

SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, February 9, 2017; 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

a. Minutes of December 8, 2016 meeting

Action: Approve December 8, 2016 meeting minutes

b. Resolution 2017-01 Nominating Director Kathleen J. Tieg to ACWA/JPIA Executive Committee

Action: Approve Resolution 2017-01 Concurring in Nomination to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority ("ACWA JPIA")

4. APPOINT A BUDGET SUBCOMMITTEE FOR FISCAL YEAR 2017 - 2018

Action: Chair to Appoint Budget Subcommittee for Fiscal Year 2017 - 2018

5. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) UPDATE

Information Update: John Woodling, Executive Director

6. GROUNDWATER MANAGEMENT PROGRAM UPDATE

Information Update: Rob Swartz, Manager of Technical Services

7. EXECUTIVE DIRECTOR'S REPORT

8. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meeting – April 13, 2016, 9:00 a.m., RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights.

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AGENDA ITEM 3a: CONSENT CALENDAR

STAFF RECOMMENDATION:

Action: Approve December 8, 2016 meeting minutes



1. CALL TO ORDER

Vice Chair Allen 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
Marcus Yasutake, City of Folsom
Noelle Mattock, City of Sacramento
Rich Allen, Del Paso Manor Water District
Paul Schubert, Golden State 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

Staff Members

John Woodling, Rob Swartz, Adam W. Robin, Nancy Marrier, Cecilia Partridge, Monica Garcia and Chris Sanders, legal counsel.

Others in Attendance

Ingrid Sheipline, Mike O'Hagan, Tom Gray, Dan York, Ralph Felix, Brian Hensley, David Gordon, Hilary Straus, Greg Zlotnick, Charles Duncan, Abigail Madrone, Shauna Lorance, Debra Sedwick and Rob Roscoe.

2. PUBLIC COMMENT

John Woodling, Executive Director, introduced Adam Robin as RWA's new program manager for the Legislative and Regulatory Affairs Program.

Mr. Zlotnick commented that Mr. Robin is an excellent choice for this position with RWA.

3. CONSENT CALENDAR

The minutes of the October 13, 2016 meeting

Motion/Second/Carried (M/S/C). Ms. Tobin moved, with a second by Mr. Schild, to approve the October 13, 2016 SGA Board minutes. The motion carried by the unanimous voice vote of all directors present.

4. 2016 AUDIT REPORT

Richardson and Company completed the financial audit for the fiscal year that ended June 30, 2016. 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. There was no Management Letter issued by Richardson and Company, because there were no areas that were noted for improvement or recommendations on internal controls.

Ms. Shepline 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. CalPERS cited the employer common law employment test and took exception with the SGA time being reported under RWA. This CalPERS issue is ongoing, but nearing final resolution.

M/S/C. Mr. Schubert moved, with a second by Mr. Wallace, to accept the 2016 Financial Audit Report. The motion carried by the unanimous voice vote of all directors present.

5. ELECTION OF 2017 SGA OFFICERS

Rich Allen, Chair of the Nominating Committee for 2017, announced the committee recommendations. The committee members included Neil Schild, Paul Green, Paul Schubert and Rich Allen. Rich Allen, Del Paso Manor Water District, was nominated to become the 2017 SGA Chair and Paul Green, Jr., Rio Linda/Elverta Community Water District, the 2017 SGA Vice Chair. Vice Chair Allen asked for and received no nominations from the floor.

M/S/C. Mr. Schubert moved, with a second by Mr. Schild, to elect Rich Allen as 2017 SGA Chair and Paul Green, Jr. as 2017 SGA Vice Chair. The motion carried by the unanimous voice vote of all directors present.

6. SUSTAINABLE GROUNDWATER MANAGEMENT ACT UPDATE

John Woodling, Executive Director, provided an update on the Sustainable Groundwater Management Act (SGMA). Some important SGMA deadlines are approaching. DWR is required to develop best management practices by January 1, 2017. They released draft BMPs on five topics, and comments were due on November 28, 2016. SGA submitted comments and also participated in development of comments from ACWA. Formation of Groundwater Sustainability Agencies (GSA) is required by June 30, 2017. SGA is the established GSA for our jurisdictional area. Entities in the rest of the North American Subbasin, in Placer and Sutter Counties, are under development. DWR expects to release guidelines for Proposition 1 Sustainable Groundwater Management Grants in spring of 2017 and finalize the guidelines and solicit grant applications in summer of 2017. SGA staff will work with others in the subbasin to develop a scope for preparation of our Groundwater Sustainability Plan (GSP) to be ready to seek funding.

