

SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, April 7, 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, Apr 7, 2022 9:00 AM - 12:00 AM (PST)

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

<https://global.gotomeeting.com/join/917064789>

You can also dial in using your phone.

United States: [+1 \(224\) 501-3412](tel:+12245013412)

Access Code: 917-064-789

- 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. Board members 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 February 10, 2022 Board meeting

Action: Approve Consent Calendar Items

4. SGA FISCAL YEAR 2022 – 2023 BUDGET

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

Action: Adopt Resolution No. 2022-01 to fund the administrative and program budgets for FY2022 – 2023 and provide for the collection of said funds.

5. GROUNDWATER SUSTAINABILITY PROGRAM UPDATE

Information and Presentation: Rob Swartz, Manager of Technical Services

6. LEGISLATIVE/REGULATORY UPDATE

Information and Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager

7. FUTURE MEETING FORMAT

Discussion: Jim Peifer, Executive Director

8. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY – 3X3 UPDATE

Information: Marcus Yasutake (Chair), Randy Marx (Vice Chair), and Robert Reisig

9. EXECUTIVE DIRECTOR’S REPORT

10. DIRECTORS’ COMMENTS

ADJOURNMENT

Next SGA Board of Director’s Meetings:

June 9, 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 (alterante)	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) Marty Hanneman (alternate)	Sacramento County
Agriculture	Mike DeWit	Sacramento County
Self-Supplied Industry	Larry Johnson	Sacramento City Council

April 2022

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. Board members 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 the February 10, 2022 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, January 25, 2022, February 10, 2022, and March 10, 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 7th day of April 2022 by the following vote:

AGENDA ITEM 3b: Minutes of the February 10, 2022 meeting

Attachment:

February 10, 2022 meeting minutes



SACRAMENTO GROUNDWATER AUTHORITY

Board Meeting

Draft Minutes

February 10, 2022

1. CALL TO ORDER

Chair Yasutake 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
Robert Matteoli, Del Paso Manor 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, Michelle Banonis, Josette Reina-Luken, Cecilia Partridge, Monica Garcia and Chris Sanders, legal counsel

Others in Attendance

Dan York, Jay Boatwright, Chris Petersen, Gina Bartlett, John Woodling, Kelye McKinney, Rebecca Scott, Christina Baril, David Wheaton, Lawrence Dees, Robert Reisig, Hilary Straus, Tim Shaw, Cathy Lee, Greg Zlotnick, Ashlee Casey, Alan Vail, Paul Helliker, Tom Gray, Kevin Thomas, Craig Locke and Joe Duran

2. PUBLIC COMMENT

None

3. CONSENT CALENDAR

Motion/Second Carried (M/S/C) Mr. Ewart moved, with a second by Ms. Harris to approve the minutes of the December 9, 2021 Board meeting and 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. Audie Foster, California American Water, Paul Selsky, Carmichael Water District, David Wheaton, 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, 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 Larry Johnson, Self-supplied Industry voted yes. Ted Costa, San Juan Water District voted no.

4. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

Mr. Peifer gave an overview of the history of the Sacramento Groundwater Authority (SGA) and Sacramento Central Groundwater Authority (SCGA) consolidation including discussions and workshops that have explored staffing services, stakeholder assessment and potential benefits for SGA. A potential governance must be beneficial to each authority and positive or neutral in terms of level and quality of services provided and financials. He provided information on how staffing could change and a comparison of the current and potential budget. There remain outstanding issues that require further discussion and evaluation to move forward.

Ms. Bartlett said that one of the themes from discussions in the workshops has been how do we move forward until we have the questions answered. She suggested a building block approach dealing with one block at a time providing direction for staff. The decision today is to decide if we want to proceed to Phase 2, going into more depth into the governance structure options. The governance structure means the representation, voting and public involvement that would likely be developed with input from the 3x3 Ad Hoc Committee. Input from the SGA would be requested as the governance structure is refined to support consolidation. After the governance structure is approved, recommendation to move to Phase 3 would be requested to cover staffing, funding, and the cost structure.

There was discussion on having remaining Board member issues and questions identified and acknowledged in Phase 2.

M/S/C Mr. Costa moved, with a second by Mr. Selsky to direct staff to proceed to Phase 2 of the Process Roadmap and start that phase with a Board workshop to agree on the scope of work for Phase 2, which should include a range of options (consolidation, subscription program, status quo plus, etc.) related to a potential new relationship between the SGA and the SCGA. Paul Selsky, Carmichael Water District, John Wingerter, Orange Vale Water Company, Mary Harris,

Rio Linda/Elverta Community Water District and Ted Costa, San Juan Water District voted yes. Audie Foster, California American Water, David Wheaton, 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, Paul Schubert, Golden State Water Company, Brett Gray, Natomas Central Mutual Water Company, Robert Wichert, Sacramento Suburban Water District, and Larry Johnson, Self-supplied Industry voted no.

After discussion the motion was amended to include "...to develop a governance proposal for SGA...".

M/S/C Mr. Ewart moved, with a second by Mr. Wichert to direct staff to proceed to Phase 2 of the Process Roadmap to develop a governance proposal for SGA and start that phase with a Board workshop to agree on the scope of work for Phase 2, which should include a range of options (consolidation, subscription program, status quo plus, etc.) related to a potential new relationship between the SGA and the SCGA consolidation. Audie Foster, California American Water, Paul Selsky, Carmichael Water District, David Wheaton, 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, Robert Wichert, Sacramento Suburban Water District, and Larry Johnson, Self-supplied Industry voted yes. Robert Matteoli, Del Paso Manor Water District, John Wingerter, Orange Vale Water Company, Mary Harris, Rio Linda/Elverta Community Water District and Ted Costa, San Juan Water District voted no.

5. DEVELOPMENT OF SGA FISCAL YEAR 2022 – 2023 BUDGET

Ms. Reina-Luken gave an overview of the fiscal year 2022 mid-year budget status and outlook, budget policies, budget assumptions and the budget schedule. The budget outlook includes a new Project Manager position recruitment, SGMA funding and GSP implementation. FY 23 budget assumptions include potential office relocation, interest income decreases, continued payment of unfunded pension liabilities and continued SGA and RWA common cost sharing. Budget Policy 400.3 requires a budget to be approved within 90 days of July 1st. Budget approval is expected at the April SGA Board meeting.

Chair Yasutake will serve as Chair of the Budget Subcommittee for Fiscal Year 2022 – 2023 and he appointed Robert Wichert, Paul Schubert, Randy Marx and Mary Harris to serve on the subcommittee.

6. GROUNDWATER SUSTAINABILITY PROGRAM UPDATE

Mr. Swartz gave a presentation update on the status of the Groundwater Sustainability Program. The plan has been submitted to the Department of Water Resources (DWR) and it was released by DWR for additional public comment. The comment period ends April 16th and DWR has up to 2 years to review the plan. The first annual report is due April 1st. The report will include seasonal contour maps, hydrographs of representative monitoring sites, groundwater and surface water use by sector, maps and graphs of change in storage and a description of the progress towards implementing the GSP. He gave an update on some of the current monitoring wells.

7. EXECUTIVE DIRECTOR'S REPORT

Mr. Peifer said in the interest of time, Board members can read the Executive Director's Report which was included in the meeting packet.

8. DIRECTORS' COMMENTS

Ms. Dorn said that she is retiring, and this is her last meeting.

ADJOURNMENT

With no further business to come before the Board, Chair Yasutake adjourned the meeting at 11:00 a.m.

By:

Chairperson

Attest:

Josette Reina-Luken, Board Secretary/Treasurer

AGENDA ITEM 4: SGA FISCAL YEAR 2022 – 2023 BUDGET

BACKGROUND:

FY 2022 – 2023 BUDGET

Each year the SGA Budget Subcommittee (Committee) reviews and makes a recommendation for adoption of the budget. The Fiscal Year 2022-2023 (FY23) SGA Committee members include Marcus Yasutake, City of Folsom (Chair); Randy Marx, Fair Oaks Water District (Vice Chair), Mary Harris, Rio Linda/Elverta Community Water District; Paul Schubert, Golden State Water Company; and Robert Wichert, Sacramento Suburban Water District. The committee held a teleconference meeting on March 22, 2022 and March 29, 2022 to discuss the budget goals, expenditures, and proposed fees.

BUDGET TOPICS

Proposed Fees

The proposed fees per unit for FY23 will not increase from FY22, which were 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. While there is no increase in the per unit fees, total fees are higher by approximately \$38,303. Some members will experience a fee increase because of either increased connections or by increases in their 5-year rolling average groundwater extraction.

Program Objectives

In collaboration with their GSA partners, SGA submitted its first Groundwater Sustainability Plan (GSP) by the required deadline of January 31, 2022 in support of the Sustainable Groundwater Management Act (SGMA). Resulting from the GSP, SGA and its partners have now entered into the next phase, GSP Plan Implementation. Contribution requirements for this effort are detailed in both revenue (contributions from GSA partners) and expense (Special Project Expense) sections of the FY23 proposed budget. Additional technical support expense line item of \$15,000 has been programmed for a small amount of professional service contingency.

