

SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, June 9, 2016; 9:00 a.m.

5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692

Agenda

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.

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENT: Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.

3. CONSENT CALENDAR

Minutes of April 14, 2016 meeting

Action: Approve Consent Calendar items

4. CONTRACT FOR PROFESSIONAL AUDITING SERVICES

Information Presentation: John Woodling, Executive Director

Action: Authorize the Executive Director to contract with Richardson and company to provide for professional auditing services for SGA's fiscal year 2016 audit. The contract shall not exceed \$22,500 for the FY 2016 audit.

5. FINAL CONTRACT BETWEEN THE BOARD OF ADMINISTRATION CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CaPERS) AND THE BOARD OF DIRECTORS SACRAMENTO GROUNDWATER AUTHORITY (SGA)

Information Presentation: John Woodling, Executive Director

Action: Approve Resolution 2016-02 for Employer Paid Member Contributions (EPMC)

Action: Approve Resolution 2016-03 to adopt the final Contract between the Board of Administration California Public Employees' Retirement System (CaPERS) and the Board of Directors of the Sacramento Groundwater Authority (SGA)

6. GROUNDWATER MANAGEMENT PROGRAM UPDATE

Information Update: Rob Swartz, Manager of Technical Services

**7. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)
IMPLEMENTATION UPDATE**

Information Update: John Woodling, Executive Director

8. EXECUTIVE DIRECTOR'S REPORT

9. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meeting – August 11, 2016, 9:00 a.m., RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights

Sacramento Groundwater Authority Board Meeting
June 9, 2016

AGENDA ITEM 3: CONSENT CALENDAR

STAFF RECOMMENDATION:

Action: Approve minutes of April 14, 2016 meeting



1. CALL TO ORDER

Chair Sheehan 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

Audie S. Foster, California American Water
John Wallace, Carmichael Water District
Caryl Sheehan, Citrus Heights Water District
Marcus Yasutake, City of Folsom
Noelle Mattock, City of Sacramento
Robert Matteoli, Del Paso Manor Water District
Randy Marx, Fair Oaks Water District
Paul Schubert, Golden State Water Company
Brett Gray, Natomas Central Mutual Water Company
Craig Davis, Orange Vale Water Company
Paul Green, Rio Linda/Elverta Community Water District
Neil Schild, Sacramento Suburban Water District
Pam Tobin, San Juan Water District
Rink Sanford, Self-Supplied Industry

Staff Members

John Woodling, Rob Swartz, Nancy Marrier, Monica Garcia and Chris Sanders, legal counsel.

Others in Attendance

Al Dains, Kerri Howell, Mary Harris, Kevin Thomas, Mike O'Hagan, Bob Kunz, Charles Duncan, Abigail Madmore, Richard Shatz, Mary Henrici, Ralph Felix, Steve Nugent, Debra Sedwick, Dan York, Rodney Fricke, Evan Perez, Eddy Teasdale, Robert Kunz, Tom Gray, Bob Churchill, Shauna Lorance, Keane Chukwuneta and Abigail Madrone. Nicole Krotoski and Isabel Safie participated via conference phone.

2. PUBLIC COMMENT

None.

3. CONSENT CALENDAR

The minutes of the February 11, 2016 meeting

Motion/Second/Carried (M/S/C) Ms. Tobin moved, with a second by Mr. Wallace, that the December 10, 2015 SGA Board minutes be approved. The motion carried by the unanimous voice vote of all directors present.

4. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(C) AND 54956.9(D) – UPDATE ON CALPERS AUDIT OF RWA AND CALPERS CONTINUED OBLIGATION TO PROVIDE PENSION BENEFITS TO RWA EMPLOYEES.

It was determined that there was no need for a closed session.

5. CONSIDER AND ADOPT RESOLUTION OF INTENTION TO APPROVE A CONTRACT WITH THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, RESOLUTION TO TAX DEFER MEMBER PAID CONTRIBUTIONS AND OTHER REQUIRED ACTIONS

John Woodling, Executive Director, explained that there are four actions required by CalPERS to finalize SGA becoming a CalPERS member. These actions include approving a Resolution of Intention to Approve a Contract with CalPERS, approve a Resolution to Tax Defer Member Paid Contribution IRC 414(h)(2) Employer Pick-up, approve the Reallocation Agreement, and direct the Executive Director to execute the Reallocation Agreement on behalf of SGA and direct staff to submit the documents to CalPERS after the requisite employee elections are concluded.

There was discussion on the tax deferment. Ms. Sofie explained that employees will not pay taxes up front, but will pay them at the time of their retirement distribution. Mr. Woodling explained that one reason for the Tax Deferred Resolution is to bring equality between the SGA and RWA contracts. Ms. Sofie also noted that the employee voting is to be by secret ballot.

M/S/C Ms. Tobin moved, with a second by Mr. Sanford, to approve the Resolution of Intention to Approve a Contract with the California Public Employees' Retirement System, to approve the Resolution to Tax Defer Member Paid Contributions – IRC 414(h)(2) Employer Pick-Up, to approve the Reallocation Agreement and direct the Executive Director to execute the Reallocation Agreement on behalf of SGA and to direct staff to submit the above referenced documents to CalPERS after the requisite employee elections are concluded. The motion carried by the unanimous voice vote of all directors present.

