

**SACRAMENTO GROUNDWATER AUTHORITY**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Thursday, February 11, 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 December 10, 2015 meeting

**Action: Approve Consent Calendar items**

**4. APPOINT A BUDGET SUBCOMMITTEE FOR FISCAL YEAR 2016 - 2017**

**Action: Chair to Appoint Budget Subcommittee for Fiscal Year 2016 - 2017**

**5. GROUNDWATER PROGRAM UPDATE**

Information Update: Rob Swartz, Manager of Technical Services

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

Information Update: John Woodling, Executive Director

**7. EXECUTIVE DIRECTOR'S REPORT**

a. Government Affairs Update

b. Drought Update

**8. DIRECTORS' COMMENTS**

**9. 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**

**ADJOURNMENT**

**Next SGA Board of Director's Meeting** – April 14, 2016, 9:00 a.m., RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights.

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**AGENDA ITEM 3: CONSENT CALENDAR**

**STAFF RECOMMENDATION:**

**Action: Approve minutes of December 10, 2015 meeting**



## **1. CALL TO ORDER**

Chair Wallace 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

S. Audie Foster, California American Water  
John Wallace, Carmichael Water District  
Caryl Sheehan, Citrus Heights Water District  
Jim Peifer, City of Sacramento  
Darrell Eck, County of Sacramento  
Rich Allen, Del Paso Manor Water District  
Brett Gray, Natomas Central Mutual Water Company  
Craig Davis, Orange Vale Water Company  
Neil Schild, Sacramento Suburban Water District  
Pam Tobin, San Juan Water District  
Rink Sanford, Self-Supplied Industry

### Staff Members

John Woodling, Nancy Marrier, Cecilia Partridge and Chris Sanders, legal counsel.

### Others in Attendance

Al Dains, Anthony Chacon, Mitch Dion, Rob Roscoe, Vanessa Nishikawa, Joe Duran, Sharon Wilcox, Robert Kunz, Debra Sedwick, Steve Nugent, Brian Hensley, David Gordon, Hilary Straus, Rose He, Shauna Lorange, Nicole Krotoski and Ingrid Sheipline.

## **2. PUBLIC COMMENT**

None.

## **3. CONSENT CALENDAR**

- a) The minutes of the October 8, 2015 regular board meeting.
- b) Adopt proposed SGA Board Meeting Schedule for 2016.

On the second page of the October 8, 2015 minutes the last sentence of the fourth paragraph was amended to read "As we become the GSA, administration will initially require no increase in staffing."

Motion/Second/Carried (M/S/C) Ms. Tobin moved, with a second by Mr. Eck, that the October 8, 2015 SGA Board minutes be approved to include the amendment as written above, as well as adopting the proposed SGA Board Meeting Schedule for 2016.

#### **4. 2015 AUDIT REPORT**

Richardson and Company completed the financial audit for the fiscal year that ended June 30, 2015. The full audit report was included in the packet.

Ingrid Shepline, Richardson & Company, gave a presentation on the highlights of the audit results. The audit included an opinion on the financial statements, a report on internal controls and compliance and a report on required communications. The reports noted there were no difficulties in performing the audit and no unusual accounting practices were encountered. Ms. Shepline also noted that there were no adjusted journal entries to report and the internal controls were found to be very good. No Management Letter issued by Richardson and Company because there were no areas that were noted for improvement or recommendations in internal controls.

She stated there have been designated funds set aside for various uses. Those include an operating fund that can be used for working capital needs, budget contingencies and partnership opportunities. There are also funds set aside for work on water quality monitoring, regional contamination issues and groundwater modeling. Ms. Shepline also mentioned the CalPERS audit that was performed in March 2013 through RWA. CalPERS raised an issue about time employees were spending on SGA administration. PERS cited the employer common law employment test and took exception with the SGA time being reported under RWA. This CalPERS issue is ongoing.

M/S/C Mr. Schild moved, with a second by Ms. Tobin, to accept the 2015 Financial Audit Report.

#### **5. ELECTION OF 2016 SGA OFFICERS**

Chair Wallace announced the recommendations from the SGA Nominating Committee for 2016. The committee members included Jim Peifer, Neil Schild and Rich Allen. Caryl Sheehan (Citrus Heights Water District) was nominated to become the SGA Chair and Rich Allen (Del Paso Manor Water District) the Vice Chair. Chair Wallace asked for and received no nominations from the floor.

M/S/C Mr. Peifer moved, with a second by Ms. Tobin, to elect Caryl Sheehan as 2016 SGA Chair and Rich Allen as 2016 SGA Vice Chair.