This GSP Implementation Budget Table 10.1 reflects an increase in expenses over the next five years. However, the GSP Implementation Budget programs an annual average contribution from each GSA participant, so although expenses will increase over time, the required annual revenue amounts will remain constant through the duration of the project. For this reason, SGA's budget should reflect large carryover of funds in the first three years of the project that will be used in the last two years.

Staff Costs

In addition to sharing in 50% of administrative staff time from RWA and 20% of RWA's project assistant, and 10% cost of RWA's Legislative Manager salary and benefits, SGA approved a full-time, benefited, Project Manager position to be hired in the latter part of FY22 with six-month budgeted salary and benefits. The recruitment for this position is slated to open in the Spring of 2022 and will result in significant salary saving for SGA. As of FY23, this position is fully budgeted and is the reason for the increase in salary and benefits along with other associated costs (payroll taxes, professional development, etc.).

In accordance with SGA Policy 100.3, all staff salaries have been adjusted for calendar year 2022 and was provided to the Board at its February 2022 Board meeting as well as posted on the internet. For budgetary purposes, the COLA for FY2023 budget includes an estimated CPI of 4% excluding the Executive Director (contract-based position). As of FY23, the SGA annuitant contract has reached its term with anticipated extension. Salary costs also include some expenses for employee development, training, and travel.

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 January 2022 CalPERS letter to SGA, the revised estimate of SGA's June 30, 2022 unfunded pension liability balance, inclusive of all payments made to date, is approximately \$89,500. Staff recommends that SGA's future payments be set to \$22,375 per SGA Policy.

Office Costs

Due to the continued COVID-19 pandemic circumstances, RWA and SGA office expenses were lower than projected. 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 based on inflation or known costs.

Policies

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

Budget Policy 400.3:

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

Administrative and Management Service Agreement Policy 100.2:

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

Compensation Policy 100.3:

Consistent with the Administrative Services Agreement, SGA recognizes a need to have consistent compensation levels with RWA and thereby adopts the monthly salary schedule of SGA positions which is updated annually to the November Consumer Price Index and/or when a new salary survey is conducted. The adopted updated pay ranges for positions were included in the February 10, 2022 Board packet and they are posted on the SGA website. A salary survey for all staff positions employed by RWA and SGA is scheduled to begin by June 2022. Survey results will be presented before the end of the calendar year.

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 7.5 months at the end of FY23, 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 Implementation costs or Office Move. All designations are outlined in the attached budget and vary from year to year.

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 Sacramento Groundwater Authority actuarially accrued

liability at a quicker pace than CalPERS annual lump sum payments. For FY23, the CalPERS payment will be \$22,375.

Future Budget Outlook

SGA can anticipate future rates to range between an 8-10% increase for FY24 and FY25. 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 FY23 Special Project Expense budget is based on the North American Subbasin Groundwater Sustainability Plan, Section 10: Implementation Plan, Table 10-1.

Approving the FY23 proposed budget does not approve future budget projections. The proposed budget and future projections are based on estimates that might not fully be known at this time. Actual budget results may not be achieved.

SGA BUDGET COMMITTEE RECOMMENDATION:

Adopt Resolution No. 2022-01 to fund the administrative and program budgets for FY 2022 – 2023 and providing for the collection of said funds.

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

Attachments:

Summary Budget Overview

Resolution No. 2022-01

Draft Budget: Fiscal Year 2022 – 2023 Administrative Budget (Attachment A)

Draft Budget: Fiscal Year 2022 – 2023 Administrative Fees (Attachment B)

Fiscal Year 2022 – 2023 Budget PowerPoint Presentation

SUMMARY BUDGET OVERVIEW

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

Fees

- 1) Overall, a 0% fee increase is proposed for FY23.
- 2) The fee calculations will continue to be based upon base fees plus groundwater fees. The base fees cover 42% of costs, while groundwater fees cover 58%.
- 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 FY23. The five-year trailing average of groundwater pumping increased this past year, which is an outcome of conjunctive use.
- 5) GSP Implementation Partner Fees have been included based on the North American Subbasin Groundwater Sustainability Plan, Section 10: Plan Implementation, Table 10-1.
- 6) Interest income projections have been adjusted down based on recent returns.

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. A new salary survey is expected to begin in FY22 and be complete the end of the calendar year. 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 the addition of a Project Manager. Total FTE count for SGA is proposed to be 3.3 FTEs.
- 3) Benefit costs also include projected increases for health care and decreased cost for OPEB.
- 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 FY23 is \$22,375.

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 only.

8) The SGA consulting budget reflects \$15,000 in out-sourced support activities for additional GSP Implementation services as needed.

9) The proposed FY23 budget reflects expenses will exceed revenues. Prior year savings will be applied to compensate for any budget deficits incurred.

Designations

1) The operating fund plus undesignated cash is projected to be 7.5 months for FY23; which is higher than the required limit.

2) GSP Implementation designations have been calculated from the North American Subbasin Groundwater Sustainability Plan, Section 10: Plan Implementation, Table 10-1.

3) The prior FY22 designation of \$20,000 for SGA's portion for future office expansion/relocation has been programmed as a future expense, Office Move, at \$10,000 per year over the next two budget cycles. Future expense items such as office furniture and rent have been increased accordingly per staff's estimated costs.

RESOLUTION NO. 2022-01

A RESOLUTION OF THE SACRAMENTO GROUNDWATER AUTHORITY ADOPTING AND ASSIGNING COSTS TO FUND THE ADMINISTRATIVE AND PROGRAM BUDGETS FOR FY 2022-2023, 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 2022-2023 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 2022-2023 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 2022-2023 administrative budget. Non-purveyor groundwater producers and surface water users have been exempted from FY 2022-2023 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 2022-2023 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 2022-2023 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 2022-2023 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 2022-2023 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 2017 through 2021. 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 2017 through 2021 is a reasonable period upon which to base the Groundwater Pumping Fee component of the administrative budget for FY 2022-2023.
- 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 2022-2023 as specified in Attachment A is hereby adopted.
- 2. The administrative fees for this FY 2022-2023 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 7th of April, 2022.

By: _____
Chair

By: _____
James Peifer, Executive Director

Attest: _____
Josette Reina-Luken, Board Secretary



**Sacramento Groundwater Authority
2022 - 2023 FYE Budget Summary**

	Adopted FY22	Projected FY22	Proposed FY23	Notes
Operating Revenues				
Groundwater Fees	\$ 476,742	\$ 476,742	\$ 514,099	No Increase in GW fees per unit - \$7.10 per AF
Base Fee	\$ 377,570	\$ 377,570	\$ 378,516	No increase in base fee - \$12,196
Grant Income	\$ 145,000	\$ 121,754	\$ -	Represents SGMA/GSP Development including retainage
Partner Fees	\$ -	\$ 25,329	\$ -	Reflects SGMA partner fees collected from participants
GSP Implementation Partner Fees	\$ -	\$ 146,689	\$ 146,689	Reflects GSP Implementation Budget Table 10-1
Interest Income	\$ 7,500	\$ 3,000	\$ 3,500	Adjusted in accordance with available cash
Total	<u>\$ 1,006,812</u>	<u>\$ 1,151,084</u>	<u>\$ 1,042,804</u>	
Operating Expenses				
Staff - salary and benefits	\$ 693,862	\$ 546,350	\$ 739,130	Reflects 3.3 FTE
Office	\$ 88,300	\$ 64,337	\$ 77,337	No significant changes expected in FY23
Professional Fees	\$ 151,050	\$ 132,950	\$ 150,900	Legal, Support & PM consulting
Other	\$ 3,600	\$ 3,600	\$ 12,000	Computer Purchases, Replacements, and Office Equipment
Special Projects	\$ 88,490	\$ 206,413	\$ 167,300	Reflects costs related to SGMA grant and GSP Implementation
Total Expenses	<u>\$ 1,025,302</u>	<u>\$ 953,650</u>	<u>\$ 1,146,667</u>	
Fees in Excess of Expenses/(Expenses in Excess of Fees)	<u>\$ (18,490)</u>	<u>\$ 197,433</u>	<u>\$ (103,863)</u>	
Cash, beginning*	\$ 717,916	\$ 699,426	\$ 896,859	*Cash balance per SGA FY2020-21 Annual Financial Statement
Source (Use) of Funds	<u>\$ (18,490)</u>	<u>\$ 197,433</u>	<u>\$ (103,863)</u>	
Cash, ending	<u>\$ 699,426</u>	<u>\$ 896,859</u>	<u>\$ 792,996</u>	
DESIGNATIONS				
Operating Fund	\$ 306,300	\$ 371,819	\$ 483,684	Per SGA Policy 400.2
SGMA Implementation	\$ 58,490	\$ 58,490	\$ -	Completed in FY2021-22
GSP Implementation	\$ -	\$ 129,860	\$ 192,420	Per GSP Implementation Budget Table 10-1
Office Move	\$ 20,000	\$ 20,000		
Un-designated	\$ 314,636	\$ 316,690	\$ 116,892	
	<u>\$ 699,426</u>	<u>\$ 896,859</u>	<u>\$ 792,996</u>	
No. of months cash pays for operations	<u>8.2</u>	<u>11.5</u>	<u>7.5</u>	



Proposed 2022-2023 FYE Budget Summary

Major Assumptions

Revenues

- 1) For Fiscal Year 2023, 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 0% fee increase overall. Each agencies FY23 fee is different depending upon their groundwater use and number of connections.
- 2) Groundwater fees reflects increased pumping.
- 3) Base fees are projected at 0% higher from last year. The base fee covers approximately 42% of costs.
- 4) Assumes 5 year acre foot average groundwater pumped of: 72,490
- 5) As the SGMA grant concludes in FY22, a new project funded by the GSA member agencies (GSP Implementation) begins in FY2022-2023.
- 6) Interest income has decreased in accordance with cash balance and LAIF performance.

