

SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, February 10, 2022; 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.

Meeting Information:

SGA Board Meeting
Thu, Feb 10, 2022 9:00 AM - 11:00 AM (PST)

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

<https://global.gotomeeting.com/join/579295917>

You can also dial in using your phone.

United States: [+1 \(669\) 224-3412](tel:+16692243412)

Access Code: 579-295-917

- 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:** All items listed under the Consent Calendar are considered and acted upon by one motion. Anyone may request an item be removed for separate consideration.
 - a. Extend Resolution 2021-02, including requisite findings, to renew authorization to hold meetings of the Board of Directors via teleconference pursuant to Assembly Bill 361 until such time as the State of Emergency resulting from the COVID-19 pandemic no longer impacts the ability of Board members and the public to safely meet in person
 - b. Approve the minutes of December 9, 2021 Board meeting

Action: Approve Consent Calendar Items

4. **SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**
Presentation and Discussion: Jim Peifer, Executive Director
Action: Direct Staff to Proceed to Phase 2 of Process Roadmap to Develop a Governance Proposal for Sacramento Groundwater Authority – Sacramento Central Groundwater Authority Consolidation

5. **DEVELOPMENT OF SGA FISCAL YEAR 2022 – 2023 BUDGET**
Information and Presentation: Josette Reina-Luken, Finance and Administrative Services Manager
Action: Chair to Appoint Budget Subcommittee for Fiscal Year 2022 – 2023

6. **GROUNDWATER SUSTAINABILITY PROGRAM UPDATE**
Information and Presentation: Rob Swartz, Manager of Technical Services

7. **EXECUTIVE DIRECTOR’S REPORT**

8. **DIRECTORS’ COMMENTS**

ADJOURNMENT

Next SGA Board of Director’s Meetings:

April 7, 2022, 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 <https://www.sgah2o.org/meetings/board-meetings/>.

2022 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 Chair Kerri Howell (alternate)	Folsom City Council
City of Sacramento	Jeff Harris Brett Ewart (alternate) Larry Carr (alternate)	Sacramento City Council
County of Sacramento	Sue Frost Darrell Eck (alternate) Linda Dorn (alternate)	Sacramento County
Del Paso Manor Water District	Robert Matteoli Vacant (alternate)	Sacramento City Council
Fair Oaks Water District	Randy Marx Vice Chair 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)	Sacramento City Council
San Juan Water District	Ted Costa Pam Tobin (alternate)	Sacramento County
Agriculture	Mike DeWit	Sacramento County
Self-Supplied Industry	Larry Johnson	Sacramento City Council

AGENDA ITEM 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.

AGENDA ITEM 3: CONSENT CALENDAR

All items listed under the Consent Calendar are considered and acted upon by one motion. Anyone may request an item be removed for separate consideration. The items to be considered and approved include:

- a) Extend Resolution 2021-02, including requisite findings, to renew authorization to hold meetings of the Board of Directors via teleconference pursuant to Assembly Bill 361 until such time as the State of Emergency resulting from the COVID-19 pandemic no longer impacts the ability of Board members and the public to safely meet in person
- b) Approve the minutes of December 9, 2021 Board meeting

Action: Approve Consent Calendar Items

AGENDA ITEM 3a: EXTEND RESOLUTION 2021-02 INCLUDING REQUISITE FINDINGS

BACKGROUND:

In order for the SGA Board to meet virtually, the SGA Board must approve the extension of Resolution 2021-02. The Board initially approved Resolution 2021-02 at the October Board meeting and reapproved it on November 10, 2021, December 9, 2021, January 6, 2022, and January 25, 2022. If the Board approves the proposed action, the Board meeting may continue using a virtual format. Should the Board not approve the action, the Board meeting will immediately end.

Per legal counsel's recommendation, the action is to extend Resolution 2021-02, including requisite findings, to continue to hold meetings of the Board of Directors via teleconference pursuant to Assembly Bill 361 until such time as the State of Emergency resulting from the COVID-19 pandemic no longer impacts the ability of Board members and the public to safely meet in person.