6. DEVELOPMENT OF SGA FISCAL YEAR 2016 – 2017 BUDGET

The Fiscal Year 2016-2017 SGA Budget Committee met on March 16, 2016. The members include Caryl Sheehan, Citrus Heights Water District; Rich Allen, Del Paso

Manor Water District; Mary Harris, Rio Linda/Elverta Community Water District; Pam Tobin, San Juan Water District; and Neil Schild, Sacramento Suburban Water District.

Rob Swartz, Manager of Technical Services, presented information on the RWA Regional Reliability Plan, the program objectives and also explained the benefit of integration of SGA and RWA. In the RWA 2013 Strategic Plan, an objective to develop a Regional Reliability Plan was adopted. Mr. Swartz gave examples of some agency near- and long-term vulnerabilities within our system and strategies to address the vulnerabilities. A chief mitigation action is to expand the conjunctive use program, which will help demonstrate that the groundwater basin can be managed as a reservoir. When the State Water Resources Control Board is looking for future cutbacks we can potentially rely on that system as part of our alternative to simply cutting back on our supply. RWA will evaluate expanded conjunctive use as a key mitigation action, establish a regional water bank, evaluate new regional diversions and develop modeling tools. The entire plan will be a significant effort over multiple years and will involve the development of technical tools.

He also explained that under SGMA we will be required to have a Groundwater Sustainability Plan (GSP) by 2022. SGA will be working on modeling tools that will be complimentary to this effort. Over the next several years, RWA will be working on the regional reliability plan that will identify the vulnerabilities and mitigation actions. In the next few years, staff will be looking to update a regional model that will cover the North American Subbasin and South American Subbasin. That model will be updated as a tool to support the documentation that is submitted to establish the regional water bank. The technical work that needs to be done by the region as a whole is complimentary to what SGA has to do and staff wants to plan to participate in that effort as the groundwater authority. Having that model will help demonstrate the sustainable yield of the basin. Program objectives for fiscal year 2017 include evaluating administrative alternatives for compliance with the Sustainable Groundwater Management Act, possibly preparing an alternative to a GSP, monitoring water quality levels, maintain/improve the Data Management System, monitor and coordinate on regional contamination issues, groundwater modeling and possible grant application funding. It's important to be in a position to have access to available funding, so that SGA can make a contribution if opportunities arise in the next fiscal year.

Mr. Woodling said that the staff objective in development of the conjunctive use program and any regional projects is for each individual agency to make the decisions on how they want to participate, solve their own challenges and also take advantage of opportunities.

Mr. Swartz said that preparation of a Basin Management Report is included in the current budget to look at the legislative and regulatory requirements and prepare a report that we think will be in compliance with the SGMA requirements.

Mr. Woodling presented an overview of the SGA budget with two major pieces, one piece is the base fees and the other piece is based on groundwater pumping. The increase in the proposed rate is approximately 13%, which is less than anticipated

from last year's budget at approximately 17%. For several years, SGA members have been advised that fees would need to increase in future periods to compensate for rising costs. For the last several years, these rising costs have been absorbed by reserves that occurred from either project savings or program objective delays. The SGA membership had several years of minimal or no rate increases. FY16 had a fee increase to begin to close the gap between expenses versus fees. A fee increase for FY17 is still needed to continue with program objectives and to implement the strategic decisions.

In September 2014, Governor Brown signed the Sustainable Groundwater Management Act (SGMA). The act requires the formation of local groundwater sustainability agencies (GSAs) that must assess conditions in their local water basins and adopt locally-based management plans. This requirement is expected to increase fees for SGA out into future years. The Board agreed to increase fees to begin preparing for these requirements.

The current proposed fee increase of approximately 13% still results in an approximately \$133,500 negative cash shortfall that will be absorbed by designated and undesignated carry over funds from previous years. The expected CalPERS early unfunded liability payment of \$87,600 in FY16 also helped to decrease the carry over funds.

In addition to sharing in 50% of non-WEP administrative staff time from RWA, SGA plans to continue to use 20% of RWA's project assistant to assist in accomplishing these objectives. SGA may also hire additional outside consultants to accomplish some of the program objectives.

Since FY13, the RWA and SGA Boards have been incrementally budgeting resources to reflect the payment of the unfunded pension liability allocated to pooled plan members. Even though RWA and SGA have been paying 100% of the annually required contribution, and have paid off the side-fund, there is still an unfunded pension liability allocated to RWA. CalPERS has been amortizing these costs over time when determining the annual required contribution. The latest CalPERS report, dated June 30, 2014, reflects an approximate allocated liability of \$302,700 as of June 30, 2016. RWA recently paid \$225,000 of the amount. SGA's portion of the obligation was \$87,600 (39%) to pay a portion of this unfunded liability since RWA has been providing staffing services to SGA through a memorandum of understanding. Beginning in FY17, RWA and SGA will make their own payments since SGA is expected to become a CalPERS agency beginning July 1, 2016. Additional annual payments are currently projected to continue to pay towards the unfunded pension liability.

SGA will continue to share 50/50 in the administrative costs incurred by RWA to run both organizations under the agreement between RWA and SGA for administrative and management services. Costs benefiting only RWA work will not be allocated to SGA. Likewise, costs benefiting only SGA will be paid by SGA.

Specific increased expenses are included in the projected FY2017-18 budget. RWA/SGA's lease will be coming up for renewal in calendar year 2018. Staff negotiated a very favorable lease rate at the time ACWA JPIA moved out of the building. SGA needs to plan for a significant increase (and a potential move) in the office lease in 2018.

