SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, June 11, 2020; 9:00 a.m.

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 on SGA’s website. 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 cpartridge@rwah2o.org. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Note: Pursuant to the Governor’s Executive Order N-29-20, and given the state of emergency regarding the threat of COVID-19, the meeting will be held via teleconference.

We encourage Board members and participants to join the meeting 10 minutes early. Note that we will use GoToMeeting to share slides and other information during the meeting. Use the link below to join GoToMeeting. If you have a microphone that you can use with your computer, it should be possible to both listen to, and participate in, the meeting through GoToMeeting. If you do not have a microphone, or a headset with a microphone, that plugs into your computer via USB port, you will need to call into the conference line to listen and comment, although you still should be able to view the meeting materials on GoToMeeting. Please do not simultaneously use a microphone through GoToMeeting and the telephone conference line. That combination results in audio problems for all participants.

Meeting Information:

Please join my meeting from your computer, tablet or smartphone.
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United States: +1 (224) 501-3412

Access Code: 399-801-453

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENT: Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.
3. **CONSENT CALENDAR**  
Minutes of December 12, 2019 and April 9, 2020 meeting  
**Action:** Approve December 12, 2019 and April 9, 2020 meeting minutes

4. **LEGISLATIVE/REGULATORY UPDATE**  
Information Update: Ryan Ojakian, Legislative/Regulatory Affairs Manager

5. **SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**  
Discussion: Caryl Sheehan, Chair, Brett Ewart, Vice Chair and Jim Peifer, Executive Director  
**Action:** Approve Memorandum of Understanding for Development of a Strategy for Shared Operations of the RWA, SGA and SCGA

6. **SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)-RELATED AND GROUNDWATER MANAGEMENT PROGRAM UPDATES**  
Information Update: Rob Swartz, Manager of Technical Services

7. **2020 GROUNDWATER SUBSTITUTION TRANSFERS**  
Information Update: Rob Swartz, Manager of Technical Services

8. **EXECUTIVE DIRECTOR’S REPORT**

9. **DIRECTORS’ COMMENTS**

**ADJOURNMENT**

**Next SGA Board of Director’s Meeting** – August 13, 2020, 9:00 a.m. at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights, the location is subject to change depending on the COVID-19 emergency

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/](http://www.sgah2o.org/meetings/board-meetings/).
AGENDA ITEM 3: CONSENT CALENDAR

Minutes of December 12, 2019 and April 9, 2020 meeting
Action: Approve December 12, 2019 and April 9, 2020 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
George Leidy, Carmichael Water District
Caryl Sheehan, Citrus Heights Water District
Brett Ewart, City of Sacramento
Linda Dorn, County of Sacramento
Randy Marx, Fair Oaks Water District
Paul Schubert, Golden State Water Company
Brett Gray, Natomas Central Mutual Water Company
Craig Davis, Orange Vale Water Company
Robert Reisig, Rio Linda/Elverta Community Water District
Dave Jones, Sacramento Suburban Water District
Pam Tobin, San Juan Water District
Rink Sanford, Self-Supplied Industry

Staff Members
Jim Peifer, Rob Swartz, Josette Reina-Luken, Cecilia Partridge, Monica Garcia and Chris Sanders, legal counsel

Others in Attendance
Trevor Joseph, David Gordon, Matti Siltanen, Alan Vail, Michael Johnson, Greg Zlotnick, and Hilary Straus. Nicole Krotoski participated via conference phone

2. PUBLIC COMMENT

None.

3. Board secretary appointment

Appoint Josette Reina-Luken as the SGA Board Secretary
Motion/Second/Carried (M/S/C) Mr. Schubert moved, with a second by Mr. Jones, to appoint Josette Reina-Luken as the SGA Board Secretary. The motion carried by the unanimous voice vote of all directors present.

4. CONSENT CALENDAR

The minutes of the August 8, 2019 and October 10, 2019 meetings.

M/S/C Mr. Schubert moved, with a second by Mr. Jones, to approve the August 8, 2019 and October 10, 2019 Sacramento Groundwater Authority (SGA) Board minutes. The motion carried by the unanimous voice vote of all directors present.

5. WATER MANAGEMENT OPTIONS PILOT MEMORANDUM OF AGREEMENT

Rob Swartz, Manager of Technical Services, noted that this item was presented to the SGA Board in October 2019. No action was taken at that meeting, as there was not a quorum of the Board present.

In July 2019, the Regional Water Authority (RWA) adopted a Regional Water Reliability Plan (RWRP). Among the recommendations of the RWRP was to develop the Sacramento Regional Water Bank (Water Bank) as a means of expanding conjunctive use operations in the region to improve water supply reliability. A copy of the RWRP is available at https://rwah2o.org/regional-waterreliability-and-drought-contingency-plan/. RWA is still in the planning phases of the proposed Water Bank, with a goal of having federal recognition by the United States Bureau of Reclamation (USBR) by 2022.

An objective of the Water Bank is to store and recover federal Central Valley Project (CVP) water supply. As a result, the USBR would like us to work with them to come up with appropriate storage and recovery parameters. There is a model to use called CALSIM 3 that allows for simulation of CVP operations. Related to planning for the Water Bank, RWA successfully applied for funding assistance through the USBR’s Basin Study – Water Management Options Pilot Program. RWA has been awarded $650,400 that will be used to conduct operations modeling with USBR to ensure that the Water Bank does not impact CVP operations. The operations model is for surface water operations related to reservoirs and rivers, and it would need to be linked to the regional integrated water flow model (IWFM) groundwater model currently being developed in the region to evaluate the Water Bank. The IWFM model development is being used to meet the local cost share requirement for the Reclamation funding support. Because SGA is managing the development of the IWFM model for the North American Subbasin (NASb), SGA would need to be a part of the Memorandum of Agreement (MOA) currently being developed between RWA
and USBR. This would allow the funds being used for the NASb IWFM to be counted as local cost share. Staff requested that the Board authorize the Executive Director to enter into the MOA with RWA and USBR upon its completion. There is no fiscal impact to SGA through the MOA. A copy of the MOA template was included in the packet.

M/S/C Mr. Leidy moved, with a second by Mr. Gray to authorize the Executive Director to enter into a Water Management Options Pilot Memorandum of Agreement with the Regional Water Authority and United States Bureau of Reclamation. The motion carried by the unanimous voice vote of all directors present.

6: ELECTION OF 2019 SGA OFFICERS

The SGA Board elects a chairperson and vice-chair annually at its December meeting. The Chair appointed a nominating committee including Paul Schubert, Marcus Yasutake and Pam Tobin.

Nominations from the committee were for Caryl Sheehan as 2020 SGA Chair and Brett Ewart as 2020 SGA Vice Chair.

M/S/C Mr. Schubert moved, with a second by Mr. Gray, to elect Caryl Sheehan as 2020 SGA chair and Brett Ewart as 2020 SGA vice chair. The motion carried by the unanimous voice vote of all directors present.

