

SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, June 9, 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, Jun 9, 2022 9:00 AM - 12:00 PM (PDT)

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

<https://meet.goto.com/644426517>

You can also dial in using your phone.

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

Access Code: 644-426-517

- 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 April 7, 2022 Board meeting**Action: Approve Consent Calendar Items**

4. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY AND SACRAMENTO GROUNDWATER AUTHORITY – PHASE 2 (GOVERNANCE)

Information and Discussion: Marcus Yasutake (Chair), Randy Marx (Vice Chair), and Mary Harris

Action: Provide Direction to the 3x3 Committee Members

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. EXECUTIVE DIRECTOR'S REPORT

8. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meetings:

August 11, 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 Kerry Schmitz (alternate) Darrell Eck (alternate) Michael Peterson (alternate)	Sacramento County
Del Paso Manor Water District	Robert Matteoli Gwynne Pratt (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 Vacant (alternate)	Sacramento County
Sacramento Suburban Water District	Kevin Thomas Bob Wichert (alternate) Jay Boatwright (alternate)	Sacramento City Council
San Juan Water District	Ted Costa Dan Rich (alternate)	Sacramento County
Agriculture	Mike DeWit	Sacramento County
Self-Supplied Industry	Larry Johnson	Sacramento City Council

AGENDA ITEM 2: PUBLIC COMMENT

Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.

AGENDA ITEM 3: CONSENT CALENDAR

All items listed under the Consent Calendar are considered and acted upon by one motion. 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 April 7, 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 9th day of June 2022 by the following vote:

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

Attachment:

April 7, 2022 meeting minutes



SACRAMENTO GROUNDWATER AUTHORITY
Board Meeting
Draft Minutes
April 7, 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

Paul Selsky, Carmichael Water District
Marcus Yasutake, City of Folsom
David Wheaton, Citrus Heights Water District
Brett Ewart, City of Sacramento
Robert Matteoli, Del Paso Manor Water District
Randy Marx, Fair Oaks Water District
Paul Schubert, Golden State 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
Mike DeWit, Agriculture

Staff Members

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

Others in Attendance

Dan York, Robert Reisig, Cathy Lee, Greg Zlotnick, Alan Vail, Paul Helliker, Kevin Thomas, N. Cameron Doyel, Craig Locke, Joe Duran and Alan Gardner

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 February 10, 2022 Board meeting and extend Resolution 2021-02, 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. David Wheaton, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of

Sacramento, Randy Mark, Fair Oaks Water District, Paul Schubert, Golden State Water Company, John Wingerter, Orange Vale Water Company, Mary Harris, Rio Linda/Elverta Community Water District, Robert Wichert, Sacramento Suburban Water District, Ted Costa, San Juan Water District and Mike DeWit, Agriculture voted yes.

4. SGA FISCAL YEAR 2022 – 2023 BUDGET

Ms. Reina-Luken gave a power point presentation with an overview of base and groundwater fees, CalPERS unfunded liability, the Sustainable Groundwater Management Program/Groundwater Sustainability Plan program budget and SGA's budget outlook. She provided information on fees, expenses, staff costs, office costs and the policies associated with preparing the annual budget.

It was noted that a correction on page two of the resolution on the top line needed to be made stating fiscal year 2022 – 2023 budget.

Per Rules for SGA - Fiscal items related to the administrative costs of the Authority shall require approval by a double majority consisting of the following: a majority vote of all members of the governing board and a majority vote weighted according to the financial contribution of each Retail Provider, Agricultural Interest, or Commercial/Industrial Self-Supplied Water User in relation to the total administrative budget for the last complete fiscal year.

M/S/C Mr. Schubert moved, with a second by Mr. Ewart to adopt Resolution No. 2022-01 with the noted correction to fund the administrative and program budgets for FY 2022 – 2023 and provide for the collection of said funds. Paul Selsky, Carmichael Water District, David Wheaton, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Randy Mark, Fair Oaks Water District, Paul Schubert, Golden State Water Company, John Wingerter, Orange Vale Water Company, Mary Harris, Rio Linda/Elverta Community Water District, Robert Wichert, Sacramento Suburban Water District, Ted Costa, San Juan Water District and Mike DeWit, Agriculture voted yes. Robert Matteoli, Del Paso Manor Water District voted no.