The RWA Employee Compensation Policy 400.2 states that "The Executive Committee (EC) will conduct a compensation survey at least every five years to ensure that the compensation offered by the Authority is consistent with this policy." RWA last completed a compensation survey in November 2012 and will need to budget for a compensation survey to be completed in fiscal year 2018, as well as plan for potential increased payroll costs as a result of the survey.

Noelle Mattock, City of Sacramento, entered the meeting.

SGA can anticipate additional rate increases in the future of approximately 9% in FY18.

M/S/C Mr. Schubert moved, with a second by Mr. Green, to adopt Resolution NO. 2016-1 to fund the administrative and program budgets for FY 2016 – 2017, and providing for the collection of said funds and to designate \$58,300 to FY16 for Groundwater Modeling. The motion carried by the unanimous voice vote of all directors present.

7. GROUNDWATER PROGRAM UPDATE

Rob Swartz, Manager of Technical Services, reported that Staff continues to work on the following groundwater management priority areas: 1) the study of the occurrence of tetrachloroethene (PCE) contamination in the California American Water Lincoln Oaks Service Area; 2) the effort to further characterize what would be considered a "normal" expected concentration of hexavalent chromium (CrVI) in the central portion of the SGA area in light of the recent health-based standard for CrVI; and 3) continued monthly monitoring of groundwater elevations in response to drought conditions. Additionally, staff has collected updated groundwater extraction data for 2015 and is requesting additional detailed annual data from SGA member agencies as called for in the 2014 SGA Groundwater Management Plan.

For the PCE study, staff is working closely with California American Water (Cal Am) to identify and fill data gaps with respect to available PCE information. The SGA portion of the PCE study is funded largely through a local groundwater assistance grant from the Department of Water Resources (DWR). SGA has successfully worked with DWR to extend the term of the grant to a completion date of June 30, 2016. This will provide the time needed to collect and interpret additional data. Staff is also coordinating with Cal Am, the Central Valley Regional Water Quality Control Board (CVRWQCB) and the State Water Resources Control Board to discuss potential funding opportunities for additional study of the PCE contamination.

For the CrVI study, data was collected from 15 monitoring wells, two shallow domestic wells, and one shallow agricultural well in October 2015. Those results were shared with the SGA Board at its February 2016 meeting. Staff is continuing to coordinate with the CVRWQCB and Air Force Real Property Agency to better understand the effort to determine background and offsite concentrations of CrVI at the former McClellan Air Force Base.

Staff continues to monitor several wells on a monthly basis as the Executive Order declaring a statewide drought emergency continues. Water levels are continuing to recover in these wells as we progress into spring. The key indicator for long-term conditions in the groundwater basin will be the spring elevations to be taken by April 13th. Staff will provide updated hydrographs for the wells to the SGA Board.

Results of the SGA Water Accounting Framework through 2015 were included in the board packet. In 2015, all agencies met their target groundwater extraction for basin sustainability.

8. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) IMPLEMENTATION UPDATE

John Woodling, Executive Director, said that staff will meet with representatives of the Placer and Sutter County portions of the North American Subbasin to begin to discuss the preparation of a Groundwater Sustainability Plan or the alternative that is allowed under the Act.

Staff provided a comprehensive comment letter on the draft emergency regulations for groundwater sustainability plans and alternatives, and also coordinated an ACWA comment letter through the Groundwater Committee. RWA and NCWA submitted a joint letter commenting on the regulations.

In summary, the draft regulations need significant modification to address the following concerns:

- The regulations go beyond both the language and intent of SGMA in a number of areas.
- The regulations call for data, information, and analysis that go far beyond what will generally be needed to plan for and demonstrate groundwater sustainability.
- Through excessively prescriptive requirements, the regulations undermine local control and flexibility that was intended to be the foundation of SGMA.
- Some of the requirements of the regulations may contribute to conflict rather than collaboration in managing a basin.

DWR will brief the California Water Commission (CWC) on April 20, 2016 on the draft regulations, and will seek approval by the CWC in May. Staff has attended several meetings with DWR since the regulations were released. Staff is concerned

that the DWR regulation rewrites will not be enough. The cost to do the work to prepare a compliant plan and the implementation remains an important unknown.

Within the North American Subbasin, we are in good shape to get everyone compliant with creating Groundwater Sustainability Agencies, and moving forward with a GSP or an alternative for the entire subbasin.

9. EXECUTIVE DIRECTOR'S REPORT

Government Affairs Update – The Legislative session for 2016 is well underway. RWA staff is tracking the introduction of new bills and the status of two-year bills from last year. A summary of legislation being tracked is on the RWA website, rwah2o.org.

The State Water Resources Control Board will meet on April 20 to discuss changes to the emergency regulations for water conservation in light of the significant changes in hydrologic conditions that have occurred since early February. RWA has requested that the State Water Board rescind the mandatory conservation requirements for the Sacramento region. On April 20 the State Water Board will receive input on how they should change the emergency regulations.

A bill authored by Senator Wolk requires counties to make the issuance of well permits a conditional use permit in the basins that are identified as medium and high priority.

