

SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, April 11, 2019; 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 February 14, 2019 meeting

Action: Approve February 14, 2019 meeting minutes

4. SGA FISCAL YEAR 2019 – 2020 BUDGET

Information Presentation and Discussion of FY 2019 – 2020 Budget

Action: Adopt Resolution No. 2019-01 to fund the administrative and program budgets for FY 2019 – 2020, and providing for the collection of said funds.

Action: Designate remaining FY19 program budget of approximately \$54,400 for the Sustainable Groundwater Management Act (SGMA) cost share.

Action: Move remaining approximate \$182,800 in designated funds from the FY19 program budget to the SGMA cost share.

Action: Designate \$6,050 in unused office move costs from FY18 to FY19.

5. CONTRACT FOR PROFESSIONAL AUDITING SERVICES

Information Update: Rob Swartz, Interim Executive Director

Action: Authorize the Interim Executive Director to contract with Gilbert and Associates to provide for professional auditing services for SGA's fiscal year 2019 audit. The contract shall not exceed \$27,500 for the FY 2019 audit.

6. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) UPDATE

Information Update: Rob Swartz, Interim Executive Director

7. GROUNDWATER MANAGEMENT PROGRAM UPDATE

Information Presentation: Rob Swartz, Interim Executive Director

8. EXECUTIVE DIRECTOR'S REPORT

9. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meeting – June 13, 2019, 9:00 a.m. at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights.

Notification will be emailed when the SGA electronic packet is complete and posted on the SGA website at <http://www.sgah2o.org/meetings/board-meetings/>.

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AGENDA ITEM 3: CONSENT CALENDAR

STAFF RECOMMENDATION:

Action: Approve February 14, 2019 meeting minutes



1. CALL TO ORDER

Chair Tobin 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

Caryl Sheehan, Citrus Heights Water District
Marcus Yasutake, City of Folsom
Darrel Eck, County of Sacramento
Paul Schubert, Golden State Water Company
John Wingerter, Orange Vale Water Company
Mary Harris, Rio Linda/Elverta Community Water District
Dave Jones, Sacramento Suburban Water District
Pam Tobin, San Juan Water District
Mike DeWit, Agriculture
Rink Sanford, Self-Supplied Industry

Staff Members

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

Others in Attendance

Chelsea Spier, Kristene Tidwell, David Zuber, Steve Nugent, Dan York, Alan Driscoll, Joe Duran, Hilary Straus, Greg Zlotnick, and Trevor Joseph

2. PUBLIC COMMENT

None.

3. CONSENT CALENDAR

The minutes of the December 13, 2018 meeting

Motion/Second/Carried (M/S/C) Mr. Schubert moved, with a second by Mr. Peifer, to approve the December 13, 2018 Sacramento Groundwater Authority (SGA) Board minutes. The motion carried by the unanimous voice vote of all directors present.

4. EXECUTIVE DIRECTOR RECRUITMENT PROCESS

John Woodling, Executive Director, gave an overview of the recruitment process. Under the Administrative and Management Services Agreement between the Regional Water Authority (RWA) and SGA, RWA has the responsibility to recruit and hire staff. The RWA Executive Committee formally began the recruitment process for an Executive Director at a special meeting on January 29, 2019. The RWA Executive Committee will serve as the selection panel. RWA is being assisted by Roberts Consulting Group, Inc. in conducting the recruitment. Three members of the nine-member RWA Executive Committee are also members of the SGA Board of Directors; Paul Schubert, Pam Tobin, and Marcus Yasutake.

The final recruitment brochure will be posted February 18th on both the RWA and SGA websites. The brochure will also be mailed to candidates with a deadline for resume submissions by March 18, 2019. The RWA Executive Committee will review the candidates identified by Roberts Consulting at the March 27th Executive Committee meeting, with interviews to be held in mid-April.

Both the RWA and SGA Boards must approve the recommendation from the Executive Committee.

Chair Tobin stated that there will be an RWA Special Board meeting at 11:30 a.m. on February 15th that will be followed by a farewell lunch for Mr. Woodling.

5. DEVELOPMENT OF SGA FISCAL YEAR 2019 – 2020 BUDGET

Mr. Woodling indicated that staff is beginning preparation of the 2019-20 SGA budget. The Chair generally appoints a budget subcommittee to provide feedback in preparing a draft budget for consideration by the full board.

The SGA budget committee will work with staff to bring a draft budget to the board at the April meeting. If the budget is not approved in April, changes will be made and the budget will be brought back to the board at the June meeting.

Chair Tobin appointed Caryl Sheehan, Marcus Yasutake and Paul Schubert to the SGA budget committee. Chair Tobin will act as SGA Budget Committee Chair.

6. AMENDMENTS TO SGA POLICY 100.2, ADMINISTRATIVE AND MANAGEMENT SERVICES AGREEMENT

Mr. Woodling provided an overview of proposed amendments to Policy 100.2. The resolution of the CalPERS Audit of RWA, which led to the establishment of a CalPERS contract with SGA, necessitates changes to the Administrative and Management Services Agreement between RWA and SGA to reflect that some individuals/positions are employed jointly by RWA and SGA, and that certain

employment functions are carried out by RWA under the Agreement. On the second page of the Agreement in paragraph 2b, language has been added that redefines the relationship identifying that some of the RWA employees are also employees of SGA. The Agreement identifies that RWA will have the responsibility for hiring and other personnel employment actions.

M/S/C Ms. Harris moved, with a second by Mr. Yasutake, to adopt amendments to policy 100.2 and direct the Board Chair to sign the amended agreement subject to RWA approval of amendments. The motion carried by the unanimous voice vote of all directors present, with the exception of Ms. Harris who abstained.

7. EMPLOYEE COMPENSATION POLICY 100.3

Mr. Woodling provided an overview of the proposed new Policy 100.3. As SGA is now a CalPERS employer in its own right, it is required to adopt and post a schedule of salaries and wages. The proposed policy recognizes that consistent salary ranges between RWA and SGA is desired. Policy 100.3 is approving salaries paid to employees, which RWA has historically approved. Now that RWA employees also work for SGA, the policy needs to be approved by SGA. SGA will need to adopt changes that occur automatically to the salary ranges.

M/S/C Mr. Schubert moved, with a second by Mr. Peifer, to adopt Policy 100.3 containing salaries and pay ranges for SGA employees. The motion carried by the unanimous voice vote of all directors present.

8. INTERIM EXECUTIVE DIRECTOR APPOINTMENT

The RWA Executive Committee has recommended the appointment of Rob Swartz as Interim Executive Director beginning March 1, 2019 and continuing for no more than four months. In 2008, when an Executive Director was last recruited for RWA and SGA, the Authorities shared an expense of nearly \$45,000 to employ a consultant as interim Executive Director for a period of less than three months. The RWA Board will consider this appointment at a special meeting on February 15, 2019.

M/S/C Mr. Yasutake moved, with a second by Mr. Eck, to appoint Robert J. Swartz as Interim Executive Director for a period beginning March 1, 2019 or until a new permanent Executive Director begins work or June 30, 2019, whichever comes first and approval of a pay scale of \$16,704 per month for the position of Interim Executive Director and update Exhibit A of SGA Policy 100.3 accordingly. The motion carried by the unanimous voice vote of all directors present.

9. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) UPDATE

Mr. Woodling provided an update on SGMA. The California Department of Water Resources (DWR) released their Sacramento Valley GPS Subsidence Network Report. The network was last surveyed in 2008. A fact sheet regarding the report was included in the packet. Over the nine-year period between 2008 and 2017, the SGA area and the North American Subbasin (NASb) experienced no significant subsidence.

This technical work conducted by DWR in 2008 and 2017 will contribute to our Groundwater Sustainability Plan (GSP) relative to sustainability with respect to the undesirable result of land subsidence.

10. GROUNDWATER MANAGEMENT PROGRAM UPDATE

Rob Swartz, Manager of Technical Services, provided an update on groundwater levels in the SGA area and progress on the effort to begin development of a GSP for the NASb. Progress on GSP-related activities includes completing environmental documentation required for installing shallow and deep monitoring wells in Placer and Sutter counties; installing water level monitoring equipment in six existing groundwater monitoring wells; installing surface water flow measuring equipment at four location in Placer and Sutter counties and holding a NASb Groundwater Sustainability Agency (GSA) coordination meeting on February 4, 2019.

As staff has previously reported to the Board, the GSAs have developed a Memorandum of Agreement (MOA) regarding GSA funding commitments to develop a GSP for the NASb. This was especially important to SGA, which is acting as the grant manager for the DWR funding award and lead fiscal manager on behalf of the NASb. The MOA has been approved by Reclamation District 1001 GSA, South Sutter Water District GSA, and the County of Placer (on behalf of the West Placer GSA). The MOA is on the agenda of the Sutter County GSA for approval on February 26, 2019. Staff is requesting that the Board authorize the Executive Director to sign the MOA, a copy of which was included in the packet as an attachment to this item.

M/S/C Mr. Peifer moved, with a second by Mr. Yasutake, to authorize the Executive Director to sign the Memorandum of Agreement regarding the funding commitments for development of a Groundwater Sustainability Plan for the North American Subbasin. The motion carried by the unanimous voice vote of all directors present.

11a. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(F) AND 54957.6 CONFERENCE WITH LABOR NEGOTIATORS

11b. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(E) AND 54957. PUBLIC EMPLOYEE APPOINTMENT

It was determined that closed sessions were not needed at this time.

12. REPORTS FROM CLOSED SESSIONS

None.

13. EXECUTIVE DIRECTOR'S REPORT

Mr. Woodling said that the American Water Works Association has a periodical reporting on groundwater storage and conjunctive use. Staff was contacted to provide an article for the issue. This shows the good recognition that SGA is receiving.

Mr. Woodling stated that it has been an honor serving as Executive Director for RWA/SGA for nearly 11 years. Commitment from the agencies allows the work we do to continue. He will continue to chair the of ACWA groundwater committee.