7. GROUNDWATER SUSTAINABILITY PLAN DEVELOPMENT UPDATE

Rob Swartz reported that after spending much of 2018 and 2019 assembling existing information and developing new data for the North American Subbasin (NASb), we are now ready to begin developing the Groundwater Sustainability Plan (GSP) document. GSP development is expected to be completed in mid-2021. Staff recently reached out to 10 individuals that had expressed an interest in development of the GSP. This outreach is required by the Sustainable Groundwater Management Act (SGMA). Staff proposes to use the regular SGA Board meetings as an appropriate forum for interested parties to participate in development of the GSP. Throughout 2020, staff will provide presentations to the Board on the six sustainability indicators required in a GSP under SGMA. In mid-2020, we expect to have initial modeling results that will give insight on a comprehensive water budget for the NASb. Throughout the remainder of GSP development, the Board may notice increased public participation in meetings as a result of interest from the party outreach.
8. AN OVERVIEW OF THE SACRAMENTO GROUNDWATER AUTHORITY

Jim Peifer, Executive Director, said that SGA Chair Tobin and Vice Chair Sheehan requested a presentation on the background and formation of SGA and the historical development over time providing educational information as a refresher for SGA members as well as for new members on the SGA Board. Throughout 2020, staff will give presentations on various GSP-related issues to the Board.

Mr. Swartz said that as discussed under agenda Item 7, Groundwater Sustainability Plan (GSP) development is commencing. A common understanding of SGA’s activities will be helpful as we begin development of the GSP. The purpose of forming SGA was to maintain the long-term sustainable yield of the North Area Basin, to facilitate implementation of an appropriate conjunctive use program by water purveyors, to devise and implement strategies to safeguard groundwater quality, and to work collaboratively with other entities to promote coordination of policies and activities throughout the region. Mr. Swartz explained that SGA possesses broad powers to ensure groundwater sustainability. SGA has maintained a small staff that is shared through an agreement with the Regional Water Authority. SGA has maintained a sustainable funding formula to date with two primary components, groundwater extraction fee and base administrative fee. A progressive groundwater management program has been maintained, focusing on where any problems were to address groundwater quantity. Each agency voluntarily accepted a pumping target in the Central Area of SGA. Practicing conjunctive use is key to sustainable groundwater quantity. SGA also focuses on groundwater quality by establishing a regional contamination issues committee, evaluating the potential movement of known plumes, and evaluating emerging issues of regional concern.

9. SGA FISCAL YEAR 2020 BUDGET REALLOCATION

Mr. Peifer said that on three past occasions, the Regional Water Authority (RWA) has employed CALPERS retirees as a Retired Annuitant (Annuitant). Such employment is on a temporary basis to assist in completion of specific work for which the Annuitant possesses specialized knowledge or experience. For one of the previous engagements, RWA hired an Annuitant to assist the Sacramento Groundwater Authority (SGA) in completing its 2014 Groundwater Management Plan. SGA funded the position.

SGA staff has identified the need for assistance to complete the state-mandated Groundwater Sustainability Plan (GSP), which is due by January 31, 2022. Among other requirements, preparation of the GSP will include a detailed analysis of groundwater level data and trends to assess basin health from a quantity perspective, a relationship between groundwater and surface water and detailed analysis of groundwater quality data and trends to characterize basin health from a quality perspective.
Staff has identified Barbara Houghton as an Annuitant with the experience to assist with this work. Ms. Houghton is a California Professional Geologist and Certified Hydrogeologist with more than 25 years of private and public sector experience in groundwater. Most recently, Ms. Houghton was a manager with the El Dorado County Environmental Management Department where she had oversight of multiple programs including the Hazardous Materials Program (underground storage tanks, hazardous materials, hazardous waste, incident response), Solid Waste Program (illegal dumping, litter), Water Program (small water systems and wells), and Liquid Waste Program (septic systems). Ms. Houghton retired from this position in December 2018 and is eligible to be employed as an Annuitant.

Staff is proposing to work with RWA and SGA legal counsel to develop a temporary employment contract with Ms. Houghton for the period January 1, 2020 through January 31, 2022. Staff will be seeking authorization from the RWA Executive Committee on December 11, 2019 to enter into this agreement upon its completion. To fully authorize the proposed employment action through the remainder of the current fiscal year, SGA staff is seeking approval of the SGA Board to fund the temporary staff position. To do so, staff is requesting concurrence to reallocate $30,000 from the SGA “Professional Fees” budget category in the adopted fiscal year 2020 (FY20) budget to the “Staff Expenses” budget category. Staff has identified available funds from the FY20 budget in the “SGA Consultants – Program Management,” which is a sub-category of the Professional Fees budget category. This sub-category was approved for $60,000 in FY20, and there are currently no other projected expenses for the entirety of FY20. Additionally, the proposed Annuitant work is consistent with the planned use of these funds. Funding for the Annuitant beyond FY20 would be subject to approval of the SGA Board during its annual budget process.

M/S/C Mr. Schubert moved, with a second by Mr. Leidy, to reallocate $30,000 from the SGA Professional Fees Budget Category to the Staff Expenses Budget Category. The motion carried by the unanimous voice vote of all directors present.

10. EXECUTIVE DIRECTOR’S REPORT

SGA Outreach – Jim Peifer gave a presentation on Groundwater Management to the Sacramento Local Agency Formation Commission on November 6th. Darrell Eck, Executive Director for the Sacramento Central Groundwater Authority (SCGA), Linda Dorn, Sacramento County Water Agency and Dave Underwood were present for the presentation.

Mr. Peifer attended the fall ACWA Conference in San Diego from December 3rd to
December 5th. Meetings were held to discuss the Sacramento Regional Water Bank, the Resiliency Portfolio and the Voluntary Agreements with a few managers from the American River Region and representatives from other regions around the State.

Also at ACWA, Mr. Peifer attended the Groundwater Committee on December 3rd. Presentations were given by the State Water Resources Control Board on the new streamlined permitting for capturing high flow events for the purpose of recharging groundwater. The Department of Water Resources gave an update on the Sustainable Groundwater Management Act.

Mr. Peifer gave a presentation to the SCGA Board on December 11th on the current relationship between the Regional Water Authority and SGA. SCGA is considering how they will staff their agency in the future.

Water Resilience Portfolio Initiative – Governor Newsom signed an executive order directing his administration to develop a comprehensive strategy to build a climate-resilient water system. The order directs the secretaries of the California Natural Resources Agency, California Environmental Protection Agency and the California Department of Food and Agriculture to identify and assess a suite of complementary actions to ensure safe and resilient water supplies, flood protection and healthy waterways for the state’s communities, economy and environment.

The Resiliency Portfolio report is expected to be released this month but the precise date is not certain. Staff will be reviewing the document upon its release and providing comments.

Mr. Peifer reminded everyone of the Annual Holiday Social this evening beginning with a social hour at 6:00 p.m. at North Ridge Country Club. Monica Woods will be the featured speaker.

11. DIRECTORS’ COMMENTS

Mr. Leidy invited everyone to an open house retirement celebration for Steve Nugent at the Carmichael Water District office on December 27th.

Mr. Schubert wished everyone a Merry Christmas. He thanked Chair Tobin for her services as 2019 SGA Chair and congratulated her on her new role as ACWA Vice Chair.

