

**SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, April 8, 2021; 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:

**SGA Board meeting
Thu, Apr 8, 2021 9:00 AM - 11:00 AM (PDT)**

Please join my meeting from your computer, tablet or smartphone.
<https://global.gotomeeting.com/join/252695181>

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Access Code: **252-695-181**

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 11, 2021 meeting

Action: Approve All Consent Items

4. SGA FISCAL YEAR 2021 – 2022 BUDGET

Information and Presentation: Josette Reina-Luken, Financial and Administrative Services Manager

Action: Adopt Resolution No. 2021-01 to fund the administrative and program budgets for FY 2021 – 2022 and provide for the collection of said funds.

5. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY UPDATE

Discussion: Jim Peifer, Executive Director

6. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) AND GROUNDWATER MANAGEMENT PROGRAM UPDATE

Discussion: Rob Swartz, Manager of Technical Services

7. LEGISLATIVE UPDATE

Discussion: Ryan Ojakian, Legislative and Regulatory Affairs Manager

8. EXECUTIVE DIRECTOR'S REPORT

9. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meeting – June 10, 2021, 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/>.

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AGENDA ITEM 3: CONSENT CALENDAR

Minutes of February 11, 2020 meeting

Action: Approve Consent Item

Attachments:
February 11, 2020 Meeting Minutes



SACRAMENTO GROUNDWATER AUTHORITY

Board Meeting

Draft Minutes

February 11, 2021

1. CALL TO ORDER

Chair Ewart 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

Audie Foster, California American Water
Caryl Sheehan, Citrus Heights Water District
Marcus Yasutake, City of Folsom
Brett Ewart, City of Sacramento
Linda Dorn, County of Sacramento
Robert Matteoli, Del Paso Manor Water District
Randy Marx, Fair Oaks Water District
Paul Schubert, Golden State Water Company
Brett Gray, Natomas Central Mutual Water Company
John Wingerter, Orange Vale Water Company
Mary Harris, Rio Linda/Elverta Community Water District
Robert Wichert, Sacramento Suburban Water District
Ted Costa, San Juan Water District

Staff Members

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

Others in Attendance

Robert Reisig, Kevin Thomas, Craig Locke, David Fairman, Dan York, Paul Selsky, Rebecca Guo, Brian Hensley, Pam Tobin, Greg Zlotnick, Tim Shaw, Hilary Straus, Alta Tura, N., Alan Vail, John Woodling and Kelye McKinney.

2. PUBLIC COMMENT

None.

3. CONSENT CALENDAR

- a. Minutes of the December 10, 2020 SGA Board meeting.
- b. 2021 SGA Meeting Schedule

Mr. Peifer made a correction to the December 10, 2020 minutes on agenda item 5; the first sentence of the motion should read “M/S/C Mr. Yasutake moved, with a second by Mr. Wichert, to move forward with further investigation of the consolidation option, and the 3 x 3 committee would plan for a workshop.”

Motion/Second Carried (M/S/C) Ms. Harris moved, with a second by Mr. Yasutake to approve the December 10, 2020 SGA Board meeting minutes with the correction and the 2021 SGA meeting schedule. Audie Foster, California American Water, Caryl Sheehan, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Linda Dorn, County of Sacramento, Robert Matteoli, Del Paso Manor Water District, Randy Marx, Fair Oaks Water District, Paul Schubert, Golden State Water Company, Brett Gray, Natomas Central Mutual Water Company, John Wingerter, Orange Vale Water Company, Mary Harris, Rio Linda/Elverta Community Water District, Robert Wichert, Sacramento Suburban Water District and Ted Costa, San Juan Water District voted yes. The motion carried by a majority vote of all directors present.

4. SGA STAFFING

Mr. Peifer provided information on SGA staffing focusing on staffing levels that would be needed for conducting the Sacramento Groundwater Authority in the future. He explained how the split of staff time for SGA and RWA has changed over time.

Mr. Swartz gave a presentation outlining why there is a need for additional SGA staffing, particularly under the Sustainable Groundwater Management Act (SGMA). SGA is under an agreement with RWA to share staffing. His percentage of work for SGA and RWA has shifted as he worked on projects and grants for RWA. Staff percentages have also shifted as workloads have changed. Retired annuitants have been brought in on a limited basis as needed and appropriate to fill temporary workload increases.

There was discussion on whether one additional full time equivalent (FTE) staff for SGA is sufficient for the upcoming staffing level needs for next fiscal year. Mr. Swartz responded that workload levels will be closely monitored beginning with SGMA Groundwater Sustainability Plan (GSP) implementation starting in 2022.

M/S/C Mr. Schubert moved, with a second by Mr. Gray to provide direction regarding staffing levels adding 1 FTE to the staffing plan for the Fiscal Year 2021 – 2022 budget. Audie Foster, California American Water, Caryl Sheehan, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Linda Dorn, County of Sacramento, Robert Matteoli, Del Paso Manor

Water District, Randy Marx, Fair Oaks Water District, Paul Schubert, Golden State Water Company, Brett Gray, Natomas Central Mutual Water Company, John Wingerter, Orange Vale Water Company, Mary Harris, Rio Linda/Elverta Community Water District, Robert Wichert, Sacramento Suburban Water District and Ted Costa, San Juan Water District voted yes. The motion carried by a majority vote of all directors present.

5. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY UPDATE

Mr. Peifer gave an update on the activities of the 3 x 3 committee. Staff is proposing a joint workshop with the Sacramento Central Groundwater Authority (SCGA), Regional Water Authority, and the SGA.

Mr. Woodling said that the Department of Water Resources (DWR) has been asked to provide facilitation for exploring the consolidation of SGA and SCGA in the work across the two subbasins.

After discussion, direction was given to staff to proceed with a 3x3 joint workshop with facilitation and then a follow up meeting with each individual agency.

6. DEVELOPMENT OF SGA FISCAL YEAR 2021 – 2022 BUDGET

Ms. Reina-Luken gave a presentation on the SGA fiscal year 2021 – 2022 budget including the fiscal year end forecast, 2022 budget assumptions and budget outlook, budget policies and fee calculations. As a result of COVID-19, an operating surplus is expected in certain categories. The Chair appointed a budget subcommittee that will work on the budget, which will be presented at the April SGA meeting for approval.

Chair Ewart appointed Marcus Yasutake, Paul Schubert, Mary Harris, and himself to the SGA Budget subcommittee.

7. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) AND GROUNDWATER MANAGEMENT PROGRAM UPDATE

Mr. Swartz, Manager of Technical Services, provided an update on the Sustainable Groundwater Management Program and where we stand with respect to SGMA compliance. The basics and background information for SGMA have been completed. Model calibration is complete along with draft sustainable management criteria with respect to groundwater levels. There have been discussions on the implementation agreement, water budget, results from the modeling, and management actions. A draft release Groundwater Sustainability Plan is expected

by the end of June with a plan for adoption presented to the SGA Board at the December Board meeting.

Mr. Swartz gave examples of how things look on the Sacramento River, Feather River, and the North American Subbasin and the relationship between the major river systems and the groundwater basin under SGMA. A new requirement in SGMA is consideration of groundwater dependent ecosystems that specific habitats and the environment rely on. He showed basin groundwater depths and how the elevation fluctuates with conditions. There is habitat that could be supported by groundwater and the GSP must account for it. Staff is developing an approach to protect the domestic users in the basin, looking at well construction information, moving through a process of establishing drafts, and with the modeling results, adjustments can be made.

Mr. Swartz gave an update on the latest hydrologic conditions and resulting monitored groundwater levels.

8. LEGISLATIVE UPDATE

Ryan Ojakian, Legislative and Regulatory Affairs Manager said that the legislature is at a high level focusing on priorities issue of COVID response, wildfire, housing, and homelessness. Among these, the issue of water affordability is most likely where there could be direct impacts to water agencies.

Mr. Ojakian said two bills of importance to SGA are AB 252 that relates to the ability to provide grant funding for land use, repurposing and multi benefit projects under SGMA implementation, and SB 230 that would establish a process by which the State Water Board must be monitoring and developing information on constituents of emerging concern.

9. EXECUTIVE DIRECTOR'S REPORT

Mr. Peifer's Executive Director's Report was included in the SGA Board meeting electronic packet. The report included an opinion from the Attorney General clarifying Brown Act posting requirements.

10. DIRECTORS' COMMENTS

Ms. Sheehan reported that David Wheaton is the Citrus Heights Water District Board of Directors President, and Ms. Sheehan is the Vice President.

Mr. Wichert announced that he is Board President for the Sacramento Suburban Water District.

ADJOURNMENT

With no further business to come before the Board, Chair Ewart adjourned the meeting at 11:46 a.m.

By:

Chairperson

Attest:

Josette Reina-Luken, Board Secretary/Treasurer

AGENDA ITEM 4: SGA FISCAL YEAR 2021 – 2022 BUDGET

BACKGROUND:

FY 2021 – 2022 BUDGET

Each year the SGA Budget Subcommittee (Committee) reviews and makes a recommendation for adoption of the budget. The Fiscal Year 2021-2022 (FY22) SGA Committee members include Brett Ewart, City of Sacramento (Chair); Mary Harris, Rio Linda/Elverta Community Water District; Paul Schubert, Golden State Water Company; and Marcus Yasutake, City of Folsom. The committee held a teleconference on March 22, 2021 to discuss the budget goals, expenditures, and proposed fees.

BUDGET TOPICS

Proposed Fees

Overall, the proposed fee increase for groundwater and base fees for FY22 is approximately fifteen percent (15%) as projected in last year's budget. Total fees are higher by approximately \$111,656. Some members will experience a higher fee increase because of their groundwater extraction.

The proposed fees per unit for FY22 are as follows: the base fee for agencies is \$12,196, with a per connection fee of \$1.58 for each connection above 6,000 connections; and the groundwater fee is \$7.10 per acre foot.

Program Objectives

SGA is planning on accomplishing these program objectives during fiscal year 2022 in support of the required Sustainable Groundwater Management Act (SGMA) and submission of the Groundwater Sustainability Plan (GSP); required by SGMA and must be submitted by January 31, 2022.

- 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

This requirement is expected to increase expenses and consequently fees for SGA into future years. In addition to sharing in 50% of non-WEP administrative staff time from RWA and 20% of RWA's project assistant, SGA continues to use a half-time annuitant for the first half of the fiscal year to help in accomplishing these and to assist in the completion of the GSP. This budget also includes 10% cost of RWA's Legislative

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Manager salary and benefits, so as to be kept informed on state legislation and regulations related to groundwater.

Additionally, a full-time, benefited, staff position (Associate Project Manager) is planned to be hired in the latter part of FY22, with the conclusion of services from the retired annuitant, for the required annual GSP updates and groundwater tracking.

A 5-Year GSP update is required in FY27 and is funded by a three-year designation beginning in FY22.

Update on CalPERS Unfunded Pension Liability

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 the December 30, 2020 CalPERS letter to SGA, the revised estimate of SGA's June 30, 2019 unfunded pension liability balance, inclusive of all payments made to date, is approximately \$74,528. Staff recommends that SGA's future payments remain at the programmed \$26,700 until SGA receives the updated FY22 CalPERS unfunded liability. The updated evaluation report will include market performance adjustments that occurred in FY20 and FY21.

Staff Compensation

In accordance with SGA Policy 100.3, staff salaries have been adjusted where staff has not already reached the maximum salary step. The COLA for November 2020 was 1.6%. The annuitant annual salary costs are estimated at \$28,000, and approximately \$26,000 in salary costs from the portion of RWA's Legislative Manager. Salary costs also include some expenses for employee development, training, and travel. For the new Project Manager position, the budgeted salary has been set at six months of the top step of the Associate Project Manager salary range to provide some flexibility within the potential candidate pool and to be competitive with State of California pay scale.

Office Costs

Due to the COVID-19 pandemic circumstances, RWA and SGA office expenses were extremely lower than prior years. Future expense budgets should not be modeled off an outlier year. Office expenditures have been budgeted in accordance with the prior year budget allocation and increased by 3% for CPI or 5% for professional services. Some categories may exceed these percentages to account for costs associated with a new position. Additionally, RWA and SGA completed their VOIP telephone system upgrade and as a result, costs for telephone have been transferred to computer maintenance.

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 updated pay ranges for positions at the February 11, 2021 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 11.2 months at the end of FY21, which is higher than policy, as a result of significant budget savings from prior years. 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.

SGA may also designate additional funds for other purposes, such as future GSP update costs and a potential office and relocation as outlined in 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. For FY22, the CalPERS payment will remain at the approved prior year amount until SGA receives its updated FY22 CalPERS valuation report.

SUMMARY BUDGET OVERVIEW

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

Fees

- 1) Overall, a 15% fee increase is proposed for FY22.
- 2) The fee calculations will continue to be based upon base fees plus groundwater fees. The base fees cover 44% of costs, while groundwater fees cover 56%.
- 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 \$12,196 plus \$1.58 per connection for connections over 6,000. The pumped groundwater fee per acre-foot is proposed at \$7.10 per acre foot. A five-year trailing average of groundwater pumping is used to develop the groundwater fees for FY22. The five-year trailing average of groundwater pumping increased this past year, which is an outcome of conjunctive use.
- 5) SGMA grant income and related grant invoice retainage (10%) release is expected from the DWR 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 the last compensation survey. Employees continue to pay the entire portion of employee 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, 10% of RWA's legislative affairs position, and a half-time retired annuitant, plus the addition of a Project Manager for six months. Total FTE count for SGA is proposed to be 3.3 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 FY22 is \$26,700. Staff will update the Board upon receipt of the updated FY22 CalPERS Valuation report.

- 5) Professional fees include public relations, human resources, audit, accounting, and legal services.
- 6) Furniture and computer hardware, software, and support services reflect ongoing support as well as start-up costs for the addition of a new SGA Project Manager.
- 7) Rent and utilities include the cost of the current lease as well as additional funds for the pro rata share of SGA's contribution to house additional staff.
- 8) The SGA consulting budget reflects \$40,000 in out-sourced support activities for annual preparation of the groundwater management report, monitoring water quality, maintaining the data management system, and groundwater modeling.
- 9) The proposed FY22 is a balanced budget; where revenues cover expenses and complies with all of SGA's budget policies.