Mr. Nugent read the Resolution of Appreciation for Mr. Woodling from Carmichael Water District. The resolution was included in the packet.

14. DIRECTORS' COMMENTS

Ms. Harris congratulated Mr. Woodling on his retirement.

Mr. DeWit thanked Mr. Woodling for his service.

Mr. Peifer congratulated Mr. Woodling and said that he had done a great job.

Mr. Eck congratulated Mr. Woodling with a job well done.

Mr. Sanford complimented Mr. Woodling on all his great contributions and said that it has been great working with him.

Mr. Jones thanked Mr. Woodling for his service and dedication to SGA.

Mr. Yasutake congratulated Mr. Woodling and thanked him for his service.

Mr. Wingerter thanked Mr. Woodling for his service.

Ms. Sheehan thanked Mr. Woodling for his service and forming and developing over the course of the years a voice in the region.

Chair Tobin said that she will miss Mr. Woodling. She indicated that the positive evolution and increased credibility of RWA and SGA can be directly credited to his leadership.

Adjournment

With no further business to come before the Board, Chair Tobin adjourned the meeting at 10:03 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Finance and Administrative Services Manager

AGENDA ITEM 4: SGA FISCAL YEAR 2019 – 2020 BUDGET

BACKGROUND:

FY 2019 – 2020 BUDGET

Each year the SGA Budget Subcommittee (Committee) reviews and makes a recommendation for adoption of the budget. The Fiscal Year 2019-2020 SGA Committee members include Pam Tobin, San Juan Water District (Chair); Caryl Sheehan, Citrus Heights Water District; Marcus Yasutake, City of Folsom; and Paul Schubert, Golden State Water Company. The committee met on March 18, 2019 to discuss the budget goals and fees.

BUDGET TOPICS

Proposed Fees

No per unit fee increase is proposed for groundwater and base fees for FY20. Total fees are lower by approximately \$5,300. Some members will experience a fee increase because their groundwater pumping increased from the prior year. An increase of 6.4% was anticipated in last year's budget. Because SGA did not incur some budgeted expenses in FY18 and FY19, the savings from these fiscal years resulted in an increase in undesignated cash which is being used to offset any cost increases in FY20. Some of the expenditure saving is also being set aside for SGMA costs as noted below.

The fees per unit for FY20 stayed the same as FY19. The base fee is \$10,100; the groundwater pumped fee is \$6.00 per acre foot; and the per connection fee staying the same at \$1.31.

Program Objectives

SGA is planning on accomplishing these program objectives during fiscal year 2020:

- 1) Annual Basin Management Report
- 2) Updating the Groundwater Sustainability Plan
- 3) Monitor Water Quality Levels
- 4) Maintain/Improve the Data Management System
- 5) Update the Regional Groundwater Model
- 6) Continue compliance with the Sustainable Groundwater Management Act (SGMA) in the North American Subbasin

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 expenses and consequently fees for SGA out into future years. The Board agreed to begin preparing

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for these requirements. SGMA requires additional modeling work in the NASb to determine the sustainable yield and water budget for the basin. SGA budgeting for a model update commenced in FY17 and continued on through FY18. Total funds of \$208,300 was designated and approved at the SGA board meeting on April 12, 2018 for FY18 to be used in FY19. The model update commenced in FY19. Approximately \$54,400 of additional unspent program funds from FY19 will be designated towards SGMA for FY20. In FY19, approximately \$25,500 in net SGMA costs is projected, with the remaining designation of \$237,200 for use in FY20 and beyond. These funds are needed for SGA's contribution to the NASb model development in support of SGMA.

Designations	FY18	FY19	Used in FY19	Total designated FY19 for FY20
Update GSP	\$50,000			
Maintain/Improve DMS	10,000			
Regional Contamination				
Groundwater Modeling	148,300			
Program Budget		\$54,400		
Total for SGMA	\$208,300	\$54,400	(\$25,500)	\$237,200

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 help in accomplishing these objectives. SGA anticipates hiring additional outside consultants to accomplish some of the program objectives.

Future years' budgets do not include any additional costs for potential ongoing SGMA costs other than for the initial implementation.

Update on CalPERS Unfunded Pension Liability

Since FY13, the SGA Board has been incrementally budgeting resources to pay the unfunded pension liability allocated to pooled plan members. SGA became a CalPERS entity and began making its own payments beginning July 1, 2016. Even though SGA has been paying 100% of the annually required contribution, SGA still has an unfunded pension liability. CalPERS has been amortizing these costs over time when determining the annual required contribution. The adoption of Policy 400.4 formalized the practice of paying additional amounts towards the unfunded liability over four years beginning in FY19. Per a July 26, 2018 CalPERS letter to SGA, the estimated June 30, 2019 unfunded pension liability balance is approximately \$56,500. SGA is scheduling payment of the unfunded liability over four years, plus some interest costs.

	Based on FY19 Budget	Proposed FY20 Budget	Difference Favorable (Unfav.)
FY20	\$47,500	\$14,500	\$33,000
FY21	\$47,500	\$14,500	\$33,000
FY22	\$47,500	\$14,500	\$33,000
FY23	<u>\$ 0</u>	<u>\$14,500</u>	<u>(\$14,500)</u>
Total	<u>\$142,500</u>	<u>\$58,000</u>	<u>\$84,500</u>

For FY20, SGA's budgeted payment is \$14,500 versus the \$47,500 expected payment based upon the prior estimated unfunded liability balance. The amount to pay in FY21 will be recalculated based upon updated balance data and could be higher or lower than \$14,500. These payments reflect SGA's liabilities. The reduced liability reflects better market performance compared to assumptions. Paying the liability over shorter time frames does result in greater payment swings, both positive and negative.

Staff Compensation

The budget reflects a proposed 6% increase in staffing compensation to reflect 4% for merit and a possible 2% COLA. The increase follows the compensation policy and recommendations made from the most recent salary survey. It reflects potential step increases for the various positions. The COLA for November 2018 was 3.1%. Salaries do not reflect any potential upgrade for the Finance Manager Position and include the Executive Director at the current salary. Salaries also include some overlap costs for the Finance Manager Position. Next year's FY21 budget will have a more accurate reflection of compensation once these two positions are filled.

Office Costs

RWA and SGA budgeted some office costs for a potential office move in FY18. The unspent funds were designated by RWA to be spent in FY19 and FY20 on office improvement related costs. This SGA budget draft reflects alignment with RWA for SGA's share of the designation in FY19 for office improvement costs.

Policies

SGA follows several policies in preparation of the annual budget. They are as follows:

Budget Policy 400.3

SGA's budget policies outlines that the annual operating budget is a summary of proposed expenditures for a particular fiscal year. The budget identifies funding sources to pay for the expenditures, including proposed membership dues and other sources, such as grants. The budget must be approved within 90 days of July 1. Member and contracting entities will share in the general operating and administrative costs of operating the SGA, as outlined in the annual budget documents.

Administrative and Management Service Agreement Policy 100.2

SGA shares 50% of the administrative costs incurred by RWA to run both organizations. Expenses only benefitting RWA will not be allocated to SGA. Likewise, costs only benefitting SGA will be paid by SGA. The budget reflects SGA's share of common administrative costs.

Compensation Policy 100.3

Consistent with the Administrative Services Agreement, SGA recognizes a need to have consistent compensation levels with RWA and thereby adopts the monthly salary schedule of SGA positions which is updated annually to the November Consumer Price Index and/or when a new salary survey is conducted. The SGA Board adopted pay ranges for positions at the February 14, 2019 meeting and they are posted on the SGA website.

Financial Commitment and Assignment Policy 400.2

SGA refers to these commitment and assignments as designations in the budget. In general, the operating fund is targeted between four and six months of operation expenses. SGA's projected year end operating fund plus undesignated funds is approximately 8 months at the end of FY20, which is higher than policy. These additional funds will be used in future budget cycles to either buffer fee increases or for potential additional support, depending upon the Boards direction under the new Executive Director.

SGA may also designate additional funds for other purposes, such as the SGMA program and office costs for the attached budget.

Defined Benefit Pension Plan Funding Policy 400.4

SGA will make payments towards the unfunded pension plan liability for previous and current employee service over a four year period based upon the most recent data available from CalPERS for its liability. SGA's objective is to fund 100% of the actuarially accrued liability at a quicker pace than CalPERS annual lump sum payments.

SUMMARY BUDGET OVERVIEW

The draft budget included in the packet is based upon the following fees and expenditures.

Fees

- 1) No per unit fee increase is proposed for FY20.
- 2) The fee calculations will continue to be based upon base fees plus groundwater fees. The base fees target objective is to cover 40% of costs, while groundwater fees are targeted to cover 60%.
- 3) Each agency's specific fee depends on the changes in connections and groundwater pumping from the previous year. Each agency will experience a different fee decrease or increase, depending upon their groundwater pumping averages and their number of connections that have changed from year to year.
- 4) In the proposed budget, the minimum base administrative fee is \$10,100 plus \$1.31 per connection for connections over 6,000. The pumped groundwater fee per acre-foot is proposed at \$6.00 per acre foot. A five year trailing average of groundwater pumping is used to develop the groundwater fees for FY20. The five year trailing average of groundwater pumping is expected to continue to decline over time, but the expenses to support the work of SGA is not expected to decline. Declining groundwater pumping necessitate an increase in the per acre-foot charge over time.
- 5) Grant income is expected from the DWR grant award received related to the Groundwater Sustainability Plan (GSP).

Expenses

- 1) 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. Staff salaries are within ranges assigned by a 2017 total compensation survey and reflect a possible 4% increase for merit and a possible COLA of 2%. Employees are now paying their entire 7% portion of PERS.
- 2) In addition to sharing in 50% of administrative staff time from RWA, SGA plans to continue to use 20% of RWA's project assistant. Total FTE count for SGA is proposed to be 2.2 FTEs.
- 3) Benefit costs also include projected increases for OPEB and health care.
- 4) SGA pays its own contributions direct to CalPERS since SGA became a CalPERS member in FY17. Because SGA budgets a four year payment allocation for this unfunded liability, the amount to pay can reflect significant volatility from year to year, both increases and decreases to payments. The budgeted amount to pay towards this unfunded liability in FY20 is \$14,500.

