

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Governing Board Meeting
Final Minutes
November 10, 2009

LOCATION: 10545 Armstrong Avenue, Suite 101
Mather, CA 95655
9:00 a.m. to 11:00 a.m.

MINUTES:

1. CALL TO ORDER AND ROLL CALL

Chair Scott Fort called the meeting to order at 9:00 a.m.

The following meeting participants were in attendance:

Board Members (Primary Rep):

Jeff Starsky, City of Folsom
Stuart Helfand, Agricultural Residential
Edwin Smith, Public Agencies Self-Supplied
Scott Fort, Golden State Water Company
Anthony van Steyn, Agricultural Interests
Ed Crouse, Rancho Murieta Community Services District

Board Members (Alternate Rep):

Clarence Korhonen, City of Elk Grove
Walt Sadler, City of Folsom
Herb Niederberger, Sacramento County Water Agency
Albert Stricker, City of Rancho Cordova
Leo Havener, Elk Grove Water Service

Staff Members:

Darrell Eck, Executive Director, Sacramento Central Groundwater Authority
Heather Hawke, Clerk, Sacramento Central Groundwater Authority
Ping Chen, Sacramento Central Groundwater Authority
Ramon Roybal, Sacramento Central Groundwater Authority

Others in Attendance:

Jim Peifer, City of Sacramento
David Armand, California-American Water Company
Derrick Whitehead, City of Roseville
Cathy Lee, City of Roseville
Norm Jones, Aquaveo (via teleconference)
Michelle Smilowitz, Aquaveo (via teleconference)

Member Agencies Absent

Commercial/Industrial Self-Supplied (vacant)
California – American Water Company
City of Sacramento

Omochumne-Hartnell Water District
Sacramento Regional County Sanitation District

2. PUBLIC COMMENT

None

3. CONSENT CALENDAR

- **Minutes of September 9, 2009 Board meeting.**

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

4. ELECTION OF OFFICERS

- **Election of Chair and Vice Chair of the Board of Directors for calendar year 2010 in accordance with Section 3.06(a) of the Rules of Procedure**

Mr. Fort opened the floor to nominations for Chair and Vice Chair for the upcoming calendar year. Mr. Sadler volunteered to serve as Chair. The issue was raised concerning the fact that Mr. Sadler was the alternate representative from the City of Folsom and what the procedure would be when the City's primary representative, Mr. Starsky, attended a meeting. The consensus was to designate the City of Folsom as Chair with either Mr. Sadler or Mr. Starsky fulfilling the role based on their attendance at the Board meetings. Mr. Niederberger volunteered to serve as Vice Chair. Mr. Fort then went around the room asking each representative for their approval/objection. Being no objections, Mr. Fort announced that it was the Board's unanimous decision to elect the City of Folsom as Chair and the County of Sacramento as Vice Chair for 2010.

5. WESTERN PLACER COUNTY GROUNDWATER MODEL

- **Presentation on the Western Placer County Groundwater Model by Norm Jones and Michelle Smilowitz (AQUAVEO) and Derrick Whitehead (City of Roseville)**

Mr. Whitehead introduced the project as an outgrowth of the Aquifer Storage and Recovery Project that the City of Roseville started several years ago in which they received an operating permit from the Regional Board to inject, store, and recover surface water in an underground aquifer. Mr. Whitehead stated that a current priority of the groundwater model is to analyze the impacts on the groundwater aquifer as treated surface water is injected into the basin. Mr. Whitehead then introduced Michelle Smilowitz from Aquaveo as the primary Project Manager for the Western Placer County Groundwater Model (WPCGM). Ms. Smilowitz introduced the model as encompassing three sub basins and approximately 870,000 acres extending from the Bear River to the north, the Mokelumne River to the south, the Feather and Sacramento Rivers to the West, and the Sierra Nevada to the East. Ms. Smilowitz presented the model as a layered wedge model representing the primary stratigraphic

units in the region the River Bank formation, the Turlock Lake/Laguna formation, the Valley Spring formation, and the Ione formation. She explained that the model was able to represent each layer individually or as a cross-section to accurately characterize recharge and allow for analyses of the affect of recharge on each layer. Ms. Smilowitz displayed simulations from the WPCGM and explained that the model area was predominantly covered by very low permeable deposits and therefore recharge is believed to predominantly exist along the major stream beds. Mr. Jones then highlighted how Aquaveo's model could be used to address some of the Central Basin's Basin Management Objectives including, maintaining the sustainable yield, maintaining groundwater levels, and impacts to surface water flows. Mr. Jones also discussed how the model could simulate the movement of contaminant plumes and how the modeling results could be viewed while using Google Earth as a viewing platform.