Attachment:

Resolution 2021-02

RESOLUTION NO. 2021-02

AUTHORIZING CONTINUED UTILIZATION OF TELECONFERENCING FOR MEETINGS OF THE SACRAMENTO GROUNDWATER AUTHORITY BOARD OF DIRECTORS UNDER ASSEMBLY BILL 361 UNTIL SUCH TIME AS THE STATE OF EMERGENCY RESULTING FROM THE COVID-19 PANDEMIC NO LONGER IMPACTS THE ABILITY OF MEETING ATTENDEES TO MEET SAFELY IN PERSON

WHEREAS, on March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency under the California Emergency Service Act in response to the threat of the COVID-19 pandemic; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, which repealed or modified certain provisions of previously issued Executive Orders related to the pandemic and extended certain provisions so as to enable the State of California to continue to respond to the COVID-19 pandemic; and

WHEREAS, Paragraph 42 of Executive Order N-08-21 suspended provisions of the Ralph M. Brown Act at California Government Code section 54953 and provided that governing bodies of local public agencies in the State of California could utilize teleconferencing to hold public meetings in place of in-person meetings, subject to certain requirements; and

WHEREAS, Executive Order N-08-21 specified that it would remain in effect through September 30, 2021; and

WHEREAS, on September 16, 2021, Governor Newsom signed Assembly Bill 361 (AB 361) into law; and

WHEREAS, AB 361 provides that a governing body of a local public agency may conduct public meetings via teleconferencing in any of the following circumstances: (A) the governing body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; or (B) the governing body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or (C) the governing body holds a meeting during a proclaimed state of emergency and has previously determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, Governor Newsom's March 4, 2020, proclamation of a State of Emergency is still in effect; and

WHEREAS, both the California Department of Industrial Relations, Division of Occupational Safety and Health and the Sacramento County Public Health Department are currently recommending measures to promote social distancing at worksites; and

WHEREAS, Sacramento Groundwater Authority Board (Authority) meetings, closed session meetings, special meetings, and workshops are attended by Authority Board members, Authority employees and members of the public; and

WHEREAS, on September 20, 2021, Governor Newsom issued Executive Order N-15-21, which affirmed that effective October 1, 2021, governing bodies of local public agencies could utilize teleconferencing for public meetings in accordance with the provisions of AB 361; and

WHEREAS, in accordance with Executive Order N-15-21, the Sacramento Groundwater Authority Board of Directors has met under California Government Code section 54953(e)(1)(B) to determine whether, as a result of the State of Emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, conducting meetings by teleconference would directly reduce the risk of transmission among meeting attendees, including members of the public and agency staff, which has the ancillary effect of reducing risk of serious illness and death as well as reducing community spread of the virus;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Sacramento Groundwater Authority hereby finds and determines as follows:

- 1. The Board has considered the circumstances of the State of Emergency declared by Governor Newsom; and**
- 2. Both State and local officials continue to recommend measures to promote social distancing.**

BE IT FURTHER RESOLVED that, pursuant to AB 361 and based on the findings above, all Authority Board meetings, closed session meetings, special meetings, and workshops will be held via teleconference in accordance with the provisions of California Government Code section 54953(e).

EXTENDED this 10th day of February 2022 by the following vote:

AGENDA ITEM 3b: Minutes of December 9, 2021 meeting

Attachment:

December 9, 2021 meeting minutes



December 9, 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
Paul Selsky, Carmichael Water District
Caryl Sheehan, Citrus Heights Water District
Marcus Yasutake, City of Folsom
Brett Ewart, City of Sacramento
Linda Dorn, County of Sacramento
Randy Marx, Fair Oaks Water District
Paul Schubert, Golden State Water Company
Brett Gray, Natomas Central Mutual Water Company
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
Larry Johnson, Self-Supplied Industry

Staff Members

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

Others in Attendance

Michelle Banonis, Robert Reisig, Brian Hensley, Hilary Straus, Tim Shaw, Cathy Lee, Greg Zlotnick, Alan Vail, Rebecca Scott, Paul Helliker, Richard Shatz, Tom Gray, Peggy Vande Vooren, Jim Blanke, Pam Tobin, Jafar Faghieh, Nicole Krotoski, Kevin Thomas, Dave Jones, Craig Locke, Jeff Nelson and Joe Duran

2. PUBLIC COMMENT

Mr. Reisig provided information on the Special Districts Advisory Council and the need for additional participation.