Mr. Ewart said that over the next year an initial study will begin for the systematic replacement of aging wells within the City of Sacramento service area.
Mr. Sanford thanked Mr. Swartz for his presentation on the history of SGA. It was beneficial for seasoned members as well as a refresher for new members.

Vice Chair Sheehan said that she looks forward to hearing more about the climate change issue.

Mr. Peifer mentioned that a letter was sent to the state earlier this year that outlined things which might be helpful from the state on the climate change issue. The letter was generally to leverage opportunities for the relationships within our region including the RWA and SGA. There are also some signature projects that would be helpful for adapting to climate change. We would prefer to not see a check list of one size fits all for everyone in the state.

Ms. Tobin said that as ACWA Vice Chair she has an open-door policy and invites anyone who has needs or concerns to reach out to her. She asked that everyone support Mr. Peifer as the fairly new Executive Director.

**ADJOURNMENT**

With no further business to come before the board, Chair Tobin adjourned the meeting at 10:30 a.m.

By:

Chairperson

Attest:

Josette Reina-Luken, Finance and Administrative Services Manager
1. CALL TO ORDER

Chair Sheehan called the meeting of the Board of Directors to order at 9:00 a.m. as a teleconference meeting. Individuals in attendance are listed below:

Board Members
Roy Leidy, Carmichael Water District
Caryl Sheehan, Citrus Heights Water District
Marcus Yasutake, City of Folsom
Brett Ewart, City of Sacramento
Linda Dorn, County of Sacramento
Randy Marx, Fair Oaks Water District
Paul Schubert, Golden State Water Company
Brett Gray, Natomas Central Mutual Water Company
Mary Harris, Rio Linda/Elvera Community Water District
Craig Locke, Sacramento Suburban Water District
Ted Costa, San Juan Water District
Mike DeWit, Agriculture
Rink Sanford, Self-Supplied Industry

Staff Members
Jim Peifer, Rob Swartz, Ryan Ojakian, Josette Reina-Luken, Cecilia Partridge, Monica Garcia and Chris Sanders, legal counsel

Others in Attendance
Mark Emmerson, David Wheaton, Robert Reisig, Bob Wichert, Kevin Thomas, Kathleen McPherson, Pam Tobin, Marty Hanneman, Dan York, Alan Driscoll, Nicole Kotoski, Greg Zlotnick, Paul Helliker, Alan Vail, Paul Selsky, Jeff Harris, David Gordon, Todd Eising, John Woodling, Cathy Lee, Ali Taghavi and Jafar Faghih

2. PUBLIC COMMENT

Mr. Leidy introduced Cathy Lee as the new general manager for Carmichael Water District. Ms. Lee said she was anxious to start working with everyone.

3. CONSENT CALENDAR

Approval of the minutes from the February 13, 2020 Board meeting

Mr. Peifer noted that the December 12, 2019 SGA Board meeting minutes will be included on the June 2020 SGA agenda for approval.
Motion/Second Carried (M/S/C) Ms. Harris moved, with a second by Mr. Ewart, to approve the February 13, 2020 SGA Board meeting minutes. Roy Leidy, Carmichael Water District, Caryl Sheehan, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Linda Dorn, County of Sacramento, Randy Marx, Fair Oaks Water District, Paul Schubert, Golden State Water Company, Brett Gray, Natomas Central MWC, Mary Harris, Rio Linda/Elverta CWD, Craig Locke, Sacramento Suburban Water District, Ted Costa, San Juan Water District, Mike DeWit, Agriculture and Rink Sanford Self-Supplied Industry voted yes. The motion carried by the unanimous vote of all directors present.

4. SGA FISCAL YEAR 2020 – 2021 BUDGET

Each year the SGA Budget Subcommittee (Committee) reviews and makes a recommendation for adoption of the budget. The Fiscal Year 2020-2021 (FY21) SGA Committee members include Brett Ewart, City of Sacramento (Vice Chair); Mary Harris, Rio Linda/Elverta Community Water District; Kathleen McPherson, Sacramento Suburban Water District; Paul Schubert, Golden State Water Company; and Marcus Yasutake, City of Folsom. The committee held a teleconference on March 27, 2019 to discuss the budget goals and fees. Ms. Harris, Mr. Shubert and Mr. Ewart participated in the teleconference.

Josette Reina-Luken, Finance and Administrative Services Manager gave an overview of the proposed budget including the proposed fees for FY21, budget policies, CalPERS unfunded pension liability, the Sustainable Groundwater Management Act, program objectives for the FY21 budget, SGMA designation, other budget assumptions and the future budget outlook.

Overall, the proposed fee increase for groundwater and base fees for FY21 is approximately four percent (4%). Total fees are higher by approximately $27,000. Some members will experience a higher fee increase because of their groundwater extraction.

The proposed fees per unit for FY21 are as follows: the base fee for agencies is $10,605, with a per connection fee of $1.37 for each connection above 6,000 connections; and the groundwater fee is $6.60 per acre foot.

SGA is planning on accomplishing program objectives during fiscal year 2021 that include the Annual Basin Management Report, Updating the Groundwater Sustainability Plan, Monitoring Water Quality Levels, Maintaining/Improving the Data Management System, updating the Regional Groundwater Model and continuing compliance with the Sustainable Groundwater Management Act (SGMA) in the North American Subbasin.
SGA follows several policies in preparation of the annual budget. They include SGA Budget Policy 400.3 that 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.

SGA shares 50% of the administrative costs incurred by RWA to run both organizations. In addition to sharing in 50% of administrative staff time from RWA, SGA plans to continue to use 20% of RWA’s project assistant, 10% of RWA’s legislative affairs position, and a half-time retired annuitant. Total FTE count for SGA is proposed to be 2.8 FTEs. 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.

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 updated pay ranges for positions at the February 13, 2020 meeting and they are posted on the SGA website.

The FY21 budget reflects a proposed 6% increase in staffing compensation to reflect 4% for merit and a possible 2% Cost of Living Allowance (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 2019 was 2.5%. Salaries in FY21 budget reflect the Executive Director and Finance and Administrative Services Manager at the current salary which is lower than FY20 budgeted staff costs due to retirements/staff turnover. Staffing expense in FY21 covers the cost of compensation increases, the annuitant annual salary costs estimated at $60,000, and approximately $24,000 in salary costs from the portion of RWA’s Legislative Manager. Salary costs also include some expenses for employee development, training and travel.

Beginning July 1, 2016, SGA became a CalPERS entity and began making its own pension payments for the employee portion that it uses. 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. In October of 2019, SGA received a revised estimate from CalPERS. The revised unfunded pension liability balance is $94,530. The increase is a result from CalPERS change in methodology, revised discount rate, and updated mortality tables. This change will increase SGA’s
future payments to $26,700 for the remaining three years (up from $14,500) in order to stay within the policy’s intent.

The liability can be affected by market performance compared to assumptions. CalPERS provides annual updates. Paying the liability over shorter time frames does result in greater payment swings, both positive and negative.

SGA refers to funding 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.