Designations

- 1) The operating fund plus undesignated cash is projected to be 7.9 months for FY22; which is slightly higher than the required limit.
- 2) Three-year designations in the amount of \$40,000 per year (\$120k total) to support of the 5-Year GSP Update begins in FY22 to be expended in FY25/26.
- 3) A one-time designation of \$20,000 has been programmed in FY22 to allocate SGA's portion for future office expansion/relocation.

Future budget outlook

SGA can anticipate future rates to decrease overall from FY22. The current proposed budget does reflect approximately an 8% increase for FY23 and FY24, and a further reduction to 6% increase in FY25 and FY26. Thereafter, the rate of increase stabilizes. Fee increases could be higher or lower in future years depending upon updated valuation reports, space planning results, and 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 FY22 proposed budget does not approve future budget projections. Budget and future projection results may not be achieved.

SGA BUDGET COMMITTEE RECOMMENDATION:

Action: Adopt Resolution No. 2021-01 to fund the administrative and program budgets for FY 2021 – 2022 and providing for the collection of said funds.

Information and Presentation: Josette Reina-Luken, Finance and Administrative Services Manager

RESOLUTION NO. 2021-01

A RESOLUTION OF THE SACRAMENTO GROUNDWATER AUTHORITY ADOPTING AND ASSIGNING COSTS TO FUND THE ADMINISTRATIVE AND PROGRAM BUDGETS FOR FY 2021-2022, AND PROVIDING FOR THE COLLECTION OF SAID FUNDS

The Board of Directors of the Sacramento Groundwater Authority (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 2021-2022 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 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 2021-2022 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 2021-2022 administrative budget. Non-purveyor groundwater producers and surface water users have been exempted from FY 2021-2022 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 2021-2022 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 2021-2022 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 2021-2022 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.

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 Basin. Groundwater pumpers depend upon the North Area 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 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 Basin also increases opportunities for surface water users to transfer water to areas both inside and outside of the North Area Basin. At this time, however, the benefits of SGA's administrative functions accrue primarily to groundwater producers, since management of the North Area Basin is the primary purpose of SGA.

- E. The Board, therefore, finds that a reasonable and equitable allocation of costs for the FY 2021-2022 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 \$12,196 plus \$1.58 per connection for connections over 6,000, with no cap on connections. The base fee is set to increase annually by the overall percentage of expense increase for administrative costs. The Groundwater Pumping Fee shall be \$7.10 per acre-foot, based on a five-year average extraction from the North Area Basin during 2016 through 2020. Purveyors that pump groundwater from the North

Area Basin shall pay both the Groundwater Pumping Fee and the Base Fee. *The minimum fee for all SGA member agencies will be \$12,196 regardless of water source or volume used.*

- F. The Board finds that the average groundwater production from 2016 through 2020 is a reasonable period upon which to base the Groundwater Pumping Fee component of the administrative budget for FY 2021-2022.
- G. 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.
- H. 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 2021-2022 as specified in Attachment A is hereby adopted.
- 2. The administrative fees for this FY 2021-2022 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 8th of April, 2021.

By: _____
Chair

By: _____
James Peifer, Executive Director

Attest: _____
Josette Reina-Luken, Board Secretary

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Attachments:

Attachment A: Fiscal Year 2021 – 2022 Administrative Budget

Attachment B: Fiscal Year 2021 – 2022 Administrative Fees

Attachment C: Fiscal Year 2021 – 2022 Budget Overview Presentation



Sacramento Groundwater Authority 2021 - 2022 FYE Budget Summary

	Actual FY20	Proposed FY21	Projected FY21	Proposed FY22	Notes
Operating Revenues					
Groundwater Fees	\$ 401,509	\$ 415,084	\$ 415,084	\$ 476,742	Increase in GW fees per unit from \$6.60 to \$7.10 per AF
Base Fee	\$ 309,000	\$ 327,572	\$ 327,572	\$ 377,570	Fifteen percent increase (\$10,605 to \$12,196 min. base fee)
Grant Income	\$ 520,699	\$ 270,000	\$ 270,000	\$ 145,000	Represents SGMA/GSP Development including retainage
Partner Fees	\$ 53,230	\$ 42,000	\$ 72,000	\$ -	Reflects SGMA partner fees collected from participants
Interest Income	\$ 20,553	\$ 15,000	\$ 21,955	\$ 7,500	Adjusted in accordance with available cash
Total	\$ 1,304,991	\$ 1,069,656	\$ 1,106,611	\$ 1,006,812	
Operating Expenses					
Staff - salary and benefits	\$ 481,739	\$ 602,949	\$ 526,897	\$ 693,862	Reflects 3.3 FTE (incl. 0.5 annuitant and 0.5 Proj. Mgr.)
Office	\$ 57,298	\$ 72,950	\$ 63,111	\$ 88,300	No significant changes expected in FY22
Professional Fees	\$ 70,641	\$ 164,350	\$ 114,250	\$ 151,050	Support & PM consulting
Other	\$ 3,833	\$ 11,400	\$ 25,175	\$ 3,600	Computer Purchases, Replacements, and Office Equipment
Special Projects	\$ 630,845	\$ 470,000	\$ 505,000	\$ 70,000	Reflects costs related to SGMA grant
Total Expenses	\$ 1,244,356	\$ 1,321,649	\$ 1,234,433	\$ 1,006,812	
Fees in Excess of Expenses/(Expenses in Excess of Fees)	\$ 60,635	\$ (251,993)	\$ (127,822)	\$ (0)	
Cash, beginning	\$ 724,159	\$ 784,794	\$ 784,794	\$ 656,972	
Source (Use) of Funds	\$ 60,635	\$ (251,993)	\$ (127,822)	\$ (0)	
Cash, ending	\$ 784,794	\$ 532,801	\$ 656,972	\$ 656,972	



Sacramento Groundwater Authority 2021 - 2022 FYE Budget Summary

	<u>Actual FY20</u>	<u>Proposed FY21</u>	<u>Projected FY21</u>	<u>Proposed FY22</u>	<u>Change in Designations</u>
DESIGNATIONS					
Operating Fund	\$ 306,300	\$ 425,800	\$ 351,400	\$ 474,700	\$ 123,300
Pension Plan	\$ -	\$ -	\$ -	\$ -	\$ -
SGMA Implementation	\$ -	\$ -	\$ -	\$ -	\$ -
GSP Update/Modeling	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000
Maintain DMS	\$ -	\$ -	\$ -	\$ -	\$ -
Office Expansion/Relocation	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
Un-designated	<u>\$ 396,325</u>	<u>\$ 107,001</u>	<u>\$ 305,572</u>	<u>\$ 122,272</u>	<u>\$ (183,300)</u>
	<u><u>\$ 702,625</u></u>	<u><u>\$ 532,801</u></u>	<u><u>\$ 656,972</u></u>	<u><u>\$ 656,972</u></u>	<u><u>\$ (0)</u></u>
No. of months cash pays for operations	<u><u>14.1</u></u>	<u><u>5.5</u></u>	<u><u>11.2</u></u>	<u><u>7.9</u></u>	



Proposed 2021 - 2022 FYE Budget Summary

Major Assumptions

Revenues

- 1) For Fiscal Year 2022, minimum base fee is set @ \$12,196 plus \$1.58 per connection for connections over 6,000. The groundwater fee is \$7.10 per AF. This is an approximate 15% fee increase overall. Each agencies FY22 fee is different depending upon their groundwater use and number of connections.
- 2) Groundwater fees reflects increased pumping.
- 3) Base fees are projected at 15% higher from last year. The base fee covers approximately 44% of costs.
- 4) Assumes 5 year acre foot average groundwater pumped of: 67,147
- 5) A new grant for SGMA actions, including GSP Development started in FY19.
- 6) Interest income has decreased in accordance with cash balance and LAIF performance.

Expenses

- 1) Staffing costs includes 50% cost share of RWA Non-WEP administrative staff (total 2.0 FTE), partial use of the Project Assistant (.20), ten percent of RWA Legislative Affairs Manager position (.10 FTE), 0.5 FTE retired annuitant and six months of an Associate Project Manager (0.5 FTE) for a total of 3.3 FTE.
- 2) Benefits include employer PERS, medical, vision, dental, disability insurance, OPEB and workers' compensation for 2.8 FTEs (excludes annuitant). FY 2022 budget increase in medical costs of 6.5%, other costs at 3% and specific increases to OPEB costs. FY22 includes a small contingency to address expenditure overages in these areas. 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 revised January 2021 letter estimates the June 30, 2021 balance at \$74,528 (decreased from prior estimate at \$94,530) at a 7.0% discount rate. This balance is based on the June 30, 2019 Valuation Report and does not include calendar year 2020 performance. Based on a projected lower rate of return in 2020, the CalPERS unfunded liability has been budgeted at no change from the prior year.
- 4) Professional fees include public relations, human resources, audit, accounting, actuarial, and legal expenses. It also includes higher actuarial costs due to the biennial evaluation report needed in FY22.
- 5) Program consultants for FY22 includes updating the basin management report, monitoring water quality levels, maintaining the data management system, and groundwater modeling.
- 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; a 10% increase was applied in FY21.
- 8) General cost increases were projected at 3%, 5% for professional services, or lower unless specific cost increases could be identified.

Expenses in Excess of Fees

- 1) For FY22, SGA has a balanced budget where revenues meets expenses. If actual expenses are higher or lower than projected, then the difference will be applied to or taken from the undesignated fund balance accumulated from previous years.

Designations/Restrictions

- 1) Excluding any SGMA costs, the Operating fund is projected to be over 7.9 months for FY22, which exceeds policy guidelines.
- 2) There are no remaining designated funds for the initial SGMA grant as of FY21. The 5-Year GSP Update designation begins in FY22.

FY23 and Beyond

- 1) A projected increase of approximately 8% is anticipated in FY23 and FY24; then declining to 6% in FY25 and FY26.
- 2) Future fee increases are contingent upon GSP requirements, updated valuation reports, office location, etc. which are not completely known at this time.

SGA Proposed FY' 2021-2022 OPERATING BUDGET PROJECTION						5-Year Projection			
	SGA FY 20 Per Audit	SGA FY 21 Budget	SGA FY 21 Projected	SGA FY 22 Proposed Budget	NOTES	SGA Projected FY 23	SGA Projected FY 24	SGA Projected FY 25	SGA Projected FY26
ANNUAL REVENUES									
GW Fee FY 21 Final Budget	\$6.00	\$6.60	\$6.60						
Proposed GW Fee FY 22 Budget				\$7.10	1	\$7.66	\$7.93	\$7.97	\$8.00
Proposed Base Fee	\$10,100	\$10,605	\$10,605	\$12,196	2	\$13,120	\$14,430	\$15,870	\$17,450
Proposed Per Connection Fee	\$1.31	\$1.37	\$1.37	\$1.58	2	\$1.74	\$1.91	\$2.10	\$2.31
Proposed Fee Increase %	0%	4%	4%	15%		8%	8%	6%	6%
OPERATING REVENUES									
General Assessments/Fees									
→ Groundwater fees	\$ 401,509	\$ 415,084	\$ 415,084	\$ 476,742	1	\$ 530,000	\$ 565,000	\$ 585,000	\$ 604,500
→ Base Fee	\$ 309,000	\$ 327,572	\$ 327,572	\$ 377,570	2	\$ 395,299	\$ 434,291	\$ 477,564	\$ 525,267
→ SGMA Grant Income	\$ 520,699	\$ 270,000	\$ 270,000	\$ 145,000	3				
→ SGMA Partner Fees	\$ 53,230	\$ 42,000	\$ 72,000	\$ -	3				
Interest/Misc Income	\$ 20,553	\$ 15,000	\$ 21,955	\$ 7,500	4	\$ 7,500	\$ 7,000	\$ 5,000	\$ 5,000
TOTAL REVENUE	\$ 1,304,991	\$ 1,069,656	\$ 1,106,611	\$ 1,006,812		\$ 932,799	\$ 1,006,291	\$ 1,067,564	\$ 1,134,767
STAFF EXPENSES (General):									
Staff Salaries/Wages	\$ 341,470	\$ 394,777	\$ 367,716	\$ 455,941	5	\$ 513,905	\$ 537,521	\$ 557,199	\$ 577,619
Benefits	\$ 89,674	\$ 136,400	\$ 98,064	\$ 159,750	6	\$ 168,289	\$ 177,824	\$ 187,798	\$ 198,368
Pension - Unfunded Liability	\$ 14,500	\$ 26,700	\$ 26,700	\$ 26,700	7	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Payroll Taxes	\$ 27,318	\$ 31,582	\$ 29,417	\$ 36,472	8	\$ 41,112	\$ 43,002	\$ 44,576	\$ 46,209
Meals/Travel/Conferences	\$ 8,777	\$ 10,240	\$ 3,000	\$ 11,000	9	\$ 11,350	\$ 11,800	\$ 12,150	\$ 12,500
Professional Development/Training	\$ -	\$ 3,250	\$ 2,000	\$ 4,000	10	\$ 6,000	\$ 6,500	\$ 7,000	\$ 7,500
TOTAL STAFF EXPENSES	\$ 481,739	\$ 602,949	\$ 526,897	\$ 693,862		\$ 760,657	\$ 796,647	\$ 828,723	\$ 862,196