3. CONSENT CALENDAR

Motion/Second Carried (M/S/C) Ms. Harris moved, with a second by Mr. Yasutake to approve the minutes of the October 13, 2021 Board meeting, waive SGA Policy 200.1, Section 3.09 (b) to allow the April SGA board meeting to occur one week early and adopt the proposed SGA Board Meeting Schedule for 2022 and to affirm SGA Investment Policy 400.1. Audie Foster, California American Water, Paul Selsky, Carmichael Water District, Caryl Sheehan, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Linda Dorn, County of Sacramento, Randy Marx, Fair Oaks Water District, Paul Schubert, Golden State Water Company, Brett Gray, Natomas Central Mutual Water Company, 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 and Larry Johnson, Self-supplied Industry voted yes.

There was discussion regarding when the Board meetings will be able to return to in-person meetings. Although teleconferencing is not the most convenient for some meeting participants, it was agreed that at this time the appropriate way to continue meetings is by teleconference.

M/S/C Mr. Schubert moved, with a second by Mr. Foster to adopt Resolution 2021-02 authorizing a teleconference meeting. Audie Foster, California American Water, Paul Selsky, Carmichael Water District, Caryl Sheehan, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Linda Dorn, County of Sacramento, Randy Marx, Fair Oaks Water District, Paul Schubert, Golden State Water Company, Brett Gray, Natomas Central Mutual Water Company, Robert Wichert, Sacramento Suburban Water District, Ted Costa, San Juan Water District and Larry Johnson, Self-supplied Industry voted yes. John Wingerter, Orange Vale Water Company voted no and Mary Harris, Rio Linda/Elverta Community Water District abstained.

4. 2021 AUDIT REPORT

Ms. Vande Vooren, Gilbert Associates, Inc. presented the final audit report for the fiscal year ending June 30, 2021. She highlighted some of the required communications and the actual audit financial statement report. There is an unqualified opinion, which is the cleanest possible opinion that can be provided, there are no new accounting policies to report, no adjustments and no findings in the audit report. She gave an overview of the financial statements, revenues and

expenses, the pension liability, the required supplementary information and the independent auditor's report.

M/S/C Ms. Sheehan moved, with a second by Mr. Schubert to accept the 2021 SGA financial audit report. Audie Foster, California American Water, Paul Selsky, Carmichael Water District, Caryl Sheehan, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Linda Dorn, County of Sacramento, Randy Marx, Fair Oaks Water District, Paul Schubert, Golden State Water Company, Brett Gray, Natomas Central Mutual Water Company, 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 and Larry Johnson, Self-supplied Industry voted yes.

5. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)

Mr. Swartz said that it has been seven years since the SGA adopted its last groundwater management plan. Since that time, the focus has been on our groundwater sustainability plan for the North American Subbasin. Consultants and agencies assisted and provided their expertise. The modeling team provided technical information that served as a strong foundation for the plan. SGMA requires that high and medium priority groundwater basins prepare and adopt groundwater sustainability plans for critically overdrafted basins, which are primarily in the San Joaquin Valley. He gave information on how to demonstrate sustainability under SGMA. Every five years over the next 20 years there will be an assessment and updates of the plan as required. The goal is to achieve sustainability by January of 2042. With additional growth there will be demands on groundwater considering current conditions and projected conditions. He gave information on the proposed budget that will be distributed amongst the different agencies so the work can be performed.

Mr. Shaw said that there are inactive, abandoned wells in the Rio Linda/Elverta Community Water District area that Sacramento County regulations will not allow to be destroyed. Mr. Swartz said that working proactively with the well permitting agencies making them aware of these issues may be a way to address the problems.

Mr. Swartz said that there are three items related to the Sustainable Groundwater Management Act (SGMA) for consideration by the Board. There is a resolution to adopt the North America Subbasin (NASb) Groundwater Sustainability Plan (GSP), a memorandum of agreement (MOA) to implement the NASb GSP, and a request to waive SGA Policy 300.1 for the purpose of timely preparation and submission of the first SGMA annual report. The MOA characterizes how each agency will cooperate in the long-term implementation of the GSP and defines roles, responsibilities and establishes a process for decision-making.