Drought Update – A lot has changed since the last SGA meeting in February. Folsom Lake storage is about 110% of average with more than 700,000 acre-feet in storage. Releases for flood control during March were as high as 20,000 cubic feet per second. Shasta and Oroville Reservoirs are similarly full. As of April 4, 2016, nearly 8 million acre-feet of water are in storage in the three reservoirs, compared to about 5 million acre-feet last year on the same date. Snowpack for the American River watershed was 88% on April 1st. Groundwater levels, which SGA has been measuring monthly during the drought have recovered to levels higher than in Spring of 2015, in response to recharge from precipitation and high river flows.

Mr. Woodling reported that the recent Cap-to-Cap trip generated a lot of good discussions including groundwater banking and the new Sacramento River Diversion resulting in positive feedback from our local delegation, Reclamation and Interior, from the Resources Agency Staff and the Governor's Staff in DC.

Financial Documents – The financial reports for the period ending March 31, 2016 were included in the board packet.

10. DIRECTORS' COMMENTS

Mr. Green introduced Ralph Felix as the new General Manager for Rio Linda/Elverta CWD effective June 15, 2016.

Mr. Woodling thanked the board for passing the budget the first time it was presented. Everyone seems to recognize the level of effort going forward.

Adjournment

With no further business to come before the Board, Chair Sheehan adjourned the meeting at 10:34 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Finance and Administrative Services Manager

AGENDA ITEM 4: CONTRACT FOR PROFESSIONAL AUDITING SERVICES

BACKGROUND:

On June 14, 2012 the SGA Board of Directors approved a contract with Richardson & Company for professional auditing services for a five year term, with a provision that requires the SGA Board to approve the contract annually. The Fiscal Year 2016 audit will be the fifth year that SGA may contract with Richardson & Company. Richardson & Company's initial bid was \$19,050 for the FY 16 audit; however, with the new GASB 68 implementation this year there will be an additional fee of approximately \$3,000.

STAFF RECOMMENDATION:

Action: Authorize the Executive Director to contract with Richardson and company to provide for professional auditing services for SGA's fiscal year 2016 audit. The contract shall not exceed \$22,500 for the FY 2016 audit.

AGENDA ITEM 5: FINAL CONTRACT BETWEEN THE BOARD OF ADMINISTRATION CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) AND THE BOARD OF DIRECTORS SACRAMENTO GROUNDWATER AUTHORITY (SGA)

BACKGROUND:

In early 2013, CalPERS' Office of Audit Services audited the Regional Water Authority (RWA). In July 2013, OAS issued a draft report finding that five out of six RWA employees work only part time for RWA on the basis that those employees also provide services to the Sacramento Groundwater Authority (SGA). The findings allowed SGA to apply for CalPERS membership. SGA submitted a new agency application to CalPERS on February 2, 2015. SGA has been informed by CalPERS that their membership is approved and they will begin making their own payments beginning in FY17.

The last step in this process is to adopt Resolution 2016-02 for Employer Paid Member Contributions (EPMC) to mirror RWA's contract that provides that employees pick up their share of retirement at 2% per year and goes from 7% to 0% so that by FY19, classic employees pay their 7% share of CalPERS contribution. Additionally, SGA needs to approve the final contract between CalPERS and SGA. The CalPERS contract will become effective July 1, 2016.

STAFF RECOMMENDATION:

Information Presentation: John Woodling, Executive Director

Action: Approve Resolution 2016-02 for Employer Paid Member Contributions (EPMC)

Action: Approve Resolution 2016-03 to adopt the final Contract between the Board of Administration California Public Employees' Retirement System (CalPERS) and the Board of Directors Sacramento Groundwater Authority (SGA)

RESOLUTION NO. 2016-02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SACRAMENTO GROUNDWATER AUTHORITY FOR
EMPLOYER PAID MEMBER CONTRIBUTIONS**

WHEREAS, the Board of Directors of the Sacramento Groundwater Authority (“Authority”) has the authority to implement Government Code Section 20691; and

WHEREAS, the Board of Directors of the Sacramento Groundwater Authority has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the Board of Directors of the Sacramento Groundwater Authority of a Resolution to commence paying said Employer Paid Member Contributions (EPMC); and

WHEREAS the Board of Directors of the Sacramento Groundwater Authority has identified the following conditions for the purpose of its election to pay the EPMC:

- This benefit shall apply to all classic employees.
- Effective July 1, 2016, this benefit shall consist of paying 3% of the normal member contributions as EPMC.
- Effective July 1, 2017, this benefit shall consist of paying 1% of the normal member contributions as EPMC.
- Effective July 1, 2018, this benefit shall consist of paying 0% of the normal member contributions as EPMC.

NOW, THEREFORE, be it resolved that the Board of Directors of the Sacramento Groundwater Authority elects to pay EPMC, as set forth above.

PASSED AND ADOPTED at a meeting of the Authority held on June 9, 2016.

By: _____
Chair, Sacramento Groundwater Authority

Attest: _____
Clerk, Sacramento Groundwater Authority



California
Public Employees' Retirement System



CONTRACT

**Between the
Board of Administration
California Public Employees' Retirement System
and the
Board of Directors
Sacramento Groundwater Authority**



In consideration of the covenants and agreement hereafter contained and on the part of both parties to be kept and performed, the governing body of above public agency, hereafter referred to as "Public Agency", and the Board of Administration, Public Employees' Retirement System, hereafter referred to as "Board", hereby agree as follows:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members and age 62 for new local miscellaneous members.
2. Public Agency shall participate in the Public Employees' Retirement System from and after July 1, 2016 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Employees other than local safety members (herein referred to as local miscellaneous members).
5. Any exclusion(s) shall remain in effect until such time as the Public Employees' Retirement System determines that continuing said exclusion(s) would risk a finding of non-compliance with any federal tax laws or regulations. If such a determination is contemplated, the Public Employees' Retirement System will meet with the Public Agency to discuss the matter and coordinate any required changes or amendments to the contract.