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. Due to unexpected circumstances, the RWA and SGA funds for office improvement were used to pay for temporary office relocation as a result of a building flood. Some of these funds may be recouped through insurance reimbursement, but the anticipated claim will not be finalized until next fiscal year. As the reimbursement would be paying FY20 incurred expenses, there are no future funds allocated for office improvements in FY21 going forward.

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

Overall FY21 expenses are expected to exceed fees by $251,993 which includes SGMA invoice retainage. The operating fund plus undesignated cash is projected to be 4.7 months for FY21 which is within policy limits. SGMA implementation designation used for FY20 is estimated at $208,000 with the remaining balance being used for FY21 SGMA expenses. There are no remaining SGMA designations after FY21. This designation will be dependent upon the actual expenses incurred in FY20 and the timing of grant funds received.

SGA can anticipate additional rate increases in the future in order to fund staff positions. The current proposed budget does reflect approximately a 15% increase for FY22 and 17% increase in FY23 to cover the cost of the retired annuitant and the transition of adding an Associate/Senior Project Manager position (1 FTE). Thereafter, the rate of increase stabilizes. Fee increases could be higher in FY22 depending upon the cost obligations that SGA will incur acting as the GSA for groundwater management, but that would be a shared cost amongst the five GSAs. SGA does not yet know the extent and cost of these future obligations. Approving the FY21 proposed budget does not approve future budget projections. Budget and projection results may not be achieved.

Ms. Reina-Luken answered Ms. Harris questions on the increase in agency dues and employee benefit contributions.
Chris Sanders said that there was no motion or second needed due to the formal roll call. Roy Leidy, Carmichael Water District, Caryl Sheehan, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Linda Dorn, County of Sacramento, Randy Marx, Fair Oaks Water District, Paul Schubert, Golden State Water Company, Brett Gray, Natomas Mutual Central WD, Greg Locke, Sacramento Suburban Water District, Ted Costa, San Juan Water District, Mike DeWit, Agriculture and Rink Sanford Self-Supplied Industry voted yes. Mary Harris, Rio Linda/Elverta CWD opposed the motion. The action to adopt Resolution No. 2020-01 to fund the administrative and program budgets for FY 2020 – 2021, and providing for the collection of said funds carried by double majority vote of 78.88% (must be greater than 50% of weighted votes in order to pass) of the directors present.

5. **CHECK SIGNING AUTHORITY POLICY UNDER THE COVID-19 STATE OF EMERGENCY (SGA POLICY 400.5)**

Jim Peifer, Executive Director, said that the SGA Policy 400.5 defines who may sign checks for the SGA. The policy requires that under certain circumstances, a check must be signed by two individuals depending on the amount, which would include the Board Chair or Vice Chair, in addition to the Executive Director (ED), Manager of Technical Services (MTS), or the Finance and Administrative Services Manager (FASM). For example, for amounts over $10,000 paid from the General Fund Account, two signatures are required. A copy of policy 400.5 was included in the packet.

While the policy allows for either the ED, MTS, or FASM to sign checks, in practice, the ED signs checks unless he is out of the office for an extended period.

The SGA banks with the Bank of America. The Bank of America does not require two signatures on a check and will process a check with one signature.

The various State and Local orders to shelter in place and social distancing will make the acquisition of two signatures impractical for the near future. SGA staff proposes that checks that require two signatures be authorized by the Board Chair or Vice Chair via email approval for the duration of the emergency. The emails will be archived and made available to auditors or others as necessary. Checks will be signed by the FASM for the duration of the emergency with the approval of the ED.

There was discussion on the check signing options available and the proposed practice. This will not be long term but will only be while the state of emergency is in place. If the state of emergency lasts longer than four months, this will be brought back to the SGA board for further consideration.
6. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

Mr. Peifer said that at the March 11, 2020, Sacramento Central Groundwater Authority (SCGA) Board meeting, the SCGA Board directed the Chair and Vice Chair to “bring a roadmap for getting from A to B” with regard to the potential for the RWA to provide staffing services for the SCGA. There was a request during the SCGA Board meeting to establish a joint committee of the RWA, SGA and SCGA chairs and vice chairs for the purpose of facilitating discussions between the three boards. The joint committee would be known as a “2x3 committee.” Chair Sheehan has appointed herself and Vice Chair Brett Ewart to an ad hoc committee, which would be part of the 2x3 committee.

The 2x3 Committee met on April 2, 2020 to begin the discussions. A request from Chair Sheehan was to have SCGA submit a proposal to SGA for consideration. The ad hoc committee will continue to meet and provide updates to SCGA, SGA and RWA. There is interest for a proposal that will provide better understanding for members.

Todd Eising said that discussions are very preliminary. At the latest SGCA Board meeting there was a request for a plan for what SCGA can bring to the group, what the regional benefits would be and any potential risks. There is an SCGA ad hoc committee that will be meeting soon to formulate a plan to be presented to SCGA, RWA and SGA including a transition plan and costs involved.

Chair Sheehan said that RWA and SGA are evaluating the potential proposal and accessing the potential risks as well as making a tentative plan on how they would work this out practically including a time frame. SGA and RWA are looking for additional information from SCGA for further discussion.

It was requested that a proposed time line with additional information from SCGA be presented at the June SGA Board meeting.

7. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) – RELATED AND GROUNDWATER MANAGEMENT PROGRAM UPDATES

Mr. Swartz said that progress continues on development of the North American Basin (NASb) Groundwater Sustainability Plan (GSP). The consulting teams supporting plan development have successfully transitioned to telecommuting, so there are no significant anticipated delays associated the current COVID-19 situation. A status table of NASb tasks as related to the Proposition 1 Sustainable Groundwater Program Grant was enclosed in the packet. A budget status table of revenues, expenses, and receivables as of March 31, 2020 was also enclosed in the packet. The NASb Groundwater Sustainability Agency Coordination Committee met via teleconference on April 6, 2020.

Staff has collected groundwater extraction data and entered it into the Water Accounting Framework tracking spreadsheet that was enclosed in the packet. In
2019, significant amounts of surface water were used in the central part of SGA, resulting in a net banked water increase of 24,400 acre-feet from 2018.

Staff collected required semi-annual California Statewide Groundwater Elevation Monitoring (CASGEM) in April. An update on groundwater elevations in select monitoring wells was provided to the Board.

8. EXECUTIVE DIRECTOR’S REPORT

Staff vacated the temporary office and moved back into their Birdcage offices in early March. There are still unpacked boxes and replacement of water damaged furniture is still needed.

The Governor has sent a letter to the Secretary of the Interior requesting federal support for the Water Bank. A copy of the letter was included in the packet. We will be able to utilize this when we are seeking future financing and grants.

The Governor issued an Executive Order N-42-20 (EO) on April 2, 2020 which required water systems to not discontinue service for non-payment under certain circumstances. The EO requires service to be resumed for any residential service that have been discontinued since March 4, 2020. A press release issued by RWA in response to the order was included in the packet.

The Water Forum has delayed its initial steering committee due to unforeseen circumstances. The meeting has been rescheduled for next month. The primary steering committee members will include Paul Shubert (Golden State Water Company), Dan York (Sacramento Suburban Water District), Darin Reintjes (Placer County Water Agency), Greg Zlotnick (San Juan Water District) and Jim Peifer (RWA) for the water caucus. Public caucus members include Kerry Schmitz (Sacramento County Water Agency) and Bill Busath (City of Sacramento). The board will receive updates on the progress of the meetings.