SGA Proposed FY' 2021-2022 OPERATING BUDGET PROJECTION						5-Year Projection			
	SGA FY 20 Per Audit	SGA FY 21 Budget	SGA FY 21 Projected	SGA FY 22 Proposed Budget	NOTES	SGA Projected FY 23	SGA Projected FY 24	SGA Projected FY 25	SGA Projected FY26
OFFICE EXPENSES:									
Rent & Utilities Contract	\$ 15,891	\$ 17,800	\$ 17,515	\$ 27,800	11	\$ 27,800	\$ 27,800	\$ 28,225	\$ 28,225
General Liability Insurance	\$ 15,226	\$ 14,900	\$ 16,246	\$ 16,500	12	\$ 16,995	\$ 17,505	\$ 18,030	\$ 18,571
Office Maintenance	\$ -	\$ 350	\$ 350	\$ 400	13	\$ 500	\$ 500	\$ 500	\$ 500
Postage and Postal Meter	\$ 1,361	\$ 1,600	\$ 1,500	\$ 1,700	14	\$ 1,800	\$ 1,900	\$ 2,000	\$ 2,100
Telephone/internet/web hosting	\$ 6,119	\$ 8,000	\$ 6,850	\$ 3,000	15	\$ 1,950	\$ 2,050	\$ 2,150	\$ 2,250
Meetings	\$ 969	\$ 1,300	\$ 100	\$ 1,400	16	\$ 1,500	\$ 1,600	\$ 1,700	\$ 1,800
Printing/Supplies/Copier	\$ 5,665	\$ 10,900	\$ 3,500	\$ 11,200	17	\$ 11,500	\$ 11,800	\$ 12,100	\$ 12,400
Dues & Subscriptions	\$ 5,763	\$ 6,000	\$ 4,500	\$ 6,300	18	\$ 6,600	\$ 7,000	\$ 7,300	\$ 7,600
Computer hardware/software	\$ -	\$ 2,900	\$ 6,550	\$ 7,500	19	\$ 3,100	\$ 3,200	\$ 3,300	\$ 3,400
Computer maintenance	\$ 6,304	\$ 9,200	\$ 6,000	\$ 12,500	20	\$ 12,750	\$ 13,000	\$ 13,250	\$ 13,500
TOTAL OFFICE EXPENSES	\$ 57,298	\$ 72,950	\$ 63,111	\$ 88,300		\$ 84,495	\$ 86,355	\$ 88,555	\$ 90,346
PROFESSIONAL FEES:									
SGA Legal	\$ 11,644	\$ 42,000	\$ 34,000	\$ 44,100	21	\$ 46,300	\$ 48,600	\$ 51,000	\$ 53,550
Audit Fees and GASB report	\$ 26,481	\$ 14,050	\$ 14,050	\$ 14,350	22	\$ 14,650	\$ 17,000	\$ 17,500	\$ 18,000
ADP & Banking Fees	\$ 1,965	\$ 1,200	\$ 1,200	\$ 1,600	23	\$ 1,700	\$ 1,800	\$ 1,900	\$ 2,000
SGA Support Services	\$ 30,551	\$ 47,100	\$ 30,000	\$ 51,000	24	\$ 61,200	\$ 58,900	\$ 58,300	\$ 58,300
SGA Consultants - Program Mgmt	\$ -	\$ 60,000	\$ 35,000	\$ 40,000	25	\$ 41,600	\$ 43,300	\$ 35,000	\$ 36,800
TOTAL PROFESSIONAL FEES	\$ 70,641	\$ 164,350	\$ 114,250	\$ 151,050		\$ 165,450	\$ 169,600	\$ 163,700	\$ 168,650
TOTAL OPERATING EXPENSES	\$ 609,678	\$ 840,249	\$ 704,258	\$ 933,212		\$ 1,010,602	\$ 1,052,602	\$ 1,080,978	\$ 1,121,192
OTHER EXPENSES:									
Office furniture/remodel/equip	\$ 3,833	\$ 1,400	\$ 2,800	\$ 3,600		\$ 1,500	\$ 1,600	\$ 1,700	\$ 1,800
Office Move			\$ 12,375			\$ 20,000			
Computer Server		\$ 10,000	\$ 10,000						
TOTAL Other Expenses	\$ 3,833	\$ 11,400	\$ 25,175	\$ 3,600		\$ 21,500	\$ 1,600	\$ 1,700	\$ 1,800
Special Projects Expenses				\$ -					
SGMA Grant Expenses	\$ 630,845	\$ 470,000	\$ 505,000	\$ 70,000	26				

SGA Proposed FY' 2021-2022 OPERATING BUDGET PROJECTION						5-Year Projection			
	SGA FY 20 Per Audit	SGA FY 21 Budget	SGA FY 21 Projected	SGA FY 22 Proposed Budget	NOTES	SGA Projected FY 23	SGA Projected FY 24	SGA Projected FY 25	SGA Projected FY26
SGMA/GSP Cost Share Designation		\$ -			32			\$ 70,000	\$ 60,000
TOTAL Special Proj. Expenses	\$ 630,845	\$ 470,000	\$ 505,000	\$ 70,000				\$ 70,000	\$ 60,000
TOTAL EXPENSES	\$ 1,244,356	\$ 1,321,649	\$ 1,234,433	\$ 1,006,812	27	\$ 1,032,102	\$ 1,054,202	\$ 1,152,678	\$ 1,182,992
Net Income (Loss)	\$ 60,635	\$ (251,993)	\$ (127,822)	\$ (0)	28	\$ (99,303)	\$ (47,911)	\$ (85,114)	\$ (48,225)
CASH SUMMARY									
AVAILABLE CASH, Beginning	\$ 724,159	\$ 784,794	\$ 784,794	\$ 656,972	29	\$ 656,972	\$ 557,669	\$ 509,758	\$ 424,645
SOURCE (USE) OF FUNDS	\$ 60,635	\$ (251,993)	\$ (127,822)	\$ (0)		\$ (99,303)	\$ (47,911)	\$ (85,114)	\$ (48,225)
CASH, Ending	\$ 784,794	\$ 532,801	\$ 656,972	\$ 656,972		\$ 557,669	\$ 509,758	\$ 424,645	\$ 376,420
DESIGNATIONS									
Operating Fund (four to six mos)	\$ 306,300	\$ 425,800	\$ 351,400	\$ 474,700	30	\$ 478,209	\$ 435,066	\$ 424,645	\$ 376,420
Pension Plan Assignment	\$ -	\$ -		\$ -	31	\$ -	\$ -	\$ -	\$ -
Groundwater Modeling	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
SGMA Implementation	\$ 82,169	\$ -		\$ -		\$ -	\$ -	\$ -	\$ -
Update/Modeling GSP	\$ -	\$ -	\$ -	\$ 40,000	32	\$ 40,000	\$ 40,000	\$ -	\$ -
Maintain DMS to SGMA	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
Office Expansion/Relocation	\$ -	\$ -		\$ 20,000			\$ -	\$ -	\$ -
Un-designated	\$ 396,325	\$ 107,001	\$ 305,572	\$ 122,272		\$ 39,460	\$ 34,692	\$ -	\$ -
CASH IN BANK, Ending	\$ 784,794	\$ 532,801	\$ 656,972	\$ 656,972	33	\$ 557,669	\$ 509,758	\$ 424,645	\$ 376,420
No. of months cash pays for oper.	14.1	5.5	11.2	7.9		6.1	5.5	4.8	4.1

SGA
FY 2021-2022 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 increase fees by 15%. The groundwater per unit fee is proposed to increase to \$7.10 in FY22. A trailing five-year pumping average is used (FY16-FY20). 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 \$12,196 plus \$1.58 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 a minimum of 40% fees supported by base fees.
- 3 SGA received a new grant from DWR for SGMA actions, including GSP development and should be completed by January 31, 2022. 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.
- 4 Interest income from the SGA Local Agency Investment Fund (LAIF) account. As available cash decreases, interest earned is expected to decrease.
- 5 For budget purposes, staff salaries include 50% of four full time positions, 20% of the assistant project manager, 10% of the legislative affairs manager, a retired annuitant at .5 FTE and six months of an full-time Associate Engineer (.5 FTE) for a total of 3.3 FTEs.
- 6 Benefits include employer PERS, medical, vision, dental, disability insurance, OPEB and workers' compensation for staff members. FY 2022 budget anticipates an increase in medical costs of 6.5% and other costs at 3%. In FY19, classic employees began paying their entire 7% share of CalPERS contribution.
- 7 Represents the estimated payment of the allocated unfunded pension liability to SGA over four years at an estimated 7.0% discount rate. A revised CalPERS letter estimates the unfunded liability balance of \$74,528 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. Due to unknown effect of FY20 market performance, CalPERS unfunded liability payment will remain the same as in FY22.
- 8 Payroll taxes for eight staff members (3.3 FTEs).

- 9 Includes meal costs. Also includes conference attendance and the associated travel costs (transportation, lodging, meals).
- 10 Includes computer training and other professional development classes.
- 11 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 which ends in August 2023 at \$1.10 per SF. Due to staff expansion, additional funds have been added for a short-term office expansion and a designation for a future office relocation.
- 12 Increase in costs for property and liability coverage obtained through ACWA JPIA forecasted for the coming year.
- 13 Includes costs for office maintenance needs.
- 14 Reflects mailing activities and cost of postage machine rental.
- 15 Includes telephone conference call costs, web hosting for the website and internet service costs.
- 16 Miscellaneous meeting charges including food/refreshments.
- 17 Includes printing costs for letterhead. Also includes copier maintenance and copier lease costs.
- 18 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.
- 19 Acquisition of new hardware/software to replace aging and out-of-date components including additional work station for new staff.
- 20 General computer maintenance service includes monthly end-user support, cloud back up, VPN access, MS Teams, and VOIP phone system.
- 21 Legal expenses in support of general SGA board meetings, resolutions, regulatory analyses, services related to contracts, and GSP development. Legal fees are projected to be higher due to the implementation of SGMA.
- 22 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.
- 23 Payroll service costs for 8 employees (3.3 FTE).
- 24 Represents actuarial, budgeting and accounting assistance, website, and human resource/recruiting support.
- 25 Fees for groundwater management program implementation. (See separate program consulting budget).
- 26 Consulting expenses for grant-funded SGMA actions, including GSP development. Matching funds to pay for costs also come from SGA and SGMA partners.

- 27 Total expenses for SGA.
- 28 Represents the difference between total monies received versus total expenses incurred during the year.
- 29 Available cash is derived from Beginning Cash Balance plus the Source (Use) of Funds - verified in prior year audit report.
- 30 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.
- 31 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 revised estimated unfunded liability balance at June 30, 2019 is approximately \$74,528 reflecting the liability discounted at 7.0%. This estimate was based upon the CalPERS communication letter reflecting the most recent payment of \$26,700 in FY21. Since SGA now budgets an annual payment towards the unfunded liability, SGA will not also set aside an assignment for these ongoing payments.
- 32 Designation for future 5-Year GSP Updates
- 33 Amount of cash over and above designation policy - "undesignated cash."

Shared SGA consulting with RWA

Budget Line	Projected FY20	Projected FY21	Projected FY22	Projected FY23	Projected FY24	Projected FY25
Budget/audit support	72,000	62,000	65,000	67,600	69,600	71,600
Actuarial Services	10,000	4,000	8,500	4,200	8,900	4,500
Human Resources	1,000	5,000	5,000	10,000	12,500	12,500
Consulting Expenses - General	10,000	23,100	23,500	25,500	26,800	28,000
Salary survey/Recruiting	-	-		15,000	-	
Shared SGA consulting	93,000	94,100	102,000	122,300	117,800	116,600
1/2 to SGA	46,500	47,100	51,000	61,200	58,900	58,300

SGA Consulting Budget Approved and Proposed												
4-Year Projection (1)												
	SGA FY 20 Per Audit	Approved FY21 + designation	Projected FY 21	Projected FY 22	Approved FY22 + designation	Projected FY 23	Approved FY23 + designation	Projected FY 24	Approved FY24 + designation	Projected FY 25	Projected FY 26	NOTES
Outside Consultant Assistance - Projects												
Annual Basin Management Report	\$ -	\$ 10,000	\$ 10,000	\$ 20,000		\$ 21,000		\$ 22,100		\$ 23,200	\$ 24,400	1
Update GSP	\$ -	\$ 10,000	\$ 10,000		\$ 20,000		\$ 20,000		\$ 20,000	\$ 40,000	\$ 40,000	2
Monitor water quality/levels (AB 303)	\$ -	\$ 10,000	\$ -	\$ 5,000		\$ 5,300		\$ 5,600		\$ 5,900	\$ 6,200	3
Maintain/Improve DMS	\$ -	\$ 10,000	\$ -	\$ 5,000		\$ 5,300		\$ 5,600		\$ 5,900	\$ 6,200	4
Pursue short-term banking/exchange	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5
Regional contamination issues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6
Groundwater modeling	\$ -	\$ 20,000	\$ 15,000	\$ 10,000	\$ 20,000	\$ 10,000	\$ 20,000	\$ 10,000	\$ 20,000	\$ 30,000	\$ 20,000	7
Subsidence Monitoring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8
TOTAL PROGRAM	\$ 54,400	\$ 60,000	\$ 35,000	\$ 40,000	\$ 40,000	\$ 41,600	\$ 40,000	\$ 43,300	\$ 40,000	\$ 105,000	\$ 96,800	

(1) Assumes 5% annual increase in consulting labor costs (rounded to nearest \$100)

(2) Beginning in FY22, a \$20,000 annual designation begins in order to fund FY27 GSP Update.

(3) Beginning in FY22, a \$20,000 annual designation begins in order to fund modeling for FY27 GSP Update.

SGA Program

FY 2021-2022 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. In prior years, SGA anticipated a report for the SGA area only. Beginning in FY22, 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, which ended in FY21. However, funding is also being identified in the out years to prepare for expenses related to GSP development and 2027 GSP Update.
- 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 Consulting support to enter data and perform maintenance on the Data Management System (DMS). SGMA requires development of a common database for the NASb. As of FY21, there are no remaining designated funds for SGMA, expenses are budgeted accordingly on an annual basis.
- 5 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.
- 6 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. As of FY21, there are no remaining designated funds for SGMA, expenses are budgeted accordingly on an annual
- 7 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 started in FY17. As of FY21, there are no remaining designated funds for SGMA, annual expenses are budgeted accordingly. However, funding is also being identified in the out years to prepare for expenses related to GSP Update.
- 8 Subsidence monitoring is a required component of GSPs developed under SGMA. There are currently no projected expenses identified. Potential monitoring expenses will be identified, if any, during development of the NASb GSP.