SGA Budget Approval - FY 2023			
Weighted Votes - Paid FY 2021-2022			
Vote	Water Purveyor	AMOUNT PAID	%
Absent	California American Water	\$ 111,789	Absent
Yes	Carmichael Water District	\$ 39,335	4.60%
Yes	Citrus Heights Water District	\$ 41,923	4.91%
No	Del Paso Manor WD	\$ 20,847	
Yes	Fair Oaks Water District	\$ 43,264	5.06%
Yes	Folsom, City of	\$ 12,196	1.43%
Yes	Golden State Water Company	\$ 18,242	2.14%
Absent	Natomas Central Mutual Water	\$ 13,581	Absent
Yes	Orange Vale Water Company	\$ 12,196	1.43%
Yes	Rio Linda/Elverta CWD	\$ 29,955	3.51%
Yes	Sacramento, City of	\$ 229,728	26.89%
Absent	Sacramento, County of	\$ 45,298	Absent
Yes	Sacramento Suburban WD	\$ 223,762	26.19%
Yes	San Juan Water District	\$ 12,196	1.43%
Yes	Agriculture		Yes
Absent	Self Supplied		Absent
	TOTAL	\$ 854,312	77.58%

5. GROUNDWATER SUSTAINABILITY PROGRAM UPDATE

Mr. Swartz gave an update on the status of the Groundwater Sustainability Plan (GSP), the annual report, and the spring monitoring results that were conducted. The GSP is available at nasbgroundwater.org. The annual report includes hydrology, water use, groundwater levels, groundwater storage, GSP implementation and sustainability indicators. He provided information on 2021 water use by source and by sector and the change in groundwater storage.

6. LEGISLATIVE/REGULATORY UPDATE

Mr. Ojakian provided information on the recent Executive Order that in part requires new well permits or expansions on existing wells. A new policy in the Executive Order requires consultation from permitting agencies with the GSA. Additional parts of the order require local agencies to go to stage two of their water shortage contingency plans and funding for enhancing groundwater recharge is to be examined.

A number of bills related to groundwater include AB 2201 that would require a

groundwater extraction facility in critically overdraft basins to have a permit from a GSA to extract groundwater, AB 2895 revises and recasts the water transfer process and SB 1124 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 put out an administrative draft proposal of the new MCL for chromium.

An update for the process to establish a new MCL for Hexavalent Chromium was provided. The process is beginning with a comment period on a draft regulation in April 2022 and is tentatively expected to conclude with a regulation in late 2023.

7. FUTURE MEETING FORMAT

Mr. Peifer said that this item is meant to have discussion and receive feedback from the board on how we want to conduct future meetings. Staff is exploring what technology would be needed and the investment for a hybrid meeting format that would allow virtual users to fully participate in the meetings.

There was discussion on the benefits and value of virtual meetings, hybrid meetings and in-person meetings. Travel costs and time, vaccination status and an adequate size conference room for in-person meetings need to be considered.

8. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY – 3X3 UPDATE

Chair Yasutake and other committee members reported that the 3X3 committee discussed what the expectations are for the second phase of the merger evaluation process. Meetings were convened for discussion and to set ground rules to help formulate what the committee would be working on. Mr. Yasutake reported that as the initial formulation of governance options take shape, this information would be brought back to the SGA Board for further discussion including setting a future date for a board workshop in the near future. Additionally, there was a question raised as to whether individuals could observe these 3X3 meetings which will be referred to legal counsel for follow-up.

9. EXECUTIVE DIRECTOR'S REPORT

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

10. DIRECTORS' COMMENTS

Mr. Ewart reported that the City of Sacramento is at stage two of their water shortage contingency plan. A public scoping meeting is scheduled to serve as a notice of preparation for an Environmental Impact Report for the City's groundwater master plan. The City anticipates participating in a 2022 groundwater transfer program.