Expenses

- 1) FTE Staffing costs includes 50% cost share of RWA Non-WEP administrative staff (total 2.0 FTE), Project Assistant (.20 FTE), Legislative Affairs Manager position (.10 FTE) and an SGA dedicated Associate Project Manager (1.0 FTE) for a total of 3.3 FTE.
- 2) Benefits include employer PERS, medical, vision, dental, disability insurance, OPEB and workers' compensation for 3.3 FTEs. FY2023 budget increase in medical costs of 5.5%, other costs at 3% and a decrease in OPEB costs. Employees pay their entire employee portion of PERS pension.
- 3) SGA continues to budget for additional payments towards its unfunded pension plan. A CalPERS revised January 2022 letter estimates the June 30, 2022 balance at approximately \$89,500.00.
- 4) Professional fees include public relations, human resources, audit, accounting, actuarial, and legal expenses.
- 5) Technical consultant costs for FY23 include as needed services related to the GSP Implementation.
- 6) Special projects reflects the costs associated with the DWR grants related to the SGMA and GSP Implementation per the GSA's MOA.
- 7) Due to a renegotiation of the lease on the Birdcage building, a 10% increase was applied in FY21 through the remainder of the lease term (August 2023).
- 8) General cost increases were projected at 3%, 4% for staff COLA, and 5% for professional services, or lower unless specific cost increases could be identified.

Expenses in Excess of Fees

- 1) For FY23, SGA has a proposed budget where expenses exceeds revenues. 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 months for FY23, which exceeds policy guidelines.
- 2) There are no remaining designated funds for the initial SGMA grant as of FY2021-2022.
- 3) GSP Implementation Designation costs are detailed using in the GSP Implementation MOA Table 10-1.

FY24 and Beyond

- 1) A projected increase of approximately 8-10% is anticipated in future years.
- 2) Future fee increases are contingent upon GSP requirements, updated future liability valuation reports, office location, etc. which are not completely known at this time.

SGA Proposed FY2022-2023 OPERATING BUDGET PROJECTION				2-Year Projection		NOTES
	SGA FY22 Adopted Budget	SGA FY22 Projected Budget	SGA FY23 Proposed Budget	SGA Projected FY 24	SGA Projected FY 25	
ANNUAL FEES						
GW Fee FY 21 Final Budget	\$7.10	\$7.10				
Proposed GW Fee FY 22 Budget			\$7.10	\$7.67	\$8.43	
Proposed Base Fee	\$12,196	\$12,196	\$12,196	\$13,172	\$14,489	
Proposed Per Connection Fee	\$1.58	\$1.58	\$1.58	\$1.71	\$1.88	
Proposed Fee Increase %			0%	8%	10%	
OPERATING REVENUES						
General Assessments/Fees						
Groundwater fees	\$ 476,742	\$ 476,742	\$ 514,099	\$ 555,227	\$ 610,750	Calculated using agency 5 year pumping average
Base Fee	\$ 377,570	\$ 377,570	\$ 378,516	\$ 408,797	\$ 449,677	Number of connections per agency plus base fee
SGMA Grant Income	\$ 145,000	\$ 121,754	\$ -	\$ -	\$ -	DWR Grant Project completed in FY22
SGMA Contingency Partner Fees	\$ -	\$ 25,329	\$ -	\$ -	\$ -	DWR Grant Project completed in FY22
GSP Implementation Partner Fees	\$ -	\$ 146,689	\$ 146,689	\$ 146,689	\$ 146,689	Per GSP Implementation Budget Table 10-1
Interest/Misc Income	\$ 7,500	\$ 3,000	\$ 3,500	\$ 3,700	\$ 3,900	Interest from LAIF and Cash Discounts
TOTAL REVENUE	\$ 1,006,812	\$ 1,151,084	\$ 1,042,804	\$ 1,114,413	\$ 1,211,016	
STAFF EXPENSES (General):						
Staff Salaries/Wages	\$ 455,941	\$ 365,000	\$ 509,837	\$ 536,324	\$ 564,327	Represent 3.3 FTE
Benefits	\$ 159,750	\$ 120,450	\$ 148,131	\$ 160,508	\$ 168,155	PERS, Medical, Vision, Dental, Disability, OPEB & Work Comp
Pension - Unfunded Liability	\$ 26,700	\$ 26,700	\$ 22,375	\$ 22,375	\$ 22,375	Pension Unfunded Liability over 4 year period
Payroll Taxes	\$ 36,472	\$ 29,200	\$ 40,787	\$ 42,906	\$ 45,146	Payroll taxes for 3.3 FTE
Meals/Travel/Conferences	\$ 11,000	\$ 5,000	\$ 12,000	\$ 12,500	\$ 13,000	Includes meals, travel, and conference registration costs
Professional Development/Training	\$ 4,000	\$ 1,500	\$ 6,000	\$ 6,500	\$ 7,000	Includes training, license renewals, and development classes
TOTAL STAFF EXPENSES	\$ 693,862	\$ 546,350	\$ 739,130	\$ 781,113	\$ 820,003	
OFFICE EXPENSES:						
Rent & Utilities Contract	\$ 27,800	\$ 17,787	\$ 17,787	\$ 28,600	\$ 28,600	SGA share of current office rent and future anticipated rent
General Liability Insurance	\$ 16,500	\$ 16,650	\$ 16,750	\$ 17,250	\$ 17,775	SGA share of property, liability and auto coverage
Office Maintenance	\$ 400	\$ -	\$ 500	\$ 500	\$ 500	SGA share of office maintenance needs
Postage and Postal Meter	\$ 1,700	\$ 1,000	\$ 1,800	\$ 1,900	\$ 2,000	SGA share of postage meter and mailing costs
Internet/web hosting	\$ 3,000	\$ 3,500	\$ 3,500	\$ 3,600	\$ 3,700	SGA share of internet and other meeting software costs
Meetings	\$ 1,400	\$ 400	\$ 1,500	\$ 1,600	\$ 1,700	SGA miscellaneous meeting costs
Printing/Supplies/Copier	\$ 11,200	\$ 5,000	\$ 11,500	\$ 11,800	\$ 12,000	SGA share of copier lease, toner, and printing supplies
Dues & Subscriptions	\$ 6,300	\$ 2,500	\$ 6,600	\$ 7,000	\$ 7,500	ACWA dues, AWWA, Groundwater Resource Association