**TOTAL WATER DELIVERIES
2016-2020**

WATER PURVEYOR	YEAR	Surface Water	Ground Water	Total Water Deliveries	Retail Connections
California American WC	2020	2,783	8,870	11,653	26,770
	2019	1,522	9,241	10,763	
	2018	1,456	9,609	11,065	
	2017	2,017	9,203	11,220	
	2016	217	10,102	10,319	
Carmichael Water District	2020	5,018	3,496	8,514	11,703
	2019	11,084	2,307	13,391	
	2018	10,674	2,947	13,621	
	2017	10,903	2,597	13,500	
	2016	6,277	1,419	7,696	
Citrus Heights Water District	2020	10,826	1,473	12,299	19,818
	2019	10,746	359	11,105	
	2018	9,776	1,842	11,618	
	2017	10,746	713	11,459	
	2016	9,522	1,173	10,695	
Del Paso Manor Water District	2020	0	1,341	1,341	1,799
	2019	0	1,158	1,158	
	2018	0	1,226	1,226	
	2017	0	1,239	1,239	
	2016	0	1,128	1,128	
Fair Oaks Water District	2020	8,259	2,868	11,127	14,390
	2019	7,260	2,138	9,398	
	2018	6,539	3,151	9,690	
	2017	6,187	3,389	9,576	
	2016	7,703	998	8,701	
Folsom, City of	2020	1,180	0	1,180	1,075
	2019	1,113	0	1,113	
	2018	1,114	0	1,114	
	2017	1,118	0	1,118	
	2016	1,060	0	1,060	
Golden State Water Company	2020	0	935	935	1,752
	2019	0	840	840	
	2018	0	836	836	
	2017	0	854	854	
	2016	0	793	793	
Natomas Central Mutual Water	2020	24,248	907	25,155	200
	2019	33,400	68	33,468	
	2018	33,400	0	33,400	
	2017	33,400	0	33,400	
	2016	33,400	0	33,400	

**TOTAL WATER DELIVERIES
2016-2020**

WATER PURVEYOR	YEAR	Surface Water	Ground Water	Total Water Deliveries	Retail Connections
Orange Vale Water Company	2020	3,981	0	3,981	5,685
	2019	3,607	0	3,607	
	2018	3,974	0	3,974	
	2017	3,846	0	3,846	
	2016	3,408	0	3,408	
Rio Linda/Elverta CWD	2020	0	2,867	2,867	4,642
	2019	0	2,439	2,439	
	2018	0	2,506	2,506	
	2017	0	2,458	2,458	
	2016	0	2,236	2,236	
Sacramento, City of	2020	5,323	23,075	28,398	47,649
	2019	9,374	19,401	28,775	
	2018	6,726	23,495	30,221	
	2017	6,382	23,728	30,110	
	2016	11,811	17,151	28,962	
Sacramento, County of	2020	0	5,092	5,092	3,330
	2019	0	4,582	4,582	
	2018	0	4,817	4,817	
	2017	0	4,756	4,756	
	2016	0	4,064	4,064	
Sacramento Suburban WD	2020	4,016	32,406	36,422	46,573
	2019	17,247	13,363	30,610	
	2018	10,450	20,423	30,873	
	2017	11,462	19,791	31,253	
	2016	11,448	17,863	29,311	
San Juan Water District	2020	3,306	0	3,306	3,416
	2019	2,807	0	2,807	
	2018	2,380	0	2,380	
	2017	2,530	0	2,530	
	2016	2,677	0	2,677	
TOTAL		429,703	335,733	765,436	188,802

SGA 2021-22 Administrative Budget Fees Structure

Attachment B

Agency	Retail Connections FY21	Retail Connections FY22	Base Fee	FY 22 Groundwater Average Extraction Acre Feet (2016 - 2020)	FY 22 Supplemental Groundwater Fees at \$7.10 / AF	Proposed FY 2021-2022 Total Estimated Fees	Actual FY 2021 Fees	\$ Diff from FY21 to Proposed	% Diff
California American Water	26,307	26,770	\$ 45,013	9,405	\$ 66,776	\$ 111,789	\$ 101,437	\$ 10,352	10.21%
Carmichael Water District	11,694	11,703	\$ 21,207	2,553	\$ 18,128	\$ 39,335	\$ 34,279	\$ 5,056	14.75%
Citrus Heights Water District	19,819	19,818	\$ 34,028	1,112	\$ 7,895	\$ 41,923	\$ 36,042	\$ 5,881	16.32%
Del Paso Manor Water District	1,799	1,799	\$ 12,196	1,218	\$ 8,651	\$ 20,847	\$ 18,265	\$ 2,582	14.14%
Fair Oaks Water District	14,241	14,390	\$ 25,452	2,509	\$ 17,812	\$ 43,264	\$ 35,820	\$ 7,444	20.78%
Folsom, City of	1,102	1,075	\$ 12,196	-	\$ -	\$ 12,196	\$ 10,605	\$ 1,591	15.00%
Golden State Water Company	1,752	1,752	\$ 12,196	852	\$ 6,046	\$ 18,242	\$ 16,018	\$ 2,224	13.88%
Natomas Mutual Water Company	200	200	\$ 12,196	195	\$ 1,385	\$ 13,581	\$ 10,794	\$ 2,787	25.82%
Orange Vale Water Company	5,809	5,685	\$ 12,196	-	\$ -	\$ 12,196	\$ 10,605	\$ 1,591	15.00%
Rio Linda/Elverta Water District	4,640	4,642	\$ 12,196	2,501	\$ 17,759	\$ 29,955	\$ 26,112	\$ 3,843	14.72%
Sacramento, City of	47,145	47,649	\$ 78,001	21,370	\$ 151,727	\$ 229,728	\$ 194,297	\$ 35,431	18.24%
Sacramento, County of	3,328	3,330	\$ 12,196	4,662	\$ 33,102	\$ 45,298	\$ 39,785	\$ 5,513	13.86%
Sacramento Suburban	47,525	46,573	\$ 76,301	20,769	\$ 147,461	\$ 223,762	\$ 197,992	\$ 25,770	13.02%
San Juan Water District	3,416	3,416	\$ 12,196	-	\$ -	\$ 12,196	\$ 10,605	\$ 1,591	15.00%
TOTALS	188,777	188,802	\$ 377,570	67,147	\$ 476,742	\$ 854,312	\$ 742,656	\$ 111,656	15.03%
			44.20%		55.80%				

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 @ \$12,196 plus \$1.58 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 \$7.10 per AF.

Sacramento Groundwater Authority Fiscal Year 22 Budget

**SGA Board Meeting
April 8, 2021**



SACRAMENTO GROUNDWATER AUTHORITY

Overview

- Fees (Base and Groundwater)
- Additional Staffing
- CalPERS and PERS Unfunded Liability
- OPEB
- SGMA/GSP Program Budget
- SGA Designations
- SGA Budget Outlook
- Questions

FY22 SGA Fees

- Fees – two components: base & groundwater
- Base fee – flat minimum fee for up to 6,000 connections
 - Proposed at \$12,196
 - Higher due to increase in Operating Costs
 - Base fee covers 44% of expenses
- Groundwater fee – based upon trailing 5-year average of groundwater pumped
 - Proposed at \$7.10 per acre foot
 - Increase in groundwater pumping average
 - GW fee covers 56% of expenses
- Connection fee > 6,000 connections = \$1.58 per connection

FY22 SGA Fees – cont'd.

- Overall, FY22 fee increase is 15% as projected in FY21 budget
- Each agency's fee is different – based upon GW pumped
 - Some pay more due to GW AF increase
- Net budget result in FY22:
 - Expenses = Fees = Balanced Budget
 - Undesignated cash reserves will help offset future year budgets (applied towards budget deficits, reduced agency fees, or unplanned expenditures)

Additional Staffing

- Board direction was to add a Project Manager to FY22 staffing levels (total of 3.3 FTE)
- For recruitment flexibility purposes, the salary for this position has been budgeted at top step of the Associate Project Manager with benefits for approximately six months
- Recruitment process to begin in Fall 2021
- Other related increased expenses for new position including items such as professional development, training, travel, rent, dues and subscriptions, computer hardware, software, and maintenance, furniture and ADP fees for payroll.

CalPERS and PERS Unfunded Liability

- CalPERS
 - SGA has its own PERS account
 - Employees pay the entire employee share
 - PERS employer cost will increase with additional staffing
 - Possible for new staff to be PEPRA (vs. Classic)
- PERS Unfunded Liability
 - Staff recommends to keep current level of funding until FY22 Evaluation Report
 - Anticipates increased liability in the future due to lower than planned FY20/21 discount rates
 - Staff does not recommend paying off entire future unfunded liability at this time

OPEB

- Other Post Employment Benefits (OPEB)
 - SGA shares OPEB costs with RWA
 - OPEB costs are declining with additional annual payments being made
 - Costs fluctuate when active retirees move on to Medicare; replaced with future retirees and their replacement hires
 - Cafeteria Plan changes caps future OPEB costs
 - OPEB evaluation report in FY22 will adjust balance to account for discount rate variance
 - Discount rate adjustment will likely decrease OPEB coverage; last reported at 90%
 - Possible FY22 Health Excise Tax - unconfirmed

SGMA/GSP Program Budget

- SGMA/GSP Program Budget
 - Annual Basin Management Report, Monitoring Water Quality Levels, Maintain/Improve DMS, and Groundwater Modeling costs have been reduced to \$40k in FY22 and then increased 5% annually in future years
 - Designation for initial SGMA/GSP ended as of FY21 budget
 - New Designation for future 5-Year GSP Update begins in FY22

SGA Designations

- Designations
 - \$20k per year for next three years (\$60k total) for SGA's share of FY27 GSP 5-Year Update
 - \$20k per year for next three years (\$60k total) for Groundwater Modeling expended in FY25/26
 - \$20k in FY22 for FY23/24 for possible office expansion and relocation

SGA Budget Outlook

- Five Year Budget Outlook
 - Fees are projected at a declining rate of 8% and then 6% over the next five years
 - Future expenses may change dependent upon:
 - GSP future requirements
 - PERS and OPEB Updated Reports
 - Office expansion/relocation options
 - SGA's future cash balance declines annually; stays within operating designation policy limits
 - Possible SCGA integration would influence future costs and long-term liabilities



Questions and Discussion



SACRAMENTO GROUNDWATER AUTHORITY

**AGENDA ITEM 5: SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
UPDATE**

BACKGROUND:

The purpose of this item is to provide updates to the Board of Directors on developments regarding the RWA providing staffing services to the Sacramento Central Groundwater Authority.

Work continues to obtain facilitation services for exploring issues related to the proposed integration efforts. A copy of the facilitation scope from Consensus Builders Institute is attached.

Discussion: Jim Peifer, Executive Director

Attachment: CBI facilitation scope

Scope of Work

Facilitation Services for Sacramento Central Groundwater Authority and Sacramento Groundwater Authority

Submitted to:

Jim Peifer, RWA/SGA Executive Director, jpeifer@rwah2o.ORG

Jessica Law, Executive Director, Water Forum, JLaw@waterforum.org

John Woodling, SCGA Interim Executive Director, jwoodling@geiconsultants.com

Submitted by:

Gina Bartlett, Senior Mediator

Consensus Building Institute

160 Delmar Street, San Francisco, CA 94117

Tel: 415-271-0049

Gina@CBI.org

8 February 2021

The Consensus Building Institute (CBI) is pleased to present this scope of work for providing facilitation services to consider a strategy for shared operations of the Regional Water Authority (RWA), the Sacramento Groundwater Authority (GSA), and the Sacramento Central Groundwater Authority (SCGA). The work would occur in two phases: Phase 1 would be an assessment to prepare for a joint board meeting and to frame key issues for this effort, including the design of Phase 2. Phase 2 would involve a governance dialogue that would lead to a potential agreement on consolidating SGA and SCGA.

CBI provides impartial facilitation and mediation services. CBI facilitators work in close partnership with staff, yet maintain independence with regard to process and impartiality with regard to outcomes.

Scope

Period of Performance

Phase 1: February to June 2021

Phase 2: July 2021 – July 2022

Cambridge, MA: 100 CambridgePark Drive, Suite 302, Cambridge, MA 02140 | Tel (617) 492-1414

Washington, DC: 1875 Connecticut Ave NW, 10th Floor, Washington, DC 20008 | Tel (202) 499-6882

Other Locations: New York, NY | San Francisco, CA | Denver, CO | Santiago, Chile | Montréal, Canada

cbi.org | inquire@cbi.org

Phase 1: Issue Identification

Task 1: Design and Facilitate Joint Board Meetings

CBI would work with staff to plan and facilitate a joint SCGA-SGA-RWA board meeting to seek input on issues of shared staffing and resources. During this meeting, the board would receive an in-depth presentation on shared staffing scenario. The intent would be to have the SCGA-SGA-RWA to decide on the staffing proposal. Staff may determine that the decision would need to be considered at a subsequent session. The initial joint board meeting would also be an opportunity to meet the facilitator and share any guidance with the facilitator for her work.

This meeting would be followed by a joint SGA-SCGA board meeting that explores issues and concerns related to governance. The meeting would set the stage to frame governance questions that the boards would have to consider under Phase 2. CBI would present the assessment interview findings and recommendations for Phase 2. Board members could discuss and add to the interview findings. The Board could also weigh in on the recommendations for Phase 2, Governance Dialogues.

The goal of this task would be to reach a go / no-go decision on moving to Phase 2. This vote could provide an important threshold of commitment to embark on Phase 2,

- Decision 1: SCGA-SGA-RWA would decide on the staffing proposal.
- Decision 2: SCGA-SGA would decide on whether a feasible governance model exists to move forward with Phase 2 governance discussions.