Mr. Woodling explained that in Prop 1 there was \$100 million allocated for sustainable groundwater management. A small portion of those funds were given out in a previous solicitation that was focused on county government and getting them engaged in SGMA. The remainder of the money will go primarily to support the development of the GSP.

Mr. Foster gave an update on Placer County Groundwater Management Group. The staff and leadership from those organizations, including City Council members have met to discuss governance. A Memorandum of Agreement will be their first step and that may develop into a Joint Powers Agreement in the future. The group continues to work with West Placer County to meet all required deadlines.

7. GROUNDWATER MANAGEMENT PROGRAM UPDATE

Rob Swartz, Manager of Technical Services, gave a Groundwater Management Program Update on the activities that included completing the final version of the 2016 Basin Management Report, completing the study of the occurrence of PCE in north Sacramento County and continuing groundwater elevation monitoring.

The study of PCE in Northern Sacramento County has been completed and final reports have been submitted to DWR and accepted as complete. Our invoices for this study are being processed by DWR.

Mr. Swartz provided data on six wells that have been monitored on a long term basis since 2012. The wells show that basin groundwater levels were fairly stable during recent drought conditions and that groundwater levels are showing good recoveries from their relative lows in the spring of 2014.

The California Department of Water Resources will be conducting a land subsidence survey of the Sacramento Valley in 2017. DWR will be in the SGA vicinity in late

spring to collect data from several points within SGA. DWR is looking for volunteers to assist in occupying benchmark locations to help keep the cost of the survey to a minimum. SGA will coordinate with local agencies on securing volunteers for the effort. This survey is a follow-up to a baseline survey conducted in 2008, so it will provide valuable information on potential subsidence in our region. Mr. Green volunteered to work with DWR in occupying benchmark locations when they begin the survey.

Mr. Swartz explained the importance of the upcoming survey, as past surveys are inconclusive about the magnitude of past subsidence. The United States Geological Survey conducted subsidence surveys in 1947 and 1969. Mr. Swartz provided a graph showing the profile of land subsidence occurring between 1947 and 1969 in Sacramento County and the American River North to Roseville and historical subsidence information in the SGA area. In 1990, a subsidence study was completed using GPS that is difficult to compare to past surveys. While there have been no documented impacts of past subsidence, it will be important to have good data on potential subsidence under SGMA.

Ms. Lorance thanked Mr. Swartz for his time and efforts on the Groundwater Management Program.

8. EXECUTIVE DIRECTOR'S REPORT

Government Affairs Update – The state (DWR and the SWRCB) released the long awaited framework for long term water conservation on November 30, 2016. Comments will be due December 19th, and a final is expected to go to the Governor's office on January 10th. Staff are reviewing the framework and have convened a meeting for RWA members to provide input. In addition, staff and members, as well as attorneys from the region are developing potential statutory language that mirrors the coalition letter that was prepared to comment on the state's proposal. The coalition letter had broad support from throughout California. Of special interest to SGA is the linkage in the draft between SGMA and drought preparedness. The draft implies that GSAs will have some responsibility for drought planning for private well owners and small water systems.

Adam W. Robin, RWA's new program manager for the Legislative and Regulatory Advocacy Program began work on December 6th. In addition to immediately beginning to address some of the region's most important issues, Adam will be setting up meeting with RWA staff and managers, and attending agency board meetings over the next several months.

SGA Outreach – Staff attended the Association of California Water Agencies Conference in Anaheim. Mr. Woodling continues as Chair of the Groundwater Committee, whose meeting was attended by more than 170 people. Mr. Woodling was a panelist discussing SGMA at a meeting of the local chapter of the Society for

the Marketing of Professional Services on November 1, 2016, and served on the advisory committee for the California Leadership Forum held December 6th.

Holiday Social – The 16th Annual RWA/SGA Holiday Social is scheduled for Thursday, December 8th at 7:00 p.m. at the North Ridge Country Club. Networking begins at 6:00.

9. DIRECTORS' COMMENTS

Mr. Yasutake reported that there were two seats open in the election for City Council for Folsom with Ernie Sheldon being reelected and Roger Gaylord elected to replace Jeff Starsky.

Ms. Tobin said that she and Ken Miller retained their seats with San Juan Water District. The district is moving forward in selecting a replacement for retiring General Manager Shauna Lorange.

Ms. Mattock said new City of Sacramento Mayor Darrell Steinberg will be sworn in next week.

Mr. Wallace reported that Ron Greenwood won his seat for Carmichael Water District.

Mr. Foster said that California American Water, as a regulated utility, is in the midst of their rate case process. They are required to bring to the Public Utilities Commission a request for rates each 3-year cycle and are looking to set rates for 2018, 2019 and 2020 with an approximate rate increase of 17% for an average customer in the first year and close to 3% the other years.