Mr. Wichert said that Sacramento Suburban Water District will be discussing their conservation stage at their next board meeting.

ADJOURNMENT

With no further business to come before the Board, Chair Yasutake adjourned the meeting at 11:03 a.m.

By:

Chairperson

Attest:

Josette Reina-Luken, Board Secretary/Treasurer

AGENDA ITEM 4: SACRAMENTO CENTRAL GROUNDWATER AUTHORITY AND SACRAMENTO GROUNDWATER AUTHORITY – PHASE 2 (GOVERNANCE)

BACKGROUND:

The 3x3 Committee has continued to meet to discuss potential governance proposals to merge the SGA with the Sacramento Central Groundwater Authority. The 3x3 committee has been exploring topics including:

- Vision of the governance structure
- Criteria for evaluating structures
- Could a different legal structure provide for groundwater management, such as a community services district, potentially a memorandum of agreement, or some other structure?
- Who should be represented on a board of directors for a consolidated SGA and SCGA?

The purpose of this item is to explain the proposed board representation and to receive input and direction from the SGA Board.

Information and Discussion: Marcus Yasutake (Chair), Randy Marx (Vice Chair) and Mary Harris

Action: Provide Direction to the SGA 3x3 Committee Members

Attachments:

1. 3x3 Committee Meeting Number 4 Summary
2. 3x3 Committee Meeting Number 5 Summary
3. Briefing Material: SCGA and SGA Consolidation

SCGA – SGA – RWA

Summary: 3x3 Ad Hoc Committee

May 18, 2022 (Meeting 4)

Meeting in Brief

Mary Harris joined the 3x3 Ad Hoc to take the SGA seat of Bob Reisig who recently passed away.

The 3x3 discussed SGA Board feedback from the May 17 SGA special meeting. Seven SGA members supported further investigation of governance option 2, which entails establishing a single board, either by combining existing boards or through a reconfiguration. Two SGA members encouraged investigation into Option 3, “eliminate the existing JPA and re-form under SGMA.”

The 3x3 continued to discuss pros and cons of the governance structures under consideration. Based on feedback from SGA and discussion of the options, the 3x3 will delve further into Option 2, a single board, at its subsequent meeting.

