



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 Lorange, 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