Activities

- + Meet with staff to understand previous board discussions on this topic and begin to develop an agenda for the joint board meetings.
- + Meet with boards' ad hoc committee to review agenda, vet draft proposals, and plan for joint sessions.
- + Meet with staff up to 3 times per joint board meeting to finalize agendas and plans for joint board meetings, including all logistics for virtual meetings and public comment.
- + Facilitate joint sessions of board. Provide online meeting technical specialist as needed to support smooth virtual engagement.
- + Help prepare proposals for Board consideration re: whether and how to proceed with Phase 2.
- + Document input received to inform future work.
- + Conduct briefing with Stantec and DWR (if Facilitation Support Services funds contract) on work completed and plans for Phase 2.

Task 2: Assessment Interviews

CBI would conduct interviews with key stakeholders reflecting the range of perspectives from SCGA and SGA. These interviews would commence after the SCGA-SGA-RWA board meeting and prior to the SGA-SCGA board meeting. Interviews would be exploratory conversations aiming to understand the range of perspectives on the potential consolidation and to identify key issues and concerns that the Phase 2 Governance Dialogues would need to address. The interviews would be confidential; CBI

would share findings without attribution. CBI could consult with SCGA, SGA, or RWA counsel to ensure interviews were conducted in a manner compliant with the Brown Act.

Activities

- + Meet with staff to identify up to 15 individuals to represent the range of viewpoints on these issues.
- + Identify interview guide to frame interview discussion questions.
- + Coordinate and schedule interviews.
- + Analyze findings and prepare memo detailing key issues and presentation for board meeting.
- + Vet findings with staff.
- + Vet findings with ad hoc committee.
- + Develop recommendations for if and how to proceed with Phase 2, outlining discussion topics and issues for resolution.
- + Vet recommendations with staff for refinement and feasibility.
- + Finalize assessment findings and recommendations for Board presentation.

Phase 2: Governance Dialogue

Based on the assessment findings and recommendations as well as the Joint Boards' feedback and direction, CBI would work with staff to create a sequence of discussion topics aimed to explore and negotiate governance necessary to achieve staffing goals. CBI would envision working closely with staff from all three agencies as well as an ad hoc committee of the SGA and SCGA Boards to design a process to work through a suite of issues related to potential consolidation (board composition, voting, funding, etc.). The goal would be a set of outcomes to clarify the structure of a consolidated agency that enjoy widespread support among board members. CBI would envision that this process would also need to create a road map for implementation should the Boards decide to proceed.

Activities

- + Develop work plan to address key topics associated with governance decisions for staffing and potential consolidation.
- + Identify thresholds for go / no-go decisions and milestones so that the Boards have an opportunity to check in formally to assure they are comfortable proceeding.
- + Work closely with staff to plan ad hoc committee meetings, and agency board meetings. CBI would envision meeting every two weeks with staff during this phase.
- + Meet periodically with ad hoc committee to confirm approach for Board meeting time.
- + Design and facilitate up to 12 ad hoc committee meetings to seek input and guidance on governance decisions.
- + Participate in up to 12 Board meetings to report progress of the ad hoc committee and solicit feedback.
- + Hold periodic conference calls with Board members so the facilitator can understand firsthand any concerns or issues that need to be addressed. These calls would be consistent with the Brown Act: the facilitator would not attempt to build agreement during calls, rather to deepen understanding of perspectives to inform shaping the agenda for public Board meetings.
- + Consult with counsel when ready to document governance agreements in formal document.

- ✦ Depending on the need, organize outreach with the public and stakeholders at key junctures. These might take the form of public workshops or briefings at existing meeting venues.

Budget

Since applying to the FSS program, Stantec typically does the budget estimates for these efforts. CBI is happy to provide an hours estimate for this endeavor if helpful.

About CBI

The Consensus Building Institute (CBI), founded in 1993, improves the way that leaders collaborate to make organizational decisions, achieve agreements, and manage multi-party conflicts and planning efforts. A nationally and internationally recognized not-for-profit organization, CBI provides strategic planning, organizational development and high-skilled facilitation for state and federal agencies, non-profits, and international development agencies around the world. CBI senior staff are affiliated with the MIT-Harvard Public Disputes Program and the MIT Department of Urban Studies and Planning. CBI's Board includes leading theorists and practitioners of dispute resolution.

CBI staff's multi-organizational business and government, U.S. and international experience allows us to deliver seasoned experience and wide-ranging expertise to each organization's unique challenges. CBI brings decades of experience facilitating collaboration, mutual gains negotiation, and consensus building within and across organizations. In every project CBI undertakes, CBI mediators carefully design the process to build and maintain clarity on goals, roles, and outcomes. CBI's unique approach to facilitation results in highly effective consultation, dialogue, and agreement-seeking on complex strategy and governance issues.

CBI Staffing Qualifications

San Francisco-based senior mediator Gina Bartlett would be the lead facilitator working in partnership with the planning team. Ms. Bartlett has more than 20 years of experience and delivers the following value and expertise:

- Outstanding facilitation.
- Extensive experience in helping organizations work together effectively and creating governance structures to achieve their goals.
- Senior-level mediation skill to probe and resolve potential conflict productively.
- Adeptness at balancing expansive, strategic thinking with realistic goal setting, healthy pragmatism, and streamlined, deadline-focused outcomes.

Gina is a senior mediator and director of CBI's practice in the American West. Ms. Bartlett has served as a facilitator and mediator in consensus building and collaborative planning on complex public policy and organizational issues. She has extensive experience facilitating organizational strategy and governance, as well as mediating high-stakes, multi-party negotiations.

She has successfully mediated some of California's most vexing natural resource issues, in several cases helping parties to resolve issues litigated multiple times. Gina has helped leaders with diverse perspectives collaborate on a range of policy areas: water, natural resources, climate adaptation,

land management, scientific and technical issues, energy, and education. In her high-level policy work, she employs citizen engagement and communication tools to strengthen outcomes and build widespread support. She has recently been deeply engaged in building consensus to manage Lake Tahoe's shoreline, addressing nearly 30 years of conflict and litigation, and negotiating governance for newly formed groundwater sustainability agencies in California.

Gina works with organizations on strategic planning and governance, facilitating dialogue among decision makers to craft the strategic direction and focus of the organization and to design the structure necessary for implementation. In the last several years, she has worked on organizational initiatives with the Marin County Wildfire Authority, San Luis Rey groundwater basins in Southern California, Los Angeles Metropolitan Transportation Agency, Cleveland Indians Baseball Team Business Leadership Team, FairTrade USA, and the Western and Central Pacific Fisheries Commission.

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

BACKGROUND:

Progress continues on the development of a draft Groundwater Sustainability Plan (GSP) for compliance with SGMA. As reported to the Board in, a series of three North American Subbasin (NASb)-wide public engagement webinars are planned to educate, and receive input from, other users of groundwater in the basin (e.g., domestic well owners, agricultural well owners). The first meeting was held on February 10th and focused on SGMA background and establishing sustainable management criteria. The second meeting was held March 10th and was focused on water budgets. The third meeting is planned for April 14th and will focus on projects and management actions to be included in the GSP. Following this public engagement, we anticipate completing a draft GSP and releasing it for public comment in June 2021. Staff will provide an update on activities related to SGMA, including water budget estimates,

Staff has collected groundwater extraction data and entered it into the Water Accounting Framework tracking spreadsheet (enclosed). In 2020, dry year groundwater pumping in the central part of SGA resulted in a net banked water decrease of 3,463 acre-feet from 2019.

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

Discussion: Rob Swartz, Manager of Technical Services

Attachment: Draft 2020 Water Accounting Framework results

Water Accounting Framework, Phase III

Basin Sustainability Goal

Exchangeable Water

Carmichael 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
		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	25,919	5,898	0	0	4,049	65,968
2018	8,614		2,947	3,699	0	29,618	5,667	408	0	3,291	69,259
2019	8,219		2,307	4,339	0	33,957	6,053	0	0	4,339	73,598
2020	8,514		3,496	3,150	0	37,107	5,018	1,503	0	1,647	75,245
City of Sacramento	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
		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
2019	28,774		19,401	1,190	0	29,383	9,373	0	0	1,190	69,351
2020	28,398		23,075	-2,484	0	26,899	5,323	7777		-7,777	61,574
California American Water	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
		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
2019	10,763		9,241	8,754	0	57,259	1,522	0	0	1,522	12,918
2020	11,653		8,870	9,125	0	66,384	2,783	0	0	2,783	15,701
Del Paso Manor 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
		1,465									0
2012	1,499		1,499	-34	0	-34	0	0	0	0	0
2013	1,571		1,571	-106	0	-140	0	0	0	0	0
2014	1,246		1,246	219	0	79	0	0	0	0	0
2015	1,052		1,052	413	0	492	0	0	0	0	0
2016	1,128		1,128	337	0	829	0	0	0	0	0
2017	1,239		1,239	226	0	1,055	0	0	0	0	0
2018	1,226		1,226	239	0	1,294	0	0	0	0	0
2019	1,158		1,158	307	0	1,601	0	0	0	0	0
2020	1,341		1,341	124	0	1,725	0	0	0	0	0
Golden State Water Company	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
		1,098									0
2012	1,119		1,119	-21	0	-21	0	0	0	0	0
2013	1,184		1,184	-86	0	-107	0	0	0	0	0
2014	896		896	202	0	95	0	0	0	0	0
2015	778		778	320	0	415	0	0	0	0	0
2016	793		793	305	0	720	0	0	0	0	0
2017	854		854	244	0	964	0	0	0	0	0
2018	836		836	262	0	1,226	0	0	0	0	0
2019	840		840	258	0	1,484	0	0	0	0	0
2020	935		935	163	0	1,647	0	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
2019	2,439		2,439	443	0	2,950	0	0	0	0	134
2020	2,867		2,867	15	0	2,965	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
2019	4,582		4,582	-294	0	-2,888	0	0	0	0	0
2020	5,092		5,092	-804	0	-3,692	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
2019	30,610		13,363	21,672		83,182	17,247	0	0	17,247	233,314
2020	36,422		32,406	2,629	0	85,811	4,016	4,132	0	-116	233,198
Central Area Total	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
		90,000									266,875
2012	110,965		66,945	23,055	0	23,055	44,020	0	0	20,224	287,099
2013	113,255		77,141	12,859	0	35,914	36,114	3,068	0	10,815	297,914
2014	93,012		70,148	19,852	0	55,766	23,064	0	0	10,060	307,974
2015	80,140		60,266	29,734	0	85,500	19,874	0	0	11,880	319,854
2016	84,509		54,756	35,244	0	120,744	29,753	0	0	20,332	340,186
2017	90,385		64,626	25,374	0	146,118	25,759	0	0	17,528	357,714
2018	90,158		65,859	24,141	0	170,259	24,299	8,302	0	7,303	365,017
2019	87,385		53,331	36,669	0	206,928	34,195	0	0	24,298	389,315
2020	95,222		78,082	11,918	0	218,846	17,140	13,412	0	-3,463	385,852

AGENDA ITEM 7: LEGISLATIVE UPDATE

BACKGROUND:

The bill introduction deadline saw a slight reduction in the number of bills typically introduced. There was a total of just over 2,300 bills introduced, where more recent years have had closer to 3,000 bills. This reduction in introduced bills is in response to COVID and the Legislature's intent to focus on a narrower set of issue areas.

Positive news on the Legislative side is that there is a substantial budget surplus of approximately \$40 billion with additional budgetary flexibility of approximately \$26 billion from federal relief funds. These funds will be used for one-time purposes as an on-going program would pose challenges to balancing the budget in future years.

The budget surplus appears to be adding momentum to Legislative efforts on a climate resilience bond. AB 1500 (Eduardo Garcia D- Coachella) and SB 45 (Portantino D- La Canada Flintridge) are the two climate resilience bond measures and each of those contain funding to support groundwater management. Staff continues to work on the inclusion of a dedicated pot of funding for conjunctive use implementation projects.

Beyond AB 252 (Robert Rivas D- Salinas), related to multi-benefit land repurposing, there aren't bills currently in print that would directly affect groundwater management. There is always the possibility that bills will be amended in the coming weeks and months and there remain a number of spot bills that could be amended in the near future to address groundwater.

There are also relatively few bills related to water quality currently in print. To date those bills that are related to water quality do not directly relate to groundwater and are largely focused on oversight issues. SB 230 (Portantino D- La Canada Flintridge), related to constituents of emerging concern, has passed Senate policy committee, but is becoming a two-year bill in Senate Appropriations.

The Water Board has recently posted their final PFAS monitoring orders for bulk terminals and refineries where PFAS is likely to be detected. The list includes 160 facilities around the state and approximately half a dozen in the Sacramento Region.

Discussion: Ryan Ojakian, Legislative and Regulatory Affairs Manager

Sacramento Groundwater Authority Board Meeting
April 8, 2021

AGENDA ITEM 8: EXECUTIVE DIRECTOR'S REPORT

APRIL 8, 2021

TO: SGA BOARD OF DIRECTORS

FROM: JIM PEIFER

RE: EXECUTIVE DIRECTOR'S REPORT

- a. **Outreach** - Mr. Peifer attended the ACWA Groundwater Committee meeting on March 5th.
- b. **Sacramento Regional Water Bank** –Water Bank, Phase 2 planning is getting underway through the Regional Water Authority. Program agreements are being executed by participating agencies. Phase 2 technical work will include: computer simulations of proposed operations to account for storage and recovery and ensure that operations are consistent with Sustainable Groundwater Management Act (SGMA) requirements; completion of environmental documentation; establishing governance; and continued outreach activities. Work is estimated to be completed in 2022.
- c. **Water Forum Negotiations** – The Water Forum Agreement is in the process of being renegotiated. The original Water Forum Agreement included a Groundwater Management Element and groundwater management will be a topic of discussion and potentially, negotiation.