M/S/C Ms. Harris moved, with a second by Mr. Costa to approve Resolution 21-03 adopting the Groundwater Sustainability Plan for the North American Subbasin, authorize the Executive Director to execute the Memorandum of Agreement regarding coordination between Groundwater Sustainability Agencies and Implementation of the Groundwater Sustainability Plan for the North American Subbasin, and waive SGA Policy 300.1 for the purpose of timely preparation and submission of an annual report to the Department of Water Resources. Audie Foster, California American Water, Paul Selsky, Carmichael Water District, Caryl Sheehan, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Linda Dorn, County of Sacramento, 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 and Larry Johnson, Self-supplied Industry voted yes.

Mr. Gray left the meeting.

**6. CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS
GOVERNMENT CODE §§ 54954.5(F), 54957(B)(1)**

Title: Executive Director

Labor Negotiators- Sean Bigley and Dan York

Chair Ewart reported that there was no action taken and nothing to report.

7. EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT MODIFICATION

M/S/C Mr. Yasutake moved, with a second by Ms. Dorn to support the recommendation from the RWA Executive Committee to amend the Executive Director employment agreement. 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, Randy Marx, Fair Oaks Water District, Paul Schubert, Golden State Water Company and Larry Johnson, Self-supplied Industry voted yes. John Wingerter, Orange Vale Water Company, Bob Reisig, Rio Linda/Elverta Community Water District and Robert Wichert, Sacramento Suburban Water District voted no. Ted Costa, San Juan Water District and Paul Selsky, Carmichael Water District abstained.

8. ELECTION OF 2022 OFFICERS

The 2022 SGA Nomination Committee nominated Marcus Yasutake, City of Folsom for 2022 SGA Chair and Randy Marx, Fair Oaks Water District for 2022 SGA Vice Chair.

M/S/C Mr. Wichert moved, with a second by Ms. Sheehan to elect the 2022 SGA Chair and Vice Chair. Audie Foster, California American Water, Paul Selsky, Carmichael Water District, Caryl Sheehan, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Linda Dorn, County of Sacramento, Randy Marx, Fair Oaks Water District, Paul Schubert, Golden State Water Company, John Wingerter, Orange Vale Water Company, Bob Reisig, Rio Linda/Elverta Community Water District, Robert Wichert, Sacramento Suburban Water District, Ted Costa, San Juan Water District and Larry Johnson, Self-supplied Industry voted yes.

9. EXECUTIVE DIRECTOR'S REPORT

The 2021 RWA/SGA Holiday Social event is scheduled for December 9th.

Mr. Peifer said that his full Executive Director's Report was included in the meeting packet.

10. DIRECTORS' COMMENTS

Chair Ewart thanked Sacramento Suburban Water District for their willingness to provide groundwater to the City of Sacramento after a storm event created adverse conditions in their surface water supply.

ADJOURNMENT

With no further business to come before the Board, Chair Ewart adjourned the meeting at 12:03 p.m.

By:

Chairperson

Attest:

Josette Reina-Luken, Board Secretary/Treasurer

AGENDA ITEM 4: SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

BACKGROUND:

The purpose of this item is for the Board to give direction to SGA staff in developing governance concepts of a merged SGA and SCGA organization. A no vote will halt the process of considering a merger with the SCGA. A yes vote would allow the staff to develop concepts to be brought back to the SGA and SCGA boards for consideration and refinement. A yes vote does not predetermine that a consolidation will occur.

Since late-2019, representatives and staff of the RWA, SGA, and SCGA have evaluated options related to staffing of the SCGA.

In June 2020, the SGA Board authorized a memorandum of understanding that established a 3x3 Committee consisting of SGA, SCGA and RWA representatives to explore the potential of having the RWA provide staffing services to the SCGA and to provide recommendations to the three authorities.

In the latter part of 2020, SGA staff presented potential staffing models to the SGA.