SGA Proposed FY2022-2023 OPERATING BUDGET PROJECTION				2-Year Projection		NOTES
	SGA FY22 Adopted Budget	SGA FY22 Projected Budget	SGA FY23 Proposed Budget	SGA Projected FY 24	SGA Projected FY 25	
Computer hardware/software	\$ 7,500	\$ 7,500	\$ 3,000	\$ 3,100	\$ 3,200	New or replacement/upgrades of hardware and software for 3.3 FTE
Computer & Phone maintenance	\$ 12,500	\$ 10,000	\$ 14,400	\$ 14,400	\$ 14,400	SGA share of IT support services for computers/network and phones
TOTAL OFFICE EXPENSES	\$ 88,300	\$ 64,337	\$ 77,337	\$ 89,750	\$ 91,375	
PROFESSIONAL FEES:						
SGA Legal	\$ 44,100	\$ 38,000	\$ 50,000	\$ 52,500	\$ 55,000	SGA Legal Fees
Audit Fees and GASB report	\$ 14,350	\$ 14,350	\$ 15,400	\$ 20,000	\$ 20,000	SGA share of Annual Audit and Reporting Costs
ADP & Banking Fees	\$ 1,600	\$ 1,600	\$ 1,800	\$ 1,900	\$ 2,000	Payroll fees for SGA employees (3.3 FTE) and Banking Fees
SGA Support Services	\$ 51,000	\$ 39,000	\$ 68,700	\$ 58,900	\$ 59,600	SGA share of Audit, Actuary & HR services and general consulting
SGA Consultants - Technical Support	\$ 40,000	\$ 40,000	\$ 15,000	\$ 15,750	\$ 16,550	Technical Consultant Support for GSP Implementation
TOTAL PROFESSIONAL FEES	\$ 151,050	\$ 132,950	\$ 150,900	\$ 149,050	\$ 153,150	
TOTAL OPERATING EXPENSES	\$ 933,212	\$ 743,637	\$ 967,367	\$ 1,019,913	\$ 1,064,528	
OTHER EXPENSES:						
Office furniture/remodel/equip	\$ 3,600	\$ 3,600	\$ 2,000	\$ 10,000	\$ 1,000	Furniture and Equipment for Potential Office Move for SGA staff
Office Move			\$ 10,000	\$ 10,000		SGA share of potential Office Move
Computer Server					\$ 15,000	SGA share of server upgrade/replacement
TOTAL Other Expenses	\$ 3,600	\$ 3,600	\$ 12,000	\$ 20,000	\$ 16,000	
Special Projects Expenses						
SGMA Grant & Contingency Expenses	\$ 88,490	\$ 106,413				DWR Grant Project completed in FY22
GSP Implementation		\$ 100,000	\$ 167,300	\$ 108,600	\$ 394,900	Per GSP Implementation Budget Table 10-1
TOTAL Special Proj. Expenses	\$ 88,490	\$ 206,413	\$ 167,300	\$ 108,600	\$ 394,900	
TOTAL EXPENSES	\$ 1,025,302	\$ 953,650	\$ 1,146,667	\$ 1,148,513	\$ 1,475,428	
Net Income (Loss)	\$ (18,490)	\$ 197,433	\$ (103,863)	\$ (34,100)	\$ (264,412)	Total Revenues - Total Expenses
CASH SUMMARY						
AVAILABLE CASH, Beginning	\$ 717,916	\$ 699,426	\$ 896,859	\$ 792,996	\$ 758,896	Cash balance adjusted from FY2020-21 Annual Financial Statement
SOURCE (USE) OF FUNDS	\$ (18,490)	\$ 197,433	\$ (103,863)	\$ (34,100)	\$ (264,412)	
CASH, Ending	\$ 699,426	\$ 896,859	\$ 792,996	\$ 758,896	\$ 494,484	Projected Cash, Ending balance
DESIGNATIONS						
Operating Fund (four to six mos)	\$ 306,300	\$ 371,819	\$ 483,684	\$ 427,761	\$ 345,844	SGA Designation Policy 400.2
SGMA Implementation	\$ 58,490	\$ 58,490				Completed in FY2021-22
GSP Implementation	\$ -	\$ 129,860	\$ 192,420	\$ 313,680	\$ 148,640	Per GSP Implementation Budget Table 10-1
Office Move	\$ 20,000	\$ 20,000				
Un-designated	\$ 314,636	\$ 316,690	\$ 116,892	\$ 17,454	\$ -	
CASH IN BANK, Ending	\$ 699,426	\$ 896,859	\$ 792,996	\$ 758,896	\$ 494,484	
No. of months cash pays for oper.	8.2	11.5	7.5	5.3	4	

SGA 2022-23 Administrative Budget Fees Structure

Agency	Retail Connections FY22	Retail Connections FY23	Base Fee	FY 22 Groundwater Average Extraction Acre Feet (2016 - 2020)	FY 23 Groundwater Average Extraction Acre Feet (2017 - 2021)	FY 23 Supplemental Groundwater Fees at \$7.53 / AF	Proposed FY 2022-2023 Total Estimated Fees	Actual FY 2022 Fees	\$ Diff from FY22 to Proposed
California American Water	26,770	26,166	\$ 44,058	9,405	9,610	\$ 68,231	\$ 112,289	\$ 111,789	\$ 500
Carmichael Water District	11,703	11,828	\$ 21,404	2,553	3,025	\$ 21,478	\$ 42,882	\$ 39,335	\$ 3,547
Citrus Heights Water District	19,818	19,986	\$ 34,294	1,112	1,744	\$ 12,384	\$ 46,678	\$ 41,923	\$ 4,755
Del Paso Manor Water District	1,799	1,801	\$ 12,196	1,218	1,266	\$ 8,991	\$ 21,187	\$ 20,847	\$ 340
Fair Oaks Water District	14,390	14,390	\$ 25,452	2,509	2,974	\$ 21,117	\$ 46,569	\$ 43,264	\$ 3,305
Folsom, City of	1,075	1,133	\$ 12,196	-	-	\$ -	\$ 12,196	\$ 12,196	\$ -
Golden State Water Company	1,752	1,747	\$ 12,196	852	878	\$ 6,235	\$ 18,431	\$ 18,242	\$ 189
Natomas Mutual Water Company	200	250	\$ 12,196	195	770	\$ 5,470	\$ 17,666	\$ 13,581	\$ 4,085
Orange Vale Water Company	5,685	5,690	\$ 12,196	-	-	\$ -	\$ 12,196	\$ 12,196	\$ -
Rio Linda/Elverta Water District	4,642	4,648	\$ 12,196	2,501	2,617	\$ 18,581	\$ 30,777	\$ 29,955	\$ 822
Sacramento, City of	47,649	48,030	\$ 78,603	21,370	21,542	\$ 152,947	\$ 231,550	\$ 229,728	\$ 1,822
Sacramento, County of	3,330	3,338	\$ 12,196	4,662	4,799	\$ 34,074	\$ 46,270	\$ 45,298	\$ 972
Sacramento Suburban	46,573	47,102	\$ 77,137	20,769	23,182	\$ 164,591	\$ 241,728	\$ 223,762	\$ 17,966
San Juan Water District	3,416	3,397	\$ 12,196	-	-	\$ -	\$ 12,196	\$ 12,196	\$ -
TOTALS	188,802	189,506	\$ 378,516	67,147	72,408	\$ 514,099	\$ 892,615	\$ 854,312	\$ 38,303
				42.41%		57.59%			

Notes:

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- (1) Retail connections are based on SGA boundaries or service area boundaries that are dependent upon SGA for management of the groundwater basin.
(2) Minimum base fee is set @ \$12,928 plus \$1.67 per connection for connections over 6,000.
(3) The groundwater fee is \$7.53 per AF.

**TOTAL WATER DELIVERIES
2017-2021**

WATER PURVEYOR	YEAR	Surface Water	Ground Water	Total Water Deliveries	Retail Connections	average GW
California American WC	2021	11	11,127	11,138	26,166	9,610
	2020	2,783	8,870	11,653		
	2019	1,522	9,241	10,763		
	2018	1,456	9,609	11,065		
	2017	2,017	9,203	11,220		
Carmichael Water District	2021	9,942	3,778	13,720	11,828	3,025
	2020	5,018	3,496	8,514		
	2019	11,084	2,307	13,391		
	2018	10,674	2,947	13,621		
	2017	10,903	2,597	13,500		
Citrus Heights Water District	2021	7,568	4,334	11,902	19,986	1,744
	2020	10,826	1,473	12,299		
	2019	10,746	359	11,105		
	2018	9,776	1,842	11,618		
	2017	10,746	713	11,459		
Del Paso Manor Water District	2021	0	1,368	1,368	1,801	1,266
	2020	0	1,341	1,341		
	2019	0	1,158	1,158		
	2018	0	1,226	1,226		
	2017	0	1,239	1,239		
Fair Oaks Water District	2021	6,648	3,325	9,973	14,390	2,974
	2020	8,259	2,868	11,127		
	2019	7,260	2,138	9,398		
	2018	6,539	3,151	9,690		
	2017	6,187	3,389	9,576		
Folsom, City of	2021	1,133	0	1,133	1,075	0
	2020	1,180	0	1,180		
	2019	1,113	0	1,113		
	2018	1,114	0	1,114		
	2017	1,118	0	1,118		
Golden State Water Company	2021	0	926	926	1,747	878
	2020	0	935	935		
	2019	0	840	840		
	2018	0	836	836		
	2017	0	854	854		
Natomas Central Mutual Water	2021	22,888	2,877	25,765	250	770
	2020	24,248	907	25,155		
	2019	33,400	68	33,468		
	2018	33,400	0	33,400		
	2017	33,400	0	33,400		

