

**SACRAMENTO GROUNDWATER AUTHORITY
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Monday, June 7, 2021; 8:30 a.m.**

AGENDA

This is a joint board meeting between the Regional Water Authority (RWA), Sacramento Central Groundwater Authority (SCGA), and the Sacramento Groundwater Authority (SGA). The purpose of this meeting is to have a facilitated workshop regarding the potential staffing and integration of the SGA and Sacramento Central Groundwater Authority SCGA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 847-7589. Requests must be made as early as possible, and at least one full business day before the start of the meeting. The Board of Directors may consider any agenda item at any time during 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 Committee 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:

Mon., June 7, 2021 8:30 AM – 10:30 AM (PST)

Please join my meeting from your computer, tablet, or smartphone.

<https://global.gotomeeting.com/join/948333381>

You can also dial in using your phone.

United States: [+1 \(646\) 749-3122](tel:+16467493122)

Access Code: 948-333-381

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. WORKSHOP TOPIC: POTENTIAL INTEGRATION AND STAFFING OF SGA AND SCGA

Information, Presentation and Discussion: John Woodling, SCGA Interim Executive Director, Jim Peifer, RWA and SGA Executive Director, and Gina Bartlett, Consensus Building Institute

4. ADJOURNMENT

2021 SGA BOARD MEMBERS

Organization	Representative/Alternate	Appointing Authority
California American Water	S. Audie Foster Christina Baril (alternate)	Sacramento City Council
Carmichael Water District	Paul Selsky Jeff Nelson (alternate)	Sacramento County
Citrus Heights Water District	Caryl Sheehan, David Wheaton (alternate)	Citrus Heights City Council
City of Folsom	Marcus Yasutake Vice Chair Kerri Howell (alternate)	Folsom City Council
City of Sacramento	Jeff Harris Brett Ewart (alternate) Chair Larry Carr (alternate)	Sacramento City Council
County of Sacramento	Sue Frost Darrell Eck (alterante) Linda Dorn (alternate)	Sacramento County
Del Paso Manor Water District	Robert Matteoli Vacant (alternate)	Sacramento City Council
Fair Oaks Water District	Randy Marx Michael McRae (alternate)	Sacramento County
Golden State Water Company	Paul Schubert Lawrence Dees (alternate)	Sacramento City Council
Natomas Central MWC	Matt Lauppe Brett Gray (alternate)	Sacramento City Council
Orange Vale Water Company	John Wingerter Craig Davis (alternate)	Sacramento County
Rio Linda/Elverta CWD	Mary Harris Robert Reisig (alternate)	Sacramento County
Sacramento Suburban Water District	Bob Wichert Kevin Thomas (alternate) Dave Jones (alternate) Craig Locke (alternate) Kathleen McPherson (alternate)	Sacramento City Council
San Juan Water District	Ted Costa Pam Tobin (alternate) Marty Hanneman (alternate)	Sacramento County
Agriculture	Mike DeWit	Sacramento County
Self-Supplied Industry	Larry Johnson	Sacramento City Council

Workshop Agenda

June 7, 8:30-10:30

Workshop Purpose

Discuss and contribute to preliminary assessment findings and process recommendations

Time	AGENDA ITEM
8:50	Background and Introduction Jim Peifer, SGA and RWA Executive Director John Woodling, Interim SCGA Executive Director
9:00	Review Workshop Agenda and Purpose Introduce Facilitator Gina Bartlett, Consensus Building Institute
9:05	Assessment Findings Presentation
9:15	Discuss Additional Benefits, Downsides, Issues to be Addressed - What's Missing?
	<i>Public Comment</i>
9:45	CBI Process Recommendations and Immediate Next Steps Board Discussions in Summer and Decision to Proceed in September
	<i>Public Comment</i>
10:25	Wrap Up and Next Steps

SCGA – SGA Consolidation Issue Assessment and Process Recommendations

Prepared for: RWA, SCGA, SGA Boards

Prepared by: Gina Bartlett, Senior Mediator, Consensus Building Institute (CBI)

Date: June 2, 2021

This brief outlines the issue assessment and process recommendations for discussion during the joint board meeting of the Regional Water Authority (RWA), Sacramento Groundwater Authority (SGA), and Sacramento County Groundwater Authority (SCGA) on June 7, 2021. The Authorities (collectively) have been exploring a strategy for shared operations as outlined in a Memorandum of Understanding containing guiding principles.

In April – May 2021, Consensus Building Institute Senior Mediator Gina Bartlett conducted interviews with board members and staff across the three agencies. The purpose of the interviews was to understand the range of potential benefits and issues that could inform a formal governance dialogue. The joint meeting is an opportunity for all board members to add in to this assessment.

At the request of the Water Forum, on behalf of the Authorities, the California Department of Water Resources Facilitation Services Support is funding CBI's work. CBI provides impartial mediation and facilitation services and has worked extensively on water supply in Sacramento County and throughout the state.