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- 5) Professional fees include public relations, human resources, accounting, and legal. It also includes higher actuarial and accounting costs due to GASB 75 rule implementation.
- 6) A new contract with Gilbert Associates started in FY19. The audit costs shown as quoted for five years.
- 7) Staff hired a human resource consultant to assist with various projects including updating the employee manual. This assistance will be included in consulting costs.
- 8) A new contract was signed for computer maintenance to include full support and cloud back up replacing the tape backup system. This coverage is needed to increase security and should reduce downtime of the server if compromised.
- 9) The RWA Board approved a new lease at its meeting on January 11, 2018, which became effective in September 2018. The new lease increases costs to \$1.00 square foot for two years and \$1.10 square foot for three additional years, with an option to renew another two years for \$1.15 per square foot.
- 10) The SGA consulting budget reflects \$60,000 in out-sourced support activities for review of the groundwater management report, updating the groundwater sustainability plan (GSP), monitoring water quality, maintaining the data management system, and groundwater modeling. There is a net \$237,200 in unspent consulting fees from designations from previous years that is being moved over for the SGMA cost share in FY19, which will be used partially to fund SGMA costs in FY20.
- 11) Overall expenses are expected to exceed fees by \$82,050.

Designations

- 1) The operating fund plus undesignated cash is projected to be 8.2 months for FY20 and helps buffer anticipated costs related to recently passed legislation over the next few years. These available funds are higher than policy but will be drawn down over time or may be used for future SGMA and/or other programmatic costs as approved by the board.
- 2) SGMA implementation designation projected balance at FY20 of \$190,000 will be used for future period costs for the SGMA. This designation will be dependent upon the expenses incurred in FY20 and the timing of grant funds received.

Future budget outlook

SGA can anticipate additional rate increases in the future. The current proposed budget does reflect approximately a 5% increase for FY21, which would result in an approximately \$31,000 more in fees. Fee increases could be higher in FY21 depending upon the cost obligations that SGA will incur acting as the GSA for groundwater management. SGA does not yet know the extent and cost of these future obligations. Approving the FY20 proposed budget does not approve future budget projections. Budget and projection results may not be achieved.

SGA BUDGET COMMITTEE RECOMMENDATION:

Action: Adopt Resolution No. 2019-01 to fund the administrative and program budgets for FY 2019 – 2020, and providing for the collection of said funds.

Action: Designate remaining FY19 program budget of approximately \$54,400 for the Sustainable Groundwater Management Act (SGMA) cost share.

Action: Move remaining approximate \$182,800 in designated funds from the FY19 program budget to the SGMA cost share.

Action: Designate \$6,050 in unused office move costs from FY18 to FY19.

RESOLUTION NO. 2019-01

A RESOLUTION OF THE SACRAMENTO GROUNDWATER AUTHORITY ADOPTING AND ASSIGNING COSTS TO FUND THE ADMINISTRATIVE AND PROGRAM BUDGETS FOR FY 2019-2020, AND PROVIDING FOR THE COLLECTION OF SAID FUNDS

The Board of Directors of the Sacramento Groundwater Authority SGA (“SGA”) does hereby make the following findings:

- A. SGA was created for the purposes of protecting, preserving, and enhancing the groundwater resources in the North Area Basin for current and future beneficial uses of all water users in SGA’s boundaries. SGA will manage the North Area Basin through conjunctive use programs and financial regulation of water use. SGA will utilize to the full extent necessary, and consistent with the Joint Powers Agreement, all of the common powers of the County of Sacramento, City of Sacramento, City of Citrus Heights, and City of Folsom to achieve its purposes.
- B. SGA’s administrative budget for FY 2019-2020 is specified in Attachment A. The budget includes projections of operating revenues, non-operating revenues, staff expenses, office expenses, professional fees, non-recurring expenses, program expenses, and cash balances. The administrative budget is required for SGA to finance the administrative activities necessary to implement SGA’s mission of protecting, preserving and managing the North Area Groundwater Basin.
- C. For reasons of economy and efficiency, the Board of Directors of SGA finds that it is in SGA’s best interest to allocate costs for the FY 2019-2020 administrative budget among water purveyors within the North Area basin. All other non-purveyor groundwater producers and surface water users are exempt from financing the costs of the FY 2019-2020 administrative budget. Non-purveyor groundwater producers and surface water users have been exempted from FY 2019-2020 because of the difficulty and costs associated with ascertaining information and locations of approximately 1,500 private wells and an unknown number of surface water diverters in the North Area basin. The costs associated with inclusion of all users in the North Area basin would have caused SGA’s FY 2019-2020 administrative costs to increase significantly, and could not presently be justified in light of the marginal increase in revenues that such users would contribute. In future fiscal years, if SGA determines that it would further the purposes of the SGA, other water users and groundwater producers in the North Area basin may also be required to contribute to the costs of the administrative budget.

- D. The Board finds that the FY 2019-2020 budget should be funded by established water purveyors in the North Area Basin because they can be economically and efficiently identified and because they will most likely be benefited and affected in the future by SGA's groundwater management and conjunctive use programs. The Board finds that the following established water purveyors should finance the administrative budget costs for FY 2019-2020 based on the equitable formula set forth herein: California American Water, Carmichael 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 Water Company, Rio Linda/Elverta Community Water District, Sacramento Suburban Water District, and San Juan Water District.
- E. The allocation of SGA's administrative costs among groundwater pumpers and surface water users is predicated upon the anticipated benefits to be received by each classification from SGA's administrative activities, in the context of SGA's purposes and objectives. The groundwater management program, because of conjunctive use, supports and strengthens surface water user supplies and water rights. Groundwater management enhances the overall availability and reliability of water supply for all water users in the North Area. Groundwater pumpers depend upon the North Area groundwater basin almost entirely for their supplies, while surface water users currently depend upon the basin, in varying degrees, for peak and emergency water needs to supplement their surface water supplies. In the future, when SGA implements its groundwater management and conjunctive use programs, surface water users may become more reliant upon the North Area groundwater basin not only during times of drought and for meeting peaking and emergency water demands, but also for normal operations; a sustainable and healthy North Area Groundwater Basin also increases opportunities for surface water users to transfer water to areas both inside and outside of the North Area. At this time, however, the benefits of SGA's administrative functions accrue primarily to groundwater producers, since management of the North Area groundwater basin is the primary purpose of SGA.
- F. The Board therefore finds that a reasonable and equitable allocation of costs for the FY 2019-2020 administrative budget should include a Base Fee component and a Groundwater Pumping Fee component. The Base Fee shall be assessed to all member entities based on the number of connections served by the member entity. The Base Fee shall be \$10,100 plus \$1.31 per connection for connections over 6,000, with no cap. The base fee is set to increase annually by the overall percentage of expense increase for administrative costs. The Groundwater Pumping Fee shall be \$6.00 per acre-foot, based on a five-year average extraction from the North Area Groundwater Basin during 2014 through 2018. Purveyors that pump

groundwater from the North Area Groundwater Basin shall pay both the Groundwater Pumping Fee and the Base Fee. *The minimum fee for all SGA member agencies will be \$10,100 regardless of water source or volume used.*

- G. The Board finds that the average groundwater production from 2014 through 2018 is a reasonable period upon which to base the Groundwater Pumping Fee component of the administrative budget for FY 2019-2020.
- H. The Board finds that such allocation is reasonable, equitable, and consistent with the purposes of the Authority. The Board further finds that the total amount of revenues to be collected by SGA pursuant to this Resolution is anticipated to support the adopted budget, when augmented with non-designated reserve funds.
- I. The Board further finds that it is necessary to review the allocation of administrative costs annually to determine its continued fairness and appropriateness.

THEREFORE, BE IT RESOLVED THAT:

- 1. The SGA administrative budget for FY 2019-2020 as specified in Attachment A is hereby adopted.
- 2. The administrative fees for this FY 2019-2020 budget will be collected from the water purveyors pursuant to Attachment B.
- 3. Billing for the administrative fees shall be mailed not later than seven days after June 30th with payment to be made within forty-five days. Payments shall be sent to the Sacramento Groundwater Authority at 5620 Birdcage Street, Suite 180, Citrus Heights, CA 95610 for deposit into SGA's account.

PASSED AND ADOPTED by the Board of Directors, at their regular board meeting, on the 11th of April, 2019.

By: _____
Chair

Attest: _____
Robert Swartz, Interim Executive Director



Major Assumptions

Revenues

- 1) No per unit fee increase is proposed for groundwater and base fees for FY20. Overall, fees decrease by approximately \$5,300. Some agencies will experience a fee increase. Each agencies FY20 fee is different depending upon their groundwater use and number of connections.
- 2) Groundwater fees reflect decreased pumping.
- 3) Base fee are not projected to increase for FY20. The base fee should cover approximately 40% of costs.
- 4) Assumes 5 year acre foot average groundwater pumped of: 66,614
- 5) A new grant for SGMA actions, including GSP Development started in FY19.
- 6) Interest income has increased as rates have slightly increased.

Expenses

- 1) Staffing costs includes partial use of the Project Assistant. Total 2.2 FTEs allocated to SGA. Staff pays their entire 7% of their employee share of pension plan contributions. Overall staffing costs also budgeted for a 4% merit and 2% cola increase and follows the compensation policy.
- 2) Benefits include employer PERS, medical, vision, dental, disability insurance, OPEB and workers' compensation for 2.2 FTEs. FY 2020 budget anticipates an increase in medical costs of 7%, other costs at 3% and specific increases to OPEB costs. Employees pay their entire 7% of their employee portion of PERS pension.
- 3) SGA continues to budget for additional payments towards its unfunded pension plan. A CalPERS July 26, 2018 letter estimates the June 30, 2019 balance at \$56,500 at a 7.0% discount rate. This balance includes additional \$47,500 payment made towards this liability during FY19. This budget spreads out payment of the unfunded liability over 4 years versus 30 years as done by CalPERS.
- 4) Professional fees include public relations, human resources, audit, accounting, actuarial, and legal expenses. It also includes higher actuarial costs due to OPEB rule changes.
- 5) Program consultants for FY20 includes updating the basin management report, monitoring water quality levels, groundwater management plan, maintaining the data management system, regional contamination issues, grant application assistance, and groundwater modeling. FY19 and beyond also represents some initial increased costs for newly passed legislation related to the Sustainable Groundwater Management Act.
- 6) Special projects reflects the costs associated with the DWR grants related to the SGMA.
- 7) Leasing costs began increasing in FY19 due to a renegotiation of the lease on the Birdcage building.
- 8) General cost increases were projected at 3% unless specific cost increases could be identified.