**TOTAL WATER DELIVERIES
2017-2021**

WATER PURVEYOR	YEAR	Surface Water	Ground Water	Total Water Deliveries	Retail Connections	average GW
Orange Vale Water Company	2021	3,876	0	3,876	5,690	0
	2020	3,981	0	3,981		
	2019	3,607	0	3,607		
	2018	3,974	0	3,974		
	2017	3,846	0	3,846		
Rio Linda/Elverta CWD	2021	0	2,815	2,815	4,648	2,617
	2020	0	2,867	2,867		
	2019	0	2,439	2,439		
	2018	0	2,506	2,506		
	2017	0	2,458	2,458		
Sacramento, City of	2021	12,259	18,010	30,269	48,030	21,542
	2020	5,323	23,075	28,398		
	2019	9,374	19,401	28,775		
	2018	6,726	23,495	30,221		
	2017	6,382	23,728	30,110		
Sacramento, County of	2021	0	4,749	4,749	3,338	4,799
	2020	0	5,092	5,092		
	2019	0	4,582	4,582		
	2018	0	4,817	4,817		
	2017	0	4,756	4,756		
Sacramento Suburban WD	2021	2,228	29,926	32,154	47,102	23,182
	2020	4,016	32,406	36,422		
	2019	17,247	13,363	30,610		
	2018	10,450	20,423	30,873		
	2017	11,462	19,791	31,253		
San Juan Water District	2021	3,160	0	3,160	3,397	0
	2020	3,306	0	3,306		
	2019	2,807	0	2,807		
	2018	2,380	0	2,380		
	2017	2,530	0	2,530		
TOTAL		411,893	362,041	773,934	189,448	

Sacramento Groundwater Authority Fiscal Year 22 Budget

**SGA Board Meeting
April 7, 2022**



SACRAMENTO GROUNDWATER AUTHORITY

Overview

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

FY23 SGA Fees

- Fees – two components: base & groundwater
- Base fee – flat minimum fee for up to 6,000 connections
 - Proposed at \$12,196
 - 0% increase from FY2021-2022
 - Base fee covers 42% of expenses
- Groundwater fee – based upon trailing 5-year average of groundwater pumped
 - Proposed at \$7.10 per acre foot
 - 0% increase from FY2021-2022
 - Increase in groundwater pumping average
 - GW fee covers 58% of expenses
- Connection fee > 6,000 connections = \$1.58 per connection



FY23 SGA Fees – cont'd.

- Overall, FY23 fee increase is 0% in rate structure
- Each agency's fee is different – based upon GW pumped
 - Some members pay more due to growth and ground water extraction increase
- Net budget result in FY23:
 - Expenses > Fees by \$103,863
 - Undesignated cash reserves will help offset future budget deficits

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 in the future
 - Possible for new staff to be PEPRA (vs. Classic)
- PERS Unfunded Liability
 - Based on January 2022 letter from CalPERS, approximate balance for unfunded liability is \$89,500
 - Per SGA Policy 400.4, the additional payment will be \$22,375

SGMA/GSP Program Budget

- SGMA/GSP Program Budget
 - ✓ Initial GSP Program Budget ends in FY2022
 - ✓ New GSP Implementation Project begins
 - ✓ GSP Implementation Budget Table 10.1 details future SGA and its GSA partner contributions over the next five years
 - ✓ New designation for GSP Implementation for carry forward balances from year to year

SGA Budget Outlook

- Two Year Budget Outlook
 - Fees projected to increase between 8% and 10%
 - Future expenses may change dependent upon:
 - Filling Program Manager vacancy
 - 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 merge would influence future costs and long-term liabilities



Questions?



SACRAMENTO GROUNDWATER AUTHORITY

AGENDA ITEM 5: GROUNDWATER SUSTAINABILITY PROGRAM UPDATE

BACKGROUND:

Staff will provide an update on the Groundwater Sustainability Plan (GSP) Annual Report submitted to the Department of Water Resources on March 31, 2022, upcoming GSP implementation activities, and recent conditions in groundwater monitoring wells. A link to the GSP Annual Report is posted on the News Highlights section on the main SGA web page (sgah2o.org).

Information and Presentation: Rob Swartz, Manager of Technical Services

AGENDA ITEM 6: LEGISLATIVE/REGULATORY UPDATE

BACKGROUND:

On March 28th, the Governor Issued a drought Executive Order (EO). In part the EO prohibits the issuance of a permit by a county, city, or other public agency for a new groundwater well or the alteration of an existing groundwater well without first obtaining approval from a Groundwater Sustainability Agency (GSA) that the well would be consistent with a Groundwater Sustainability Plan (GSP). The EO further requires that proposed new wells must not impact existing wells and not likely cause subsidence that impacts nearby infrastructure. The full text of the EO is attached.

The legislative cycle has begun with bills being heard in first policy committees in March and April. Bills that could significantly impact SGA members include:

AB 2201 (Bennett D- Ventura) Would require a groundwater extraction facility in critically overdraft basins to have a permit from a GSA to extract groundwater. Allows a GSA in high and medium priority basins to establish a permit process.

AB 2895 (Arambula D- Fresno) Revises and recasts the water transfer process.

SB 1124 (Archuleta D- Pico Rivera) Would require the Office of Environmental Health Hazard Assessment (OEHHA) to establish a Public Health Goal (PHG) and the Water Board to establish a primary Maximum Contaminant Level (MCL) for manganese.

The Water Board has put out an administrative draft of a new MCL for Hexavalent Chromium. Highlights of that draft MCL include:

- The proposed hexavalent chromium MCL is 10 ppb.
- The proposed hexavalent chromium detection limit for purposes of reporting (DLR) is 0.05 ppb.
- The proposed compliance schedule is based on water system size and is as follows:
 - Systems with 10,000 or more service connections will have a 2-year compliance schedule;
 - System with 1,000 to 10,000 service connections will have a 3-year compliance schedule;

- Systems with less than 1,000 service connections will have 4-year compliance schedule.

Comments on the administrative draft Hexavalent Chromium MCL are due by April 29th. A copy of the administrative draft Hexavalent Chromium MCL is attached.

Information: Ryan Ojakian, Legislative and Regulatory Affairs Manager

Attachments:

March 2022 Drought Executive Order N-7-22

April 2022 Draft Regulations for hexavalent chromium MCL (cr6)

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-7-22

WHEREAS on April 12, 2021, May 10, 2021, July 8, 2021, and October 19, 2021, I proclaimed states of emergency that continue today and exist across all the counties of California, due to extreme and expanding drought conditions; and

WHEREAS climate change continues to intensify the impacts of droughts on our communities, environment, and economy, and California is in a third consecutive year of dry conditions, resulting in continuing drought in all parts of the State; and

WHEREAS the 21st century to date has been characterized by record warmth and predominantly dry conditions, and the 2021 meteorological summer in California and the rest of the western United States was the hottest on record; and

WHEREAS since my October 19, 2021 Proclamation, early rains in October and December 2021 gave way to the driest January and February in recorded history for the watersheds that provide much of California's water supply; and

WHEREAS the ongoing drought will have significant, immediate impacts on communities with vulnerable water supplies, farms that rely on irrigation to grow food and fiber, and fish and wildlife that rely on stream flows and cool water; and

WHEREAS the two largest reservoirs of the Central Valley Project, which supplies water to farms and communities in the Central Valley and the Santa Clara Valley and provides critical cold-water habitat for salmon and other anadromous fish, have water storage levels that are approximately 1.1 million acre-feet below last year's low levels on this date; and

WHEREAS the record-breaking dry period in January and February and the absence of significant rains in March have required the Department of Water Resources to reduce anticipated deliveries from the State Water Project to 5 percent of requested supplies; and

WHEREAS delivery of water by bottle or truck is necessary to protect human safety and public health in those places where water supplies are disrupted; and

WHEREAS groundwater use accounts for 41 percent of the State's total water supply on an average annual basis but as much as 58 percent in a critically dry year, and approximately 85 percent of public water systems rely on groundwater as their primary supply; and

WHEREAS coordination between local entities that approve permits for new groundwater wells and local groundwater sustainability agencies is important to achieving sustainable levels of groundwater in critically overdrafted basins; and

WHEREAS the duration of the drought, especially following a multiyear drought that abated only five years ago, underscores the need for California to redouble near-, medium-, and long-term efforts to adapt its water management and delivery systems to a changing climate, shifting precipitation patterns, and water scarcity; and

WHEREAS the most consequential, immediate action Californians can take to extend available supplies is to voluntarily reduce their water use by 15 percent from their 2020 levels by implementing the commonsense measures identified in operative paragraph 1 of Executive Order N-10-21 (July 8, 2021); and

WHEREAS to protect public health and safety, it is critical the State take certain immediate actions without undue delay to prepare for and mitigate the effects of the drought conditions, and under Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this Proclamation would prevent, hinder, or delay the mitigation of the effects of the drought conditions.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my April 21, 2021, May 10, 2021, July 8, 2021, and October 19, 2021 Proclamations remain in full force and effect, except as modified by those Proclamations and herein. State agencies shall continue to implement all directions from those Proclamations and accelerate implementation where feasible.
2. To help the State achieve its conservation goals and ensure sufficient water for essential indoor and outdoor use, I call on all Californians to strive to limit summertime water use and to use water more efficiently indoors and out. The statewide Save Our Water conservation campaign at [SaveOurWater.com](https://www.SaveOurWater.com) provides simple ways for Californians to reduce water use in their everyday lives. Furthermore, I encourage Californians to understand and track the amount of water they use and measure their progress toward their conservation goals.
3. By May 25, 2022, the State Water Resources Control Board (Water Board) shall consider adopting emergency regulations that include all of the following:
 - a. A requirement that each urban water supplier, as defined in section 10617 of the Water Code, shall submit to the Department of Water Resources a preliminary annual water supply and demand assessment consistent with section 10632.1 of the Water Code no later than June 1, 2022, and submit a final annual water

supply and demand assessment to the Department of Water Resources no later than the deadline set by section 10632.1 of the Water Code;

- b. A requirement that each urban water supplier that has submitted a water shortage contingency plan to the Department of Water Resources implement, at a minimum, the shortage response actions adopted under section 10632 of the Water Code for a shortage level of up to twenty percent (Level 2), by a date to be set by the Water Board; and
- c. A requirement that each urban water supplier that has not submitted a water shortage contingency plan to the Department of Water Resources implement, at a minimum, shortage response actions established by the Water Board, which shall take into consideration model actions that the Department of Water Resources shall develop for urban water supplier water shortage contingency planning for Level 2, by a date to be set by the Water Board.

