



Sacramento Groundwater Authority
Managing Groundwater Resources
in Northern Sacramento County

SACRAMENTO GROUNDWATER AUTHORITY
Regular Board Meeting
Final Minutes
December 11, 2008

1. CALL TO ORDER

Chair Tobin called the meeting of the Board of Directors to order at 9:00 a.m. at the Regional Water Authority/Sacramento Groundwater Authority office. Individuals in attendance are listed below:

Board Members

Pam Tobin, San Juan Water District (Chair)
Sandy Kozlen, Carmichael Water District
Chuck Rose, Citrus Heights Water District
Walt Sadler, City of Folsom
Barry Brown, Fair Oaks Water District
Paul Schubert, Golden State Water Company
Doug Ose, Natomas Central Mutual Water Company
David Simpson, Orange Vale Water Company
Mary Harris, Rio Linda/Elverta Community Water District
Neil Schild, Sacramento Suburban Water District

Staff Members

John Woodling, Rob Donlan (Legal Counsel), Rob Swartz, Nancy Marrier, Cecilia Partridge and Linda Higgins.

Others in Attendance

Al Dains (Citrus Heights Water District alternate), Cathy Hood, Sharon Wilcox, Martin Steinpress, Trevor Joseph, Jarrod Gerard, Dan Sherry, Debra Sedwick, Randy Lovell, Bob Churchill, Alan Driscoll, Ed Formosa, Jonathan Goetz, Robert Sydnor, Evelyn Cook and Jason Larrabee.

2. PUBLIC COMMENT

None

3. CONSENT CALENDAR

Minutes of the October 9, 2008 meeting.

Motion/Second/Carried (M/S/C) Mr. Kozlen moved, with a second by Mr. Rose, that the consent calendar items be approved.

4. 2008 AUDIT REPORT

Cook CPA Group completed the financial audit for the fiscal year that ended June 30, 2008. Ms. Nicole Krotoski participated via conference call for this portion of the board meeting.

Evelyn Cook, Cook CPA Group, presented the financial audit for the fiscal year ending June 30, 2008. She reported that SGA received an unqualified opinion on the audit, which is the highest opinion an audit can receive. She noted that all of the suggestions from last year's audit had been successfully implemented and she did not have any further suggestions or recommendations for this year.

There was discussion about Other Postemployment Benefits (OPEB). Mr. Woodling reported that an actuarial evaluation was conducted and reported on at the last RWA Executive Committee meeting. An ad hoc committee was formed to make recommendations on: 1) when to disclose the liability in the financial statements; 2) how the organization is going to fund the liability and at what level; and 3) the appropriate investment vehicle to use if the organization decides to pre-fund. A recommendation will be brought to the RWA and SGA boards in early 2009.

M/S/C Mr. Rose moved, with a second by Mr. Kozlen, to recommend SGA Board acceptance of the 2008 SGA financial audit report

5. ELECTION OF 2009 SGA OFFICERS

Chair Tobin announced the recommendations from the SGA Nominating Committee for 2009. Paul Schubert was recommended to become the SGA Chair and Walt Sadler for Vice Chair. Ms. Tobin asked for and received no nominations from the floor.

M/S/C Mr. Kozlen moved, with a second by Mr. Rose, to elect Paul Schubert as 2009 SGA Chair and Walt Sadler as 2009 Vice Chair. Unanimous consent was received.

6. GROUNDWATER MANAGEMENT PLAN

With its initial adoption in December 2003, SGA committed to a comprehensive review and update to its Groundwater Management Plan

(GMP) every five years. Staff has worked closely with the GMP Implementation Committee to review and revise the GMP Objectives and Actions, which constitute the heart of the plan. Because of scheduling constraints, staff requested that the Board adopt the Objectives and Actions as the major revision to the GMP. Staff presented an overview of the highlights of these modifications to the Board. Staff will continue to make editorial updates to the GMP in consultation with the Implementation Committee, with the final GMP completion in January 2009.

M/S/C Mr. Kozlen moved, with a second by Mr. Brown, to adopt SGA Resolution 2008-04 adopting a revised SGA Groundwater Management Plan and Finding of Exemption from the California Environmental Quality Act.
Noes: Ose

7. GROUNDWATER MANAGEMENT PROGRAM UPDATE

In addition to the Groundwater Management Plan update, staff has been working on the following management program elements: 1) the Biennial Basin Management Report (BMR); 2) the Model Banking Element of the Water Accounting Framework; and 3) commencement of the Assessment of Water Quality Risks Study.

The 2006/2007 BMR is complete. The report was significantly delayed due to slow response from member agencies for their groundwater-related data. Staff distributed copies of the report to Board members present at the meeting. A limited number of hard copies of the report will be produced for members and stakeholders. An electronic copy of the report will be posted on the SGA web site.

Work on the Model Banking Element of the Water Accounting Framework has been deferred since completion of the survey of existing water banks. This is primarily because of guidelines for the 2009 Groundwater Substitution Transfers Program recently issued by the Department of Water Resources (DWR) and the U.S. Bureau of Reclamation. There are several elements in the guidelines that appear to be readily adopted into the Model Banking Element. This would help address any issues of the local program, should any agreements involve transfers associated with the State or Federal water systems. Staff intends to reengage on this effort following completion of the GMP update in early 2009.