In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

- a. **SAFETY EMOLOYEES.**

6. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).
7. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).
8. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Sections 21624 and 21626 (Post-Retirement Survivor Allowance).
9. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members of said Retirement System.
10. Public Agency shall also contribute to said Retirement System as follows:
 - a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members.
 - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
11. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

12. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS
SACRAMENTO GROUNDWATER
AUTHORITY

BY _____
RENEE OSTRANDER, CHIEF
EMPLOYER ACCOUNT MANAGEMENT DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

SACRAMENTO GROUNDWATER AUTHORITY

RESOLUTION AUTHORIZING A CONTRACT

No. 2016-03

WHEREAS, the Public Employees' Retirement Law provides for the participation of a Public Agency in the California Public Employees' Retirement System, making its employees members of said System; and

WHEREAS, the Board of Directors of the Sacramento Groundwater Authority on April 14, 2016, adopted a Resolution giving notice of intention to approve a contract providing for such participation; and

WHEREAS, the employees of said public agency, whose memberships in said Retirement System are contemplated, have approved said participation, by majority vote;

NOW, THEREFORE, BE IT RESOLVED, that a contract between the Board of Directors of the Sacramento Groundwater Authority and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said contract being attached hereto and by such reference made a part hereof as though herein set out in full; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the presiding officer of said governing body is hereby authorized, empowered and directed to execute said contract for and on behalf of said public agency.

Adopted this 9th day of June 2016.

Presiding Officer

Attest:

Clerk or Secretary

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Employer Account Management Division
Retirement and Social Security Contracts Unit
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (225-7377)

**CERTIFICATION
OF
FINAL ACTION OF GOVERNING BODY**

I hereby certify that the Board of Directors of the
(governing body)
Sacramento Groundwater Authority
(public agency)

considered and adopted on June 9, 2016, by an affirmative vote of a
(date)
majority of the members of said Governing Body, **Ordinance / Resolution No. 2016-3**
approving the attached contractual agreement between the Governing Body of said Agency
and the Board of Administration of the California Public Employees' Retirement System, a
certified copy of said **Ordinance / Resolution** in the form furnished by said Board of
Administration being attached hereto.

Adoption of the retirement benefit increase/change was not placed on the consent
calendar.

Clerk/Secretary

Title

Date _____

Sacramento Groundwater Authority Board Meeting
June 9, 2016

AGENDA ITEM 6: GROUNDWATER MANAGEMENT PROGRAM UPDATE

BACKGROUND:

Staff will provide an update on groundwater management program activities, including groundwater elevation monitoring and groundwater quality monitoring.

STAFF RECOMMENDATION:

Information Update: Rob Swartz, Manager of Technical Services

AGENDA ITEM 7: SUSTAINABLE GROUNDWATER MANAGEMENT AT (SGMA) IMPLEMENTATION UPDATE

BACKGROUND:

The California Water Commission adopted emergency regulations for Groundwater Sustainability Plans (GSP) and Alternatives as presented by DWR on May 16, 2016. The regulations are effective June 1st. SGA provided comments to the CWC on two occasions (attached) to influence the outcome of the regulations. Overall, the regulations were substantially improved from the draft version originally released by DWR. DWR was responsive to most of the comments of SGA, RWA and ACWA.

The inclusion of “substantial compliance” as a regulatory standard was retained in the final regulations. This should help to ensure that SGA and its neighbors in the North American Subbasin need to complete only the technical work necessary to demonstrate sustainability of the groundwater basin, rather than the regulations serving as a checklist of sorts.

Over the next several months, DWR will develop two additional deliverables: 1) best management practices for groundwater sustainability, and 2) a report on water available for replenishment. Staff is participating on ACWA subcommittees to provide input on both of these issues.

Now that the regulations have been finalized, staff will be working with others from Placer and Sutter County portions of the subbasin to consider whether the preparation of an alternative to a GSP is feasible and advisable. Such a submittal would be due by the end of the calendar year. Staff will update the SGA board on the issue and proposed approach in August. Placer and Sutter County interests are continuing to evaluate the development of groundwater sustainability agencies for the portions of the subbasin outside SGA’s jurisdictional area. This must be accomplished by July of 2017.