To further conserve water and improve drought resiliency if the drought lasts beyond this year, I encourage urban water suppliers to conserve more than required by the emergency regulations described in this paragraph and to voluntarily activate more stringent local requirements based on a shortage level of up to thirty percent (Level 3).

- 4. To promote water conservation, the Department of Water Resources shall consult with leaders in the commercial, industrial, and institutional sectors to develop strategies for improving water conservation, including direct technical assistance, financial assistance, and other approaches. By May 25, 2022, the Water Board shall consider adopting emergency regulations defining “non-functional turf” (that is, a definition of turf that is ornamental and not otherwise used for human recreation purposes such as school fields, sports fields, and parks) and banning irrigation of non-functional turf in the commercial, industrial, and institutional sectors except as it may be required to ensure the health of trees and other perennial non-turf plantings.
- 5. In order to maximize the efficient use of water and to preserve water supplies critical to human health and safety and the environment, Public Resources Code, Division 13 (commencing with section 21000) and regulations adopted pursuant to that Division are hereby suspended, with respect to the directives in paragraphs 3 and 4 of this Order and any other projects and activities for the purpose of water conservation to the extent necessary to address the impacts of the drought, and any permits necessary to carry out such projects or activities. Entities that desire to conduct activities under this suspension, other than the directives in paragraphs 3 and 4 of this Order, shall first request that the Secretary of the Natural Resources Agency make a determination that the proposed activities are eligible to be conducted under this suspension. The Secretary shall use sound discretion in applying this Executive Order to ensure that the suspension serves the purpose of accelerating conservation projects that are necessary to address impacts of the drought, while at the same time

protecting public health and the environment. The entities implementing these directives or conducting activities under this suspension shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.

6. To support voluntary approaches to improve fish habitat that would require change petitions under Water Code section 1707 and either Water Code sections 1425 through 1432 or Water Code sections 1725 through 1732, and where the primary purpose is to improve conditions for fish, the Water Board shall expeditiously consider petitions that add a fish and wildlife beneficial use or point of diversion and place of storage to improve conditions for anadromous fish. California Code of Regulations, title 23, section 1064, subdivisions (a)(1)(A)(i)-(ii) are suspended with respect to any petition that is subject to this paragraph.
7. To facilitate the hauling of water for domestic use by local communities and domestic water users threatened with the loss of water supply or degraded water quality resulting from drought, any ordinance, regulation, prohibition, policy, or requirement of any kind adopted by a public agency that prohibits the hauling of water out of the water's basin of origin or a public agency's jurisdiction is hereby suspended. The suspension authorized pursuant to this paragraph shall be limited to the hauling of water by truck or bottle to be used for human consumption, cooking, or sanitation in communities or residences threatened with the loss of affordable safe drinking water. Nothing in this paragraph limits any public health or safety requirement to ensure the safety of hauled water.
8. The Water Board shall expand inspections to determine whether illegal diversions or wasteful or unreasonable use of water are occurring and bring enforcement actions against illegal diverters and those engaging in the wasteful and unreasonable use of water. When access is not granted by a property owner, the Water Board may obtain an inspection warrant pursuant to the procedures set forth in Title 13 (commencing with section 1822.50) of Part 3 of the Code of Civil Procedure for the purposes of conducting an inspection pursuant to this directive.
9. To protect health, safety, and the environment during this drought emergency, a county, city, or other public agency shall not:
 - a. Approve a permit for a new groundwater well or for alteration of an existing well in a basin subject to the Sustainable Groundwater Management Act and classified as medium- or high-priority without first obtaining written verification from a Groundwater Sustainability Agency managing the basin or area of the basin where the well is proposed to be located that groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater management program established in any applicable Groundwater Sustainability Plan adopted by that Groundwater Sustainability

Agency and would not decrease the likelihood of achieving a sustainability goal for the basin covered by such a plan; or

- b. Issue a permit for a new groundwater well or for alteration of an existing well without first determining that extraction of groundwater from the proposed well is (1) not likely to interfere with the production and functioning of existing nearby wells, and (2) not likely to cause subsidence that would adversely impact or damage nearby infrastructure.

This paragraph shall not apply to permits for wells that will provide less than two acre-feet per year of groundwater for individual domestic users, or that will exclusively provide groundwater to public water supply systems as defined in section 116275 of the Health and Safety Code.

10. To address household or small community drinking water shortages dependent upon groundwater wells that have failed due to drought conditions, the Department of Water Resources shall work with other state agencies to investigate expedited regulatory pathways to modify, repair, or reconstruct failed household or small community or public supply wells, while recognizing the need to ensure the sustainability of such wells as provided for in paragraph 9.
11. State agencies shall collaborate with tribes and federal, regional, and local agencies on actions related to promoting groundwater recharge and increasing storage.
12. To help advance groundwater recharge projects, and to demonstrate the feasibility of projects that can use available high water flows to recharge local groundwater while minimizing flood risks, the Water Board and Regional Water Quality Control Boards shall prioritize water right permits, water quality certifications, waste discharge requirements, and conditional waivers of waste discharge requirements to accelerate approvals for projects that enhance the ability of a local or state agency to capture high precipitation events for local storage or recharge, consistent with water right priorities and protections for fish and wildlife. For the purposes of carrying out this paragraph, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division, and Chapter 3 (commencing with section 85225) of Part 3 of Division 35 of the Water Code and regulations adopted pursuant thereto are hereby suspended to the extent necessary to address the impacts of the drought. This suspension applies to (a) any actions taken by state agencies, (b) any actions taken by local agencies where the state agency with primary responsibility for the implementation of the directives concurs that local action is required, and (c) permits necessary to carry out actions under (a) or (b). The entities implementing these directives shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.
13. With respect to recharge projects under either Flood-Managed Aquifer Recharge or the Department of Water Resources Sustainable

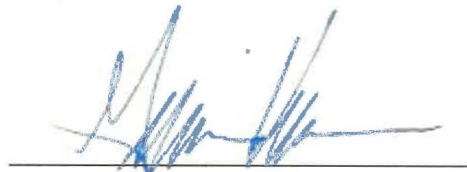
Groundwater Management Grant Program occurring on open and working lands to replenish and store water in groundwater basins that will help mitigate groundwater conditions impacted by drought, for any (a) actions taken by state agencies, (b) actions taken by a local agency where the Department of Water Resources concurs that local action is required, and (c) permits necessary to carry out actions under (a) or (b), Public Resources Code, Division 13 (commencing with section 21000) and regulations adopted pursuant to that Division are hereby suspended to the extent necessary to address the impacts of the drought. The entities implementing these directives shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.

14. To increase resilience of state water supplies during prolonged drought conditions, the Department of Water Resources shall prepare for the potential creation and implementation of a multi-year transfer program pilot project for the purpose of acquiring water from willing partners and storing and conveying water to areas of need.
15. By April 15, 2022, state agencies shall submit to the Department of Finance for my consideration proposals to mitigate the worsening effects of severe drought, including emergency assistance to communities and households and others facing water shortages as a result of the drought, facilitation of groundwater recharge and wastewater recycling, improvements in water use efficiency, protection of fish and wildlife, mitigation of drought-related economic or water-supply disruption, and other potential investments to support short- and long-term drought response.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 28th day of March 2022.



GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY N. WEBER, PH.D.
Secretary of State

Title 22. Social Security
Division 4. Environmental Health
Chapter 15. Domestic Water Quality and Monitoring Regulations
Article 4. Primary Standards—Inorganic Chemicals

(1) Amend Section 64431 to read as follows:

§ 64431. Maximum Contaminant Levels—Inorganic Chemicals

Public water systems shall comply with the primary MCLs in **Table 64431-A** as specified in this article.

