TAC members

The project's Quality Assurance Officer, Barbara Washburn, has been meeting with TAC members to review monitoring results to date. If you have not met with her, please send her a note to set up a convenient time (barbara.washburn@oehha.ca.gov).

Any Questions/Comments/Suggestions – please contact me: cnelson@elkgrovecity.org



Figure 4. Looking into the sedimentation well at CY, January 5, 2016.