Issue Assessment

The assessment is meant to summarize the range of issues, concerns, and ideas of the interested parties as well as process recommendations for moving forward. Ms. Bartlett interviewed 20 people during 17 interviews. Interview participants gave permission to share findings without attribution. This brief report cannot do justice to the deep knowledge, experience, and nuances of those interviewed. Rather, this summary is a snapshot, meant to capture insights to inform and shape the way forward.

Benefits of Consolidation

Superior groundwater coordination and management.

- Nearly all interviewees envision improved coordination and management related to water supply and Sustainable Groundwater Management Act (SGMA) compliance as a result of consolidation. For example, interviewees cite the benefit of coordinating modelling to improve understanding.

- Interviewees highlight that staff will be able to lead on management strategies and technical work across the sub-basins, suggesting benefits such as implementing projects and conjunctive use. RWA would be able to access additional administrative capacity and technical expertise.

Operational efficiencies and cost savings.

- Interviewees observe that the consolidation would reduce the number of boards (and meetings) and the required systems, such as accounting and auditing, that would improve efficiencies and reduce costs.
- Many speak to the redundancy of issues and discussions that occurs across board meetings. Also, interviewees underscore that many entities, sometimes the same individuals, serve on both the SCGA and SGA board.

Unified mission and voice on water at state level.

- Several interviewees express hope that the region would wield more influence on water issues at the state level as a result of the potential consolidation.

Downsides of Consolidation

Anticipated curbs on water banking and transfers.

- A number of interviewees discuss how water banking and transfers are essential management tools for complying with SGMA and perceive that SCGA constituents are less comfortable with these management strategies and may attempt to limit or curb water banking and transfers. While another interviewee anticipates that over time, the coordinated management and governance a consolidation brings could mitigate this concern.

Issues and Concerns with Consolidating

Board / organizational culture.

- Most interviewees observe that the SGA and SCGA boards have very different cultures and dynamics that may confound or create conflict over important decisions, noting that SCGA has more diverse interests (agriculture, agriculture-residential, environmental, and self-supply) represented while SGA is made up predominantly of water agencies.
- Several interviewees express concern that some SCGA pumpers are not metered nor accustomed to paying fees and worry about this as an anticipated conflict on the horizon.
- Several interviewees suggest that the existing boards tend to be too enmeshed in technical details and should elevate to focus on policy and finances and create robust advisory committees to grapple with more specific technical issues.

Establishing effective governance structure, including board composition.

- Interviewees view governance as the biggest hurdle to address, and note that joint powers agreements would need to be re-drafted.
- Interviewees suggest that managing representation for interests complicates the structure and composition of the new entity. Interviewees observe that the SGA board is more uniform with primarily municipal water providers while the SCGA board has other users, complicating stakeholder representation and the board composition.
- A few interviewees suggest that the potential consolidation creates an opportunity to envision what type of governance, mission, and vision is needed given current realities and SGMA.

Staffing and funding.

- Interviewees applauded the competency of RWA staff, but question the capacity of existing staff to support a consolidated organization. When thinking about expanding staff to support the consolidated organization, multiple interviewees question the cost effectiveness and impact on SGA dues, and several wonder if having SCGA hire its own staff might be less expensive.
- The fee structures also differ, and some interviewees perceive that pumpers in SCGA's jurisdiction may not be willing to pay for projects, leading several interviewees to question the feasibility of operating successfully under consolidation.

Governance Options

- By and large, interviewees generally articulate three options that might be feasible for an effective, yet efficient governance structure: (1) combine existing boards into one large board; (2) create smaller board; (3) create smaller board with robust advisory committees.

Process Recommendations

Based on the insights from interviewees, discussions with the directors of the Authorities, and best practice in governance and collaboration, CBI would recommend the Authorities proceed with these process recommendations. The Boards can discuss during the joint workshop on June 7, then CBI Facilitator Gina Bartlett can refine to reflect feedback. Once the process unfolds, the facilitator in consultation with staff would regularly update the approach to reflect realities and forward progress.

Concur on Phased Decisions to Proceed

The decision-making road map organizes a phased approach to the process of exploring consolidation. The intent is to establish a timeline for decision making and create decision points for the Boards to formally decide to proceed.

A fundamental principle of the process roadmap is that the Boards would jointly explore issues and then independently evaluate and decide.

In Phase 1, the three Authorities would think about the ideal organization and name the key questions and concerns for exploration. Then SCGA and SGA would decide to proceed to Phase 2. In Phase 2, SCGA and SGA would develop a governance structure and decide to proceed toward its implementation. In Phase 3, RWA, SCGA, and SGA would craft funding and staffing plans that would then marry with the governance structure. Approval of governance, staffing, and funding would then lead to Phase 4. In Phase 4, legal documentation and entities would be created and approved by the necessary authorities.

Establish Ad Hoc Committee

An ad hoc committee would develop and discuss options and prepare proposals for the boards to consider. The chair and vice chair for each board would participate in the ad hoc. For Phase 2, governance, only SCGA and SGA would participate in decision making with the RWA chair and vice chair participating as desired, but in a non-decision making capacity. For Phase 3, staffing and funding, all three Authorities' chair and vice chair would participate in the ad hoc.