Members are committed to bringing governance structures with as much qualifying and disqualifying information as possible to the Authorities’ boards. The briefing document and meeting summaries are meant to capture the governance structures and other considerations for the 3x3 and the Boards.

~~~~~

## Welcoming Mary Harris to the 3x3

The 3x3 welcomed Mary Harris, SGA, to the 3x3 Ad Hoc, to take the seat of Bob Reisig who passed away before meeting 3. Jim Peifer will send M. Harris a copy of the current JPA.

## SGA Board Feedback - 5/17/2022

The SGA held a special meeting on May 17 to discuss the progress of the 3x3 and review the governance options the 3x3 has been exploring at this point. CBI provided a summary of feedback received (see appendix.) SGA representatives reported that seven SGA members seemed to support further investigation of Option 2, which entails establishing a single board, either by combining existing boards or through a reconfiguration. Two SGA members who were present supported a variation of Option 3, “eliminate the existing JPA and re-form under SGMA,” perhaps with two JPAs or a large-scale Community Service District (CSD). The SGA 3x3 representatives also noted that several SGA directors expressed support of the current JPA. Option 1, to establish a board with active subbasin councils, did not garner significant discussion in the SGA meeting.

## Continue Discussing Proposals for Potential Structure

In response to the feedback from the previous day’s SGA meeting, the 3x3 discussed the merits of the three governance structure options, including the additional variations suggested by the SGA Board. 3x3 representatives also recalled an option discussed before the 3x3’s convening of a



“subscription program,” in which RWA staff could conduct groundwater management, and RWA could implement certain activities on behalf of another entity. In a subscription program, RWA would be head of groundwater management in the SCGA area. SCGA has not been supportive of this “subscription” model in the past.

The pros and cons for each option are included below. After discussion, the 3x3 agreed to spend the next meeting focused on Option 2, the single board. Members of the group think that Option 2 is the most likely to address the interests of the Authorities’ boards as currently understood.

CBI will investigate what the formation of a CSD entails and provide that information to the 3x3 in a subsequent document. CBI continues to document the reasons for supporting, or setting aside as untenable, various options, as part of the 3x3 process.

#### Option 2: Establish Single Board

Either combining existing boards or a reconfiguration.

##### **Board Responsibilities**

- Approve annual budgets and report
- Approve staffing levels
- Assess fees
- Approve audits
- Approve contracts
- Serve as GSA Board for each subbasin
- Adopt GSP updates
- Approve policies
- Responsible basin management
- Can form committees, including one for each subbasin

#### Pros / Cons of Option 2: Single Board

*Topic-specific subcommittees would be the forum for regional issues and stakeholder engagement*

##### **Pros**

- Easier to keep board informed
- Potentially more streamlined structure
- Likely most cost-effective
- Could modify existing JPA; the existing JPAs have been efficient and worked well

##### **Cons**

- Would require large and possibly duplicative board to represent all the representative interests
- Concern for less (or diluted) local control and engagement in technical issues
- Requires delegation of authority to non-public agencies

##### **Other Considerations**

- Board could form topic-specific committees
- “Roll call” system could provide regional emphasis
- Can add “guardrails” to address specific interests / concerns associated with forming JPA
- New entity could incorporate or adopt SGMA authorities

|  |  |                                                                                                                                                                                    |
|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | <ul style="list-style-type: none"> <li>▪ If two subbasins combine, there may be justification to combine the whole Sacramento Valley basin – where are the “firewalls”?</li> </ul> |
|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### Option 1: Establish Board with Active Subbasin Councils

Either combining existing boards or a reconfiguration.

|                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Board Responsibilities</b> <ul style="list-style-type: none"> <li>▪ Approve annual budgets</li> <li>▪ Approve staffing levels</li> <li>▪ Assess fees</li> <li>▪ Approve audits</li> <li>▪ Approve contracts</li> <li>▪ Serve as GSA Board for each subbasin</li> <li>▪ Adopt GSP updates</li> <li>▪ Approve policies</li> </ul> | <b>Councils’ Responsibilities</b> <ul style="list-style-type: none"> <li>▪ Oversee basin management</li> <li>▪ Recommend annual budget and fees to Board</li> <li>▪ Recommends to Board adoption of GSP updates</li> <li>▪ Oversee development of annual report</li> <li>▪ Advises Board on SGMA issues</li> </ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| Pros / Cons of Option 1: Board with Active Subbasin Councils<br><i>Subbasin councils would provide a forum for subbasin-specific groundwater issues and targeted stakeholder engagement</i>                                                                                                             |                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Pros</b> <ul style="list-style-type: none"> <li>▪ Subbasin councils provide in-depth discussion forum on specific GW issues</li> <li>▪ Basin councils retain expertise</li> <li>▪ Preserves some functional elements of SGA &amp; SCGA</li> <li>▪ Allows flexible response to local needs</li> </ul> | <b>Cons</b> <ul style="list-style-type: none"> <li>▪ Bifurcation does not necessarily support co-managing groundwater resources to the benefit of everyone</li> <li>▪ Potential inefficiencies with multiple authorities and meetings</li> <li>▪ Complication identifying what issues apply to only one basin vs. both basins</li> </ul> | <b>Other Considerations</b> <ul style="list-style-type: none"> <li>▪ Current JPA could change</li> <li>▪ Shared staff and coordinated meetings would help with consistency of information</li> <li>▪ Would representatives that pump from both basins have more votes or power?</li> </ul> |

#### Option 3 “SGMA Model”

Eliminate existing JPA Authority and Re-form under SGMA

