



SACRAMENTO GROUNDWATER AUTHORITY
Regular Board Meeting
Final Minutes
December 13, 2007

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
Roberta MacGlashan, County of Sacramento
Rich Allen, Del Paso Manor Water District
Barry Brown, Fair Oaks Water District
Paul Schubert, Golden State Water Company
David Simpson, Orange Vale Water Company
Mary Harris, Rio Linda/Elverta Community Water District
Steve Hanson, Sacramento Suburban Water District
Jack DeWit, Agriculture
Terry Jewell, Self Supplied Industry

Staff Members

Ed Winkler, Rob Donlan (Legal Counsel), Rob Swartz, Nancy Marrier, and Cecilia Partridge.

Others in Attendance

Al Dains (Citrus Heights Water District alternate), Keith Wallace, Evelyn Cook, Nicole Krotoski, Jim Carson, Alan Driscoll, Sharon Wilcox, Tom Gray, Bob Churchill, Debra Sedwick, Toni Pezzetti, Rob Roscoe, Dee Dillon and Shauna Lorange.

2. PUBLIC COMMENT

None

3. CONSENT CALENDAR

a. Minutes of the October 11, 2007 meeting.

(M/S/C) Mr. Rose moved, with a second by Ms. Harris, that the consent calendar items be approved.

4. 2007 SGA AUDIT

Evelyn Cook, Cook CPA Group, presented the financial audit for the fiscal year ending June 30, 2007. She reported that SGA received an unqualified opinion on the audit, which is the highest opinion an audit can receive. Ms. Cook complimented staff on their Management Discussion and Analysis report. She reviewed the audit findings with the board.

Mr. Kozlen asked Ms. Cook her opinion on the amount of reserves that SGA should have in the bank. Ms. Cook replied that each entity has their own philosophy on the amount of reserves they feel comfortable with. Chair Tobin noted that this topic will be brought to the SGA budget committee for discussion. Mr. Roscoe asked about SGA's liability for OPEB. Ms. Cook reported that through the shared administrative services agreement with RWA, that SGA will be liable for a portion of these costs. Mr. Winkler indicated that RWA has budgeted for a consultant to do an actuarial analysis. This item will be brought back to the SGA Board for discussion in the future.

Ms. Cook next reviewed the Comments and Observations Report, which includes the following: 1) implement a new check signing authority policy for checks over a certain amount; 2) categorize journal entries into recurring journal entries and nonrecurring journal entries, where authorization for recurring journal entries is established at the beginning of the year; 3) utilize accounting consultant to assist with the year end closing process; 4) as pension and post-employment benefit related costs could be increasing in the next couple of years, the Administrative Services Agreement should be reviewed to address what SGA's role is in funding of the CalPERS contribution; 5) implement a password rotation on the RWA network server; 6) store backup tapes in a different location; and 7) to request a copy of the SAS-70 report from the payroll company ADP and reviewing it to assure that ADP has adequate internal controls.

M/S/C Mr. Rose moved, with a second by Mr. Hanson, to recommend SGA Board acceptance of the 2007 SGA financial audit report

5. ELECTION OF 2008 SGA OFFICERS

Mr. Kozlen, chair of the SGA Nominating Committee, reviewed the elections process and announced the Committee's recommendations. Mr. Kozlen

reported that Ms. Tobin was nominated for the position of Chair because of the outstanding leadership she has shown in the past year. Mr. Schubert was nominated as Vice Chair because the Committee felt that it creates a balance between the public and private sector. Ms. Tobin asked for and received no nominations from the floor.

M/S/C Mr. Kozlen moved, with a second by Mr. DeWit, to elect Pam Tobin as 2008 SGA Chair and Paul Schubert as 2008 Vice Chair. Unanimous consent was received.

6. WATER ACCOUNTING FRAMEWORK

In June 2007, the SGA Board adopted Phase II of the Water Accounting Framework. Upon adoption, SGA was directed to continue with Phase III, including a survey of existing successful groundwater banks in the state and development of a model groundwater banking program based on the results of that survey.

Kennedy/Jenks has contracted with RWA (RWA was awarded a grant through Prop 50 to fund WAF development) to complete the survey of existing banks. The task order has a not-to-exceed amount of \$19,823, and includes the following tasks:

- Project coordination meetings.
- Review existing banking operations, and develop a final list of agencies to be surveyed based on initial screening of those willing to participate.
- Develop a survey instrument for use in conducting surveys of participating water banking operations.