STAFF RECOMMENDATION:

Information Presentation: John Woodling, Executive Director



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

5620 Birdcage Street, Suite 180
 Citrus Heights, CA 95610

Tel: (916) 967-7692
 Fax: (916) 967-7322
 www.sgah2o.org

April 22, 2016

California American
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 Water District

Citrus Heights
 Water District

City of Folsom

City of Sacramento

County of Sacramento

Del Paso Manor
 Water District

Fair Oaks Water District

Golden State
 Water Company

Natomas Central Mutual
 Water Company

Orange Vale
 Company

Linda / Elverta
 Community Water
 District

Sacramento Suburban
 Water District

San Juan
 Water District

Agricultural and
 Self-Supplied
 Representative

California Water Commission
 P.O. Box 942836
 Sacramento California 94236-0001

Transmitted via email to Paula Landis, Executive Officer

Dear Chair Byrne and Commissioners Baker, Ball, Curtin, Daniels, Del Bosque, Herrera, Orth, and Quintero

I want to express my appreciation for the attention the California Water Commission afforded the draft regulations for implementation of the Sustainable Groundwater Management Act (SGMA) at its April 20, 2016 meeting. Adopting appropriate regulations is critical to the success of SGMA and to the long term sustainability of California's groundwater resources. I was pleased to see that the Department of Water Resources staff has reviewed the comments submitted and embraced many of the necessary modifications in their proposed revisions.

There was significant discussion by the public and Commissioners around the question of how much data and information was needed in a Groundwater Sustainability Plan (GSP), and how DWR would evaluate compliance. Specifically, several commissioners questioned the appropriateness of "substantial" compliance as a standard.

Unfortunately, an exhaustive checklist for GSP content will not ensure sustainability. The path to sustainability will instead be more complex and involve the judgment of groundwater professionals on both sides of the issue – at the local Groundwater Sustainability Agencies that will develop and implement the GSPs, and at DWR, which must evaluate their actions.

As such, whether it is called "substantial compliance," or simply "compliance," it is important to properly define expectations. This question is fundamental to success at the local and state level. In our comments on the draft regulations, and

Letter to California Water Commission
April 22, 2016
Page Two of Two

those of the Association of California Water Agencies and others, we provided an appropriate definition for a compliance standard. A GSP should be found to be compliant if it

“meets the content requirements of the Act and contains sufficient data and analysis to support the Agency’s finding that the sustainability goal will be achieved, and the Department determines that any discrepancy would not materially affect the ability of the Agency to achieve the sustainability goal or of the Department to evaluate the likelihood of the Plan to attain that goal.”

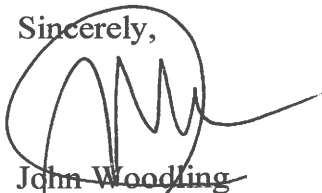
This standard of compliance gets to the key indicator of success, that the quantity and quality of information is adequate to move forward to take appropriate actions to achieve sustainability. Ultimately, the success of SGMA will be measured by the actions taken at the local level, not by the comprehensiveness of the content of the GSP.

In the event that a GSP is found inadequate, the outcome is state intervention. One would hope that when the State Water Resources Control Board develops an interim plan for a probationary basin it would focus on actions rather than filling in incidental gaps in the GSP. The Local GSAs should be evaluated on a comparable basis.

While our comments on the draft regulations included myriad other issues that need to be addressed, this issue of the appropriate standard of compliance is perhaps the most important, and I urge you to support the appropriate balance between planning and action.

Thank you for your attention to this important aspect of the Commission’s charge. Please contact me if you have any questions at (916) 967-7692 or jwoodling@rwah2o.org.

Sincerely,

A handwritten signature in black ink, appearing to read "John Woodling", enclosed within a circular scribble.

John Woodling
Executive Director
Sacramento Groundwater Authority

cc: David Gutierrez, Department of Water Resources
David Bolland, Association of California Water Agencies



Sacramento Groundwater Authority
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May 13, 2016

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California Water Commission
 P.O. Box 942836
 Sacramento, CA 94236-0001

Transmitted via email

Dear Chair Byrne and Commissioners Baker, Ball, Curtin, Daniels, Del Bosque, Herrera, Orth and Quintero:

I am writing to convey comments of the Sacramento Groundwater Authority (SGA) on the Proposed Groundwater Sustainability Plan (GSP) Regulations which you will be considering at your meeting of May 18, 2016. The Department of Water Resources has made significant improvements to the regulations originally released in draft February 18, 2016. Most of the major comments of SGA and other local agency groundwater managers have been adequately addressed. DWR's commitment to working with stakeholders throughout the SGMA implementation process has been and will continue to be fundamental to success.

SGA supports adoption of the Proposed GSP Regulations with one notable exception. Article 9, related to the evaluation of Alternatives, has been modified, but still extends beyond both the language and intent of the Sustainable Groundwater Management Act (SGMA). This overreach was pointed out by numerous comments on the draft regulations.

Water Code Section 10733.6(a), states, *"If a local agency believes that an alternative described in subdivision (b) satisfies the objectives of this part, the local agency may submit the alternative to the department for evaluation and assessment of whether the alternative satisfies the objectives of this part for the basin."* As such, SGMA envisioned the possibility of an alternative pathway to the objective of sustainable groundwater management.

The proposed regulations, however, presuppose that a Groundwater Sustainability Plan (even if called by a different name) is the only path to sustainability. Section 358.2 of the proposed regulations would require an explanation of how an Alternative is "functionally equivalent" to a GSP. Similarly, DWR's evaluation of an Alternative, described in

Letter to California Water Commission
Re: The Proposed Groundwater Sustainability Plan
May 13, 2016
Page two of two

Section 358.6, would be based on the identical requirements as the evaluation of a GSP. These concerns could be easily addressed by the following modifications to the proposed regulations.

§358.2 (d) The entity submitting an Alternative shall explain how the elements of the Alternative ~~are functionally equivalent to the elements of a Plan required by Articles 5 and 7 of this Subchapter~~ and are sufficient to demonstrate the ability of the Alternative to achieve the objectives of the Act.