The Water Forum Executive Director, Ms. Jessica Law conducted a listening tour of the Water Forum members after being appointed in early January. This listening tour was conducted to help her understand the issues relating to the Water Forum and to reorganize the negotiations in a way that incorporated her vision for the process. Ms. Law recently gave a presentation to the Negotiating Steering Committee (NSC) on a “Refined Approach and Process” which helps to clarify the schedule, problem statement, expectations, outcomes, and key management questions for the negotiations (see copy attached). The presentation allows for some of the “big picture” issues to be clarified and addressed. The four caucuses of the Water Forum will separately discuss the material in Ms. Law’s presentation and provide feedback. The Water Caucus will meet on April 7th.

A new committee has been established to provide feedback to the Ms. Law on developing the Big Picture issues and how to analyze them. This committee is called the 2x4 Committee and includes two members from each caucus including:

- a. Paul Schubert and Jim Peifer from the Water Caucus
- b. Brian Holloway and Jim Ray from the Business Caucus
- c. Clyde Macdonald and Ted Rauh from the Environmental Caucus
- d. Inga Olson and Ansel Lundberg from the Public Caucus

Sacramento Groundwater Authority Board Meeting
April 8, 2021

d. Financial Reports – The financial reports for the period ending March 31, 2021 are attached.

Attachments

NSC Presentation: “Refined Approach and Process”
Financial Reports



WATER FORUM 2.0 – NSC Discussion

Refined Approach and Process

March 18, 2021

Jessica Law, Executive Director



Agenda

The Problem Statement

1: Schedule and Approach

2: Foundational Work and Phase 1 (with NSC Discussion and Opportunity to Caucus)

(Break)

3: Components to Guide Analysis (with NSC Discussion and Opportunity to Caucus)



Water Forum 2.0

What problems are we are trying to solve?

- The coequal goals are not necessarily secure or guaranteed over the next 20-30 years.
- Fisheries are not doing well – conditions are tolerable 50-60% of the time; and it will only get worse
- Water supply is threatened by climate change



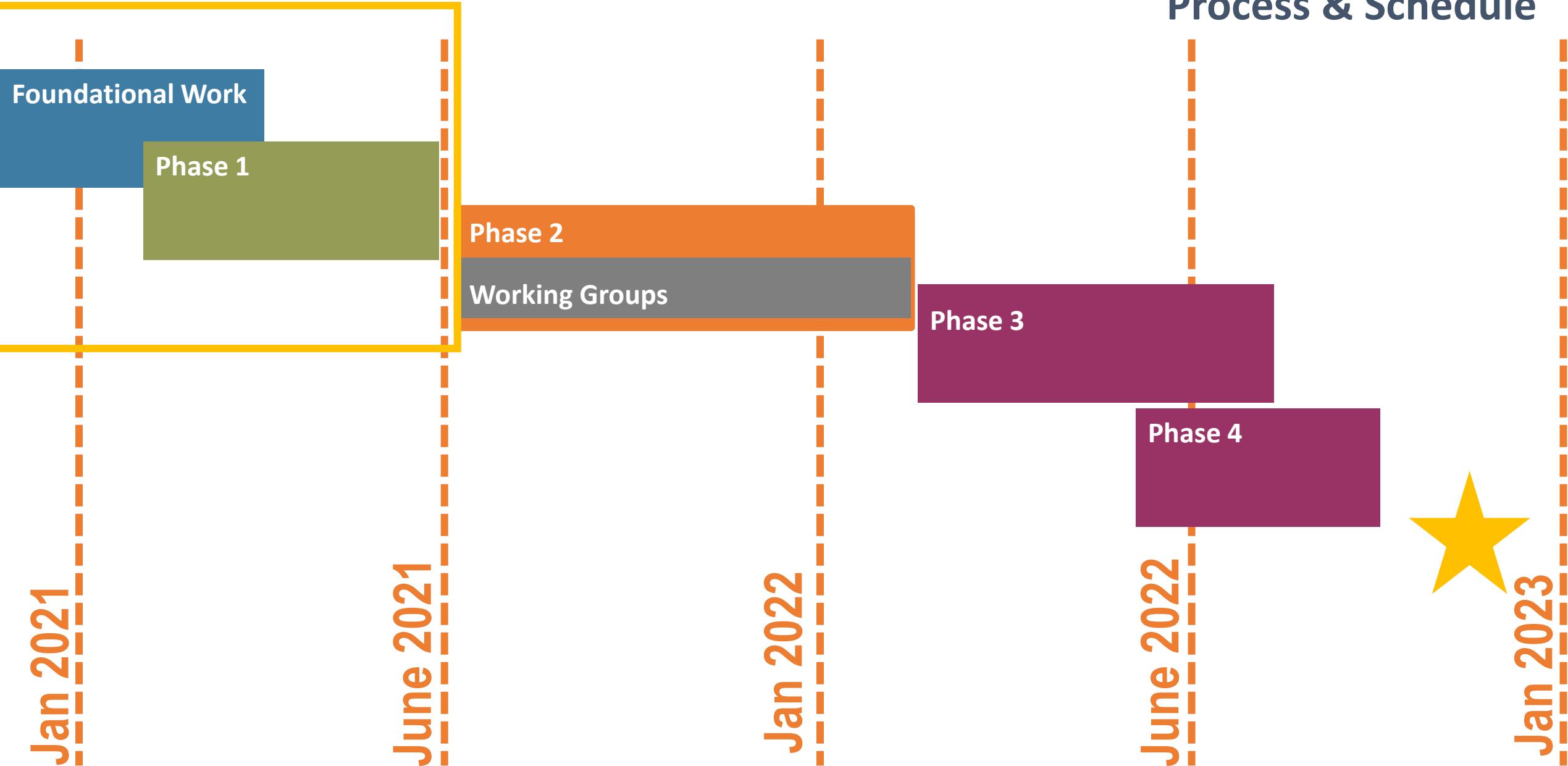
1: Schedule and Approach



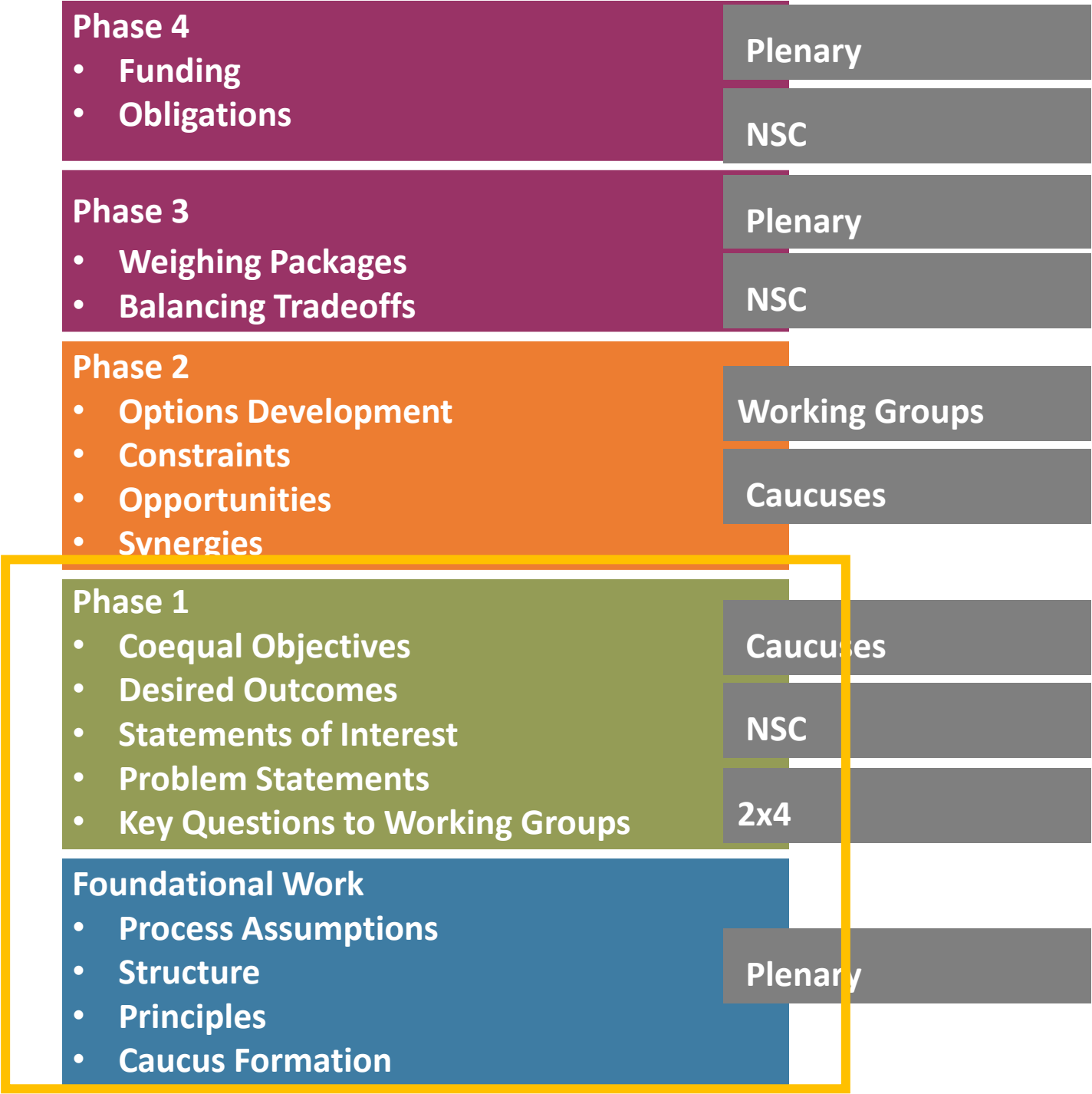
DRAFT TIMELINE

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Process & Schedule



Process & Structure



2: Foundational Work & Phase 1



Foundational Work

Process Assumptions

Structure

Principles

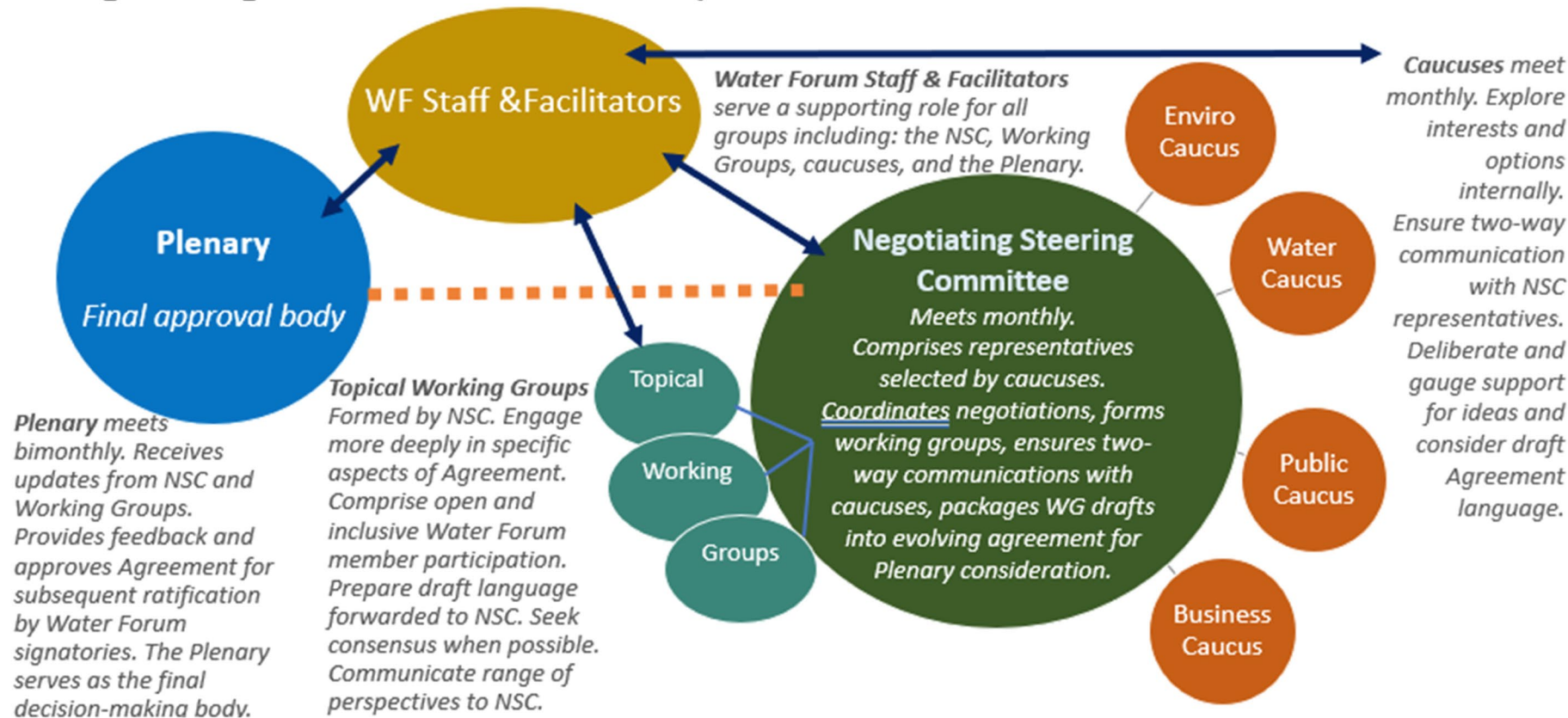
Caucus Formation

Foundational Work: Process Assumptions

- This is Interest Based Negotiation
- Not strategic planning, this is not comprehensive planning
- Process is messy! And there is a lot of swirling and feedback loops
- It's okay to not answer all of the questions right away

Foundational Work: Structure

Water Forum II Successor Agreement Negotiating Structure + Roles & Responsibilities