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

Decision Making

Decision making would occur at the Boards via the existing Board protocol. The ad hoc committee would develop recommendations for the Boards' consideration. The ad hoc would strive for consensus – meaning that everyone could at least “live with” the recommendation. However, when unable to reach consensus, the ad hoc would forward the recommendation noting any concerns or minority opinions to inform the boards' decisions.

Facilitation

CBI Senior Facilitator Gina Bartlett would provide impartial facilitation services for the ad hoc committee and Boards' discussions of these issues. The facilitator would work with all the parties to create a fair and credible process. The California Department of Water Resources is providing funding for CBI's role in this effort.

Proposed Decision-Making Roadmap: SCWA, SGA, and RWA Shared Operations

Anticipated Discussion Topics and Phases for Decision-Making

The recommended approach anticipates board decisions to proceed to subsequent phases.

Phase 1

Assessment: issues and questions
 Vision for ideal organization
 Decision-making timeline

Phase 2 (SCGA, SGA)

Governance structures and options

- Representation
- Voting
- Public Involvement

Criteria for evaluating options

Phase 3 (RWA, SCGA, SGA)

Staffing, funding, cost structure
 Package governance, staffing, funding

Phase 4

Legal structure and documentation
 Approval process

Process Overview



Timeline	Goals & Major Activities
Summer 2021	GOAL: Assess Issues and Questions
	<ul style="list-style-type: none"> ▪ Consensus Building Institute (CBI) conducts interviews with board members and facilitates Tri-Board discussion session on key issues and future needs ▪ Boards hold workshops to identify additional issues and questions; Board members brief constituents as needed
Sept	SCGA and SGA Decide to Proceed to Phase 2, Develop Governance Options
	<ul style="list-style-type: none"> ▪ The SCGA and SGA Boards would consider directing staff to proceed to Phase 2, to develop a governance proposal for consolidation that the Board would consider in January 2022 and designate ad hoc committee to participate in discussions.
Sept - January	Phase 2 GOAL: Develop Proposed Governance Structure
	<ul style="list-style-type: none"> ▪ Joint Meeting: Vision and Mission of the New Entity ▪ Staff and Ad Hoc explore governance options ▪ Nov-Dec: Vet options with Boards ▪ Dec: Staff and Ad Hoc develop and refine preferred option ▪ Staff and Ad Hoc create recommended governance structure proposal and process roadmap for developing staffing and funding plan
February	Decide on Preliminary Governance Structure Proposal. SCGA and SGA Decide to Proceed to Phase 3, Develop Funding and Staffing Plan
	<ul style="list-style-type: none"> ▪ The SCGA and SGA Boards would consider approving the governance structure and directing staff to develop the funding and staffing plan. ▪ The RWA Board would direct staff to develop the funding and staffing plan.
Feb-April	Phase 3 GOAL: Develop Funding and Staffing Plan
	<ul style="list-style-type: none"> ▪ Staff and Ad Hoc explore and develop funding and staffing plan ▪ April: Vet staffing, funding with Boards
May-June	Approve Governance, Staffing, Funding, Decide to Proceed to Phase 4, Legal Entity / Documentation
	<ul style="list-style-type: none"> ▪ The SCGA, SGA, and RWA Boards would consider approving the staffing, funding, and governance plan and direct staff to proceed to Phase 4 to prepare legal documents and schedule approval process for the necessary entities.
Summer	Phase 4 Goal: Develop and Approve Legal Documents

Interview List

In April and May 2021, CBI conducted 17 interviews with 20 people.

Interviews

1. Cathy Lee, Carmichael Water District, RWA and SGA Boards and Water Forum
2. Ted Rauh, Conservation Landowners, SCGA and Water Forum
3. San Juan Water District: Ted Costa, SGA Board; Dan Rich, RWA Board; Paul Helliker, General Manager; Greg Zlotnick, staff

RWA

4. Chair Sean Bigley, City of Roseville
5. Tom Gray, Fair Oaks Water District General Manager, also SGA Member
6. Dan York, Sacramento Suburban Water District

SCGA

7. Chair Paul Schubert, Golden State Water Co., Also SGA board member, RWA Executive Committee, Water Forum
8. Vice Chair Dalia Fadl, City of Rancho Cordova, SCGA
9. Todd Eising, City of Folsom, SCGA

SGA Board

10. Chair Brett Ewart, City of Sacramento, also SCGA
11. Robert Weichert, Sacramento Suburban Water District
12. Marcus Yasutake, City of Folsom
13. Kerry Schmitz, County of Sacramento, SGA Member

Staff

14. Jim Peiffer, SGA and RWA Executive Director
15. Jessica Law, Water Forum Executive Director
16. Rob Swartz, RWA
17. John Woodling, GEI, Acting General Manager of SCGA