§358.6 (a) (3) The Alternative is complete and includes the information required by the Act and this ~~Subchapter~~ Article.

§358.6 (b) The Department shall evaluate an Alternative that satisfies the requirements of Subsection (a) ~~in accordance with Sections 355.2, 355.4(b), and Section 355.6, as applicable,~~ to determine whether the Alternative complies with the objectives of the Act. Compliance means that the Alternative is sufficiently detailed and contains data and information needed to demonstrate sustainable groundwater management has been or will be achieved for the basin.

Thank you for the opportunity to comment on the draft regulations and for your consideration of this important modification.

Sincerely,



John Woodling
Executive Director

Sacramento Groundwater Authority Board Meeting
June 9, 2016

AGENDA ITEM 8: EXECUTIVE DIRECTOR'S REPORT

June 9, 2016

TO: SACRAMENTO GROUNDWATER AUTHORITY BOARD

FROM: JOHN WOODLING

RE: EXECUTIVE DIRECTOR'S REPORT

a. Government Affairs Update – The deadline for legislation to move out of the house of origin was June 3, 2016. A summary of legislation being tracked by RWA is available at rwah2o.org. One bill of interest on groundwater is SB 1317 (Wolk). The bill would require well permitting agencies (such as Sacramento County) to have a process for well permit approval that considers whether a new well would impact the sustainability of groundwater in a medium or high priority basin under SGMA. RWA opposed the bill (attached), arguing that the requirement was premature and burdensome in light of the SGMA requirements to develop a groundwater sustainability plan by 2022. The bill passed out of the Senate on a 21-17 vote.

Governor Brown issued Executive Order B-37-16 updating the state's drought emergency. In response, the State Water Resources Control Board adopted revised emergency regulation for water conservation that provide the option for local water suppliers to self-certify their water supplies over the next three years. If water suppliers identify a potential shortage, the amount of that shortfall would become a mandatory conservation percentage to be enforced by the SWRCB.

Budget trailer bill legislation in 2015 removed the confidentiality of well log information. The public can now get access to well logs (with certain ownership information redacted). In light of this, the State Water Resources Control Board considered making the locations of public supply wells available on its Geotracker database. SGA staff coordinated ACWA Groundwater Committee input to the attached response.

b. SGA Outreach – SGA and RWA staff have been popular speakers at a number of venues of late. Our success in groundwater management is highly regarded throughout the state. Mr. Woodling gave an update on water issues to the Sacramento Valley Division of the California League of Cities on May 13, addressed the NCWA Water Leaders Course on May 27, and participated in the Groundwater Resources Association's Contemporary Groundwater issues Council on May 26. Mr. Woodling will speak on SGMA implementation at a Law Seminars International conference on June 7, a GRA conference on June 8, and an ACWA Region 2 and 4 joint event on June 22. Mr. Woodling presided as chair of the ACWA Groundwater Committee at the Spring Conference on May 3, 2016. The meeting shattered unofficial attendance records, with over 160 people attending. The Groundwater Committee will next meet in September, in a San Joaquin Valley location to be determined.

c. RWA Anniversary – The Regional Water Authority was formed in 2001, and celebrates its 15th Anniversary this year. RWA will hold an event to commemorate the anniversary, and all SGA board members and agency staff are invited to attend the luncheon event on July 14th. Information is available at tinyurl.com/RWAAnniv (attachment).



May 25, 2016

The Honorable Lois Wolk
California State Senate
State Capitol, Room 5114
Sacramento, CA 95814

Re: SB 1317 (Wolk) - Oppose

Spencer Short, Chair
Jim Peifer, Vice Chair

On behalf of the Regional Water Authority (RWA) I am writing to express our opposition to SB 1317 relating to issuance of permits for groundwater extraction facilities.

Members

California American Water
Carmichael Water District
Citrus Heights Water District
Del Paso Manor Water District
El Dorado Irrigation District
Elk Grove Water District
Fair Oaks Water District
Folsom, City of
Golden State Water Company
Lincoln, City of
Orange Vale Water Company
Placer County Water Agency
Rancho Murieta Community Services District
Roseville, City of
Rio Linda / Elverta Community Water District
Sacramento, City of
Sacramento County Water Agency
Sacramento Suburban Water District
San Juan Water District
West Sacramento, City of
Woodland-Davis Clean Water Agency
Yuba City, City of

RWA is a joint powers authority that represents 22 water suppliers and affiliated agencies in El Dorado, Placer, Sacramento, Sutter and Yolo Counties. These suppliers provide reliable water supplies to over 2,000,000 people and the businesses that serve the Sacramento metropolitan area.

After thoughtful consideration and consultation with stakeholders, the California State Legislature passed and the Governor signed into law, the Sustainable Groundwater Management Act (SGMA) in 2014. The groundwater sustainability agencies (GSA) required of SGMA are now being formed for development and implementation of the groundwater sustainability plans (GSP) that must be in-place for high and medium priority groundwater basins by 2020 and 2022, depending on whether they are critically overdrafted.

