



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
Rich Allen, Del Paso Manor Water District
Randy Marx, Fair Oaks Water District
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, Cecilia Partridge, Monica Garcia and Rob Donlan, legal counsel.

Others in Attendance

Dan York, Brian Hensley, Rob Roscoe, Vanessa Nishikawa, Ralph Felix, Shauna Lorange, Hilary Straus, Al Dains, Tom Gray, Jafar Faghieh, Robert Kunz, Mary Henrici, Debra Sedwick, Robert Matteoli, Ping Chen, Mike O'Hagan and Charles Duncan.

2. PUBLIC COMMENT

None.

3. CONSENT CALENDAR

The minutes of the April 14, 2016 meeting

Motion/Second/Carried (M/S/C) Mr. Schild moved, with a second by Mr. Foster, that the April 14, 2016 SGA Board minutes be approved. The motion carried by the unanimous voice vote of all directors present.

4. CONTRACT FOR PROFESSIONAL AUDITING SERVICES

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.

M/S/C Mr. Schild moved, with a second by Mr. Wallace, to 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. The motion carried by the unanimous voice vote of all directors present.

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

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.

M/S/C Mr. Schild moved, with a second by Mr. Sanford, to approve Resolution 2016-02 for Employer Paid Member Contributions (EPMC) and approve Resolution 2016-03 to adopt the final Contract between the Board of Administration California Public Employee's Retirement System (CalPERS) and the Board of Directors Sacramento Groundwater Authority (SGA). The motion carried by the unanimous voice vote of all directors present.

6. GROUNDWATER MANAGEMENT PROGRAM UPDATE

Rob Swartz, Manager of Technical Services, presented an information update on groundwater management program activities, including groundwater elevation

monitoring and groundwater quality monitoring. He handed out updated hydrographs showing groundwater elevations in our region. He said that there is prevalence of hexavalent chromium throughout the region. There was a briefing from the Air Force Real Property Agency at the last Regional Contamination Issues Committee meeting and they have calculated that the background concentration is approximately 14 micrograms per liter around McClellan, which becomes the standard for their cleanup efforts. The process is not open to public comment so, there is not a lot more we can do at this time. They are only required to evaluate the effectiveness of their current remediation operations. The results that they have would indicate that their current remediation operations are effective. It will be awhile before there is another open review process. Staff continues to collect and monitor data and information about hexavalent chromium in the basin, but there is not a lot of action with respect to what is happening at McClellan. Staff is wrapping up the study on PCE contamination with some ongoing sampling with results expected in the next couple of months. Staff will continue to monitor a set of wells for groundwater elevations on a monthly basis. This will help establish the appropriate months to conduct semi-annual water level monitoring to track highs and lows in the groundwater basin. Traditionally the state monitors what they consider to be the high and the low water levels every year in April and October.

7. SUSTAINABLE GROUNDWATER MANAGEMENT AT (SGMA) IMPLEMENTATION UPDATE

John Woodling, Executive Director, gave an update on the Sustainable Groundwater Management (SGMA). 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 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.

In the section on alternatives, the law allowed for an alternative to a GSP that could be an existing Groundwater Management Plan, adjudication or an engineer or geologist report demonstrating that you have been sustainable over the course of the past ten years. One challenge is that the alternate needs to apply over the entire basin. There are three paths to compliance: 1) an alternative for the entire basin; 2) prepare a Groundwater Sustainability Plan with SGA coordinating agreements with the neighboring areas; 3) have one Groundwater Sustainability Plan for the entire North American Subbasin. Staff will continue to pursue the alternative idea or alternatively look at what we can do as SGA to tee up progress on the GSP. Staff will bring a recommendation to the SGA board at the August board meeting on moving forward.

Mr. Roscoe commented that the final regulations that DWR and the Water Commission adopted were superior to the first round of drafts and were due primarily to detailed comments from Mr. Woodling and him working through ACWA as chairman of the Groundwater Committee. Mr. Woodling will sit on a panel of an ACWA program for Region 2 and 4 for a program on GSA called the View from Above. Everyone is invited to the program that is scheduled for June 21st at the Sacramento Suburban Water District Antelope facility from 10:00 a.m. to 2:00 p.m.

Mr. Woodling said that everyone who created and supports SGA can take credit for where we are and what has been accomplished. We are much better off complying with the new law than other places in the state because we began this work in 1998. A lot of staff time is spent talking with agencies who are asking what they need to do. SGA has a reputation of managing groundwater successfully. Local agencies came together to manage groundwater on a regional basis collaboratively and take the actions to make it sustainable.

8. EXECUTIVE DIRECTOR'S REPORT

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, 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 provided 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 in a response.

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 events 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.

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.

9. DIRECTORS’ COMMENTS

Mr. Yasutake said that on June 14th the City of Folsom is holding a public hearing for the 2015 Urban Water Management Plan.

Mr. Sanford asked if the emergency conservation regulations had been established for the year. Mr. Woodling clarified saying they established a new set of emergency regulations. The new regulations say that each agency should figure out what their shortage might be, assume three more dry years and assume the average demand that you had in 2013 and 2014 to determine any shortage you may have. That percentage shortage will be your new mandatory standard. There are restrictions on specific practices still in place. The Governor has ordered the Director of the State to come up with a permanent framework draft for water conservation.

Ms. Tobin said that San Juan Water District is concerned with the level of Folsom Lake, even though it is full now. San Juan Water District has been working with the Bureau of Reclamation who has also been working with the Wildlife, Fish and Game Department. The fisheries agencies are adamant about the flows that they want to see go out of Folsom Lake down the river for the fish. Both agencies are with the

Department of the Interior, which may necessitate trips to Washington D.C. There may be plenty of water at this time, however if we get into a regulated drought, customers who are replanting, reseeding, putting in new sod and trees will be right back where they were last year.

Mr. Wallace said that Carmichael Water District is contracting with Aerojet to provide water for Golden State Water. Last week they pulled a new pipeline segment under the river and anticipate providing water in August.

Mr. Schild reported from Sacramento Suburban Water District's last board meeting. A water shortage stage was set for 2016, which is a normal water supply. They are encouraging limited watering of 3 days per week.

Mr. Green reported that Rio Linda/Elverta Community Water District did the same thing as Sacramento Suburban Water District with their 3 day a week watering restrictions. Mary Henrici is retiring on a positive note with her many accomplishments including the ACWA Leadership Award that she received. He introduced Ralph Felix who is the new General Manager for their district.

Mr. Foster said that California American Water, as a regulated utility, will be going through the stress test functions. The California Public Utilities Commission gave two options, to either remain at current standards or run the stress test which leaves them at their current or higher conservation standards. The investor owned utilities are working with the California Public Utilities Commission to try and get further direction. California American Water is hoping they will be able to do the stress test and be in a position to call for voluntary conservation measures confirming that they have a reliable water supply for the next three years.

Mr. Marx said that Fair Oaks Water District Board Member Tom Tafoya resigned at their last board meeting. The position will not be filled at this time.

Adjournment

With no further business to come before the Board, Chair Sheehan adjourned the meeting at 9:54 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Finance and Administrative Services Manager