Facilitation services of Ms. Gina Bartlett from Consensus Builders Institute were obtained in 2021 through funding from the Department of Water Resources. In early to mid-2021, Ms. Gina Bartlett conducted a stakeholder assessment and presented findings to the SGA and RWA boards.

On June 7, 2021, a joint workshop of the RWA, SGA, and SCGA boards was held to discuss an option of a consolidated SGA and SCGA. The workshop encouraged participants to express their concerns relative to a merged organization and described a four-phase process roadmap in which concerns would be evaluated and addressed within the appropriate phase.

In August 2021, the SCGA board voted to move forward to phase 2 to explore possible governance options of a potential merged organization. SGA deferred action on phase 2 to allow for more information to be provided on the potential merged organization and to prioritize completion of the required Groundwater Sustainability Plan (GSP) for the North American Subbasin.

On October 14, 2021, Mr. John Woodling, Interim Executive Director of the SCGA, provided an overview of the SCGA at an SGA board workshop. He described the existing governance, staffing, and financing of SCGA and the current status of the South American Subbasin and its GSP.

On January 25, 2022, the SGA board had a workshop is to provide information on a possible staffing model for a merged organization and discussed potential benefits from the SGA perspective. The information presented suggested that a merged organization could potentially provide an improved level of SGA technical staffing at a lower cost to the SGA compared to the existing SGA staffing structure.

A number of board members have raised questions regarding a merger of the two organizations. Some of those questions have been answered. Other questions will require additional analysis that would be performed in applicable future phase of the process roadmap.

STAFF RECOMMENDATION:

Presentation and Discussion: Jim Peifer, Executive Director

Action: Direct Staff to Proceed to Phase 2 of the Process Roadmap to Develop a Governance Proposal for Sacramento Groundwater Authority – Sacramento Central Groundwater Authority Consolidation.

Attachments:

SGA SCGA RWA MOU
Process Roadmap

MEMORANDUM OF UNDERSTANDING FOR DEVELOPMENT OF A STRATEGY FOR SHARED OPERATIONS of
the REGIONAL WATER AUTHORITY, the SACRAMENTO GROUNDWATER AUTHORITY, and the
SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

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

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

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

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

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

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

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

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

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

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

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

THEREFORE, the AUTHORITIES agree through this Memorandum of Understanding to work cooperatively towards an integration of SCGA into the existing joint operation of RWA and SGA, subject to the following framework and guiding principles.

1. Discussions and negotiations will be conducted by a “3x3” ad hoc committee consisting of the Chair and Vice Chair of RWA, SGA, and SCGA, as well as an additional member of the Board of Directors of each. The makeup of each AUTHORITY delegation should include one individual who represents an entity that is exclusive to that AUTHORITY, i.e. not a member of more than one AUTHORITY.
2. The 3x3 ad hoc committee will include the Executive Director of RWA-SGA and the Interim Executive Director of SCGA, with additional staff support as needed.
3. Updates on progress will be provided to the Board of Directors of each AUTHORITY regularly.
4. At the appropriate time and as needed, each AUTHORITY will be represented by and be responsible for its own attorney(s) and legal costs to review any agreement among the AUTHORITIES.
5. Operational and administrative as well as governance changes may be needed to implement an effective collaborative solution.
6. Any potential operational or governance agreement among the AUTHORITIES shall be beneficial to each in its own right, both financially and in terms of the level and quality of services provided. The Boards of the independent AUTHORITIES will make this determination.
7. Any potential operational or governance agreement among the AUTHORITIES shall strive to be beneficial, or be at least neutral, to each AUTHORITY, both financially and in terms of the level and quality of services provided.
8. Implementation of any operational or governance agreement shall be structured and phased in a manner that minimizes disruption of ongoing operations of each AUTHORITY.

Decision-Making Roadmap: SCGA, SGA, and RWA Shared Operations

01/19/22

Discussion Topics and Phases for Decision-Making

The recommended approach anticipates boards' decisions to proceed to subsequent phases and finalizing the whole package in Phase 4.