RWA and SGA staff are working from home, except for very infrequent trips to the office, and only if necessary. I have authorized all staff to be paid for using their cell phone during the duration of the emergency consistent with RWA policy 500.17, unless they have an RWA issued cell phone and service plan.

9. DIRECTORS’ COMMENTS

Mr. Schubert said that Golden State Water Company is looking at groundwater substitution transfers this year coming from the South American Subbasin.

Ms. Harris thanked staff for their presentations during the meeting.

Mr. Ewart said that the City of Sacramento is exploring the possibility of engaging in groundwater substitutions this year.
Mr. Wichert said that the Sacramento Suburban Water District board has given the general manager the authority to look into groundwater transfers.

Ms. Tobin thanked staff for the time and work they put into the meeting presentations. She especially thanked Mr. Swartz for the diagrams on the wells.

**ADJOURNMENT**

With no further business to come before the board, Chair Sheehan adjourned the meeting at 10:27 a.m.

By:

______________________________________________
Chairperson

Attest:

______________________________________________
Josette Reina-Luken, Board Secretary/Treasurer
AGENDA ITEM 4: LEGISLATIVE/REGULATORY UPDATE

BACKGROUND: The Legislature has been operating on a restricted basis due to compliance with public health requirements associated with COVID-19. There has been a greatly reduced number of bills moving forward. There are currently no identified bills that would have a significant impact on SGA groundwater management.

Of particular note the Department of finance has estimated a $54.3 billion dollar state budget deficit. The Administration proposed a revised budget on May 14th (May revise). The May revise relies heavily on cuts and places significant emphasis on additional funding from the federal government to reduce the severity of the cuts. The Senate and Assembly are proposing a budget that assumes federal funding and will only implement cuts if that federal funding does not materialize by October 1, 2020. It is expected that the Senate and Assembly will pass their joint budget by the constitutional deadline of June 15th. It is not known at this time if the Governor will accept the budget as proposed.

Discussions on a potential bond continue. What that bond may look like are not known at this time. However, the Administration removed its support for a resilience bond as part of the May revise. The Senate has SB 45 (Allen) moved towards the end of the Legislative process and the Assembly has kept AB 3256 (E. Garcia) moving. For a bond to appear on the November ballot, without requiring supplemental voting materials to be sent out the Legislature must pass a measure by August 10th.

During this time Governor Executive Orders are most likely to be where requirements may change. The Governor has issued three executive orders of particular note. The most significant of which prohibits water shutoffs https://www.gov.ca.gov/wp-content/uploads/2020/04/4.2.20-EO-N-42-20.pdf. At this time, it is not known when this executive order will end, but it appears that the California Public Utilities Commission (PUC) will require the investor owned water systems to prohibit shutoffs until April 2021.

There is also an executive orders related to workers compensation https://www.gov.ca.gov/wp-content/uploads/2020/05/5.6.20-EO-N-62-20-text.pdf which would presume that any essential work contracted COVID on the job and that there employer is responsible for that individuals workers compensation benefits.

And there is an executive order that suspends some of the timelines and procedures under CEQA https://www.gov.ca.gov/wp-content/uploads/2020/04/N-54-20-COVID-19-text-4.22.20.pdf

In the regulatory realm the SGMA implementation is proceeding. The State Water Board received an update at their June 2, 2020 board meeting. There is no additional action or amendments to SGMA expected in the immediate future.
Sacramento Groundwater Authority Board Meeting
June 11, 2020

**STAFF RECOMMENDATION:**

Information Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager
AGENDA ITEM 5: SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

BACKGROUND:

The Sacramento Central Groundwater Authority (SCGA) is interested in the potential for the Regional Water Authority (RWA) to provide staffing services to the SCGA, similar to how RWA has provided staffing services to the SGA. The SGA, RWA and SCGA are referred to collectively as the “Authorities” in this staff report.

The Chairs and Vice Chairs of the Authorities (referred to as the “2 x 3”) met on May 20th, along with the RWA/SGA Executive Director and the SCGA Interim Executive Director, John Woodling, to begin the discussions on the next steps of evaluating the potential for providing staffing support. The 2 x 3 participants in the meeting thought it would be helpful to develop a memorandum of understanding (MOU) to guide future discussions and to develop a common understanding and principles for the evaluation process.

No decisions have been made regarding the RWA providing staff services to the SCGA. Should the MOU be approved by the Authorities, a 3x3 ad hoc committee (3x3) will be created to facilitate discussions and negotiations. The proposed 3x3 will include the Chair and Vice Chair of RWA, SGA, and SCGA, as well as an additional member of the Board of Directors of each. The makeup of each AUTHORITY delegation should include one individual who represents an entity that is exclusive to that AUTHORITY, i.e. not a member of more than one AUTHORITY. The 3x3 ad hoc committee will include the Executive Director of RWA/SGA and the Interim Executive Director of SCGA, with additional staff support as needed.

The MOU further requires that:

- Updates on progress will be provided to the Board of Directors of each AUTHORITY regularly.
- At the appropriate time and as needed, each AUTHORITY will be represented by and be responsible for its own attorney(s) and legal costs to review any agreement among the AUTHORITIES.
- Operational and administrative as well as governance changes may be needed to implement an effective collaborative solution.
- Any potential operational or governance agreement among the AUTHORITIES shall be beneficial to each in its own right, both financially and in terms of the level and quality of services provided. The Boards of the independent AUTHORITIES will make this determination.
- Any potential operational or governance agreement among the AUTHORITIES shall strive to be beneficial, or be at least neutral, to each AUTHORITY, both financially and in terms of the level and quality of services provided.
Sacramento Groundwater Authority Board Meeting
June 11, 2020

- Implementation of any operational or governance agreement shall be structured and phased in a manner that minimizes disruption of ongoing operations of each AUTHORITY.

Changes in the SCGA joint powers authority agreement will likely be required to allow the RWA to staff the SCGA.

The Authorities may wish to maintain the SCGA and SGA as separate organizations, or the Authorities could consider merging the SCGA and SGA, if there is a benefit in doing so. The SCGA has discussed the potential for merging with SGA and there was no interest in pursuing a merger at the time of the discussion.