Mr. Allen said that he is looking forward to next year as SGA Chair.

Adjournment

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

By:

Chairperson

Attest:

Nancy Marrier, Finance and Administrative Services Manager

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AGENDA ITEM 3b: CONSENT CALENDAR

BACKGROUND:

On January 24, 2017 the Cucamonga Valley Water District Board of Directors adopted a Resolution nominating Director Kathleen J. Tiegs for the position of ACWA/JPIA Executive Committee. The Cucamonga Valley Water District has requested support through the adoption of a concurring resolution from our agency. The Cucamonga Valley Water District letter and the statement of Kathleen J. Tiegs are attached.

STAFF RECOMMENDATION:

Action: Approve Resolution 2017-01 Concurring in Nomination to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (“ACWA JPIA”)

RESOLUTION NO. 2017-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SACRAMENTO GROUNDWATER AUTHORITY
CONCURRING IN NOMINATION TO THE EXECUTIVE COMMITTEE
OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY (“ACWA JPIA”)**

WHEREAS, this district is a member district of the ACWA JPIA; and

WHEREAS, the Bylaws of the ACWA JPIA provide that in order for a nomination to be made to ACWA JPIA’s **Executive Committee**, three member districts must concur with the nominating district, and

WHEREAS, another ACWA JPIA member district, the Cucamonga Valley Water District has requested that this agency concur in its nomination of its member of the ACWA JPIA Board of Directors to the **Executive Committee** of the ACWA JPIA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sacramento Groundwater Authority that this agency concurs with the nomination of Kathleen J. Tieg of Cucamonga Valley Water District to the **Executive Committee** of the ACWA JPIA.

BE IT FURTHER RESOLVED that the Authority Secretary is hereby directed to transmit a certified copy of this resolution to the ACWA JPIA at P. O. Box 619082, Roseville, CA 95661-9082, forthwith.

PASSED AND ADOPTED by the Board of Directors, at their regular board meeting, on the 9th of February, 2017.

By: _____
Rich Allen, Chair

Attest: _____
John Woodling, Executive Director

Martin E. Zvirbulis
Secretary/General Manager/CEO

January 25, 2017

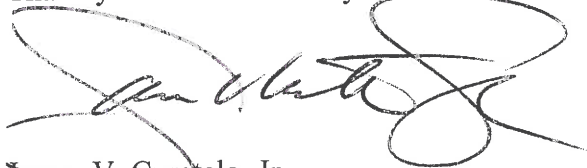
Dear Fellow ACWA/JPIA Member:

On January 24, 2017 the Cucamonga Valley Water District Board of Directors adopted Resolution No. 2017-1-1 nominating Director Kathleen J. Tieg for the position of ACWA/JPIA Executive Committee. We are formally requesting your support of Director Tieg's nomination through the adoption of a concurring resolution from your agency.

Director Tieg has been actively involved in ACWA/JPIA having served the past 10 years on the board, as well as having experience as the ex-officio member on the Executive Committee. Director Tieg is committed to continuing the great work of providing quality insurance and employee benefit services that ensure our agencies and ratepayers are receiving the most cost-effective service possible.

I have attached a sample concurring resolution in support of Director Tieg's nomination, as well as her candidate statement. The elections for ACWA/JPIA Executive Committee will be held May 8, 2017, should you desire to adopt a resolution or if you have questions please contact our Executive Assistant to the Board, Taya Victorino at 909.987.2591 or tayav@cvwdwater.com.

Thank you in advance for your consideration.



James V. Curatalo, Jr.
President

Attachments:
Sample Concurring Resolution
Candidate Statement – Director Tieg

Kathleen J. Tiegs
Candidate Statement for
Association of California Water Agencies
Joint Powers Insurance Authority (ACWA/JPIA) Executive Committee

Dear ACWA/JPIA Board Members:

I am pleased to share with you my interest in serving on the Executive Committee for ACWA/JPIA. I believe I am prepared and ready for the challenge to help lead the organization as we continue to grapple with providing the best and most cost-effective insurance and employee benefit services to our members.

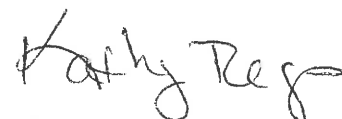
My experience with the ACWA/JPIA began over 10 years ago when I was appointed by the Cucamonga Valley Water District (CVWD) to serve as their ACWA/JPIA representative. I have also served as the ex-officio member of the Executive Committee in 2015-2016. As part of the Executive Committee I was able to provide the leadership and feedback to staff to ensure they were continuing to uphold the mission of the ACWA/JPIA: *“to consistently and cost effectively provide the broadest possible affordable insurance coverage and related services to its member agencies”*.