**Option 3-MOA:** Memorandum of Agreement would serve as the legal agreement to form the entity.

**Option 3-JPA:** A JPA would serve as the legal agreement to form the entity. A JPA would require an additional agreement with investor-owned utilities.

**Option 3-CSD:** Entities would seek to form an independent Community Services District to serve as the legal entity.

| Pros and Cons of Option 3: SGMA Model<br>The 3x3 will continue to explore the pros and cons of these options with the Authorities' Boards.                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Pros</b> <ul style="list-style-type: none"> <li>▪ Could eliminate some of the minor inconsistencies between SGMA authority and existing JPA limitations</li> <li>▪ Under MOA, participants would have more flexibility in appointing representatives</li> </ul> | <b>Cons</b> <ul style="list-style-type: none"> <li>▪ Under MOU, each participating entity must approve the GSP and implementation plan – reducing efficiency and increasing uncertainty</li> <li>▪ Forming a new entity would be a very heavy lift and might not provide more benefits than other options</li> <li>▪ Concern that forming a new entity is outside SCGA Board's direction on consolidation</li> <li>▪ Under MOU, would lose police powers on well permitting provided for under JPA</li> </ul> | <b>Other Considerations</b> <ul style="list-style-type: none"> <li>▪ A MOA or CSD would likely dissolve PERS benefits for current SCGA employees</li> <li>▪ A JPA may allow employees to still be classic CalPERS employees (like in transition from Sac Metro Water Authority to RWA) and fulfill intent of SGMA model</li> <li>▪ A new entity could have a separate contract on liabilities (retirement, benefits, unfunded liability costs)</li> </ul> |

#### Option 4: Subscription Model

The RWA's JPA allows for the creation of subscription programs between two or more RWA members. Under a subscription program, the RWA would provide staffing services to provide groundwater management activities. Under this proposal, the RWA Board of Directors would be in charge of employees performing those services, and ultimately in charge of the work that is performed for groundwater management activities in the SCGA area.

| Pros and Cons of Option 4: Subscription Model<br>The 3x3 will continue to explore the pros and cons of these options with the Authorities' Boards. |                                                                                                                       |                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>Pros</b> <ul style="list-style-type: none"> <li>▪ Would provide staff to SCGA without requiring a consolidation</li> </ul>                      | <b>Cons</b> <ul style="list-style-type: none"> <li>▪ SCGA board approved consolidation as the path forward</li> </ul> | <b>Other Considerations</b><br>Would SCGA members create a GSA under an MOU or would RWA become a GSA? |

## Proposed Additional Criterion

Brett Ewart suggested an additional criterion to weigh governance structures, but after some discussion withdrew his suggestion. There was no strong opposition to the additional criteria, only more questions about how to incorporate it, and B. Ewart deemed the change to not be essential enough to take up time in an already tightly timed process.

The suggestion was:

Integrated Resource Management: Is mindful of how climate change, the demand for reliable safe water, and surface water availability can create either opportunities or pressure on effective groundwater management.

## Refining 3x3 Operating Guidelines

The 3x3 agreed to update the first sentence of its operating guidelines by replacing the word “develop” with the words “facilitate and propose.” The group implemented this change to emphasize that all decision-making power about a potential consolidated governance structure sits with the boards of SCGA and SGA; the 3x3 is not a decision-making body.

The approved sentence now reads:

*The purpose of the 3x3 Ad Hoc Committee is to facilitate and propose a recommended governance structure for a consolidated SGA – SCGA.*

SGA General Manager Jim Peifer highlighted that to follow the Brown Act, the 3x3 can only “jointly explore and independently evaluate” governance options. Each Authority’s board must independently evaluate any proposed governance structure. He noted that it is acceptable, however, for the three 3x3 representatives of each board, separate from the other boards’ representatives, to evaluate proposed options and provide a recommendation to their respective boards.

## Next Steps

3x3 members should come to the next meeting on May 24 with suggestions to inform a discussion on potential board composition. To prepare, CBI will distribute a list of all representatives on the decision-making entities.

## SCGA - SGA Potential Consolidation

### SGA Board Feedback Summary

Special Meeting Held May 17, 2022

#### Highlights

Seven SGA Board members expressed preference for Option 2 while two members preferred Option 3 (SGMA model), two were not ready to state preference, and five were absent at this point in the discussion.

**Generally, the board seemed to support a JPA as legal entity. One director recommending a community services district (CSD) as the legal structure, and another director recommended a CSD be examined.**

#### Feedback on Preferred Options

Option 2 - Board has primary responsibility for operations and groundwater management

##### **Total: 7**

- **Director appreciates that in Option 2 the Board votes on everything and designates committee for specific tasks. Avoids any potential conflict across subbasins.**
- **Option 2 creates economies of scale and is cost efficient.**
- **Preference expressed for Option 2 with recommendation to add an executive committee. Option 2 mirrors the existing structure, which works well.**

#### Option 3 - SGMA Model

##### **Total: 2**

- **Support expressed for Option 3 with a community services district as the legal entity.**
- **Support expressed for Option 3 to be modified to form 2 GSAs under a two JPAs. RWA would fold into each.**

#### Not ready to state preference

##### **Total: 2**

#### Absent at this point in the discussion

##### **Total: 5**

**Citrus Heights Water District, Fair Oaks Water District, Sacramento Suburban Water District, Agriculture, and Self-Supplied Industry directors.**

## SCGA – SGA – RWA

# Summary: 3x3 Ad Hoc Committee

May 24, 2022 (Meeting 5)

### Meeting in Brief

The 3x3 began discussing proposals for board composition and representation for a single combined board (proposed governance structure Option 2). The group discussed a direct consolidation of the existing SGA and SCGA boards and options for streamlining board seats to reduce size and improve efficiencies. Members suggested that all water purveyors should sit on a consolidated board and discussed different constellations for appropriate representation for JPA signatories and interest groups.

To better reflect its intent, the 3x3 refined the first sentence of its operating guidelines to read “The purpose of the 3x3 Ad Hoc Committee is to jointly explore effective and appropriate governance structures for the consolidation of SGA and SCGA,” to emphasize that the 3x3 is an investigatory ad hoc committee, not a decision-making body.