**STAFF RECOMMENDATION:**

Discussion: Caryl Sheehan, Chair, Brett Ewart, Vice Chair and Jim Peifer, Executive Director

**Action:** Approve Memorandum of Understanding for Development of a Strategy for Shared Operations of the RWA, SGA and SCGA
MEMORANDUM OF UNDERSTANDING FOR DEVELOPMENT OF A STRATEGY FOR SHARED OPERATIONS of
the REGIONAL WATER AUTHORITY, the SACRAMENTO GROUNDWATER AUTHORITY, and the
SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

WHEREAS, water resources planning and implementation in the greater Sacramento area has benefitted
considerably from collaborative and regional approaches to problem solving; and

WHEREAS, the REGIONAL WATER AUTHORITY (RWA), the SACRAMENTO GROUNDWATER AUTHORITY
(SGA) and the SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA), collectively referred to
hereinafter as “the AUTHORITIES” have a common purpose in their respective formations to implement
elements of the Sacramento Water Forum Agreement (Water Forum); and

WHEREAS, the RWA was formed in 2001 to assist its water purveyor members in implementing a
regional conjunctive use program to meet commitments under the Water Forum; and

WHEREAS, the SGA was formed in 1998 to manage the groundwater basin underlying Sacramento
County north of the American River (the North Area), in satisfaction of the Groundwater Management
Element of the Water Forum; and

WHEREAS, the SCGA was formed in 2006 to manage the groundwater basin underlying a portion of
Sacramento County south of the American River (the Central Area), in satisfaction of the Groundwater
Management Element of the Water Forum; and

WHEREAS, the Water Forum is beginning a process to evaluate and revise the Agreement to reflect
changes that have occurred in the two decades since its signing and provide a framework for the future;
and

WHEREAS, the Sustainable Groundwater Management Act (SGMA), passed as state law in 2014 provides
for additional responsibilities and authorities for groundwater management and will require
coordination between the SGA and SCGA, which have elected to become Groundwater Sustainability
Agencies, the responsible entities under SGMA; and

WHEREAS, the AUTHORITIES share a number of common water purveyor members that have seats on
the Boards of Directors of two or three of the independent agencies; and

WHEREAS, the RWA and the SGA have entered into an agreement to share costs and certain operational
staff, and with RWA acting as the employer of all staff; and

WHEREAS, the SCGA is seeking to enter into a similar agreement for administration by RWA; and

WHEREAS, the AUTHORITIES recognize a potential to gain mutual benefit by exploring opportunities for
shared approaches to operations;

THEREFORE, the AUTHORITIES agree through this Memorandum of Understanding to work
cooperatively towards an integration of SCGA into the existing joint operation of RWA and SGA, subject
to the following framework and guiding principles.
1. Discussions and negotiations will be conducted by a “3x3” ad hoc committee consisting of the Chair and Vice Chair of RWA, SGA, and SCGA, as well as an additional member of the Board of Directors of each. The makeup of each AUTHORITY delegation should include one individual who represents an entity that is exclusive to that AUTHORITY, i.e. not a member of more than one AUTHORITY.

2. The 3x3 ad hoc committee will include the Executive Director of RWA- SGA and the Interim Executive Director of SCGA, with additional staff support as needed.

3. Updates on progress will be provided to the Board of Directors of each AUTHORITY regularly.

4. At the appropriate time and as needed, each AUTHORITY will be represented by and be responsible for its own attorney(s) and legal costs to review any agreement among the AUTHORITIES.

5. Operational and administrative as well as governance changes may be needed to implement an effective collaborative solution.

6. Any potential operational or governance agreement among the AUTHORITIES shall be beneficial to each in its own right, both financially and in terms of the level and quality of services provided. The Boards of the independent AUTHORITIES will make this determination.

7. Any potential operational or governance agreement among the AUTHORITIES shall strive to be beneficial, or be at least neutral, to each AUTHORITY, both financially and in terms of the level and quality of services provided.

8. Implementation of any operational or governance agreement shall be structured and phased in a manner that minimizes disruption of ongoing operations of each AUTHORITY.
AGENDA ITEM 6: SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)-RELATED AND GROUNDWATER MANAGEMENT PROGRAM UPDATES

BACKGROUND:

Progress continues on development of the North American Basin (NASb) Groundwater Sustainability Plan (GSP). Groundwater model calibration is nearing completion. We expect to have groundwater budget information from the model later this summer, which is a critical component of a GSP and an important tool in establishing sustainable management criteria. SGA recently completed a grant agreement amendment with the Department of Water Resources to: 1) add development of a web-based portal to increase public engagement and receive comment draft portions of the GSP when available; and 2) perform analysis of potential groundwater dependent ecosystems for the GSP. The additional work items do not impact SGA’s current contribution to GSP development as monitoring well construction tasks finished under budget. The NASb Groundwater Sustainability Agency Coordination Committee met via teleconference on May 18, 2020 and will meet again on June 29, 2020.

The SGA Regional Contamination Issues Committee met on April 23rd via GoToMeeting. At the meeting, the committee received updates on cleanup progress at the former McClellan Air Force Base and on the Aerojet Facility near Rancho Cordova. Also discussed was a recent white paper on the economic feasibility of a hexavalent chromium standard (available at https://www.waterboards.ca.gov/drinking_water/programs/documents/cr6econwp.pdf) and the updated information on the emerging Per- and Polyfluoroalkyl Substances (PFAS) (available at https://www.waterboards.ca.gov/water_issues/programs/pfas/).

Staff has submitted required semi-annual California Statewide Groundwater Elevation Monitoring (CASGEM) to the state. Levels are collected in cooperation with Sacramento Suburban Water District. An update on groundwater elevations in select monitoring wells will be provided to the Board.

STAFF RECOMMENDATION:

Information Update: Rob Swartz, Manager of Technical Services
AGENDA ITEM 7: 2020 GROUNDWATER SUBSTITUTION TRANSFERS

BACKGROUND:

Several Sacramento area water purveyors (“Sellers”) have joined together on a single coordinated transfer up to 18,500 acre-feet of surface water during July, August, September, October, and November 2020 to State Water Project (“SWP”) contractors participating in the SWP’s Dry Year Transfer Program (“DYTP”). The SWP DYTP participants include: Dudley Ridge Water District, Kern County Water Agency, County of Kings, and Alameda County Water Agency (“Buyers”). Sellers will forego using the surface supplies that they would otherwise divert from the American River to serve their water demands and instead pump groundwater to serve their demands. The estimated quantity offered by each of the Sellers is based upon monthly groundwater pumping baseline conditions and applicable stream depletion factors. The enclosed draft map shows locations of proposed groundwater extraction and monitoring wells for the transfer.

Two of the proposed Sellers are within the SGA area. Carmichael Water District (CWD), one of the Sellers, is seeking to transfer up to 2,000 acre-feet of its surface water right by additional pumping from its own wells and by receiving groundwater pumped from Fair Oaks Water District that will be sent to CWD through an existing intertie. The City of Sacramento (COS) is proposing to transfer up to 12,500 acre-feet of its surface water right by additional pumping from its own wells and by receiving groundwater pumped from Sacramento Suburban Water District that will be sent to the COS through an existing intertie. SGA received notification of the transfer in correspondence from the Sellers, with a request for a letter of concurrence (see enclosed letters). In response to the notification letters, SGA evaluated its Water Accounting Framework balances and was able to provide a letter of concurrence (see enclosed letters).

South of the American River, the COS will receive up to 1,500 acre-feet of groundwater pumped by Sacramento County Water Agency that will be sent to the COS through an existing intertie. Additionally, Golden State Water Company will transfer up to 2,500 acre-feet of its surface water right by pumping additional groundwater in its Cordova service area south of the American River. Notifications of these transfer elements were sent to the Sacramento Central Groundwater Authority.