Foundational Work: Principles

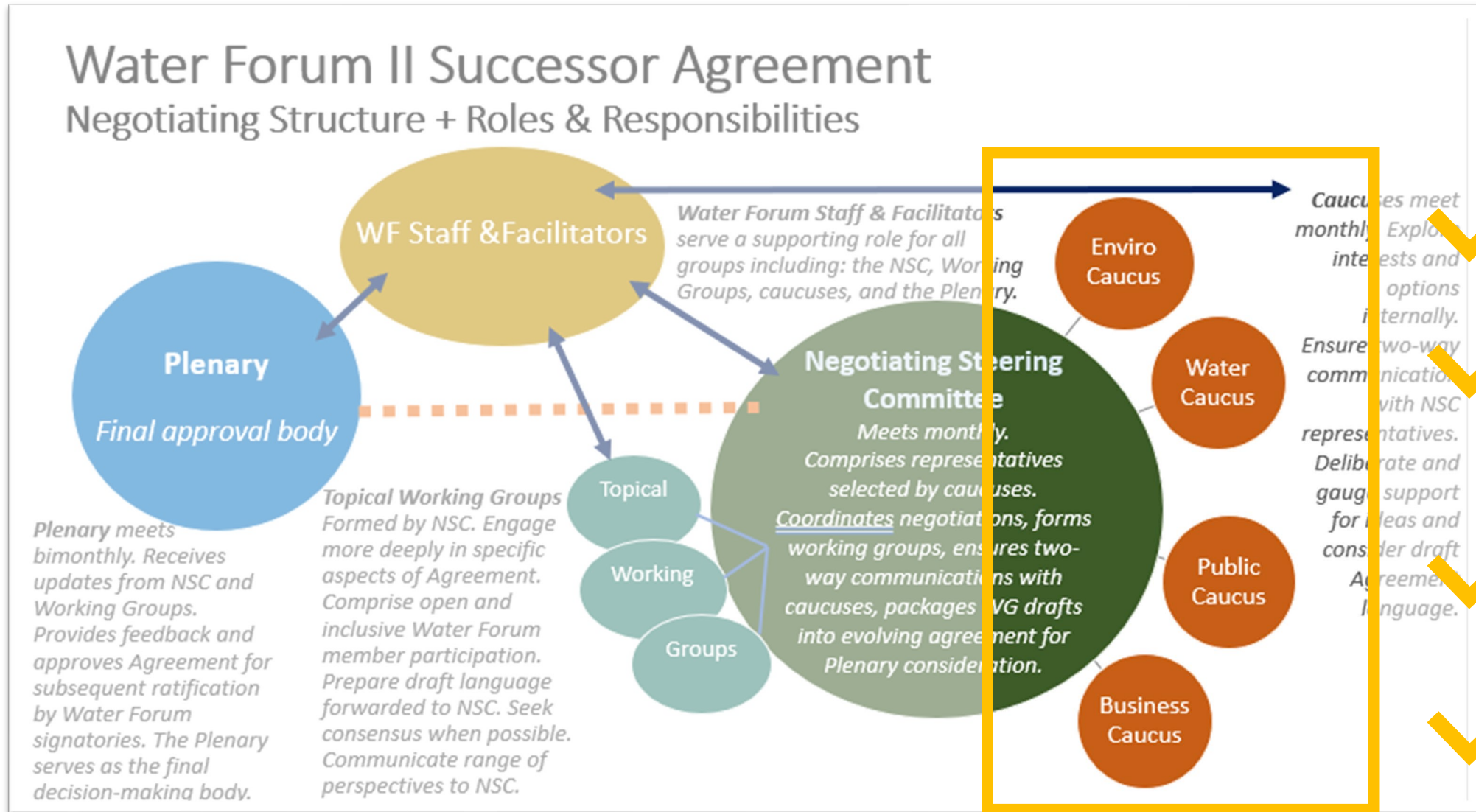
The Water Forum is committed to:

- Bringing together diverse interests
- Creating continuity
- Building on existing successes
- Addressing drivers of change
- Increasing awareness and public understanding
- Creating mutual benefit and support
- Assuring coordination
- Acting with a sense of urgency

How do we more clearly articulate, embed or draw out social equity and fairness?

Groundrules are a great example of principles or values that we want to express in our work.

Foundational Work: Caucus Formation



Foundational Work: Questions for NSC

- ☐ How might the approach change if we are writing a new WF 2.0 agreement or just amending the old one?
- ☐ How might the geographic scope change as a result of the WF 2.0 agreement? (Also tied to coequal objectives)
- ☐ What timeframes should we address in the process of developing the WF 2.0 agreement?

Process Phases

Phase 4

- Funding
- Obligations

Phase 3

- Weighing Packages
- Balancing Tradeoffs

Phase 2

- Options Development
- Constraints
- Opportunities
- Synergies

Phase 1

- Coequal Objectives
- Desired Outcomes
- Statements of Interest
- Problem Statements
- Key Questions to Working Groups

Foundational Work

- Process Assumptions
- Structure
- Principles
- Caucus Formation



Phase 1

Coequal Objectives

Desired Outcomes

Interests and Issues

Problem Statements

Key Questions to Working Groups

Phase 1: Coequal Objectives

Water Forum (Website):

- To provide a reliable and safe water supply for the Sacramento region's long-term growth and economic health.
- To preserve the fishery, wildlife, recreational, and aesthetic values of the lower American River.

Water Forum Agreement (Original):

- Provide a reliable and safe water supply for the region's economic health and planned development to the year 2030.
- To preserve the fishery, wildlife, recreational, and aesthetic values of the lower American River.

Phase 1: Desired Outcomes

In the Water Forum 2.0 process we will review the coequal objectives to assess any possible updates or need for expansion to answer the following:

- Are we meeting the river and fishery goals now? In the future?
- Are we meeting water supply needs now? In the future?
- How will future water needs impact the river and fishery?
- Do the coequal goals need to be expanded?
- What do we need to do to meet the goals, now and in the future?

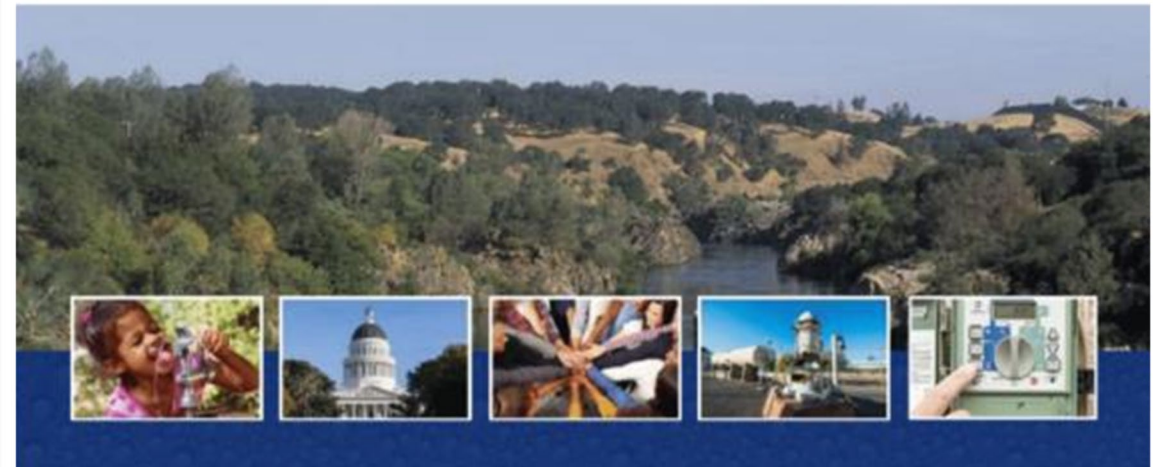
Phase 1: Core Issues and Interests

- What are the interests and principles each caucus has related to the work group topic?
- How closely are we aligned, and on what topics?
- Where are we the farthest apart?
- How do we more clearly articulate, embed, or draw out social equity and fairness as a principle for our work?

Water Forum II: Negotiating Issue Framework



Public Caucus + Water Caucus Interests



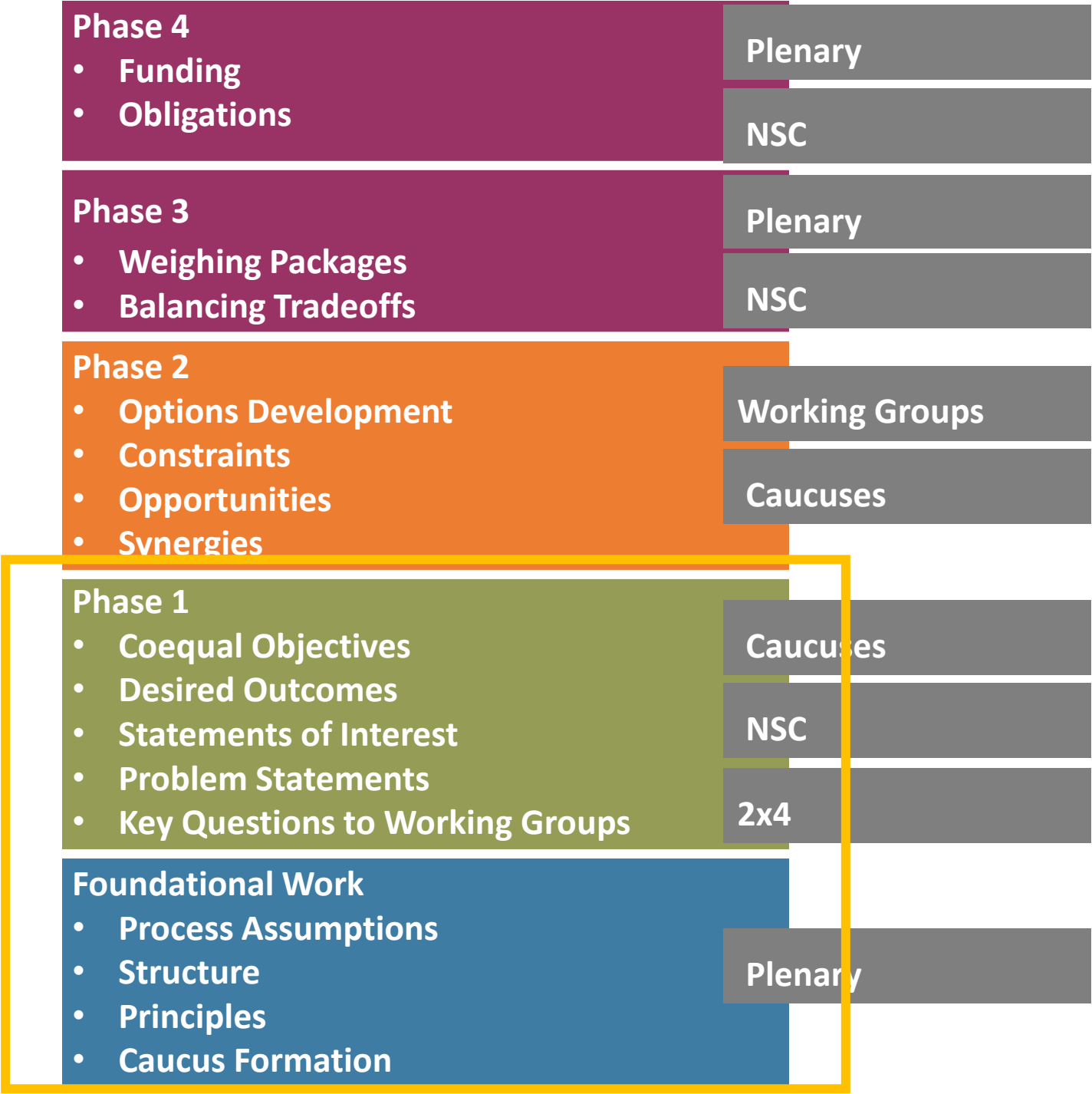
Phase 1: Components to Guide Analysis (Phase 2-4)

- Questions to Guide Working Group Discussions (Amended)
- Key Management Questions – Specific to Each Element
- Problem statement and/or Charge
- Technical Advisory Committee
- Analysis tools