~~~~~

Next Steps

The facilitator will work with staff to consolidate the suggestions from the discussion into updated proposals on board composition.

A member suggested that Tony Firenzi and Andy Fecko would be good resources to learn from about consolidating smaller agencies. T. Firenzi is a 3x3 member but is currently on vacation.

The 3x3 will meet on June 2 from 8:00 to 9:30 a.m. to continue to discuss refinements, the 3x3’s criteria, and proposed board composition and voting for Option 2.

Additional Information on Governance Options

Facilitator Gina Bartlett, CBI, reviewed additional information on governance options under exploration that she added to the briefing document since the May 18 meeting, including:

- Two options for a consolidated board, as discussed in assessment interviews before the convening of the 3x3:
 - A large, 23-member board composed of all existing board members
 - A small board with membership revised to focus on policy and fiduciary matters
- Preliminary considerations for potential legal agreements/structures under Option 3 “Eliminate existing JPA Authority and Re-form under SGMA,” per past discussions with the 3x3:
 - Memorandum of Understanding (MOU)
 - Joint Powers Agreement (JPA)
 - Community Service District (CSD)
- A new option – a subscription model introduced before the formation of the 3x3.

The facilitator noted that CBI's preliminary research into CSDs, per interest by SGA members, indicated that a CSD would not be a viable option since CSDs are limited to unincorporated areas of a county and would not include municipalities.

Discuss Proposals for Board Composition & Representation for Option 2

Because Governance Option 2, "establish a single board, either [by] combining existing boards or a reconfiguration," garnered the most interest at the past two 3x3 meetings and at the May 17 SGA meeting, the 3x3 began discussing potential representation on a consolidated board. General board composition concepts posed by the 3x3 are described in the table, with further detail in the narrative. In this summary, CBI is outlining ideas posed by 3x3 members; none of the discussion items outlined below represents any decisions made.

Combined Board

Combining the existing SGA and SCGA boards appealed to 3x3 members as a simple and transparent option for consolidation. The 3x3 noted that a large board could be unwieldy and discussed options to reduce the number of seats while maintaining meaningful representation.