Expenses in Excess of Fees

- 1) In FY20, it is anticipated that SGA fees will be approximately \$82,050 less than expenses. Expenses in excess of fees will be mainly funded from designated funds and the balance from non-designated funds accumulated from previous years.

Designations/Restrictions

- 1) Excluding any SGMA costs, the Operating fund is projected to be approximately eight months for FY20, which exceeds policy guidelines. The expected non-designated cash at the end of FY19 will be used to fund expenses and therefore a rate increase for FY20 is not needed.
- 2) The remaining groundwater modeling designation of \$148,300, the update GSP designation of \$50,000, and maintaining the DMS designation of \$10,000 (totaling \$208,300) from FY19 will move to the SGMA implementation designation to pay for SGMA costs in FY19 and FY20. An additional \$54,400 from the program budget in FY19 will be designated for the SGMA costs to be spent in FY20 and beyond. Approximately a net \$25,500 of this designation is used in FY19, leaving a combined remaining designation balance in FY19 of \$237,200.
- 3) Office equipment designation in FY19 is a result of unused office move costs in FY18 that will be used for office/conference room improvements.

FY21 and Beyond

- 1) Currently, a projected increase of approximately 4.5% is anticipated in FY21. Future increases will be higher than actual expense increases to balance out the fees and expenses over time.



**Sacramento Groundwater Authority
2019 - 2020 FYE Budget Summary**

Attachment A

5 year average Acre-feet Groundwater	70,093	67,804	67,804	66,614
Proposed Groundwater Fee	\$6.00	\$6.00	\$6.00	\$6.00
Proposed Minimum Base Fee	\$10,100	\$10,100	\$10,100	\$10,100
Proposed Per Connection Fee	\$1.31	\$1.31	\$1.31	\$1.31
Base admin fee as a % of budget	54.90%	39.80%	44.36%	41.05%
Overall Fee Change from Prior Year	12.85%	-3.80%	-3.80%	-0.74%

	Actual FY18	Budgeted FY19	Projected FY19	Proposed FY20	Notes
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Operating Revenues

Groundwater Fees	\$ 410,202	\$ 406,800	\$ 406,800	\$ 399,700	No increase in GW fees per unit
Base Fee	\$ 333,863	\$ 309,000	\$ 309,000	\$ 310,800	No increase in base fees for FY20
Grant Income	\$ -	\$ 400,000	\$ 225,000	\$ 350,000	A new grant for SGMA actions, including GSP Development started in FY19
Partner Fees	\$ -	\$ -	\$ 149,500	\$ 52,800	Reflects SGMA partner fees collected from participants
Interest Income	\$ 14,077	\$ 6,000	\$ 22,900	\$ 11,700	Rates are fairly stable, but available cash is declining
Total	\$ 758,142	\$ 1,121,800	\$ 1,113,200	\$ 1,125,000	

Operating Expenses

Staff	\$ 461,760	\$ 528,200	\$ 512,400	\$ 513,500	Reflects 2.2 FTE, salary and benefit costs
Office	\$ 52,318	\$ 63,400	\$ 65,250	\$ 68,350	No significant changes expected in FY20
Professional Fees	\$ 90,735	\$ 183,400	\$ 116,650	\$ 167,750	Support & PM consulting
Other	\$ 3,269	\$ 1,400	\$ 2,350	\$ 7,450	Office equipment and move - carryover from FY18
Special Projects	\$ -	\$ 608,300	\$ 400,000	\$ 450,000	Reflects costs related to grants
Total Expenses	\$ 608,082	\$ 1,384,700	\$ 1,096,650	\$ 1,207,050	

Fees in Excess of Expenses/(Expenses in Excess of Fees)

	<u>\$ 150,060</u>	<u>\$ (262,900)</u>	<u>\$ 16,550</u>	<u>\$ (82,050)</u>	Reflects spending from designations plus spending from FY19 projected undesignated carryover
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Cash, beginning

	\$ 621,526	\$ 711,726	\$ 771,586	\$ 788,136
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Source (Use) of Funds

	<u>\$ 150,060</u>	<u>\$ (262,900)</u>	<u>\$ 16,550</u>	<u>\$ (82,050)</u>
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Cash, ending

	<u>\$ 771,586</u>	<u>\$ 448,826</u>	<u>\$ 788,136</u>	<u>\$ 706,086</u>
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DESIGNATIONS

					Change in Designations
Operating Fund	\$ 316,800	\$ 364,500	\$ 324,600	\$ 378,500	\$ 53,900
Pension Plan	\$ 47,500	\$ 47,500	\$ 47,500	\$ -	\$ (47,500)
Groundwater Modeling	\$ 148,300	\$ -	\$ -	\$ -	\$ -
SGMA Implementation	\$ -	\$ -	\$ 237,200	\$ 190,000	\$ (47,200)
Update GSP	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Maintain DMS	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Office Equipment	\$ -	\$ -	\$ 6,050	\$ -	\$ (6,050)
Un-designated	\$ 198,986	\$ 36,826	\$ 172,786	\$ 137,586	\$ (35,200)
	<u>\$ 771,586</u>	<u>\$ 448,826</u>	<u>\$ 788,136</u>	<u>\$ 706,086</u>	<u>\$ (82,050)</u>

No. of months cash pays for operations	<u>10.6</u>	<u>6.6</u>	<u>9.2</u>	<u>8.2</u>
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		% increase expenses, unless specific increases identified			3.00%			3.00%	3.00%	3.00%	3.00%
		% increase consulting costs			5.00%			5.00%	5.00%	5.00%	5.00%
		% change in Acre Feet Pumped						-4.00%	1.01%	3.24%	-1.03%
SGA											
Proposed FY' 2019-2020 OPERATING BUDGET PROJECTION											
BUDGET ACRE FEET FY19 (5-yr. Ave)		68,368	67,804	67,804		65,314		63,918	65,079	67,324	
BUDGET ACRE FEET FY20 (5-yr. Ave)						66,614		63,948	64,597	66,689	66,004
		SGA	SGA	SGA	SGA	SGA	NOTES	SGA	SGA	SGA	SGA
		FY 18	FY 19	FY 19	FY 19	FY 20		Projected	Projected	Projected	Projected
		Per Audit	Budget	Actual at	Projected	Proposed		FY 21	FY 22	FY 23	FY 24
				Dec. 2018		Budget					
ANNUAL REVENUES											
GW Fee FY 19 Final Budget		\$6.00	\$6.00	\$6.00		\$6.65	1	\$7.35	\$7.85	\$8.30	
Proposed GW Fee FY 20 Budget						\$6.00	1	\$6.40	\$6.70	\$7.20	\$7.70
Proposed Base Fee		\$10,100	\$10,100	\$10,100		\$10,100	2	\$10,800	\$11,200	\$11,700	\$12,000
Proposed Per Connection Fee		\$1.31	\$1.31	\$1.31		\$1.31	2	\$1.40	\$1.46	\$1.53	\$1.77
Overall Fee Change from Prior Year		12.85%	-3.80%	-3.80%		-0.74%	3	4.38%	4.96%	8.16%	7.51%
Expense change from prior year		12.56%	9.63%	11.69%		8.67%	4	6.62%	3.97%	4.91%	2.89%
Base admin fee as a % of budget		54.90%	39.80%	44.36%		41.05%	2	41.17%	41.18%	41.08%	43.81%
OPERATING REVENUES (Proposed Fee)											
General Assessments/Fees											
→ Groundwater fees	\$	410,202	\$ 406,800	\$ 406,822	\$ 406,800	\$ 399,700	1	\$ 409,300	\$ 432,800	\$ 480,200	\$ 508,200
→ Base Fee	\$	333,863	\$ 309,000	\$ 309,037	\$ 309,000	\$ 310,800	2	\$ 332,300	\$ 345,600	\$ 361,700	\$ 396,900
→ SGMA Grant Income	\$	-	\$ 400,000	\$ -	\$ 225,000	\$ 350,000	5	\$ 320,000	\$ 99,400	\$ -	\$ -
→ SGMA Partner Fees	\$	-	\$ -	\$ 55,804	\$ 149,500	\$ 52,800	5	\$ 46,300	\$ -	\$ -	\$ -
Interest/Misc Income	\$	14,077	\$ 6,000	\$ 14,900	\$ 22,900	\$ 11,700	6	\$ 9,300	\$ 6,400	\$ 3,600	\$ 1,900
TOTAL REVENUE	\$	758,142	\$ 1,121,800	\$ 786,563	\$ 1,113,200	\$ 1,125,000		\$ 1,117,200	\$ 884,200	\$ 845,500	\$ 907,000
STAFF EXPENSES (General):											
Staff Salaries/Wages	\$	306,160	\$ 319,900	\$ 155,583	\$ 319,900	\$ 343,600	7	\$ 358,700	\$ 380,100	\$ 402,600	\$ 426,800
Benefits	\$	104,072	\$ 124,700	\$ 65,826	\$ 110,100	\$ 117,800	8	\$ 139,200	\$ 150,500	\$ 161,300	\$ 171,100
Pension - Unfunded Liability	\$	26,900	\$ 47,500	\$ 47,500	\$ 47,500	\$ 14,500	9	\$ 14,500	\$ 14,500	\$ 14,500	\$ -
Payroll Taxes	\$	18,047	\$ 25,600	\$ 6,216	\$ 25,600	\$ 27,100	10	\$ 28,700	\$ 30,400	\$ 32,200	\$ 34,100
Meals/Travel/Conferences	\$	6,581	\$ 8,000	\$ 3,302	\$ 7,800	\$ 8,000	11	\$ 8,200	\$ 8,300	\$ 8,500	\$ 8,800
Professional Development/Training	\$	-	\$ 2,500	\$ -	\$ 1,500	\$ 2,500	12	\$ 2,600	\$ 2,700	\$ 2,800	\$ 2,900
TOTAL STAFF EXPENSES	\$	461,760	\$ 528,200	\$ 278,427	\$ 512,400	\$ 513,500		\$ 551,900	\$ 586,500	\$ 621,900	\$ 643,700