SGA received the executed agreement from DWR to fully fund a nearly \$250,000 study assessing the water quality risks to the sustainability of the underlying groundwater basin. One key component of the work will involve securing consulting services to assemble and analyze data of the various threats to groundwater quality sustainability and to assess and prioritize the

potential risks to water supply facilities. Because the estimated effort of this task is about \$175,000, staff followed SGA Policy 300.1 for the selection of consulting services. On November 3, 2008, staff issued a request for proposals (RFP) to 14 firms known to have some level of experience with the project. Staff also posted the RFP on the SGA web site. Proposals were due back to SGA on December 1, 2008 and were evaluated by staff.

Mr. Swartz provided a handout outlining the consultant selection process that was followed. A total of 14 firms were solicited with four firms responding to the RFP. A decision was made to recommend splitting the tasks in the RFP between two of the responding firms to best utilize each firm's individual strengths. WRIME's specialty is on the modeling and the data management side of the RFP. Kennedy/Jenks will take the results of the modeling and database queries and analyze them for potential risks due to contamination of the basin and form a recommendation.

M/S/C Mr. Rose moved, with a second by Ms. Harris, to approve the selection process for consulting services for the Assessment of Water Quality Risks Study funded through a Local Groundwater Assistance Grant.

8. STATE WATER RESOURCES CONTROL BOARD PERIODIC REVIEW OF ANTI-DEGRADATION POLICY

In October 2008, the State Water Resources Control Board (SWRCB) issued a notice that it is conducting a periodic review of the "Statement of Policy with Respect to Maintaining High Quality of Water in California" (Anti-degradation Policy) SWRCB Resolution 68-16. Of particular interest to SGA is that the SWRCB is considering whether this policy should be revised as it applied to groundwater. At the direction of the SGA Board, staff has been following policies that could affect aquifer storage and recovery (ASR) as a means of implementing conjunctive use operations within the SGA area in the future. Staff believes that the policy has been a significant impediment to employing ASR as a means of conjunctive use in the Central Valley and that the SWRCB could give special consideration to ASR programs that fit appropriate criteria. Comments on the policy review are due by December 17, 2008.

John Woodling, SGA Executive Director, summarized the benefits and concerns with Resolution 68-16. He explained that there is a need to resolve the regulatory issues that could benefit us in the future. He handed out a letter that raises the concerns and the ability to address the issues in 68-16 and asked for any comments to be sent to him. The deadline to send the letter is December 17th. Chair Tobin appointed a sub-committee to review the comments. Sub-committee members include Neil Schild, Chuck

Rose and Paul Schubert. She asked that comments should be directed to the sub-committee members no later than Tuesday, December 16, 2008.

M/S/C Mr. Rose moved, with a second by Mr. Sadler, to authorize the Executive Director to send a letter by December 17, 2008 subject to comments received by the membership.

9. EXECUTIVE DIRECTOR'S REPORT

- **Holiday Social/Awards Banquet Update** – Mr. Woodling reported on the 2008 Holiday Social. The Water Statesperson of the Year was awarded to Shauna Lorange, San Juan Water District General Manager and the Distinguished Service award was awarded to Ed Tiedemann for his 50 years of service in the local water community.
- **ACWA Groundwater Policy Principles** – For the past several months, the ACWA Groundwater committee has been developing a set of principles designed to provide input to policy discussions on groundwater issues. The principles were discussed at the committee meeting on December 2nd at the ACWA Conference. The document has not yet been finalized.
- **Presentation at ACWA Conference** – Staff presented an overview of the Water Forum Agreement, SGA, and the regional conjunctive use program at the ACWA Fall Conference at a session entitled, *How Drought is Drying Up California's Groundwater*. The presentation focused on the proactive efforts we have taken over the past decade to ensure that the groundwater basin is sustainable.
- **Legislative Analyst Office Water Primer** – The LAO released a report entitled, California's Water: an LAO Primer. While the paper does a reasonable job of explaining California water issues, it also provides a number of proposals for legislative action. One of these recommendations is to establish a state-administered water rights system for groundwater. Chapter 6 of the report, containing the recommendations was attached to the Board packet. The full report is available at: <http://www.lao.ca.gov/laoapp/PubDetails.aspx?id=1889>. There was discussion and agreement among the members that there are many water issues in the legislature that require constant monitoring.

10. DIRECTORS' COMMENTS

Mary Harris announced that Rio Linda/Elverta CWD has an interim General Manager and also introduced Cathy Hood. Ms. Hood is a new director at Rio Linda/Elverta CWD.

Chuck Rose mentioned a session held at ACWA where John Moynier gave a presentation on linking land use and water management. He remarked that the presentation may be of interest to board members.

Sandy Kozlen reported that the Bajamont Groundwater Treatment Project facility was selected to receive a merit award by the American Council of Engineering Companies of California in the 2009 Engineering Excellence Award Competition. Kennedy/Jenks is the primary beneficiary of the award for their work on the project.

Adjournment

Chair Tobin thanked everyone for the opportunity to serve as SGA Chair for the past two years. With no further business to come before the Board, Chair Tobin adjourned the meeting at 10:55 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Finance and Administrative Services Officer