Ms. Smilowitz continued by stating that as an outcome of the meeting they would like to request additional information from the Authority for the area south of the American River in order to further develop and calibrate the model. She further stated that the data that's currently part of the model comes from the State Department of Water Resources (DWR), the DWR Water Data Library and the Sacramento Groundwater Authority's DMS. Specifically, Aquaveo is interested in groundwater pumping and surface water delivery data from individual water purveyors and any additional stream gauge information for the Mokelumne, Sacramento, and Cosumnes Rivers. Mr. Fort called for questions. Mr. Niederberger asked if Aquaveo was looking for the release of data from SCGA, specifically from the Central Basin DMS or the IGSM that was developed for the Central Basin GMP? He also asked if the purveyor's specific data would be releasable to Aquaveo for input in their model? Ms. Smilowitz responded that they've been very specific regarding the security of the information they've received; signing several releases from the State to utilize the information while preserving confidentiality. She also mentioned that they have received authorization from the specific purveyors/entities and they would maintain that same level of security.

Motion/Second/Carried – Mr. Niederberger motioned, seconded by Mr. Fort, the motion carried unanimously to release water data to Aquaveo for incorporation into the Western Placer County Groundwater Model.

6. WELL PROTECTION PROGRAM UDATE

- **Report back on materials developed to secure a commitment from the land use authorities on adoption of the Well Protection Program.**

Staff distributed a draft copy of the Review and Authorization to Proceed (RAP) document. Mr. Eck mentioned that during the last Board meeting there was some concern expressed that as the housing down turn continues the land use agencies might not be ready to move forward with the adoption and implementation of the Well Protection Program (WPP). Additionally, there were concerns that staff and

management changes at the land use agencies could potentially result in a loss of institutional knowledge regarding the WPP and that this could further delay the adoption and implementation process. Because of these factors, the Board felt it was important to get a commitment from the land use agencies to move forward once there was an improvement in the housing market. Mr. Eck stated that the Board directed staff to draft a “Review and Authorization to Proceed” (RAP) document for the land use agencies to facilitate approval of a resolution that would commit the agency to adopt and implement the WPP once certain conditions were met. Mr. Eck reported that staff had modeled the draft RAP using the RAP developed in 2004 by the Groundwater Forum that secured a commitment to develop and implement a program that resulted in the formation of the Sacramento Central Groundwater Authority. Mr. Eck then mentioned that an e-mail had been sent to Board members on October 21st, suggesting that the trigger to initiate the WPP be the total number of building permits issued by Central Basin land-use agencies based on the minimum threshold identified in the Nexus Study. Mr. Eck then indicated that it was staff’s recommendation that representatives of the land use agencies on the Authority’s Board review the provided materials with their respective staff and management, and undertake the necessary coordination with their Boards or Councils to adopt a resolution committing their agency to adopt and implement the WPP once certain conditions were met.