% increase expenses, unless specific increases identified 3.00%
 % increase consulting costs 5.00%
 % change in Acre Feet Pumped

3.00% 3.00% 3.00% 3.00%
 5.00% 5.00% 5.00% 5.00%
 -4.00% 1.01% 3.24% -1.03%

**SGA
 Proposed FY' 2019-2020 OPERATING BUDGET PROJECTION**

5-Year Projection

	BUDGET ACRE FEET FY19 (5-yr. Ave)	68,368	67,804	67,804	65,314	66,614	NOTES	63,918	65,079	67,324	66,004
	BUDGET ACRE FEET FY20 (5-yr. Ave)	68,368	67,804	67,804	65,314	66,614		63,918	65,079	67,324	66,004
	SGA FY 18	SGA FY 19	SGA FY 19	SGA FY 19	SGA FY 20	SGA FY 20		SGA Projected FY 21	SGA Projected FY 22	SGA Projected FY 23	SGA Projected FY 24
	Per Audit	Budget	Actual at Dec. 2018	Projected	Proposed Budget	Proposed Budget					
OFFICE EXPENSES:											
Rent & Utilities Contract	\$ 9,748	\$ 16,200	\$ 7,778	\$ 16,200	\$ 16,200	\$ 16,200	13	\$ 17,800	\$ 17,800	\$ 17,800	\$ 17,800
General Liability Insurance	\$ 13,177	\$ 13,300	\$ 13,756	\$ 14,100	\$ 14,500	\$ 14,500	14	\$ 14,900	\$ 15,300	\$ 15,800	\$ 16,300
Office Maintenance	\$ 325	\$ 300	\$ -	\$ 250	\$ 300	\$ 300	15	\$ 350	\$ 400	\$ 500	\$ 500
Postage and Postal Meter	\$ 1,268	\$ 1,500	\$ 1,022	\$ 1,400	\$ 1,500	\$ 1,500	16	\$ 1,500	\$ 1,600	\$ 1,600	\$ 1,700
Telephone/internet/web hosting	\$ 6,031	\$ 6,400	\$ 2,455	\$ 6,300	\$ 6,500	\$ 6,500	17	\$ 6,700	\$ 6,900	\$ 7,100	\$ 7,300
Meetings	\$ 2,102	\$ 1,200	\$ 318	\$ 1,100	\$ 1,200	\$ 1,200	18	\$ 1,300	\$ 1,400	\$ 1,500	\$ 1,600
Printing/Supplies/Copier	\$ 7,165	\$ 10,300	\$ 3,570	\$ 10,300	\$ 10,600	\$ 10,600	19	\$ 10,900	\$ 11,200	\$ 11,500	\$ 11,800
Dues & Subscriptions	\$ 5,193	\$ 5,700	\$ 1,951	\$ 5,650	\$ 5,800	\$ 5,800	20	\$ 6,000	\$ 6,200	\$ 6,400	\$ 6,600
Computer hardware/software	\$ 243	\$ 2,800	\$ 99	\$ 2,700	\$ 2,800	\$ 2,800	21	\$ 2,900	\$ 3,000	\$ 3,100	\$ 3,200
Computer maintenance	\$ 7,066	\$ 5,700	\$ 2,693	\$ 7,250	\$ 8,950	\$ 8,950	22	\$ 9,200	\$ 9,500	\$ 9,800	\$ 10,100
TOTAL OFFICE EXPENSES	\$ 52,318	\$ 63,400	\$ 33,642	\$ 65,250	\$ 68,350	\$ 68,350		\$ 71,550	\$ 73,300	\$ 75,100	\$ 76,900
PROFESSIONAL FEES:											
SGA Legal	\$ 12,460	\$ 40,000	\$ 5,716	\$ 30,000	\$ 40,000	\$ 40,000	23	\$ 42,000	\$ 44,100	\$ 46,300	\$ 48,600
Audit Fees and GASB report	\$ 10,760	\$ 16,000	\$ 9,100	\$ 13,450	\$ 13,750	\$ 13,750	24	\$ 14,050	\$ 14,350	\$ 14,650	\$ 15,400
ADP & Banking Fees	\$ 888	\$ 1,100	\$ 493	\$ 1,000	\$ 1,100	\$ 1,100	25	\$ 1,100	\$ 1,200	\$ 1,200	\$ 1,300
SGA Support Services	\$ 38,029	\$ 61,300	\$ 50,835	\$ 61,600	\$ 52,900	\$ 52,900	26	\$ 53,200	\$ 57,200	\$ 64,400	\$ 61,200
SGA Consultants - Program Mgmt	\$ 28,598	\$ 65,000	\$ -	\$ 10,600	\$ 60,000	\$ 60,000	27, 36	\$ 72,000	\$ 53,600	\$ 55,400	\$ 57,200
TOTAL PROFESSIONAL FEES	\$ 90,735	\$ 183,400	\$ 66,144	\$ 116,650	\$ 167,750	\$ 167,750		\$ 182,350	\$ 170,450	\$ 181,950	\$ 183,700
TOTAL OPERATING EXPENSES	\$ 604,813	\$ 775,000	\$ 378,213	\$ 694,300	\$ 749,600	\$ 749,600		\$ 805,800	\$ 830,250	\$ 878,950	\$ 904,300
OTHER EXPENSES:											
Office furniture/remodel/equip	\$ 394	\$ 1,400	\$ -	\$ 1,400	\$ 1,400	\$ 1,400	29	\$ 1,400	\$ 1,500	\$ 1,500	\$ 1,600
Office Move	\$ 2,875	\$ -	\$ -	\$ 950	\$ 6,050	\$ 6,050	29	\$ -	\$ -	\$ -	\$ -
Computer Server	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	29	\$ -	\$ 7,500	\$ -	\$ -
TOTAL Other Expenses	\$ 3,269	\$ 1,400	\$ -	\$ 2,350	\$ 7,450	\$ 7,450		\$ 1,400	\$ 9,000	\$ 1,500	\$ 1,600
Special Projects Expenses											
SGMA Grant Expenses	\$ -	\$ 400,000	\$ 37,270	\$ 400,000	\$ 450,000	\$ 450,000	30	\$ 450,000	\$ 205,600	\$ -	\$ -
SGMA Cost Share Designation	\$ -	\$ 208,300	\$ -	\$ -	\$ -	\$ -	28	\$ -	\$ -	\$ -	\$ -
TOTAL Special Proj. Expenses	\$ -	\$ 608,300	\$ 37,270	\$ 400,000	\$ 450,000	\$ 450,000		\$ 450,000	\$ 205,600	\$ -	\$ -
TOTAL EXPENSES	\$ 608,082	\$ 1,384,700	\$ 415,483	\$ 1,096,650	\$ 1,207,050	\$ 1,207,050	31	\$ 1,257,200	\$ 1,044,850	\$ 880,450	\$ 905,900

	% increase expenses, unless specific increases identified		3.00%		3.00%	3.00%	3.00%	3.00%		
	% increase consulting costs		5.00%		5.00%	5.00%	5.00%	5.00%		
	% change in Acre Feet Pumped				-4.00%	1.01%	3.24%	-1.03%		
SGA										
Proposed FY' 2019-2020 OPERATING BUDGET PROJECTION										
BUDGET ACRE FEET FY19 (5-yr. Ave)	68,368		67,804		65,314		63,918	65,079	67,324	
BUDGET ACRE FEET FY20 (5-yr. Ave)	68,368		67,804		66,614		63,948	64,597	66,689	
	ACRE FEET:								66,004	
	SGA	SGA	SGA	SGA	SGA		SGA	SGA	SGA	
	FY 18	FY 19	FY 19	FY 19	FY 20	NOTES	Projected	Projected	Projected	
	Per Audit	Budget	Actual at	Projected	Proposed		FY 21	FY 22	FY 23	
			Dec. 2018		Budget				Projected	
									FY 24	
Net Income (Loss)	\$ 150,060	\$ (262,900)	\$ 371,080	\$ 16,550	\$ (82,050)	32	\$ (140,000)	\$ (160,650)	\$ (34,950)	\$ 1,100
CASH SUMMARY										
AVAILABLE CASH, Beginning	\$ 621,526	\$ 711,726	\$ 771,586	\$ 771,586	\$ 788,136	33	\$ 706,086	\$ 566,086	\$ 405,436	\$ 370,486
SOURCE (USE) OF FUNDS	\$ 150,060	\$ (262,900)	\$ 371,080	\$ 16,550	\$ (82,050)	32	\$ (140,000)	\$ (160,650)	\$ (34,950)	\$ 1,100
CASH, Ending	\$ 771,586	\$ 448,826	\$ 1,142,666	\$ 788,136	\$ 706,086		\$ 566,086	\$ 405,436	\$ 370,486	\$ 371,586
DESIGNATIONS										
Operating Fund (four to six mos)	\$ 316,800	\$ 364,500	\$ 364,500	\$ 324,600	\$ 378,500	6.0 34	\$ 403,600	\$ 405,336	\$ 370,386	\$ 371,486
Pension Plan Assignment	\$ 47,500	\$ 47,500	\$ 47,500	\$ 47,500	\$ -	0.0 35	\$ -	\$ -	\$ -	\$ -
Groundwater Modeling	\$ 148,300	\$ -	\$ 148,300	\$ -	\$ -	36	\$ -	\$ -	\$ -	\$ -
SGMA Implementation	\$ -	\$ -	\$ 18,534	\$ 237,200	\$ 190,000	36,28	\$ 106,300	\$ 100	\$ 100	\$ 100
Update GSP to SGMA	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -	36	\$ -	\$ -	\$ -	\$ -
Maintain DMS to SGMA	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -	36	\$ -	\$ -	\$ -	\$ -
Office Equipment Designation	\$ -	\$ -	\$ -	\$ 6,050	\$ -	39	\$ -	\$ -	\$ -	\$ -
Un-designated	\$ 198,986	\$ 36,826	\$ 503,832	\$ 172,786	\$ 137,586	1.4 38	\$ 56,186	\$ -	\$ -	\$ -
CASH IN BANK, Ending	\$ 771,586	\$ 448,826	\$ 1,142,666	\$ 788,136	\$ 706,086		\$ 566,086	\$ 405,436	\$ 370,486	\$ 371,586
No. of months cash pays for oper.	10.6	6.6		9.2	8.2	34	6.8	5.8	5	4.9