Phase 1

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

Phase 2

Governance structures and options

- Representation
- Voting
- Public Involvement

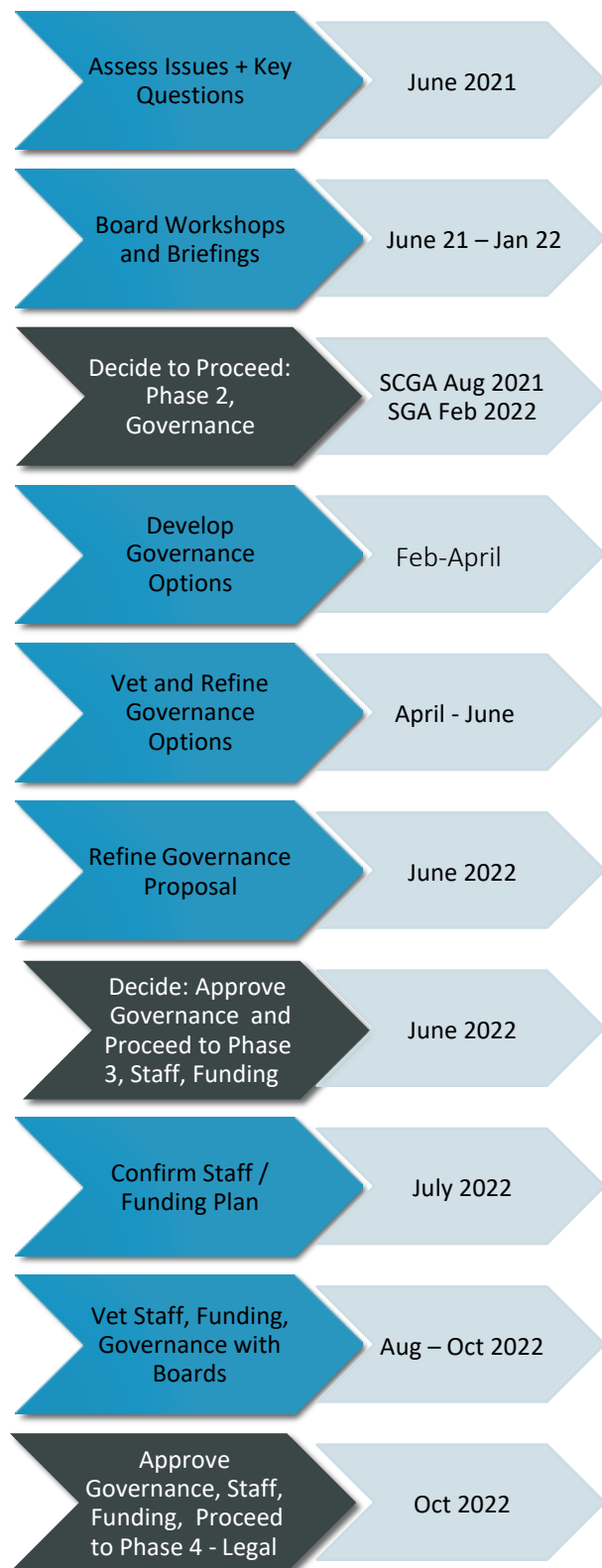
Criteria for evaluating options

Phase 3

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

Phase 4

Legal structure and documentation
 Approval process



AGENDA ITEM 5: DEVELOPMENT OF SGA FISCAL YEAR 2022 – 2023 BUDGET

BACKGROUND:

Staff is beginning preparation of the 2022-23 SGA budget. The Chair appoints a budget subcommittee at the beginning of the year to provide feedback in preparing a draft budget for consideration by the full Board. This item also includes a brief discussion of SGA's current mid-year budget status and outlook, a review of SGA budget policies, last year's budget assumptions, and proposed Fiscal Year 2022-2023 budget schedule.

STAFF RECOMMENDATION:

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

Action: Chair to Appoint Budget Subcommittee for Fiscal Year 2022 – 2023

AGENDA ITEM 6: GROUNDWATER SUSTAINABILITY PROGRAM UPDATE

BACKGROUND:

Staff will provide an update on the Groundwater Sustainability Plan (GSP) submitted to the Department of Water Resources on January 24, 2022, upcoming GSP implementation activities, and recent conditions in groundwater monitoring wells.