I have served on the CVWD board of directors for approximately 12 years, and have served in the role as both president and vice-president of the board of directors. I am currently a member of the Legislative/Outreach and the Human Resources/Risk Management committees. The Human Resources/Risk Management Committee is responsible for overseeing employee benefits, risk management and safety programs for the organization. At CVWD, we have taken full advantage of all the programs the ACWA/JPIA has to offer to ensure our employees are working in the safest environment possible. Our board of directors has also adopted the *Commitment to Excellence* Program pledge putting into place best management practices which bolsters our effectiveness for loss prevention and safety.

I currently serve as the President for the Association of California Agencies (ACWA). In my role as president I have focused on increasing my understanding of our members needs so that I may know how to better serve and lead the ACWA organization. I will use this same approach if elected to serve on the ACWA/JPIA Executive Committee.

The election for ACWA/JPIA is scheduled for May 8, 2017 at the conference. Thank you for allowing me to share my experience, leadership and knowledge. I look forward to the opportunity to represent you and your agency. Please feel free to contact me directly at (909) 635-4177 should you have questions or if you would like to support my candidacy.

Thank you in advance for your consideration,



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**AGENDA ITEM 4: APPOINT A BUDGET SUBCOMMITTEE FOR FISCAL YEAR 2017
- 2018**

BACKGROUND:

Staff is beginning preparation of the 2017-18 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 2017 - 2018

**AGENDA ITEM 5: SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)
UPDATE**

BACKGROUND:

SGA remains the only Groundwater Sustainability Agency that has been formed within the North American Subbasin. Staff will update the board on the efforts to form as many as four additional GSAs in the Sutter and Placer County portions of the subbasin.

Staff has met with other entities involved in groundwater management in the North American Subbasin to discuss the development of a Groundwater Sustainability Plan. There is still broad support for preparing a single GSP for the subbasin. The Department of Water Resources has indicated that the application process for grant funding from Proposition 1 to support Sustainable Groundwater Management will occur later in 2017, so it is important that we identify a scope of work for our North American Subbasin GSP over the next few months.

In response to a requirement of the SGMA, DWR has released the draft report *Water Available for Replenishment*. Staff provided input into the development of the draft report, and will review the report and provide comments by the March 10, 2017 deadline.

STAFF RECOMMENDATION:

Information Presentation: John Woodling, Executive Director

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AGENDA ITEM 6: GROUNDWATER MANAGEMENT PROGRAM UPDATE

BACKGROUND:

Staff will provide an update on recent activities under the SGA groundwater management program.

STAFF RECOMMENDATION:

Information Update: Rob Swartz, Manager of Technical Services

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AGENDA ITEM 7: EXECUTIVE DIRECTOR'S REPORT

FEBRUARY 9, 2017

TO: SACRAMENTO GROUNDWATER AUTHORITY BOARD

FROM: JOHN WOODLING

RE: EXECUTIVE DIRECTOR'S REPORT

- a. **Water Efficiency Update** – In 2016, the region saved 25% compared to 2013 or approximately 41.6 billion gallons. The December 2016 savings were 24% compared to the December 2013. The cumulative savings for the Emergency Regulation timeframe from June 2015 through December 2016 is 28% or 78.8 billion gallons. The most current state savings information available is cumulative savings from June 2015 through November 2016 at 23% (658 billion gallons) compared to our regional savings of 28% (77 billion gallons) during the same timeframe.
- b. **Drought Update** – Although we've seen significant changes in hydrology in the 2016-17 water year so far, the State of California remains in a statewide drought emergency under the Governor's Executive Order B-37-16. The State Water Resources Control Board is set to act to potentially extend emergency water conservation regulations on February 8, 2017.

As of January 31, 2017, the Sierra Nevada snowpack stands at 177% of average, and 108% of the April 1 average. The eight station Northern Sierra Precipitation index is at 53 inches, on the way to being one of the wettest years in history. Folsom Reservoir is only at 80% of average, after more than 600,000 acre-feet have been released to maintain flood protection. Shasta and Oroville Reservoirs are both at about 120% of average storage.

- c. **SGA Outreach** – Mr. Woodling continues as Chair of the ACWA Groundwater Committee, which will next meet on February 15, 2017. Mr. Woodling will also be a panelist at the ACWA Legislative Briefing on March 8, 2017. Mr. Woodling has been invited to serve on the newly formed advisory committee for the Maven's Notebook water news service. Mr. Swartz has been invited to speak at a conference hosted by the Seminar Group on March 1, 2017 on the impacts of SGMA on regional water supply planning.

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AGENDA ITEM 8: DIRECTORS' COMMENTS