Board with Water Purveyors and / or Interests

The other concept floated was to narrow the board to water purveyors only and / or with interest seats as well. Sacramento County and the Cities of Citrus Heights, Rancho Cordova, and Elk Grove might not have seats on the board, but could have other roles as the JPA signatories.

Current board members who might not be on a consolidated smaller board could shift to have seats on active advisory committees, such as a budget committee.

Other Discussion

Sacramento County Water Agency (SACWA) and Sacramento County could each have a seat. However, SACWA and Sacramento County both having seats would mean two votes for the county. This should be considered given implications for other representative interests.

Sacramento Regional County Sanitation District (Regional San) might not need a board seat because it is already an agency made up of the cities and county that are JPA signatories.

Instead of individual interest seats, all interests could be represented by a single Sacramento County seat, perhaps a planner. The special interest representatives bring knowledge and perspective that a single County representative wouldn't. Agriculture (Ag) and Agricultural- Residential (Ag Res) should have seats on the board because they are groundwater pumpers. Ag and Ag Res could have a combined seat. However, Ag-Res interests are paying as groundwater users, which might merit a seat.

The public agencies self-supplied and industry categories could be removed; they represent small groups of stakeholders.

The conservation land owner seat is intended to be an environmental representative and should be identified as such.

Board Composition	Only the existing water purveyors	All the existing water purveyors, with Sac County representing other interests	All existing water purveyors plus interest seats
	<p>No SEATS for: Sac County City of Citrus Heights City of Rancho Cordova City of Elk Grove</p> <p><i>JPA members may sit on advisory or budget committee/s</i></p> <p><i>Or consider annual meeting for JPA members not on board to provide input</i></p>	<p>No SEATS for: City of Citrus Heights City of Rancho Cordova City of Elk Grove</p> <p><i>JPA members may sit on advisory or budget committee/s</i></p> <p><i>Consider annual meeting for JPA members not on board to provide input</i></p>	<p>No SEATS for: Sac County City of Citrus Heights City of Rancho Cordova City of Elk Grove</p> <p><i>Consider annual meeting for JPA members not on board to provide input</i></p>
Interests	<p>No interest group seats</p> <p><i>Interest group representatives may sit on advisory or budget committee/s</i></p> <p><i>Note: Dropping interest seats may not be viable</i></p>	<p>One Sac County seat represents interests</p> <p><i>Note: Dropping interest seats may not be viable</i></p>	<p>Adjust Interest Reps</p> <ul style="list-style-type: none"> • Remove Public Agency & Industry Self-Supplied seats • Rename Conservation Land Owner seat as Environmental seat

A suggestion that the consolidated board could plan from its inception to reduce its size over the years, elicited interest from the 3x3.

A member also noted that the special interest considerations for the consolidated entity could change in the near future, as Omoichumne Hartnell Water District (OHWD) may annex the lower end of SCGA's geography. The annexation would:

- reduce the agricultural land in SCGA's area,
- remove the conservation land from the new board's service area, and
- reduce the area in SCGA served by Sacramento County Regional Sanitation.

Board Features depending on Composition

Members discussed different features of a combined board that could make the board run more smoothly or address issues and concerns. The 3x3 did not settle on any of these features.

- A consolidated board could operate after refining the existing JPA or rely on a new JPA while in the interim working under the existing JPA with the current signatories as decision-makers.
- JPA signatories that are not serving on the board could serve on an advisory committee or hold an annual review meeting to concur on the agency budget and work.
- An executive committee could be formed as a small nimble body that vets materials while the full board makes decisions. The executive committee could meet monthly, and the full board meet quarterly.
- The board could form a subcommittee to support organizational integration and consider modifications to the governance structure over the first 2-3 years. The subcommittee might consider further refinements in the board composition, including reducing the size of the board, depending on function and board observations. The governing board would be the final decision maker on any modifications.

Board Members

3x3 members discussed whether senior staff or elected officials should sit on a potential consolidated board, making the following points:

- Having a board of general managers or senior staff could put the most knowledgeable people in charge of decision-making.
- A board of general managers could create difficulty abiding by the Brown Act.
- Elected officials have valuable political skill that may serve organization better than the general managers' skill.