SGA
FY 2019-2020 BUDGET PROJECTION NOTES

- 1 SGA general assessment fees methodology splits the fee into two parts: a base fee based upon the number of connections per agency and a per acre foot fee based upon a trailing five-year average volume of groundwater pumped. This portion represents the per acre foot fee component. Overall, SGA is proposing to not increase per unit fees. Since groundwater pumping has decreased from the previous year, overall fees have decreased from the prior year. The groundwater per unit fee is proposed to stay as the same as FY19 at \$6.00 in FY20. A trailing five-year pumping average is used (FY14-FY18). FY19 through FY23 pumping extraction reflects members estimates provided to SGA using expected wet year data. As the amount of acre-feet pumped declines, revenues will decline, even though operations are independent of groundwater pumping. Consequently, the fee per acre feet must increase to continue to pay for existing services.
- 2 SGA total base fees are calculated using the number of connections per agency, plus a minimum base fee. The proposed base fee is to be calculated as follows: a minimum base fee of \$10,100 plus \$1.31 per connection for connections in excess of 6,000. For each subsequent year, the base fee is set to increase as the overall expenses increases, exclusive of special project costs as these can vary year to year. The share of fees paid for by base fees may need adjusting from time to time to achieve or target 40% fees supported by base fees.
- 3 The overall fee change from the previous year is the total fee change. Each individual agencies change will be different and may be less or more than the overall change due to changes for individual groundwater acre feet pumping averages and number of connections.
- 4 The expenses increase for FY20 from FY19 is anticipated at approximately 8.67%. SGA is funding approximately \$47,200 in SGMA expenses in FY20 that are being designated in FY19. The overall expense change from the previous year is calculated as follows: the year to year difference in total expenses which include staff, office, and professional fees. The calculation does not include special project expenses and one time expenses.
- 5 SGA received a new grant from DWR for SGMA actions, including GSP development and should be completed by the end of FY21. SGMA partner fees are collected from the other four Groundwater Sustainability Agencies in the North American Subbasin to assist in funding the consultant work to complete the SGMA program activities.
- 6 Interest income from the SGA Local Agency Investment Fund (LAIF) account. As available cash decreases, interest earned is expected to decrease.

SGA
FY 2019-2020 BUDGET PROJECTION NOTES

- 7 For budget purposes, staff salaries include 50% of four full time positions, and 20% of the assistant project manager or a total of 2.2 FTEs. Salaries reflect the compensation survey amounts approved by the RWA Board, reflecting a potential 4% increase in merit and 2% for COLA. Also includes approximately \$10K in overlapping salary and benefit costs for the finance manager position. Salaries do not reflect any changes for the new ED or for the new finance manager.
- 8 Benefits include employer PERS, medical, vision, dental, disability insurance, OPEB and workers' compensation for staff members. FY 2020 budget anticipates an increase in medical costs of 7% and other costs at 3%. In FY19, classic employees began paying their entire 7% share of CalPERS contribution.
- 9 Represents the estimated payment of the allocated unfunded pension liability to SGA over four years at an estimated 7.0% discount rate. A July 26, 2018 CalPERS letter estimates the unfunded liability balance of \$56,500 at June 30, 2019. Since this liability is being paid over a shorter time frame of 4 years, SGA can expect swings, both positive and negative as the liability is recomputed to reflect the actual results compared to assumptions.
- 10 Payroll taxes for five staff members (2.2 FTEs).
- 11 Includes meal costs. Also includes conference attendance and the associated travel costs (transportation, lodging, meals).
- 12 Includes computer training and other professional development classes.
- 13 In accordance with the building rental lease. RWA's lease includes full use of the Board room. The RWA Board approved a new lease on the Birdcage building on January 11, 2018. The new lease began in August 2018. The first two years the lease will be \$1.00 SF and the last three years will be \$1.10 per SF with an option for a two-year renewal at \$1.15 square foot.
- 14 Increase in costs for property and liability coverage obtained through ACWA JPIA forecasted for the coming year. SGA experienced a slightly higher than expected coverage cost in FY19.
- 15 Includes costs for office maintenance needs.
- 16 Reflects mailing activities and cost of postage machine rental.
- 17 Includes telephone and conference call costs, web hosting for the website and internet service costs.
- 18 Miscellaneous meeting charges including food/refreshments.
- 19 Includes printing costs for letterhead. Also includes copier maintenance and copier lease costs.

SGA
FY 2019-2020 BUDGET PROJECTION NOTES

- 20 Major cost component is ACWA dues. Other dues include AWWA, Groundwater Resources Association, Water Education Foundation and Sacramento Metro Chamber of Commerce. Subscriptions include Business Journal.
- 21 Acquisition of new hardware/software to replace aging and out-of-date components.
- 22 General computer maintenance service includes cloud back up for more security and should reduce downtime if something happens to the server.
- 23 Legal expenses in support of general SGA board meetings, resolutions, regulatory analyses, services related to contracts, and GMP development. Legal fees are projected to be higher due to the implementation of SGMA.
- 24 Audit fees are set by the awarded proposal. A new contract with Gilbert Associates started in FY19. The audit costs shown as quoted for five years.
- 25 Payroll service costs for 5 employees (2.2 FTE).
- 26 Represents actuarial, budgeting and accounting assistance, website, and human resource/recruiting support.
- 27 Fees for groundwater management program implementation. (See separate program consulting budget). Unused program budget expenses in FY19 of \$54,400 will be designated for the SGMA cost share.
- 28 Program FY16, FY17, and FY18 represents unused funds for these fiscal years which will be used in FY19 and FY20 for the SGMA cost share. For FY19, approximately \$54,400 in unused program implementation funds will be designated towards SGMA to be used in FY20.
- 29 Anticipates a possible replacement of the server in FY22. RWA has signed a new lease on the Birdcage building. SGA used part of the money in FY18 and FY19 that was budgeted for the move for office improvements. The balance of the costs will be funded by the office equipment designation. See note 39.
- 30 Consulting expenses for grant-funded SGMA actions, including GSP development. Matching funds to pay for costs also come from SGA and SGMA partners.
- 31 Total expenses for SGA.
- 32 Represents the difference between total monies received versus total expenses incurred during the year.
- 33 Beginning cash for FY19 is reduced by FY18 year end accounts payables and increased for FY18 year end accounts receivable to arrive at available cash.

SGA
FY 2019-2020 BUDGET PROJECTION NOTES

- 34 Represents the operating fund designation to pay for operating expenditures. Per SGA policy #400.2, this fund range target is four to six months of operating expenses. Government Code Section 53646(b) (3) suggests that an agency should have sufficient cash flow to meet the next six months of budgeted expenses. Cash reserves can be used to pursue new grant opportunities unknown during the budget development. This calculation is based upon the ending cash in bank. It does not include special project expenses funded by grants or one time expenditures.
- 35 CalPERS provides estimated unfunded liabilities for pooled agency members, such as SGA. SGA began making their share of the liability payment starting in FY17. The pension plan assignment had set aside amounts to make partial payments towards this unfunded pension liability in future years. SGA's estimated unfunded liability balance at June 30, 2019 is approximately \$56,500 reflecting the liability discounted at 7.0%. This estimate was based upon the CalPERS communication letter reflecting the most recent payment of \$47,500 in FY19. Since SGA now budgets an annual payment towards the unfunded liability, SGA will not also set aside an assignment for these ongoing payments.
- 36 SGA designated a total of \$208,300 from the FY16, FY17 & FY18 budget for groundwater modeling, updating the GSP, and maintaining the DMS for FY19 with approximately \$25,500 used in FY19. These designations will now move to the SGMA designation to fund the SGMA Cost Share to be spent in FY19 and FY20. For FY19, SGA will also designate approximately \$54,400 of unused program costs towards the SGMA to be spent in FY20. These total approximate remaining funds of \$237,200 will allow SGA to meet its cost share with the other NASb GSAs. The cost share is required to receive a \$994,276 grant from the Sustainable Groundwater Planning Grant Program to help fund the required groundwater management components resulting from SGMA. Among the required components is development of a NASb groundwater model, a NASb groundwater database, installation of monitoring wells and monitoring equipment, groundwater quality sampling, and preparation of a GSP by January 31, 2022.
- 38 Amount of cash over and above designation policy - "undesignated cash."
- 39 Carry over funds from FY18 that were budgeted for office move costs. These funds will be used towards office improvements.