Discussion ensued regarding the number of building permits identified as the trigger for moving forward with the WPP. Mr. Eck reiterated that the number of permits (800) was taken from the Nexus Study for the WPP Fee and that at the time the study was completed, that number represented the revenue stream necessary to maintain a viable program. Mr. Stricker pointed out that in the Nexus Study each land-use agency was assigned a specific number of building permits with the cumulative amount totaling 800. Mr. Sticker then asked if the 100 building permits projected for the City of Rancho Cordova in the Nexus Study would have to be collected in addition to the 800 for the region. Mr. Eck replied that the thought was that 800 building permits pulled across the entire basin was a reasonable assumption to make as far as sustainability of the program, but that it becomes more difficult when considering what each individual jurisdiction feels is an appropriate assumption within its own boundaries. Mr. Eck stated that staff produced the draft RAP package with the thought that the representatives from each land-use agencies would review the materials and recommendations contained therein, and then provide feedback to address any specific concerns along with recommendations to alleviate them. Mr. Stricker stated that he thought it was necessary to look at the region as a whole as well as on a City by City basis to determine an appropriate number of building permits to set as a trigger. Mr. Crouse asked what would happen if the trigger was never reached or if it took a long time to be reached. He also asked if there was a delay in reaching the trigger, how would the delay affect the calculation of the fee if the total number of fees collected over the life of the program was never reached. Mr. Niederberger responded by saying that the number of building permits to fund the program is based on an estimate of annual growth over a finite period of time and that the total program cost could fluctuate because the WPP has a built in “Sunset Clause”

tied to the operation of the Vineyard Surface Water Treatment Plant. Mr. Crouse responded that the question then arises as to whether the program could be stalled forever if the trigger is never reached; if that is a possibility how does the Board get the ball rolling for a commitment from the land-use agencies to approve and implement the WPP. Mr. Fort said that the purpose of the discussion is to agree on a trigger that would provide a mechanism for the WPP to move forward when the economy turns around and so the fee can be kept down at an acceptable level. Mr. Helfand stated that the number of building permits should pick up as developers are still applying for rezones and tentative maps. Mr. Korhonen asked if it made any sense to take a pro-rata approach to at least partially fund the program. Mr. Starsky cautioned that the Board needed to be confident in the information contained within the Nexus Study and to be prepared to defend it. He stated that everyone is looking for ways to reduce fees and that any new fee would not be approved by the cities without support from the BIA. Because of this, the Authority needs to be very strategic with how the fee would be broached with the BIA. Mr. Starsky concluded by saying that he supported the trigger method being discussed. Mr. Niederberger added that based on previous conversations with the BIA it was his impression that they would not be supportive of any new fee and that it was his recommendation that the Authority take the RAP to the land-use agencies for their feedback; will they support it or not. Mr. Fort concurred that the RAP should be taken to the land-use agencies for comment and that all the discussion regarding support or lack thereof was just speculation at this time. Mr. Starsky suggested that the Authority present the fee as a preservation measure, that the BIA would be preserving the basin for their own well-being by ensuring a reliable source of water. He also suggested simply floating it by the BIA to see what the reaction would be. Mr. Crouse expressed concern that the WPP might never be implemented in the manner that it was intended unless the Board was aggressive in trying to convince the BIA to accept the fee because it was his impression that the land-use authorities would never approve the fee without the BIA's support first. Mr. Stricker agreed that acquiring support of the BIA first was a good approach explaining that the BIA, though not the only factor to consider, was an important one and that it makes sense to approach the land-use agency boards with BIA approval. Mr. Eck agreed that securing BIA's support was important but that the current issue was securing a commitment from the land use authorities to move forward on the WPP once certain conditions were met (e.g., a building permit trigger) and suggested it would be great if the Board members could provide any comments to the draft RAP package prior to or during our next meeting in January. Mr. Korhonen mentioned that the City of Elk Grove had undergone a lot of turnover in its city management and that the new managers were unfamiliar with the WPP and requested that Mr. Eck assist in presenting an overview of the program to them. Mr. Niederberger stated that the Board was not ready to move for a vote to approve the RAP until Board members provided their comments back to staff and then have it ready for delivery in January to take to the land use authorities. Mr. Fort asked if there were any additional comments and there were none.

Action: Representatives of the land use authorities to work with their respective staff, management, and Board/Council to adopt a resolution committing to the adoption of Well Protection Program.

7. FINANCIAL AUDIT

Mr. Eck indicated that in accordance with Section 4.04(b) of the Authority's Rules of Procedure an independent audit of the Authority's finances is required. Under the Rules of procedure the County of Sacramento's Director of Finance is identified as the Authority's treasurer and controller. The County's Department of Finance has recently gone through a selection process to select a financial consultant to audit the County's and other affiliated agencies finances, including the Authority's. The consultant selected through this process was Vavrinek, Tine, Day & Co.; they have submitted a proposal to conduct the financial audit for the Authority for an amount not to exceed \$15,000. The Executive Director has reviewed the proposal with the CFO of the County Department of Water Resources (DWR) and found it to be appropriate. Staff recommends that the Board authorize the Executive Director or his designee to enter into a contract with Vavrinek, Tine, Day & Co. to audit the Authority's finances for an amount not to exceed \$15,000.