## **6. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) IMPLEMENTATION UPDATE**

John Woodling, Executive Director, said that staff was directed by the SGA Board of Directors to submit a letter of intent to become the Groundwater Sustainability Agency (GSA) for our jurisdictional area within the North American Groundwater Subbasin. The recent passage of Senate Bill 13 modifies the requirements to form a GSA, so that when the law takes effect on January 1, 2016, the California Department of Water Resources (DWR) will review all GSA proposals. Some areas of the state have overlapping GSA's that will have to be fixed.

The regulations governing modifications to basin and subbasin boundaries were adopted by the California Water Commission to meet the January 1 deadline in SGMA. At this time, staff does not see a benefit to requesting a change in the boundary of the North American Subbasin.

SGA shares the North American Subbasin with parts of Placer and Sutter Counties. SGA staff has convened three meetings of parties pursuing SGMA implementation in Sacramento, Placer, and Sutter Counties to begin the required coordination and collaboration. No GSAs have yet been defined for the rest of the subbasin. The next meeting of this group will be scheduled early in 2016. By June of 2017 the entire basin needs to be covered by declared GSA's.

The next set of regulations that DWR is planning to develop are regulations for how they will evaluate a groundwater sustainability plan. Mr. Woodling serves on the DWR Practitioner Advisory Panel that met to determine the direction of the next set of regulations. Standards will be required while maintaining local control.

## **7. GROUNDWATER PROGRAM UPDATE**

Mr. Woodling 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.

For the PCE study, staff is working closely with California American Water to identify 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 DWR. SGA will propose to DWR additional monitoring to fill data gaps to be conducted with the remaining grant funds. SGA is also working with DWR to extend the term of the grant from the current completion date of December 31, 2015 to June 30, 2016. This will provide the time needed to collect and interpret additional data.

For the hexavalent chromium study, data was collected from 15 monitoring wells, two shallow domestic wells, and one shallow agricultural well in October 2015. SGA will provide the results to the Central Valley Regional Water Quality Control Board as it considers whether the observed concentrations appear to be naturally occurring background levels or if there is a potential source related to past human uses of chromium in the region. Staff will provide results to the SGA Board in a presentation in February 2016.

Staff continues to monitor several wells on a monthly basis as drought conditions continue. Water levels are continuing to recover modestly in these wells as we progress toward winter. The key indicator for long-term conditions in the groundwater basin will be the spring elevations taken in the March/April timeframe of 2016. Staff will provide updated hydrographs on the wells to the SGA Board in February 2016.

RWA was successful with a Proposition 84 Integrated Regional Water Management Grant that Rio Linda/Elverta Community Water District participated in that will provide funds for treatment on one of their wells for hexavalent chromium. It was stated that California is leading other states with their hexavalent chromium regulations.

## **8. EXECUTIVE DIRECTOR'S REPORT**

**Government Affairs Update** – DWR continues to develop draft regulations for groundwater sustainability plans and coordination agreements. Staff continues to lead efforts at ACWA and with the DWR Practitioner Advisory Panel to influence the rulemaking process. The next meeting of these groups with DWR will be December 8<sup>th</sup>.

SGA staff convened the third in a series of meetings to coordinate SGMA implementation with others in Sacramento, Placer, and Sutter counties. These meetings are being held quarterly, with the next one on January 27, 2016.

**Drought Update** – The emergency regulation requiring reductions in water use apply during the period June 2015 through February 2016. Sacramento area water providers have requirements ranging from 20% to 36% reduction in water use compared to the same period in 2013.

A workshop was held where Staff and other agencies discussed potential adjustments to the emergency regulations extension. When setting standards RWA is focusing on considering climate relative to landscape for residential areas that takes more water in inland areas than coastal areas.

Ms. Lorance commented that RWA and John Woodling have done an exceptional job in keeping on top of discussions regarding water savings in our area. One of the key points that Mr. Woodling has made is for us to have water in future dry years instead of seeing water go down the river and not stay in Folsom Lake.

## 9. DIRECTORS' COMMENTS

Chair Wallace thanked Mr. Woodling for the RWA article that was published in the Sacramento Bee.

Mr. Woodling thanked Ms. Sheehan and Mr. Allen for accepting positions to lead the SGA organization in 2016. Mr. Woodling thanked Mr. Wallace and Mr. Gray for their leadership the past year as SGA Chair and Vice Chair.

Ms. Tobin said that when she attended the ACWA Fall Conference in Indian Wells she was surprised to see the landscape so green and lush. The conference included topics that relate to what we are trying to accomplish with conservation.

Mr. Sanford wished everyone a Merry Christmas and welcomed everyone to North Ridge Country Club for the annual holiday social. He said that it is gratifying to see SGA stepping into the roll as GSA.

Mr. Foster said that California American Water has delivered above their conservation numbers consistently. However, he noted that their last week's numbers are below their 20% target.