SGA Consulting Budget Approved and Proposed											4-Year Projection (1)	
	SGA FY 18 Per Audit	Approved FY19 + designation	FY 19 Actual at Dec 18	FY 19 Projected	FY19 Designate to FY20	Proposed FY 20	Projected FY 21	Projected FY 22	Projected FY 23	Projected FY 24	NOTES	
Outside Consultant Assistance - Projects												
Annual Basin Management Report	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,500	\$ 11,000	\$ 11,600	\$ 12,200	1	
Update GSP	\$ -	\$ 20,000	\$ -	Designate	\$ 20,000	\$ 10,000	\$ 20,000	\$ -	\$ -	\$ -	2	
Monitor water quality/levels (AB 303)	\$ 598	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ 10,500	\$ 11,000	\$ 11,600	\$ 12,200	3	
Grant Application Assistance	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4	
Maintain/Improve DMS	\$ 10,000	\$ 5,000	\$ -	\$ 600	\$ 4,400	\$ 10,000	\$ 11,000	\$ 11,600	\$ 12,200	\$ 12,800	5	
Pursue short-term banking/exchange	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6	
Regional contamination issues	\$ -	\$ 10,000	\$ -	Designate	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	7	
Groundwater modeling	\$ -	\$ 20,000	\$ -	Designate	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	8	
Subsidence Monitoring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9	
TOTAL PROGRAM	\$ 28,598	\$ 65,000	\$ -	\$ 10,600	\$ 54,400	\$ 60,000	\$ 72,000	\$ 53,600	\$ 55,400	\$ 57,200		

(1) Assumes 5% annual increase in consulting labor costs.

(2) Approved FY19 designation total amount of \$208,300 included in SGMA cost share job report in FY19.

(3) Unused FY19 funds from GSP, DMS, Regional Contamination and Groundwater Modeling are designated to FY20 for SGMA cost share.

SGA Program
FY 2019-2020 BUDGET PROJECTION NOTES

- 1 SGA had traditionally prepared a biennial Basin Management Report as part of its Groundwater Management Program. The 2014 Sustainable Groundwater Management Act (SGMA) will require annual reporting. For FY20, SGA anticipates a report for the SGA area only. Beginning in FY21, an annual budget is assumed to pay for SGA's portion of an annual report for the North American Subbasin (NASb).
- 2 SGMA requires a Groundwater Sustainability Plan (GSP) for the NASb be submitted by January 31, 2022. In anticipation of preparing a single GSP with the other NASb Groundwater Sustainability Agencies (GSAs), SGA has been collecting funds for its contribution to funding the effort. For FY18, \$50,000 was designated into FY19, and an additional \$20,000 budget was proposed to commence work on GSP development in FY19. This \$20,000 for FY19 has been set aside for SGMA spending in FY20. Funding is also being identified in the out years to prepare for any unforeseen expenses related to GSP development.
- 3 This funding is to respond to any monitoring needs for issues that emerge of a regional interest during the course of the fiscal year.
- 4 This money is for consulting assistance in preparing grant applications and other funding requests. In FY18, funds were used for a successful application to the Sustainable Groundwater Planning Grant Program.
- 5 Consulting support to enter data and perform maintenance on the Data Management System (DMS). SGMA requires development of a common database for the NASb, so FY18 funds were designated as part of SGA's contribution to database development for the NASb. For FY19, \$5,000 is proposed for SGA's contribution to NASb database development, of which \$4,400 is being designated to FY20 towards the SGMA.
- 6 Much of this work has been assigned over to the RWA Regional Water Reliability Plan (RWRP), so no projected expenses are identified at this time.
- 7 This activity is currently coordinated through the SGA Regional Contamination Issues Committee, and the intent is to have the planning funded by responsible parties and will be coordinated with RWA IRWMP effort. These funds will allow for consultant staff to support meetings as needed on regional contamination such as the McClellan Stakeholder's Forum and the Regional Contamination Issues Committee. Unused FY19 funds will be designated to FY20 towards the SGMA funding.
- 8 SGMA will require additional modeling work in the NASb to determine the sustainable yield and water budget for the basin. SGA budgeting for a model update commencing in FY17. There were funds in the amount of \$98,300 that were designated and approved at the SGA board meeting on April 13, 2017 for FY18. For FY18, an additional \$50,000 was also budgeted. All of these funds, totaling \$148,300 were designated into FY19 with an additional \$20,000 budgeted for FY19. These funds plus the designated funds from updating the GSP and maintaining the DMS are needed for SGA's contribution to the NASb model development in support of SGMA for a total of \$208,300. The model update commenced in FY19. An additional \$54,400 of unspent funds from FY19 will be designated towards SGMA for FY20.
- 9 Subsidence monitoring is a required component of GSPs developed under SGMA. There are currently no projected expenses identified. Potential monitoring expenses will be identified during development of the NASb GSP.

Agency	Retail Connections FY19	Retail Connections FY20	Base Fee	FY 19 Groundwater Average Extraction Acre Feet (2013 - 2017)	FY 20 Groundwater Average Extraction Acre Feet (2014 - 2018)	FY 20 Supplemental Groundwater Fees at \$6.00 / AF	Proposed FY 2019-2020 Total Estimated Fees	Actual FY 2019 Fees	\$ Diff from FY19 to Proposed	% Diff
California American Water	26,167	26,526	\$ 36,989	10,359	9,951	\$ 59,706	\$ 96,695	\$ 98,671	\$ (1,976)	-2.00%
Carmichael Water District	11,685	11,695	\$ 17,560	2,475	2,659	\$ 15,952	\$ 33,512	\$ 32,399	\$ 1,113	3.44%
Citrus Heights Water District	19,535	19,757	\$ 28,122	1,024	1,300	\$ 7,799	\$ 35,921	\$ 33,977	\$ 1,944	5.72%
Del Paso Manor Water District	1,799	1,799	\$ 10,100	1,247	1,178	\$ 7,069	\$ 17,169	\$ 17,583	\$ (414)	-2.35%
Fair Oaks Water District	13,986	14,031	\$ 20,621	1,782	2,148	\$ 12,889	\$ 33,510	\$ 31,254	\$ 2,256	7.22%
Folsom, City of	1,065	1,072	\$ 10,100	-	-	\$ -	\$ 10,100	\$ 10,100	\$ -	0.00%
Golden State Water Company	1,751	1,750	\$ 10,100	901	831	\$ 4,988	\$ 15,088	\$ 15,506	\$ (418)	-2.70%
Natomas Mutual Water Company	125	125	\$ 10,100	35	35	\$ 210	\$ 10,310	\$ 10,310	\$ -	0.00%
Orange Vale Water Company	5,758	5,729	\$ 10,100	-	-	\$ -	\$ 10,100	\$ 10,100	\$ -	0.00%
Rio Linda/Elverta Water District	4,631	4,637	\$ 10,100	2,461	2,352	\$ 14,110	\$ 24,210	\$ 24,866	\$ (656)	-2.64%
Sacramento, City of	45,933	46,661	\$ 63,366	15,779	18,132	\$ 108,790	\$ 172,156	\$ 157,086	\$ 15,070	9.59%
Sacramento, County of	3,324	3,332	\$ 10,100	4,516	4,417	\$ 26,500	\$ 36,600	\$ 37,198	\$ (598)	-1.61%
Sacramento Suburban	46,661	46,661	\$ 63,366	27,224	23,612	\$ 141,672	\$ 205,038	\$ 226,709	\$ (21,671)	-9.56%
San Juan Water District	3,488	3,414	\$ 10,100	-	-	\$ -	\$ 10,100	\$ 10,100	\$ -	0.00%
TOTALS	185,908	187,189	\$ 310,824	67,804	66,614	\$ 399,685	\$ 710,509	\$ 715,859	\$ (5,350)	-0.75%

Notes:

- (1) Retail connections are based on SGA boundaries or service area boundaries that are dependent upon SGA for management of the groundwater basin. Information derived from information collected from members and subject to refinement.
- (2) Minimum base fee is set @ \$10,100 plus \$1.31 per connection for connections over 6,000. The base fee is set to increase annually by the overall percentage of expense increase for administrative costs. The groundwater fee is \$6.00 per AF.

AGENDA ITEM 5: CONTRACT FOR PROFESSIONAL AUDITING SERVICES

BACKGROUND:

On June 14, 2018, the SGA Board of Directors approved a contract 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 2019 audit will be the second year that SGA may contract with Gilbert and Associates.

STAFF RECOMMENDATION:

Information Update: Rob Swartz, Interim Executive Director

Action: Authorize the Interim Executive Director to contract with Gilbert and Associates to provide for professional auditing services for SGA's Fiscal Year 2019 audit, with a not-to-exceed budget of \$27,500.

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

BACKGROUND:

Staff continues to coordinate with the other four Groundwater Sustainability Agencies (GSAs) in the NASb. The NASb GSAs are meeting next on April 8th. The funding Memorandum of Agreement has been approved by all five GSAs and nearly all Year 1 contributions have been received. Staff will provide an updated financial report on the contributions and expenses related to the joint SGMA activities of the GSAs partners to the Board (see enclosed table). Staff will also provide an updated North American Subbasin Groundwater Sustainability Plan Development Activity Status to the Board (see enclosed table).

STAFF RECOMMENDATION:

Information Update: Rob Swartz, Interim Executive Director

Prop 1 Sustainable Groundwater Management Grant Program Budget
through April 5, 2019

Funds

SGA GSA Contributions	\$	208,300.00
RD 1001 GSA Year 1 Contribution	\$	26,268.00
Sutter GSA Year 1 Contribution	\$	29,536.00
South Sutter Water District GSA Year 1 Contribution	\$	43,631.00
West Placer GSA Year 1 Contribution	\$	-
DWR Grant Reimbursements	\$	-
	\$	<u>307,735.00</u>

Expenses

3-fold (website initial development)	\$	7,500.00
GEI (MBK sub)	\$	39,524.26
Woodard & Curran	\$	28,626.50
	\$	<u>75,650.76</u>

Cash Balance \$ **232,084.24**

Payable from DWR \$ -

Net Program Balance \$ **232,084.24**

Notes: This is an accounting of only the funds being managed through SGA.
Other GSA partners are tracking their own direct expenses for certain tasks.
This does not account for in-kind staff contributions.