Regional Water Authority (RWA) is providing technical support for the proposed transfers. This recovery of groundwater from the basin is a component of the Sacramento Regional Water Bank that is still under development. The coordinated transfer is an important pilot study that will help understand the various requirements of a transfer and represents a significant opportunity to monitor basin responses to planned recovery of stored water through groundwater extraction.

STAFF RECOMMENDATION:

Information Update: Rob Swartz, Manager of Technical Services
2020 Regional Transfer Monitoring

- Carmichael Water District
- City of Sacramento
- Fair Oaks Water District
- Golden State Water Company
- Sacramento County Water Agency
- Sacramento Suburban Water District
- Intertie
- Dedicated Monitoring Wells

GSA Boundaries were downloaded on 04/21/2020 from sgma.water.ca.gov
TRANSMITTED VIA EMAIL

April 29, 2020

Mr. Jim Peifer
Executive Director
Sacramento Groundwater Authority
5620 Birdcage Street, Ste 180
Citrus Heights, CA 95610

RE: 2020 Water Transfer Notification

Dear Mr. Peifer,

The Carmichael Water District (CWD) and Fair Oaks Water District (FOWD) have identified an opportunity to participate in a regional groundwater substitution transfer over the period of July 1, 2020 through November 30, 2020. In preparing the transfer document, the regional partners are following DWR’s draft 2019 guidebook. Page 27 of the guidebook requires the following:

"Demonstration that the transfer is consistent with the local requirements and applicable GSP(s) of the groundwater basins where the additional groundwater pumping would occur under the transfer proposal; or written notification to the relevant Groundwater Sustainability Agency/Aencies (GSA(s)) if a GSP has not been implemented at the time the transfer is being proposed."

This letter serves as notification of intent to participate by the CWD and FOWD. The proposed transfer will be achieved by CWD reducing diversion of up to 2,000 acre-feet (ACFT) of surface water and relying on the extraction of an equivalent amount of groundwater for both CWD and FOWD water demands. Specifically, the 2,000 ACFT transfer will be performed as follows:

- CWD will preferentially utilize up to 1,190 ACFT of additional groundwater over recent wet or non-transfer year extractions.
- FOWD will pump up to 810 ACFT of groundwater and deliver it to CWD through an agency intertie.
The proposed extractions from CWD and FOWD are within historic extractions that have been reduced in recent years by a combination of reduced customer demand and increased reliance on surface water, particularly during wet years. The proposed transfer volumes are consistent with the Sacramento Groundwater Authority’s (SGA) Water Accounting Framework (WAF).

The guidebook also identifies a process by which a GSA can supply a “concurrence letter” when a Groundwater Sustainability Plan (GSP) is in place. At present, until the GSP is developed, we are submitting this notification letter to meet the requirement of the guidebook. At this time, we are requesting a concurrence letter from SGA that the proposed transfer is consistent with the WAF and the existing SGA Groundwater Management Plan, which predates the GSP requirement.

Please note that other parties in the South American Subbasin, including the City of Sacramento, Golden State Water Company, and Sacramento County Water Agency are all considering participation in the Regional Transfer. The transfer volumes included in this notification letter are for the CWD and FOWD part of the transfer exclusively in the North American Subbasin. The City of Sacramento and the Sacramento Suburban Water District are also participating in the regional transfer within the North American Subbasin. Those agencies are providing notice to SGA in a separate correspondence.

Sincerely,

Cathy Lee
General Manager

Cc: Mr. Tom Gray, General Manager
Fair Oaks Water District

Mr. Gwyn-Mohr Tully
Tully and Young
April 28, 2020
Mr. Jim Peifer
Executive Director
Sacramento Groundwater Authority
5620 Birdcage Street, Ste 180
Citrus Heights, CA 95610

Transmitted via email.

RE: 2020 Water Transfer Notification

Dear Mr. Peifer,

The City of Sacramento (COS) and Sacramento Suburban Water District (SSWD) have identified an opportunity to participate in a regional groundwater substitution transfer over the period of July 1, 2020 through November 30, 2020. In preparing the transfer document, the regional partners are following DWR’s draft 2019 guidebook.

Page 27 of the guidebook requires the following:

“Demonstration that the transfer is consistent with the local requirements and applicable GSP(s) of the groundwater basins where the additional groundwater pumping would occur under the transfer proposal; or written notification to the relevant Groundwater Sustainability Agency/Agencies (GSA(s)) if a GSP has not been implemented at the time the transfer is being proposed.”

This letter serves as notification of intent to participate by the COS and SSWD. The proposed transfer will be achieved by COS reducing diversion of up to 12,500 acre-feet (ACFT) of surface water and relying on the extraction of an equivalent amount of groundwater for both COS and SSWD water demands. Specifically, the 12,500 ACFT transfer will be performed as follows:

- COS will preferentially utilize up to 4,000 ACFT of additional groundwater over recent wet or non-transfer year extractions.
- SSWD will: 1) defer utilization of surface water from the COS and meet its retail demands by activating its own groundwater assets; and 2) deliver additional groundwater to the City of Sacramento through the Enterprise-Northrop Intertie, for a total transfer of up to 8,500 ACFT.

The proposed extractions from COS and SSWD are within historic extractions that have been reduced in recent years by a combination of reduced customer demand and increased reliance on surface water, particularly during wet years. The proposed transfer volumes are consistent with the Sacramento Groundwater Authority’s (SGA) Water Accounting Framework (WAF). As was performed during the 2018 Water Transfer, the COS will fully return an identical quantity of surface water to SSWD for a net zero extraction thereby allowing recharge to occur when well extractions are reduced. Similarly, COS will

*Please note that the City will also be partnering with the Sacramento County Water Agency in the South American Subbasin to receive an additional 1,500 ACFT of groundwater in that subbasin, for a total surface water transfer of up to 14,000 ACFT.
return to normal surface water usage when hydrologic conditions are appropriate to maintain a positive balance in the SGA WAF.

The guidebook also identifies a process by which a GSA can supply a “concurrence letter” when a Groundwater Sustainability Plan (GSP) is in place. At present, until the GSP is developed, we are submitting this notification letter to meet the requirement of the guidebook. At this time, we are requesting a concurrence letter from SGA that the proposed transfer is consistent with the WAF and the existing SGA Groundwater Management Plan, which predates the GSP requirement.

Please note that other parties in the South American Subbasin, including the City of Sacramento, Golden State Water Company, and Sacramento County Water Agency are all considering participation in the Regional Transfer. The transfer volumes included in this notification letter, unless otherwise noted, would occur exclusively in the North American Subbasin.

In closing, COS and SSWD wish to highlight a key component of the planned water transfer – all additional groundwater extracted as part of the 2020 Water Transfer will be returned in the form of increased use of surface water during appropriate hydrologic conditions.

City of Sacramento:  
Sacramento Suburban Water District

By:  
By:  
Brett Ewart  
Dan York  
Senior Engineer  
General Manager
April 29, 2020

Cathy Lee
Carmichael Water District
7837 Fair Oaks Blvd.
Carmichael, CA  95608

April 29, 2020

Dear Ms. Lee:

This is in response to your 2020 Water Transfer Notification dated April 29, 2020. I am writing to express the Sacramento Groundwater Authority’s (SGA) support of the proposed transfer as it is consistent with our groundwater management program, which promotes the conjunctive use of surface water and groundwater.