In October 2007, the SGA Chair appointed an oversight committee to review the proposed survey and results, and provide guidance on the next steps of the model groundwater banking program development. The committee met on November 6 to review and discuss an outline of the main survey topics and proposed existing banking programs to be interviewed. The consultant is expected to complete the survey instrument by the end of December 2007. Kennedy/Jenks will now be used to perform the survey in January 2008, and an update of the survey process will be given to the SGA Board in February 2008.

Mr. Kozlen requested that the survey review alternative uses to returning water that is unused back to the American River. Chair Tobin appointed Mr. Churchill as an additional member to the Committee.

7. GROUNDWATER MANAGEMENT PROGRAM UPDATE

In September 2007, the California Department of Water Resources announced that funding has been restored for its Local Groundwater Assistance Grant Program (AB303). SGA has been successful in its application for funds from this program on three previous occasions: \$200,000 for Data Management System development, \$250,000 for the SGA Regional Monitoring Well Network, and \$250,000 for a comprehensive update of the Integrated Groundwater and Surface Water Model for the SGA area.

In October 2007, the SGA Board directed staff to work with the SGA Regional Contamination Issues Committee (RCIC) to prepare a scope of work based on the early 2006 recommendations from the committee published in the brochure entitled *Groundwater Contamination in the Sacramento Region – Legacy of the Past, Challenge to Our Future*. Based on the October 25, 2007 meeting of SGA RCIC, a detailed review of grant application scoring criteria, and other outreach meetings, staff is recommending a study to assess a broad range of water quality risks to the long-term sustainability of the north Sacramento County groundwater basin.

Staff recently updated the SGA Groundwater Management Plan implementation tracking table. A copy of the table was enclosed in the packet.

Rob Swartz, Senior Project Manager, reported that the grant application was filed last Tuesday. Staff recommended adoption of Resolution 07-03 approving the Executive Director to enter into a grant agreement if we are successful with the \$249,930 application.

There was discussion on the potential impact of the data, how the data will be reported and member access to the data.

M/S/C Mr. Kozlen moved, with a second by Mr. Rose, to approve Resolution No. 07-03 Authorizing the Executive Director to Apply for a Local Groundwater Assistance Grant and Execute a Grant Agreement with the California Department of Water Resources.

8. EXECUTIVE DIRECTOR 2007 REVIEW PROCESS

Pam Tobin, SGA Chair, gave a summary update of the Executive Director 2007 review process that was given to the RWA Board at the November 2007 board meeting held at El Dorado Irrigation District.

Ms. Tobin reported that job performance in eight major areas was evaluated with a numeric score from 1 (unsatisfactory) to 5 (superior). Written comments were solicited. In total, 11 evaluation forms were returned to the

Committee. All respondents rated the Executive Director very high (from exceeding expectations (4) to superior (5)).

Ms. Tobin also reported that the Executive Committee recently commissioned a consulting firm to conduct a salary survey for the Executive Director and all other staff positions. The study concluded that the Executive Director's salary was out of range and below the minimum indicated. A review of the Executive Director's salary shows that in addition to cost of living allowances, a 3.7% merit increase was authorized beginning in November of 2006. In the two years prior, however, no increases had been authorized.

All members of the Committee agreed that a salary increase was warranted. They also agreed that Mr. Winkler has demonstrated exceptional leadership, exceptional service to the organization, and has exceeded performance expectations associated with this vital position.

9. EXECUTIVE DIRECTOR'S REPORT

- **Holiday Social Announcements** - Mr. Winkler congratulated Mr. Roscoe and Mr. Nugent on receiving the Water Statespersons of the Year Award and Ms. Deister for receiving the Distinguished Service Award. There were positive comments made regarding the Holiday Social venue change. The program included Paul Kelley, Sonoma County Supervisor, as the featured speaker as well as an awards program.
- **SGA Comments on SAFCA Draft Environmental Impact Report** – An SGA comment letter was sent to SAFCA as directed by the SGA Board in October regarding their proposed levee improvement project draft EIR (under seepage remediation). The letter pointed out that the draft EIR failed to identify potential impacts to flow of water between the groundwater basin and the river. SGA received a positive response from SAFCA. It appears that they are now committed to performing such an analysis in their next phase.

CLOSED SESSION

At 10:08 a.m. the open session portion of the meeting was adjourned to closed session under Government Code section 54956.9(a): The People of the State of California, et al. v. Unocal Corp., et al. (Sacramento Superior Court No. 03AS05452). The closed session meeting was closed and duly reported, and the public meeting was reconvened in open session at 11:11 a.m. No information was reported.

10. DIRECTORS' COMMENTS

None.

Adjournment

With no further business to come before the Board, Chair Tobin adjourned the meeting at 11:12 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Finance and Administrative Services Officer