North American Subbasin Groundwater Sustainability Plan Development Activity Status
April 5, 2019

Project Administration	
	Grant Administration
	Submitted modification request to DWR to delete application preparation and add Placer County recharge study as local cost share. Preparing first quarter report and invoice. New DWR grant manager, Anna Aljabiry, has been assigned.
Water Data Needs	
	Deep Monitoring Well Construction
	CEQA complete and filed for Placer County and Roseville. Bid docs prepared and released. Bidding closes April 5. Targeting May/June drilling.
	Shallow Monitoring Well Construction
	CEQA complete and filed for Placer and Sutter counties. Encroachment permits complete. Bid docs prepared and released. Bidding closes April 5. Targeting May/June drilling.
	Monitoring Well Transducer Installation
	Installations complete into six existing wells and collecting measurements.
	Water Quality Sampling
	No Activity. Sampling anticipated in Fall 2019.
	Surface Water Inflow/Outflow Monitoring
	Transducers installed at all four locations. A temporary transducer was installed at Raccoon Creek which will be replaced with the permanent transducer soon. Initial flow measurements will be performed soon in order to assist with verifying/developing rating tables for each site.
Groundwater Management Tool Needs	
	Regional Data Management System
	Placer County Board approved contract. Draft white paper developed. Kickoff meeting scheduled on April 16.
	Regional Groundwater Model
	SGA met with consultant team on March 5 to discuss required data and how to best send out data request. Woodard & Curran to provide update to GSA Coordination Committee on data needs and process and schedule to collect data on April 8.
GSP Development	
	No activity to report.
Public Notification and Communications	
	Initial notification complete. Website complete. West Placer and SGA communications plans complete. South Sutter WD communication plan is being developed. Still need to prepare RD1001 and Sutter County communication plans.
GSA Coordination	
	Intrabasin GSA Coordination
	No January NASb meeting. February 4 meeting. April 8 meeting.
	Interbasin GSA Coordination
	No activity. Need to schedule meetings with Yuba, Sutter, Yolo, and central Sacramento.

AGENDA ITEM 7: GROUNDWATER MANAGEMENT PROGRAM UPDATE

BACKGROUND:

Staff will provide an update of groundwater management program activities. These include: 1) an update on the latest tracking of the SGA Water Accounting Framework (see enclosed table); 2) collection of Spring groundwater elevations; and 3) requests made of groundwater agencies for monthly pumping by well and information on groundwater quality.

STAFF RECOMMENDATION:

Information Presentation: Rob Swartz, Interim Executive Director

Water Accounting Framework, Phase III

Basin Sustainability Goal

Exchangeable Water

Entity	Total Demand	Target Pumping	Actual GW Pumped	Target minus Actual GW	Transfer of Credits	Basin Sustainability Balance	Surface Water Use	Water Transfer (out of basin)	Credits transferred	Net Banked Water	Exchangeable Water Balance	
Carmichael Water District		6,646									40,049	
	2012	9,895		1,580	5,066	0	5,066	8,315	0	0	5,066	45,115
	2013	10,400		2,031	4,615	0	9,681	8,369	0	0	4,615	49,730
	2014	8,517		3,575	3,071	0	12,752	4,942	0	0	3,071	52,801
	2015	7,353		2,755	3,891	0	16,643	4,598	0	0	3,891	56,692
	2016	7,696		1,419	5,227	0	21,870	6,277	0	0	5,227	61,919
	2017	8,495		2,597	4,049	0	20,692	5,898	0	0	4,049	65,968
	2018	8,614		2,947	3,699	0	24,391	5,667	408	0	3,291	69,259
City of Sacramento		20,591									36,568	
	2012	38,084		13,554	7,037	0	7,037	24,530	0	0	7,037	43,605
	2013	39,068		11,732	8,859	0	15,896	27,336	0	0	8,859	52,464
	2014	31,724		13,602	6,989	0	22,885	18,122	0	0	6,989	59,453
	2015	27,878		12,682	7,909	0	30,794	15,196	0	0	7,909	67,362
	2016	28,962		17,151	3,440	0	34,234	11,811	0	0	3,440	70,802
	2017	30,110		23,728	-3,137	0	31,097	6,382	0	0	0	70,802
	2018	30,221		23,495	-2,904	0	28,193	6,726	2641	0	-2,641	68,161
California American Water		17,995									7,115	
	2012	14,186		13,595	4,400	0	4,400	591	0	0	591	7,706
	2013	14,110		14,110	3,885	0	8,285	0	0	0	0	7,706
	2014	11,260		11,260	6,735	0	15,020	0	0	0	0	7,706
	2015	9,581		9,581	8,414	0	23,434	0	0	0	0	7,706
	2016	10,319		10,102	7,893	0	31,327	217	0	0	217	7,923
	2017	11,220		9,203	8,792	0	40,119	2,017	0	0	2,017	9,940
	2018	11,065		9,609	8,386	0	48,505	1,456	0	0	1,456	11,396
Del Paso Manor Water District		1,465									0	
	2012	1,499		1,499	-34	0	-34	0	0	0	0	
	2013	1,571		1,571	-106	0	-140	0	0	0	0	
	2014	1,246		1,246	219	0	79	0	0	0	0	
	2015	1,052		1,052	413	0	492	0	0	0	0	
	2016	1,128		1,128	337	0	829	0	0	0	0	
	2017	1,239		1,239	226	0	1,055	0	0	0	0	
	2018	1,226		1,226	239	0	1,294	0	0	0	0	
Golden State Water Company		1,098									0	
	2012	1,119		1,119	-21	0	-21	0	0	0	0	
	2013	1,184		1,184	-86	0	-107	0	0	0	0	
	2014	896		896	202	0	95	0	0	0	0	
	2015	778		778	320	0	415	0	0	0	0	
	2016	793		793	305	0	720	0	0	0	0	
	2017	854		854	244	0	964	0	0	0	0	
	2018	836		836	262	0	1,226	0	0	0	0	

Water Accounting Framework, Phase III

Basin Sustainability Goal

Exchangeable Water

Rio Linda / Elverta CSD	Total Demand	Target Pumping	Actual GW Pumped	Target minus Actual GW	Transfer of Credits	Basin Sustainability Balance	Surface Water Use	Water Transfer (out of basin)	Credits transferred	Net Banked Water	Exchangeable Water Balance
		2,882									109
2012	2,882		2,857	25	0	25	25	0	0	25	134
2013	3,052		3,052	-170	0	-145	0	0	0	0	134
2014	2,249		2,449	433	0	288	0	0	0	0	134
2015	2,109		2,109	773	0	1,061	0	0	0	0	134
2016	2,236		2,236	646	0	1,707	0	0	0	0	134
2017	2,458		2,458	424	0	2,131	0	0	0	0	134
2018	2,506		2,506	376	0	2,507	0	0	0	0	134
Sacramento County WA	Total Demand	Target Pumping	Actual GW Pumped	Target minus Actual GW	Transfer of Credits	Basin Sustainability Balance	Surface Water Use	Water Transfer (out of basin)	Credits transferred	Net Banked Water	Exchangeable Water Balance
		4,288									0
2012	5,211		5,211	-923	0	-923	0	0	0	0	0
2013	5,316		5,316	-1,028	0	-1,951	0	0	0	0	0
2014	4,559		4,559	-271	0	-2,222	0	0	0	0	0
2015	3,887		3,887	401	0	-1,821	0	0	0	0	0
2016	4,064		4,064	224	0	-1,597	0	0	0	0	0
2017	4,756		4,756	-468	0	-2,065	0	0	0	0	0
2018	4,817		4,817	-529	0	-2,594	0	0	0	0	0
Sacramento Suburban Water District	Total Demand	Target Pumping	Actual GW Pumped	Target minus Actual GW	Transfer of Credits	Basin Sustainability Balance	Surface Water Use	Water Transfer (out of basin)	Credits transferred	Net Banked Water	Exchangeable Water Balance
		35,035									183,034
2012	38,089		27,530	7,505	0	7,505	10,559	0	0	7,505	190,539
2013	38,554		38,145	-3,110	0	4,395	409	3,068	0	-2,659	187,880
2014	32,561		32,561	2,474	0	6,869	0	0	0	0	187,880
2015	27,502		27,422	7,613	0	14,482	80	0	0	80	187,960
2016	29,311		17,863	17,172	0	31,654	11,448	0	0	11,448	199,408
2017	31,253		19,791	15,244	0	46,898	11,462	0	0	11,462	210,870
2018	30,873		20,423	14,612	0	61,510	10,450	5,253	0	5,197	216,067

Sacramento Groundwater Authority Board Meeting
April 11, 2019

AGENDA ITEM 8: EXECUTIVE DIRECTOR'S REPORT

APRIL 11, 2019

TO: SACRAMENTO GROUNDWATER AUTHORITY BOARD

FROM: ROB SWARTZ

RE: EXECUTIVE DIRECTOR'S REPORT

- a. Legislative Update** – There are two bills in the legislature that address groundwater recharge. The first is AB 658 (E. Garcia), which is an extension of the work that SGA staff and ACWA has been engaged in to streamline a temporary (five-year) water rights permit for groundwater recharge. The second is AB 441 (Eggman), which would define groundwater recharge as a beneficial use.

The primary legislative issue for the water industry remains a water tax to fund safe drinking water in disadvantaged communities. It appears that most proposals have been introduced – a tax (budget trailer), a trust (SB 669), and a combination of the two (AB 217). AB 217 was recently introduced, and contains both a trust and a tax. The RWA is opposed unless the tax provisions are amended out of the bill. There are efforts toward develop of an additional non-tax option based on additional revenue coming to the state from new online sales taxes. RWA continues to work closely with the larger water industry on a non-water tax solution that addresses safe drinking water.

- b. SGA Outreach** – Mr. Swartz has been invited to participate in a small group Public Policy Institute of California (PPIC) workshop on “Water Trading, Water Banking, and Sustainable Groundwater Management” on April 19 in Sacramento.
- c. Executive Director Recruitment Process Update** – The deadline for applications was March 18, 2019. The consultant screened the candidates and presented results to the RWA Executive Committee on March 27, with interviews to be scheduled in late April.

Sacramento Groundwater Authority Board Meeting
April 11, 2019

AGENDA ITEM 9: DIRECTORS' COMMENTS