STAFF RECOMMENDATION:

Information and Presentation: Rob Swartz, Manager of Technical Services

AGENDA ITEM 7: EXECUTIVE DIRECTOR'S REPORT

FEBRUARY 10, 2022

TO: SACRAMENTO GROUNDWATER AUTHORITY BOARD

FROM: JIM PEIFER

RE: EXECUTIVE DIRECTOR'S REPORT

- a. Outreach** – Mr. Peifer was interviewed by Heather Waldman from KCRA on the Groundwater Sustainability Plan (GSP). You can find the interview here: <https://www.kcra.com/article/groundwater-plan-climate-change-risks-norcals-water-supply/38928703>

Mr. Swartz gave a presentation to the Sacramento Suburban Kiwanis Club Chapter on the history of SGA on February 2nd at the invitation of Dave Jones, SSWD board member and SGA alternate board member. Mr. Swartz will give a briefing to the Natomas Mutual Water Company (NMWC) Annual Shareholder Meeting on the North American Subbasin GSP at the invitation of Brett Gray, NMWC General Manager and SGA alternate board member.

- b. Legislative and Regulatory Activities** – Legislative session began January 3rd. Two-year bills had to pass through house of origin by January 31st. One two-year bill related to constituents of emerging concern (SB 230 Portantino D- La Canada Flintridge) of interest to SGA moved forward. The bill introduction deadline is February 18th. At that time we will have a good sense of what groundwater related legislation there will be. The state projects to have a budget surplus in the range of \$30 billion. In the Governor's January budget, the initial step in the budget process, there was \$750 million for drought response, \$30 million was designated for groundwater recharge. The budget process will develop in full over the coming months.
- c. November 2019 COLA** – Consistent with SGA Policy 100.3, pay scales were increased January 1, 2022 by 6.9% based on the November consumer price index for small western cities (attached).
- d. SGA Financial reports** – The financial reports for the period ending December 31, 2021 are attached.

Attachments

1. Pay Scale Table
2. Financial Reports

**EXHIBIT A
SGA POLICY 100.3**

MONTHLY SALARY SCHEDULE OF RWA POSITIONS

January 1, 2022

Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Manager of Technical Services	\$14,088	\$14,652	\$15,215	\$15,780	\$16,343	\$16,906
Manager of Strategic Affairs	\$14,088	\$14,652	\$15,215	\$15,780	\$16,343	\$16,906
Principal Project Manager	\$11,525	\$11,986	\$12,446	\$12,907	\$13,368	\$13,829
Senior Project Manager	\$9,689	\$10,079	\$10,463	\$10,852	\$11,239	\$11,626
Associate Project Manager	\$6,876	\$7,151	\$7,426	\$7,700	\$7,977	\$8,252
Finance & Administrative Services Manager I	\$8,627	\$8,972	\$9,316	\$9,661	\$10,006	\$10,352
Executive Assistant	\$5,774	\$6,005	\$6,289	\$6,514	\$6,697	\$6,929
Project Research Assistant	\$5,166	\$5,372	\$5,578	\$5,785	\$5,993	\$6,199

There is no range for the Executive Director position. The Executive Director's compensation is \$18,668 per month.

Exhibit A will be updated annually based on the November Consumer Price Index and/or when a new salary survey is completed. (2022 ranges include COLA per November 2021 CPI Index of 6.9%)

California State Treasurer
Fiona Ma, CPA



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

January 24, 2022

[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

December 2021 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
12/31/2021	12/30/2021	RW	1692910	1653160	JOSETTE REINA-LUKEN	-165,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	1,065,681.35
Total Withdrawal:	-165,000.00	Ending Balance:	900,681.35



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

For the period ending December 2021

Cash in checking account:	\$	216,089
LAIF Balance	\$	900,681

For the period of October 1 to December 31, 2021

Total cash receipts for the period:	\$	334,491
-------------------------------------	----	---------

Total cash disbursements for the period:	\$	194,718
--	----	---------

SACRAMENTO GROUNDWATER AUTH.