Table 64431-A
Maximum Contaminant Levels
Inorganic Chemicals

<i>Chemical</i>	<i>Maximum Contaminant Level, mg/L</i>
Aluminum	1.
Antimony	0.006
Arsenic	0.010
Asbestos	7 MFL*
Barium	1.
Beryllium	0.004
Cadmium	0.005
Chromium (hexavalent)	0.010
Chromium (total)	0.05
Cyanide	0.15
Fluoride	2.0
Mercury	0.002
Nickel	0.1
Nitrate (as nitrogen)	10.
Nitrate+Nitrite (sum as nitrogen)	10.

<i>Chemical</i>	<i>Maximum Contaminant Level, mg/L</i>
Nitrite (as nitrogen)	1.
Perchlorate	0.006
Selenium	0.05
Thallium	0.002

* MFL=million fibers per liter; MCL for fibers exceeding 10 µm in length.

Note: Authority cited: Sections 116271, 116293(b), 116350, 116365, 116365.5 and 116375, Health and Safety Code. Reference: Sections 116365, 116365.5 and 116470, Health and Safety Code.

(2) Amend Section 64432 to read as follows:

§ 64432. Monitoring and Compliance—Inorganic Chemicals

(a) All public water systems shall monitor to determine compliance with the nitrate and nitrite MCLs in **Table** 64431-A, pursuant to subsections (d) through (f) and section 64432.1. All community and nontransient-noncommunity water systems shall monitor to determine compliance with the perchlorate MCL, pursuant to subsections (d), (e), and (l), and section 64432.3. All community and nontransient-noncommunity water systems shall also monitor to determine compliance with the other MCLs in **Table** 64431-A, pursuant to subsections (b) through (n) and, for asbestos, section 64432.2. Monitoring shall be conducted in the year designated by the State Board of each compliance period beginning with the compliance period starting January 1, 1993.

(b) Unless directed otherwise by the State Board, each community and nontransient-noncommunity water system shall initiate monitoring for an inorganic chemical within six months following the effective date of the regulation establishing the MCL for the chemical and the addition of the chemical to **Table** 64431-A.

If otherwise performed in accordance with this section, groundwater monitoring for an inorganic chemical performed no more than two years prior to the effective date of the regulation establishing the MCL may be used to satisfy the requirement for initiating monitoring within six months following such effective date.

(c) Unless more frequent monitoring is required pursuant to this Chapter, the frequency of monitoring for the inorganic chemicals listed in Table 64431-A, except for asbestos, nitrate/nitrite, and perchlorate, shall be as follows:

(1) [No change to text]

(2) [No change to text]

(d) For the purposes of sections 64432, 64432.1, 64432.2, and 64432.3, detection shall be defined by the detection limits for purposes of reporting (DLRs) in Table 64432-A.

Table 64432-A

Detection Limits for Purposes of Reporting (DLRs) for Regulated Inorganic Chemicals

<i>Chemical</i>	<i>Detection Limit for Purposes of Reporting (DLR) (mg/L)</i>
Aluminum	0.05
Antimony	0.006
Arsenic	0.002
Asbestos	0.2 MFL>10µm*
Barium	0.1
Beryllium	0.001
Cadmium	0.001
<u>Chromium (hexavalent)</u>	<u>0.00005</u>
Chromium <u>(total)</u>	0.01
Cyanide	0.1
Fluoride	0.1
Mercury	0.001
Nickel	0.01
Nitrate (as nitrogen)	0.4
Nitrite (as nitrogen)	0.4
Perchlorate	0.002 0.001 (Effective January 1, 2024)

<i>Chemical</i>	<i>Detection Limit for Purposes of Reporting (DLR) (mg/L)</i>
Selenium	0.005
Thallium	0.001
Aluminum	0.05

* MFL=million fibers per liter; DLR for fibers exceeding 10µm in length.

(e) [No change to text]

(f) [No change to text]

(g) [No change to text]

(h) [No change to text]

(i) [No change to text]

(j) [No change to text]

(k) [No change to text]

(l) [No change to text]

(m) [No change to text]

(n) [No change to text]

(o) Transient-noncommunity water systems shall monitor for the inorganic chemicals in **Table 64431-A** as follows:

(1) [No change to text]

(2) [No change to text]

(p) Compliance with the chromium (hexavalent) MCL shall be determined as follows:

(1) A water system shall comply with the chromium (hexavalent) MCL by the applicable compliance date in Table 64432-B.

Table 64432-B

Hexavalent Chromium MCL Compliance Date

<u>System Size</u>	<u>Chromium (Hexavalent) MCL</u>
<u>(Service Connections Served on [INSERT EFFECTIVE DATE])</u>	<u>Compliance Date</u>

10,000 or greater	[INSERT DATE TWO YEARS AFTER REGULATION TAKES EFFECT]
1,000 to 9,999	[INSERT DATE THREE YEARS AFTER REGULATION TAKES EFFECT]
Fewer than 1,000	[INSERT DATE FOUR YEARS AFTER REGULATION TAKES EFFECT]

(2) If before the applicable compliance date in Table 64432-B, monitoring for chromium (hexavalent) conducted pursuant to subsection (b) demonstrates an MCL exceedance as calculated in accordance with subsection (i), then no later than 90 days after the MCL exceedance a water system shall submit to the State Board for review and approval, a Hexavalent Chromium MCL Compliance Plan. The Hexavalent Chromium MCL Compliance Plan shall ensure compliance with the chromium (hexavalent) MCL no later than the applicable compliance date in Table 64432-B and include, at a minimum, the following:

(A) The proposed method for complying with the chromium (hexavalent) MCL and if applicable, proposed pilot studies;

(B) If the proposed compliance method requires construction, the date by which the system will submit to the State Board final plans and specifications for the proposed method of compliance;

(C) If the proposed compliance method requires construction, the anticipated dates for commencing construction and completing 100 percent of construction;

(D) The anticipated date by which a treatment plant operations plan including the following will be completed:

1. Performance monitoring program;
2. Unit process equipment maintenance program;
3. How and when each unit process is operated;
4. Procedures used to determine chemical dose rates;
5. Reliability features; and
6. Treatment media inspection program.

(3) A water system may submit amendments to its Hexavalent Chromium MCL Compliance Plan to the State Board for review and approval.

(4) A water system shall implement its approved Hexavalent Chromium MCL Compliance Plan.

...

Note: Authority cited: Sections 116271, 116275, 116293(b), 116350 and 116375, Health and Safety Code. Reference: Section 116275 and 116385, Health and Safety Code.

Article 12. Best Available Technologies (BAT)

(3) Amend Section 64447.2 to read as follows:

§ 64447.2. Best Available Technologies (BAT)—Inorganic Chemicals.

The technologies listed in Table 64447.2-A are the best available technology, treatment techniques, or other means available for achieving compliance with the MCLs in Table 64431-A for inorganic chemicals.

Table 64447.2-A
Best Available Technologies (BATs)
Inorganic Chemicals

<i>Chemical</i>	<i>Best Available Technologies (BATs)</i>
Aluminum	10
Antimony	2, 7
Arsenic	1, 2, 5, 6, 7, 9, 13
Asbestos	2, 3, 8
Barium	5, 6, 7, 9
Beryllium	1, 2, 5, 6, 7
Cadmium	2, 5, 6, 7
Chromium (hexavalent)	2^d, 5, 7

<i>Chemical</i>	<i>Best Available Technologies (BATs)</i>
Chromium (total)	2, 5, 6 ^a , 7
Cyanide	5, 7, 11
Fluoride	1
Mercury	2 ^b , 4, 6 ^b , 7 ^b
Nickel	5, 6, 7
Nitrate	5, 7, 9
Nitrite	5, 7
Perchlorate	5, 12
Selenium	1, 2 ^c , 6, 7, 9
Thallium	1, 5

^aBAT for chromium III (trivalent chromium) only.

^bBAT only if influent mercury concentrations < 10 µg/L.

^cBAT for selenium IV only.

^dBAT for hexavalent chromium requires reduction to chromium III (trivalent chromium) prior to coagulation/filtration.

Key to BATs in Table 64447.2-A:

1= Activated Alumina

2= Coagulation/Filtration (not BAT for systems <500 service connections)

3= Direct and Diatomite Filtration

4= Granular Activated Carbon

5= Ion Exchange

6= Lime Softening (not BAT for systems <500 service connections)

7= Reverse Osmosis

8= Corrosion Control

9= Electrodialysis

10= Optimizing treatment and reducing aluminum added

11= Chlorine oxidation

12= Biological fluidized bed reactor

13= Oxidation/Filtration

Note: Authority cited: Sections 116271, 116293(b), 116350, 116375, 131052 and 131200, Health and Safety Code. Reference: Section 116370, Health and Safety Code.

Article 18. Notification of Water Consumers and the State Board

(4) Amend Section 64465 to read as follows:

§ 64465. Public Notice Content and Format.