As you are aware, SGA adopted a Water Accounting Framework (WAF) in 2010. The WAF defined groundwater use patterns that would ensure sustainability of the underlying basin. The WAF also defined how agencies that were practicing conjunctive use beyond the levels required to stabilize the basin could accumulate transferrable balances to participate in groundwater substitution programs. These opportunities are intended to further incentivize conjunctive use practices. Through 2019, the transferrable balance of Carmichael Water District is 73,739 acre-feet. This balance is far in excess of the proposed transfer, so we are pleased to be able to concur with your activity this year.

Please feel free to contact Rob Swartz of my staff at rswartz@rwh2o.org or 916-607-9208, if you need any additional information.

Sincerely

James Peifer
Executive Director
April 29, 2020

Dan York
Sacramento Suburban Water District
3701 Marconi #100
Sacramento, CA  95821

Brett Ewart
City of Sacramento
1395 35th Avenue
Sacramento, CA  95822

Dear Mr. York and Mr. Ewart:

This is in response to your 2020 Water Transfer Notification dated April 28, 2020. I am writing to express the Sacramento Groundwater Authority’s (SGA) support of the proposed transfer as it is consistent with our groundwater management program, which promotes the conjunctive use of surface water and groundwater.

As you are aware, SGA adopted a Water Accounting Framework (WAF) in 2010. The WAF defined groundwater use patterns that would ensure sustainability of the underlying basin. The WAF also defined how agencies that were practicing conjunctive use beyond the levels required to stabilize the basin could accumulate transferrable balances to participate in groundwater substitution programs.

These opportunities are intended to further incentivize conjunctive use practices. Through 2019, the transferrable balances of Sacramento Suburban Water District and the City of Sacramento are at 233,314 acre-feet and 69,351 acre-feet, respectively. These are far in excess of the proposed transfer, so we are pleased to be able to concur with your activity this year.

Please feel free to contact Rob Swartz of my staff at rswartz@rwh2o.org or 916-607-9208, if you need any additional information.

Sincerely

James Peifer
Executive Director
TO: SACRAMENTO GROUNDWATER AUTHORITY BOARD
FROM: JIM PEIFER
RE: EXECUTIVE DIRECTOR’S REPORT

a. SGA Outreach – Mr. Peifer participated in a Public Policy Institute of California meeting to discuss Central Valley project (CVP) Water Transfers. PPIC’s goal for the meeting was to learn from Central Valley Project stakeholders about their experience with CVP trading and banking approval processes, including the updated 2019 CVP groundwater banking guidelines.

b. Water Forum Negotiations – The Water Forum has begun the process of renegotiating the Water Forum agreement. This is important for the SGA to track for the following reasons:

   a. The Water Forum Agreement signed in 2000 had a Groundwater Management Element, and that may be up for renegotiation
   b. It is possible that the renegotiated agreement will have actions that need to be funded. It is not clear what those actions are and who will fund them.
   c. It is possible that the negotiation outcomes will impact the groundwater sustainability plans.

The primary negotiating steering committee (NSC) members include Paul Shubert (Golden State Water Company), Dan York (Sacramento Suburban Water District), Darin Reintjes (Placer County Water Agency), Greg Zlotnick (San Juan Water District) and Jim Peifer (RWA) for the water caucus. Public caucus members include Kerry Schmitz (Sacramento County Water Agency) and Bill Busath (City of Sacramento). Updates are provided periodically to the Water Caucus and Public Caucus meetings. I encourage you of a member of your staff to participate in the Water Caucus meetings.

The initial meeting was held on April 14th where the negotiation ground rules, scope of the agreement and negotiating structure/framework was discussed. The second Negotiating Steering Committee (NSC) meeting on May 21st and Public and Water Caucus discussed its interests and revisions to the negotiating framework were presented to the NSC members. The next NSC meeting is scheduled for June 18th and it is expected the Environmental Caucus will present its interests to the NSC.

Attached are:

1. A power point presentation of the Water Caucus and Public Caucus interests
2. Water Forum II Negotiating Issue Framework
Public Caucus + Water Caucus Interests
“The members of the Water Caucus and Public Caucus desire to maintain the effectiveness, credibility, transparency and value of the Water Forum as a voice of and advocate for its regional environmental, business, public and water management stakeholders in furtherance of the two co-equal objectives of ensuring sufficient and reliable long-term water supplies while promoting, enhancing, and preserving the fishery, wildlife, recreational, and aesthetic values of the lower American River. There have been many successes with the Water Forum, Successor Effort and Habitat Management Element. We should strive to build on those successes.”
1. Protect the health, safety and welfare of our residents.
2. Maintain sufficient water supply, and supply reliability, of high quality water at reasonable cost for existing and future customers.

Protect and maintain water rights, CVP contracts and entitlements in support of the co-equal objectives.
3. Maintain and improve ecological conditions in the lower American River.
4. Maintain and enhance collaborative planning and decision making with all caucuses and the Bureau of Reclamation in furtherance of the coequal goals.
5. Promote efficient use of water.
6. Increase water supply resiliency and prepare for increasingly variable hydrologic conditions that are expected to be exacerbated by climate change.
7. Maintain local control over water management decisions and operational flexibility to best fit the region’s unique circumstances.
8. Update elements of the Water Forum Agreement that are now governed by policies, programs, and mandates established by State or federal law (e.g., groundwater, conservation, habitat, dry year actions, etc.) consistent with those statutes and regulations.

- Maintain the value and progress of investments already made in compliance with those statutes and regulations.
9. Preserve the elements of the Water Forum Agreement that recognize and defer to local governments’ (cities and counties) authority to make land use decisions.
QUESTIONS?
Overarching issues – for consideration of relevance within each of the Seven Elements

- Geography
- Climate change
- Homeless impacts
- Public Right to Water
- Growth
- Integrated water management
- Flood management

How might any of these overarching issues impact our approach to each of the seven elements?
APPROACH
The Water Forum II effort proposes to use the Seven (7) Elements from the Water Forum’s existing agreement as the primary organizing framework for the deliberation of issues. This framework is familiar to Water Forum participants and facilitates Water Forum II discussions to build off a structure that has proved successful.

Topical Working Groups & the 7 Elements
Topical Working Groups are anticipated to be organized around the 7 Elements. The following are some of the questions expected to guide deliberations on issues within each element:
• For this element, what’s in the existing agreement?
• What are the interests and principles each caucus has related to the work group topic?
• What are the questions each caucus has related to this work group topic?
• How might any of the overarching issues impact our approach to this element?
• Does the current Water Forum agreement miss any key issues or interests? (e.g. an 8th Element or additional Overarching Issue)
Other Topics for Caucus Consideration
Referred to Caucuses from Negotiating Steering Committee

1. Is it important to have an early discussion about the timeframe of the Water Forum II Agreement?

2. Provide additional input on issues framework (caucuses and then presentation and discussion about 7 Elements at the June Plenary).
AGENDA ITEM 9: DIRECTORS’ COMMENTS