Income Statement

Year-to-Date Performance, December 2021 - 1 month back, Consolidated
by account

	<i>6 Months Ended December 31, 2021</i>	<i>Annual Budget</i>	<i>Unused</i>	<i>% Used</i>
REVENUES				
Groundwater Fees Revenue	476,742.00	476,742.00	0.00	100.0 %
Base Administrative Fee	377,570.00	377,570.00	0.00	100.0 %
Special Project Fees Revenue	22,327.16	145,000.00	122,672.84	15.4 %
Program Revenues	25,328.60	0.00	(25,328.60)	
Cash Discount	113.23	0.00	(113.23)	
Interest Income	1,239.20	7,500.00	6,260.80	16.5 %
TOTAL REVENUES	903,320.19	1,006,812.00	103,491.81	89.7 %
Total REVENUE	903,320.19	1,006,812.00	103,491.81	89.7 %
GROSS PROFIT	903,320.19	1,006,812.00	103,491.81	89.7 %
OPERATING EXPENDITURES				
Staff Expenses				
General Salaries Benefits/ Taxes	178,829.64	455,941.00	277,111.36	39.2 %
Travel / Meals	47,768.80	222,921.00	175,152.20	21.4 %
Professional Development	817.32	11,000.00	10,182.68	7.4 %
	90.00	4,000.00	3,910.00	2.3 %
TOTAL Staff Expenses	227,505.76	693,862.00	466,356.24	32.8 %
Office Expenses				
Rent & Utilities	8,893.75	27,800.00	18,906.25	32.0 %
Insurance	20,585.85	16,500.00	(4,085.85)	124.8 %
Office Maintenance	0.00	400.00	400.00	
Telephone	1,763.48	3,000.00	1,236.52	58.8 %
Dues and Subscription	1,087.00	6,300.00	5,213.00	17.3 %
Printing & Supplies	1,433.59	11,200.00	9,766.41	12.8 %
Postage	291.43	1,700.00	1,408.57	17.1 %
Meetings	60.00	1,400.00	1,340.00	4.3 %
Computer Equipment/Support	4,770.15	20,000.00	15,229.85	23.9 %
TOTAL Office Expenses	38,885.25	88,300.00	49,414.75	44.0 %
Office Furniture & Equipment				
Office Furniture	0.00	3,600.00	3,600.00	
TOTAL Office Furniture & Equipment	0.00	3,600.00	3,600.00	
Professional Fees				

*6 Months Ended
December 31, 2021*

		<i>Annual Budget</i>	<i>Unused</i>	<i>% Used</i>
ADP / Banking Charges	590.02	1,600.00	1,009.98	36.9 %
Audit Fees	14,350.00	14,350.00	0.00	100.0 %
Legal Fees	10,434.50	44,100.00	33,665.50	23.7 %
GASB 68 reporting fee	700.00	0.00	(700.00)	
Consulting Expenses	0.00	11,750.00	11,750.00	
Budget/audit/actuarial	21,828.75	36,750.00	14,921.25	59.4 %
Human Resources Services	0.00	2,500.00	2,500.00	
TOTAL Professional Fees	47,903.27	111,050.00	63,146.73	43.1 %
Consulting - Program Management				
Annual Basin Management Report	0.00	20,000.00	20,000.00	
Monitor water quality/levels (AB 303)	0.00	5,000.00	5,000.00	
Maintain/Improve DMS	0.00	5,000.00	5,000.00	
Groundwater Modeling	0.00	10,000.00	10,000.00	
SGMA Consulting	110,297.25	88,490.00	(21,807.25)	124.6 %
TOTAL Consulting Program Management	110,297.25	128,490.00	18,192.75	85.8 %
TOTAL OPERATING EXPENDITURES	424,591.53	1,025,302.00	600,710.47	41.4 %
OPERATING INCOME (LOSS)	478,728.66	(18,490.00)	(497,218.66)	-2589.1 %
NET OPERATING INCOME (LOSS)	478,728.66	(18,490.00)	(497,218.66)	-2589.1 %
NET INCOME (LOSS) OF PROGRAM	478,728.66	(18,490.00)	(497,218.66)	-2589.1 %

AGENDA ITEM 8: DIRECTORS' COMMENTS