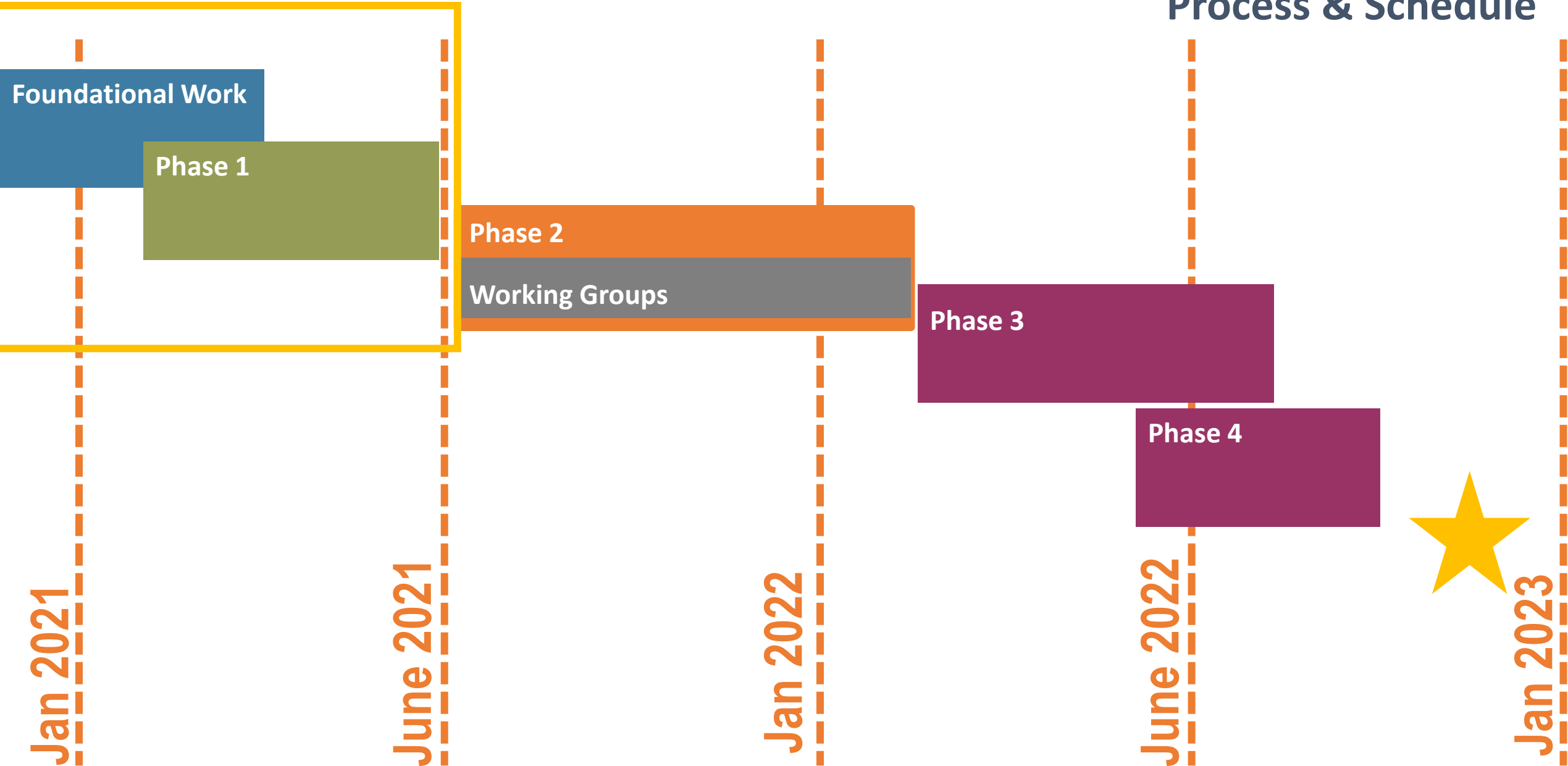
Phase 1: Questions for NSC

- ☐ To what extent do the coequal objectives or goals adequately frame the Water Forum 2.0 process? (Also tied to geographic scope)
- ☐ Do we agree that habitat management should pursue enhancement as well as mitigation? How should we think about these in the context of the WF 2.0 process? (see Statements of Interest)
- ☐ Would it be helpful to develop a scope or a charge for each Element/working group to help guide the analysis?

Process & Structure



Process & Schedule



NSC Discussion & Opportunity to Caucus



Foundational Work: Questions for NSC

- ❑ How might the approach change if we are writing a new WF 2.0 agreement or just amending the old one?
- ❑ How might the geographic scope change as a result of the WF 2.0 agreement? (Also tied to coequal objectives)
- ❑ What timeframes should we address in the process of developing the WF 2.0 agreement?

Foundational Work

- Process Assumptions
- Structure
- Principles
- Caucus Formation

Phase 1: Questions for NSC

- ❑ To what extent do the coequal objectives or goals adequately frame the Water Forum 2.0 process? (Also tied to geographic scope)
- ❑ Do we agree that habitat management should pursue enhancement as well as mitigation? How should we think about these in the context of the WF 2.0 process? (see Statements of Interest)
- ❑ Would it be helpful to develop a scope or a charge for each Element/working group to help guide the analysis?

Phase 1

- Coequal Objectives
- Desired Outcomes
- Statements of Interest
- Problem Statements
- Key Questions to Working Groups

BREAK



3: Components to Guide Analysis



Phase 1: Components to Guide Analysis (Phase 2-4)

Review:

- Questions to Guide Working Group Discussions (Amended)
- Key Management Questions – Specific to Each Element

Discuss: How do we get to Phase 2?

- Refining Key Management Questions
- Problem statement and/or Charge
- Technical Advisory Committee
- Analysis tools (modeling, projections, etc.)

Phase 1: Questions to Guide Working Groups

Existing Conditions

- For this element, what's in the existing agreement?
- Are there new local, state or federal regulations that address this element? What implications do changing regulations have and what implications might that have on the WF II approach to this element?
- How does this element change based on timing, geography, equity, and climate change? (As set by NSC)

Desired Outcomes (Phase 1)

- Are we meeting the coequal objectives of the Water Forum?
 - *Are we meeting the river and fishery goals now? In the future?*
 - *Are we meeting water supply needs now? In the future?*
 - *How will future water needs impact the river and fishery?*
 - *Do the coequal goals need to be expanded?*
 - *What do we need to do to meet the goals, now and in the future?*

Core Interests and Issues (Phase 1)

- *What are the interests and principles each caucus has related to the work group topic?*
- *How closely are we aligned, and on what topics?*
- *Where are we the farthest apart?*
- *How do we more clearly articulate, embed or draw out social equity and fairness as a principle for our work?*

Key Management Questions (Phase 1)

- What are the key management questions each caucus has related to this work group topic? (See separate list)



Key Management Questions

1. How does the MFMS deliver on the coequal objectives? How is it currently performing and how does it fall short? What can be done in the near-term, mid-term, and long term?
2. Based on CVP conditions and other restrictions, what can be done to achieve greater water supply reliability and progress towards the coequal objectives?
3. How will fisheries survive regional water demands and climate change? How will we manage the MFMS, water transfers, banking, conjunctive use, and American river diversions in light of the USBR actions to sustain the Delta?
4. How could temporary storage of water in Folsom's winter flood space be used to cool the river, increase flows, protect fisheries, provide for groundwater recharge, etc.? What should be the priorities on the use of that water?
5. How would temperature and flows change, among other things, based the temperature Control Device, Elephant Trunk or other cold water infrastructure improvements?



Habitat
Management

Key Management Questions

1. Where has the WF had success? Where has it fallen short and why? What does that tell us we need to address for the near or mid-term?
2. How much funding for HME do we need to meet the dual objectives?
3. Should the WF support habitat creation outside the American River? What would that look like? Should we fund it? How much?
4. How do we optimize habitat conditions given water supply reliability needs and CVP conditions and other restrictions?
5. How will climate change impact species distribution, temperature tolerances, and diversity? What are the implications of these impacts for WF 2.0?



Key Management Questions

1. How does lack of public awareness of current and future regional water issues impinge on the WF's ability to make progress on the coequal objectives?
2. How can public education and outreach programs better support the WF's efforts to achieve its coequal objectives?
3. How does the way the WF does its work affect equity considerations? And how do equity considerations affect the way the WF does its work?
4. What do we need to be monitoring to evaluate effectiveness of stewardship efforts?
5. What is the legacy of stewardship that the Water Forum wants to be known for?



Water Supply
Sustainability

Key Management Questions

1. What are purveyor current water withdrawals from the American River?
2. How would the VA impact water users, groundwater, and the river?
3. How much will purveyors water demand increase for the combination of users, VA, and groundwater storage, over a series of the same dates, maybe 10, 20, 30, 40, and 50 years out?
4. How can water purveyors provide for growth in a way that preserves the fishery, wildlife, recreation, and aesthetic values of the lower American River. Is there sufficient supply?
5. How will we manage water transfers in light of the water sustainability goals for in the 3 sub basins?
6. Do purveyors have sufficient reliability? A lack of reliability might make the river the de facto solution in a drought. Do we need to start now to create alternative supplies or increase reliability in the future?
7. Do we need to increase water use efficiency/conservation to meet the dual goals?
8. Are water rates reasonably structured to provide adequate revenue to the utility, to encourage conservation, and to be fair to low-income users?
9. How will climate change affect the system, particularly purveyor reliability and the river and fisheries?



Water Supply
Sustainability

Key Management Questions

Project Specific Questions

1. Under what river conditions will a **groundwater bank** divert additional river water to groundwater storage? How will a groundwater bank operate to both improve purveyor reliability and protect the river?
2. Should **Folsom South Canal** be identified as a project for consideration and analysis?
3. Is **RiverArc** needed for purveyor reliability and to allow PCWA to divert 35,000 from the Sacramento instead of from the American River, as described in WF 1.0?

Phase 2: How do we get to the next step?

- ❑ Review of Key Questions with 2x4 (with Technical Input)
- ❑ Development of scope of analysis and/or charge for each Element
- ❑ Formation of Technical Advisory Committee (Consultants and Staff)
- ❑ What analysis tools (modeling, projections, etc.) do we have available ?
- ❑ How do we schedule/form Working Groups to support the overall effort?

Phase 2

- Options Development
- Constraints
- Opportunities
- Synergies

NSC Discussion & Opportunity to Caucus



SACRAMENTO GROUNDWATER AUTH.

Income Statement

March 2021

	<i>9 Months Ended March 31, 2021</i>	<i>Annual Budget</i>	<i>Unused</i>	<i>% Used</i>
REVENUES				
Groundwater Fees Revenue	415,084.00	415,084.00	0.00	100.0 %
Base Administrative Fee	327,572.00	327,572.00	0.00	100.0 %
Special Project Fees Revenue	108,157.85	270,000.00	161,842.15	40.1 %
Program Revenues	17,855.00	42,000.00	24,145.00	42.5 %
Miscellaneous Revenue	11,954.72	0.00	(11,954.72)	
Interest Income	6,623.73	15,000.00	8,376.27	44.2 %
TOTAL REVENUES	887,247.30	1,069,656.00	182,408.70	82.9 %
 Total REVENUE	 887,247.30	 1,069,656.00	 182,408.70	 82.9 %
 GROSS PROFIT	 887,247.30	 1,069,656.00	 182,408.70	 82.9 %
OPERATING EXPENDITURES				
Staff Expenses				
General Salaries	257,125.18	394,777.00	137,651.82	65.1 %
Benefits/Taxes	97,251.61	194,682.00	97,430.39	50.0 %
Travel / Meals	600.98	10,240.00	9,639.02	5.9 %
Professional Development	568.75	3,250.00	2,681.25	17.5 %
TOTAL Staff Expenses	355,546.52	602,949.00	247,402.48	59.0 %
Office Expenses				
Rent & Utilities	9,778.50	17,800.00	8,021.50	54.9 %
Insurance	16,246.44	14,900.00	(1,346.44)	109.0 %
Office Maintenance	250.00	350.00	100.00	71.4 %
Telephone	3,254.59	8,000.00	4,745.41	40.7 %
Dues and Subscription	3,074.50	6,000.00	2,925.50	51.2 %
Printing & Supplies	1,508.70	10,900.00	9,391.30	13.8 %
Postage	54.54	1,600.00	1,545.46	3.4 %
Meetings	32.85	1,300.00	1,267.15	2.5 %
Computer Equipment/Support	5,632.27	12,100.00	6,467.73	46.5 %
TOTAL Office Expenses	39,832.39	72,950.00	33,117.61	54.6 %
Office Furniture & Equipment				
Office Furniture	(1,562.89)	1,400.00	2,962.89	-111.6 %
Office Move	10,838.52	0.00	(10,838.52)	
Computer server upgrade	6,478.55	10,000.00	3,521.45	64.8 %

	<i>9 Months Ended March 31, 2021</i>	<i>Annual Budget</i>	<i>Unused</i>	<i>% Used</i>
TOTAL Office Furniture & Equipment	15,754.18	11,400.00	(4,354.18)	138.2 %
Professional Fees				
ADP / Banking Charges	790.81	1,200.00	409.19	65.9 %
Audit Fees	14,050.00	14,050.00	0.00	100.0 %
Legal Fees	19,140.00	42,000.00	22,860.00	45.6 %
GASB 68 reporting fee	350.00	0.00	(350.00)	
Consulting Expenses	0.00	11,600.00	11,600.00	
Budget/audit/actuarial	27,985.00	33,000.00	5,015.00	84.8 %
Human Resources Services	0.00	2,500.00	2,500.00	
TOTAL Professional Fees	62,315.81	104,350.00	42,034.19	59.7 %
Consulting - Program Management				
Annual Basin Management Report	0.00	10,000.00	10,000.00	
Monitor water quality/levels (AB 303)	0.00	10,000.00	10,000.00	
Maintain/Improve DMS	0.00	10,000.00	10,000.00	
Update GSP	0.00	10,000.00	10,000.00	
Groundwater Modeling	0.00	20,000.00	20,000.00	
SGMA Consulting	272,076.10	470,000.00	197,923.90	57.9 %
TOTAL Consulting Program Management	272,076.10	530,000.00	257,923.90	51.3 %
TOTAL OPERATING EXPENDITURES	745,525.00	1,321,649.00	576,124.00	56.4 %
OPERATING INCOME (LOSS)	141,722.30	(251,993.00)	(393,715.30)	-56.2 %
NET OPERATING INCOME (LOSS)	141,722.30	(251,993.00)	(393,715.30)	-56.2 %
NET INCOME (LOSS) OF PROGRAM	141,722.30	(251,993.00)	(393,715.30)	-56.2 %

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

April 01, 2021

[LAIF Home](#)
[PMIA Average](#)
[Monthly Yields](#)

SACRAMENTO GROUNDWATER AUTHORITY

ADMINISTRATIVE SERVICES MANAGER
5620 BIRDCAGE STREET, #180
CITRUS HEIGHTS, CA 95610

[Tran Type](#)
[Definitions](#)

Account Number: 90-34-020

March 2021 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	888,392.43
Total Withdrawal:	0.00	Ending Balance:	888,392.43



Per California Government Code 6505.5 (e), SGA reports the following unaudited information:

For the period ending December 2020

Cash in checking account:	\$	120,023
LAIF Balance	\$	1,111,635

For the period of October 1 to December 31, 2020

Total cash receipts for the period:	\$	561,907
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Total cash disbursements for the period:	\$	556,991
--	----	---------



Per California Government Code 6505.5 (e), SGA reports the following unaudited information:

For the period ending March 2021

Cash in checking account:	\$	97,326
LAIF Balance	\$	888,392

For the period of January 1 to March 31, 2020

Total cash receipts for the period:	\$	274,917
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Total cash disbursements for the period:	\$	279,816
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Sacramento Groundwater Authority Board Meeting
April 8, 2021

AGENDA ITEM 9: DIRECTORS' COMMENTS