Mr. Crouse asked if this was the first audit that SCGA has completed. He also asked if it would make sense to use the same auditor retained by the County to audit its finances. Mr. Eck responded that it would be the first audit conducted for the Authority and that the County DWR's CFO had participated in the consultant selection process and that when the County went through this process it was the intent to provide audit services not only for the County but also for agencies like the Authority. Mr. Fort asked if there was any further discussion.

Action: Authorize the Executive Director of his designee to enter into a contract with an independent certified public accountant to audit the Authority's finances for an amount not to exceed \$15,000.

Mr. Starsky motioned and Mr. Helfand seconded. The motion carried unanimously to Authorize the Executive Director or his designee to enter into a contract with an independent certified public accountant to audit the Authority's finances for an amount not to exceed \$15,000.

8. EXECUTIVE DIRECTOR'S REPORT

- Biennial Basin Management Report: Mr. Eck reported that staff had met with Mr. Bettis and incorporated his comments into the biennial report. The report is now complete and will be posted on the Authority's website.
- AB 303 Grant reimbursement status: Mr. Eck reported that the Authority had received a reimbursement check from the State in the amount of \$21,574 and that the first two checks still need to be reissued by the State because they were made out to the wrong entity. Mr. Chen is working with State DWR to resolve the problem.
- Contamination Sub-committee: Mr. Eck indicated that the Contamination Sub-Committee had drafted a letter to the United States Environmental Protection Agency (USEPA) with the Authority's comments regarding actions involving Aerojet's Operable

Unit 5. The letter was subsequently reviewed and approved by the Committee and was submitted to USEPA on September 30th.

- Budget Update: Mr. Eck provided a budget status report. The Authority has reported revenue of \$267,146. First quarter expenditures are \$43,804 or about 16% of the total budget. Reimbursement for the AB 303 grant is \$21,574 as of the end of the first quarter.
- Meeting Location: Mr. Eck announced that this would be the last time we'd be meeting at this location. Future meetings will be held in the Sunset Maple Room at the Sanitation District's new facility. The next agenda will provide the address and room location, including a map.

9. DIRECTORS COMMENTS

Mr. Niederberger stated that during the last legislative session, a huge water bill was passed that contained a significant component involving groundwater management and recommended that staff be mindful of any new reporting requirements that may be required.

Mr. Crouse praised the work that Mr. Eck has done serving as the Authority's Executive Director. Mr. Crouse then volunteered to take the lead on conducting Mr. Eck's performance review for year 2009. Mr. Fort responded that he would send Mr. Crouse the necessary documents/forms used in the previous year to facilitate Mr. Eck's performance review process. Mr. Fort also asked the Board to incorporate a collective response regarding Mr. Eck's performance as Executive Director.

Mr. Fort added that he had thoroughly enjoyed working as the Chair of the Board. He thanked Mr. Sadler, Mr. Starsky, and Mr. Niederberger for accepting the position of Chair and Vice Chair. Mr. Fort motioned to adjourn and Mr. Niederberger seconded the motion.

ADJOURNMENT

Upcoming Meetings –

Next SCGA Board of Directors Meeting – Wednesday, January 13th, 2010. 10060 Goethe Road, Sacramento, CA; SASD South Conference Room 1212 (Sunset Maple).

By:

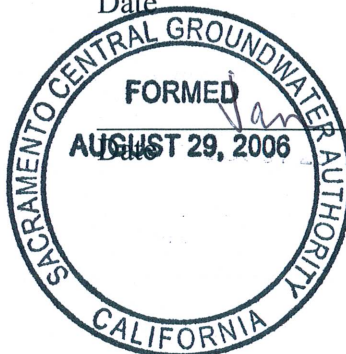
Walter Sadler

Chairperson

Jan 13, 2010

Date

Heather Nabe



Jan 13, 2010