...

(d) [No change to text]

Appendix 64465-D. Health Effects Language Inorganic Contaminants

<i>Contaminant</i>	<i>Health Effects Language</i>
Aluminum	[No change to text]
Antimony	[No change to text]
Arsenic	[No change to text]
Asbestos	[No change to text]
Barium	[No change to text]
Beryllium	[No change to text]
Cadmium	[No change to text]
<u>Chromium (hexavalent)</u>	<u>Some people who drink water containing hexavalent chromium in excess of the MCL over many years may have an increased risk of getting cancer.</u>
Chromium <u>(total)</u>	[No change to text]
Copper	[No change to text]
Cyanide	[No change to text]
Fluoride	[No change to text]

<i>Contaminant</i>	<i>Health Effects Language</i>
Lead	[No change to text]
Mercury	[No change to text]
Nickel	[No change to text]
Nitrate	[No change to text]
Nitrite	[No change to text]
Perchlorate	[No change to text]
Selenium	[No change to text]
Thallium	[No change to text]

...

Note: Authority cited: Sections 116271, 116350 and 116375, Health and Safety Code.
Reference: Section 116450, Health and Safety Code.

Article 20. Consumer Confidence Report

(5) Amend Section 64481 to read as follows:

§ 64481. Content of the Consumer Confidence Report.

...

(o) The **eConsumer eConfidence rReport** prepared and delivered by July 1, 2022 shall, for bacteriological monitoring conducted from January 1, 2021 to June 30, 2021, inclusive, include the following additional information in the report:

(1) The total coliform MCL expressed as shown in **Table** 64481-C.

Table 64481-C

Total Coliform MCL for Consumer Confidence Report

<i>Contaminant</i>	<i>MCL</i>
[No change to text]	[No change to text]
[No change to text]	[No change to text]

(2) [No change to text]

(3) [No change to text]

(4) The likely source(s) of any total coliform, fecal coliform, or *E. coli* detected. If the water system lacks specific information on the likely source, the table shall include the typical source for that contaminant listed in **Table** 64481-D.

Table 64481-D

Typical Origins of Microbiological Contaminants with Primary MCL

<i>Contaminant</i>	<i>Major Origins in Drinking Water</i>
[No change to text]	[No change to text]
[No change to text]	[No change to text]

(5) Information on any data indicating violation of the total coliform MCL, including the length of the violation, potential adverse health effects, and actions taken by the water system to address the violation. To describe the potential health effects, the water system shall use the relevant language in **Table** 64481-E.

Table 64481-E

Health Effects Language for Microbiological Contaminants

<i>Contaminant</i>	<i>Health Effects Language</i>
[No change to text]	[No change to text]
[No change to text]	[No change to text]
[No change to text]	[No change to text]

(6) [No change to text]

(p) A Consumer Confidence Report for dates prior to the applicable compliance date in Table 64432-B shall comply with the following requirements for chromium (hexavalent):

(1) If chromium (hexavalent) is detected, the Consumer Confidence Report shall contain information pursuant to subsection (c) and (d).

(2) If chromium (hexavalent) exceeds the MCL, the Consumer Confidence Report shall contain additional information indicated in Table 64481-F.

Table 64481-F CCR Language
Hexavalent Chromium MCL Exceedance

CCR Language
Chromium (hexavalent) was detected at levels that exceed the chromium (hexavalent) MCL. While a water system of our size is not considered in violation of the chromium (hexavalent) MCL until [INSERT APPLICABLE COMPLIANCE DATE FROM TABLE 64432-B], we are working to address this exceedance and ensure timely compliance with the MCL. Specifically, we are [INSERT ACTIONS TAKEN AND PLANNED TO ENSURE COMPLIANCE BY APPLICABLE COMPLIANCE DATE IN TABLE 64432-B].

Appendix 64481-A.

Typical Origins of Contaminants with Primary MCLs, MRDLs, Regulatory Action Levels, and Treatment Techniques

Contaminant	Major origins in drinking water
<i>Microbiological</i>	
[No change to text]	[No change to text]
<i>Surface water treatment</i>	
[No change to text]	[No change to text]

Radioactive

[No change to text]	[No change to text]
---------------------	---------------------

Inorganic

Aluminum	[No change to text]
Antimony	[No change to text]
Arsenic	[No change to text]
Asbestos	[No change to text]
Barium	[No change to text]
Beryllium	[No change to text]
Cadmium	[No change to text]
<u>Chromium (hexavalent)</u>	<u>Erosion of natural deposits; transformation of naturally occurring trivalent chromium to hexavalent chromium by natural processes and human activities such as discharges from electroplating factories, leather tanneries, wood preservation, chemical synthesis, refractory production, and textile manufacturing facilities.</u>
Chromium <u>(total)</u>	[No change to text]
Copper	[No change to text]
Cyanide	[No change to text]
Fluoride	[No change to text]
Lead	[No change to text]
Mercury	[No change to text]
Nickel	[No change to text]
Nitrate	[No change to text]
Nitrite	[No change to text]

Perchlorate	[No change to text]
Selenium	[No change to text]
Thallium	[No change to text]

Synthetic organic

[No change to text]	[No change to text]
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Volatile organic

[No change to text]	[No change to text]
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Disinfection Byproducts, Disinfection Byproduct Precursors, and Disinfectant Residuals

[No change to text]	[No change to text]
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...

Note: Authority cited: Sections 116271, 116350 and 116375, Health and Safety Code.
Reference: Sections 116275 and 116470, Health and Safety Code.

AGENDA ITEM 7: FUTURE MEETING FORMAT

BACKGROUND:

This item is to discuss future meeting formats for the SGA Board of Directors meetings.

Due to the pandemic, all SGA meetings are currently held virtually. The Board will need to provide direction as to whether or not: 1) to continue virtual meetings; 2) to commence in-person meetings (either at the RWA/SGA conference room or a different location); or 3) invest in conducting hybrid meetings. Depending upon the Board's direction, staff will need to understand what types of meeting protocols, if any, are to be employed. If the Board recommends exploring hybrid meetings, staff will likely need to enlist RWA's information technology consultant to provide a cost estimate for hardware, software, and professional services to configure a meeting space that will allow both in-person and remote participation.

Based on this item's outcome, future SGA meeting formats or locations will be determined in the near term.

Discussion: Jim Peifer, Executive Director

AGENDA ITEM 8: SACRAMENTO CENTRAL GROUNDWATER AUTHORITY – 3X3 UPDATE

BACKGROUND:

The purpose of this item is for the SGA representatives on the 3x3 committee to give an update in developing governance concepts of a merged SGA and SCGA organization.

The first 3x3 committee meeting was held on March 17, 2022, and the second meeting is scheduled for April 6th.

Information: Chair Yasutake, Vice Chair Marx, and Director Reisig

AGENDA ITEM 9: EXECUTIVE DIRECTOR'S REPORT

APRIL 7, 2022

TO: SACRAMENTO GROUNDWATER AUTHORITY BOARD

FROM: JIM PEIFER

RE: EXECUTIVE DIRECTOR'S REPORT

- a. Program Manager Recruitment Update** – Staff is working on the job bulletin update regarding SGA's new staff position. The position will be advertised as a ladder classification of Associate/Senior Program Manager in order to encourage a wide applicant pool. Job postings will be advertised in a number of groundwater associations, water industry websites, and local college campuses.
- b. RWA Salary Survey** – Per RWA Policy 400.2, RWA has begun the process to obtain a consultant to complete a salary survey of RWA staff positions. The policy states, in part, "As a small, professional, management-focused organization, it is the intent of the Authority to provide employee compensation at or above the labor market mean for the industry." Further, the policy states that the compensation practices will be implemented to, "attract the most qualified candidates and to minimize turnover of its employees." Section III of the policy directs that the RWA Executive Committee should conduct a compensation survey at least every five years to ensure compensation is consistent with the policy.
- c. RWA Policy 400.4 Ad Hoc Committee** – The RWA Chair has established an ad hoc committee to revise RWA Policy 400.4, the Executive Director's Performance Evaluation Procedure. Chair Marcus Yasutake, Director Caryl Sheehan, and Director Brett Ewart from the SGA Board are participating on the Ad Hoc Committee.
- d. Groundwater Substitution Transfers** – Water agencies within the SGA area are considering participating in groundwater substitution transfers this year. Staff will provide the Board additional information on transfers after plans are further developed and requests for concurrence are made to the SGA.
- e. SGA Financial reports** – Local Agency Investment Fund Statement as of March 2022 is attached. Remaining financial reports as of March 31, 2022 will be furnished at the next SGA meeting.

Attachments

- 1. Financial Reports

California State Treasurer
Fiona Ma, CPA



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

March 28, 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

February 2022 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	901,300.40
Total Withdrawal:	0.00	Ending Balance:	901,300.40

AGENDA ITEM 10: DIRECTORS' COMMENTS