Mr. Wallace thanked everyone for supporting his year as SGA Chair.

## 10. 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.

There was nothing to report from closed session.

### Adjournment

With no further business to come before the Board, Chair Wallace adjourned the meeting at 9:48 a.m.

By:

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Chairperson

Attest:

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Nancy Marrier, Finance and Administrative Services Manager



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**AGENDA ITEM 4: APPOINT A BUDGET SUBCOMMITTEE FOR FISCAL YEAR 2016  
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**BACKGROUND:**

Staff is beginning preparation of the 2016-17 SGA budget. The Chair generally appoints a budget subcommittee to provide feedback in preparing a draft budget for consideration by the full board.

**STAFF RECOMMENDATION:**

**Action: Chair to Appoint Budget Subcommittee for Fiscal Year 2016 - 2017**

## **AGENDA ITEM 5: GROUNDWATER PROGRAM UPDATE**

### **BACKGROUND:**

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.

For the PCE study, staff is working closely with California American Water (Cal Am) to identify 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.

For the CrVI study, data was collected from 15 monitoring wells, two shallow domestic wells, and one shallow agricultural well in October 2015. Staff will provide results to the SGA Board.

Staff continues to monitor several wells on a monthly basis as the statewide drought declaration continues. Water levels are continuing to recover modestly in these wells as we progress toward winter. The key indicator for long-term conditions in the groundwater basin will be the spring elevations taken in the March/April timeframe of 2016. Staff will provide updated hydrographs for the wells to the SGA Board.

### **STAFF RECOMMENDATION:**

Information Presentation: Rob Swartz, Manager of Technical Services

**AGENDA ITEM 6: SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)  
IMPLEMENTATION UPDATE**

**BACKGROUND:**

As directed by the SGA Board of Directors, staff submitted a letter of intent to become the Groundwater Sustainability Agency (GSA) for our jurisdictional area within the North American Groundwater Subbasin (attached). After a 90-day public notice period, SGA is identified by the California Department of Water Resources (DWR) as the exclusive GSA for our portion of the North American Subbasin. No GSAs have yet been defined for the rest of the Subbasin.

SGA shares the North American Subbasin with parts of Placer and Sutter Counties. SGA staff continues to convene quarterly meetings of parties pursuing SGMA implementation in Sacramento, Placer, and Sutter Counties to begin the required coordination and collaboration. The most recent meeting was held January 27, 2016.

Staff has met with DWR on a number of occasions regarding the development of regulations for the evaluation of Groundwater Sustainability Plans, and also commented on two occasions when the status of the regs was presented to the California Water Commission, which must approve the regulations. DWR expects to release the draft regulations sometime in Early February.

**STAFF RECOMMENDATION:**

Information Update: John Woodling, Executive Director

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**AGENDA ITEM 7: EXECUTIVE DIRECTOR'S REPORT**

- a) Government Affairs Update
- b) Drought Update

**FEBRUARY 11, 2016**

**TO: SACRAMENTO GROUNDWATER AUTHORITY BOARD**

**FROM: JOHN WOODLING**

**RE: EXECUTIVE DIRECTOR'S REPORT**

- a. Government Affairs Update** – The Legislative session for 2016 is underway. RWA staff is tracking the introduction of new bills and the status of two-year bills from last year. AB 647, dealing with groundwater recharge, is a priority. The deadline for the introduction of bills is February 19.

The State Water Resources Control Board met February 2, 2016 to consider the adoption of modified emergency regulations for water conservation. The Board approved minor changes, including an adjustment for climate, and adjustment for growth since the 2013 baseline, and an adjustment for drought-proof supplies brought on since 2013. All water providers in the RWA area will get a 3% reduction in the conservation target based on the climate adjustment. The new regulation will be effective March 1, 2016 through October.

Staff and SGA agencies lobbied for recognition of the sustainable groundwater supplies that were developed over the last two decades to serve the region's needs during dry years. While no adjustment was adopted, the Board directed their staff to go back and think about how such a credit could be included later in the year.

- b. Drought Update** – Water in storage in Folsom Reservoir reached its lowest recorded level in history in early December, dropping below 136,000 acre-feet on December 3, 2016. After a series of storms, Folsom storage is at 558 TAF on February 2<sup>nd</sup>, having added 300,000 acre-feet over the last month, and 150,000 acre-feet in the last week, and is now above average for this date. Similarly, storage in Shasta and Oroville has increased more than 1.5 million acre-feet in the last month. DWR reported the snowpack at 130% of average for the Phillips station in the American River watershed on February 2, 2016. While the Governor's Executive Order extended the drought emergency through October of 2016, water conditions in Northern California are far better than the previous two years.

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**AGENDA ITEM 8: DIRECTORS' COMMENTS**

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**AGENDA ITEM 9: 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.**