Development of GSPs will be accomplished by local agencies working together to assess their groundwater basins and determine the sustainable practices necessary to prevent "undesirable results". SB 1317 would preempt this process before GSPs could be put in place by requiring cities and counties to issue groundwater extraction permits, beginning July 1, 2017, for the development of groundwater extraction facilities in order to prevent new facilities from creating or contributing to an undesirable result. Because GSPs are still a work in progress there will be cases where there will not be enough information available to effectively determine the impact of new groundwater extraction facilities. In cases where there is the necessary information available, local agencies already have the authority to issue permits or conditions as appropriate.

For these reasons, RWA requests that the Legislature defer to the implementation schedule of SGMA and the locally created GSAs.

Sincerely,


John Woodling
Executive Director

Associates

El Dorado County Water Agency
Sacramento Municipal Utility District
Sacramento Regional County Sanitation District
Sacramento Area Flood Control Agency



**Association of
California Water Agencies**
Since 1910
Leadership • Advocacy • Information • Service

Sent via ELECTRONIC MAIL to Laura.Shook@waterboards.ca.gov

May 23, 2016

Ms. Laura Shook
Engineering Geologist, Division of Water Quality
State Water Resources Control Board
1001 I Street, 15th Floor
Sacramento, CA 95814

Re: ACWA Comments regarding SWRCB Proposal to Disclose Exact Public Water System Well Locations through GeoTracker

Dear Ms. Shook:

The Association of California Water Agencies (“ACWA”) appreciates the opportunity to comment on the State Water Resources Control Board’s (“SWRCB”) proposal to disclose the exact locations of public water system wells through the GeoTracker web portal (“Location Disclosure Proposal”). ACWA represents over 430 public water agencies that collectively supply 90% of the water delivered in California for domestic, agricultural and industrial uses. Many of ACWA’s public agency members are entrusted with the responsibility of supplying the public with safe, high-quality drinking water. Ensuring the safety of drinking water supplies by complying with all relevant state and federal standards is the highest priority of these agencies.

In a letter dated August 15, 2015, Division of Water Quality staff solicited comments from potentially interested parties on what steps, if any, the SWRCB should take in response to the enactment of SB 83 (2015). ACWA and several other listed recipients on the August 2015 letter who represent public water systems were not aware of the letter until a May 9, 2016 meeting convened by Division of Drinking Water and Division of Water Quality staff on the Location Disclosure Proposal. We appreciate SWRCB staff’s willingness to consider these comments before any final decision is made on the Location Disclosure Proposal.

ACWA has significant concerns related to the current Location Disclosure Proposal and encourages the SWRCB to enter into a meaningful dialogue with public water systems to resolve these issues before proceeding. SB 83, in relevant part, amended Water Code section 13752 to require the Department of Water Resources to make well completion reports available to the public upon request. In contrast, under the current Location Disclosure Proposal, the

SWRCB Proposal to Disclose Exact Public Water System Well Locations
Comment Letter, Association of California Water Agencies (May 23, 2016)

SWRCB would make public water systems' exact well locations readily available through the GeoTracker web portal.

There may be a variety of legitimate reasons to provide alternative forms of public access to information contained in well completion reports. For example, ACWA acknowledges the SWRCB's stated interest in increasing the transparency and availability of groundwater data for purposes including the facilitation of efforts by governmental agencies and nongovernmental organizations to identify individuals and communities that are in need of infrastructure and sustainable water supplies as well as general research regarding groundwater quality. When considering the manner in which this sensitive information is made available, however, the public's interest in immediate and uncontrolled access to well location information must be carefully weighed against the potential security and public health risks for public water systems and their customers, as well as potentially conflicting requirements and responsibilities under state and federal law.¹

ACWA appreciates the SWRCB's outreach to public water system representatives on this important issue. We stand ready to work with the SWRCB to facilitate a meaningful dialogue with public water systems to resolve the concerns identified in this letter before any final decision is made to proceed with the Location Disclosure Proposal.

If you have any questions regarding this matter, please contact me at AdamR@ACWA.com or (916) 441-4545.

Sincerely,



Adam Walukiewicz Robin
Regulatory Advocate

cc: Ms. Cindy Forbes, Deputy Director, Division of Drinking Water
Ms. Karen Larsen, Deputy Director, Division of Water Quality
Ms. Shahla Farahnak, Assistant Deputy Director, Division of Water Quality
Mr. John Borkovich, Supervising Engineering Geologist, Division of Water Quality

¹ These include public water systems' requirements, responsibilities and practices under state and federal statutes which include, but are not limited to, the California Public Records Act, the California Information Practices Act and the federal Public Health Security and Bioterrorism Preparedness and Response Act.

PLEASE JOIN US AS WE CELEBRATE
THE 15-YEAR ANNIVERSARY
OF THE REGIONAL WATER AUTHORITY

THURSDAY **14** JULY, 2016

11:30 a.m. registration and networking
12:00 p.m. lunch

SCOTT'S SEAFOOD ON THE RIVER
4800 Riverside Boulevard • Sacramento

Keynote Speaker:

DAVID COGDILL
CEO & President
California Building Industry Association
Former State Senator

Visit tinyurl.com/RWAanniv to RSVP and purchase tickets by July 7, 2016.

Questions:

Contact Cecilia Partridge
Regional Water Authority, (916) 967-7692



RWA

Regional Water Authority

BUILDING ALLIANCES IN
NORTHERN CALIFORNIA

FOR

15

2001-2016

YEARS

Sacramento Groundwater Authority Board Meeting
June 9, 2016

AGENDA ITEM 9: DIRECTORS' COMMENTS