Refinement to 3x3 Operating Guidelines

In the previous meeting on May 18, the 3x3 agreed to update the first sentence of their operating guidelines to emphasize that all decision-making power about a potential consolidated governance structure sits with SCGA, SCA, and RWA, and the 3x3 is not a decision-making body.

In the May 24 meeting, Jim Peifer suggested a further revision, to ensure the operating guidelines reflect that the intent and legal approach of the 3x3 complies with the Brown Act:

The purpose of the 3x3 Ad Hoc Committee is to jointly explore effective and appropriate governance structures for the consolidation of SGA and SCGA.

The 3x3 approved the language change.

Briefing Material: SCGA and SGA Consolidation

Updated 6/2/2022

Contents

INTRODUCTION	2
2022 AD HOC 3X3 COMMITTEE MEMBERS	2
PROCESS ROADMAP	3
AD HOC 3X3 MEETINGS AND ANTICIPATED TOPICS	4
VISION FOR A CONSOLIDATED ENTITY – WORKING PROPOSAL	5
CRITERIA TO WEIGH GOVERNANCE OPTIONS	6
GOVERNANCE UNDER EXPLORATION	7
OPTION 2: ESTABLISH SINGLE BOARD	7
BOARD COMPOSITION PROPOSAL	8
VOTING	9
POTENTIAL FEATURES DEPENDING ON BOARD COMPOSITION	9
LEGAL AGREEMENTS / STRUCTURES	11
COMMUNITY SERVICES DISTRICT (CSD)	11
JOINT POWERS AGREEMENT (JPA)	11
MEMORANDUM OF AGREEMENT / UNDERSTANDING (MOA / MOU)	11
BOARD MEMBER REPRESENTATION ACROSS AUTHORITIES	12
EXISTING JOINT POWERS AGREEMENT SIGNATORIES	13
STAFFING CONCEPT – WORKING PROPOSAL	14
COST ESTIMATES – WORKING PROPOSAL	15
OPTIONS EXPLORED BY 3X3	16
OPTION 1: ESTABLISH BOARD WITH ACTIVE SUBBASIN COUNCILS	16
OPTION 3 “SGMA MODEL” - ELIMINATE EXISTING JPA AUTHORITY AND RE-FORM UNDER SGMA	17
OPTION 4: SUBSCRIPTION MODEL	18
OTHER OPTIONS CONSIDERED AND RATIONALE FOR SETTING ASIDE	18
“TRIANGLE” OPTION – RWA PROVIDES STAFF TO SGA AND SCGA	18
TIMELINE OF ACTIVITIES TO DATE	19
[3X3] AD HOC COMMITTEE OPERATING GUIDELINES	20

Introduction

The purpose of this document is to outline the work plan and key issues for consideration as the boards of RWA, SCGA, and SGA make decisions regarding a potential consolidation of SGA and SCGA, with RWA serving as staff to the consolidated authority. This potential consolidation has been under consideration since 2019. The Consensus Building Institute facilitator will update this briefing document regularly.

2022 Ad Hoc 3x3 Committee Members

SCGA

Chair Paul Schubert

Vice Chair Dalia Fadl

Director Brett Ewart

John Woodling, Interim SCGA Executive Director

SGA

Chair, Marcus Yasutake

Vice Chair Randy Marx

Director Mary Harris

RWA

Chair Dan York

Vice Chair Tony Firenzi

Director Kerry Schmitz

Jim Peifer, SGA and RWA Executive Director

~~

Staff: Rob Swartz, SGA and RWA

Facilitation Team: Gina Bartlett and Sophie Carrillo-Mandel, CBI

Process Roadmap

Decision-Making Roadmap:

SCGA, SGA, and RWA Shared Operations

01/19/22

Discussion Topics and Phases for Decision-Making

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

Phase 1

Assessment: issues and questions

Vision for ideal organization

Decision-making timeline

Phase 2

Governance structures and options

- ☐ Representation
- ☐ Voting
- ☐ Public Involvement

Criteria for evaluating options

Phase 3

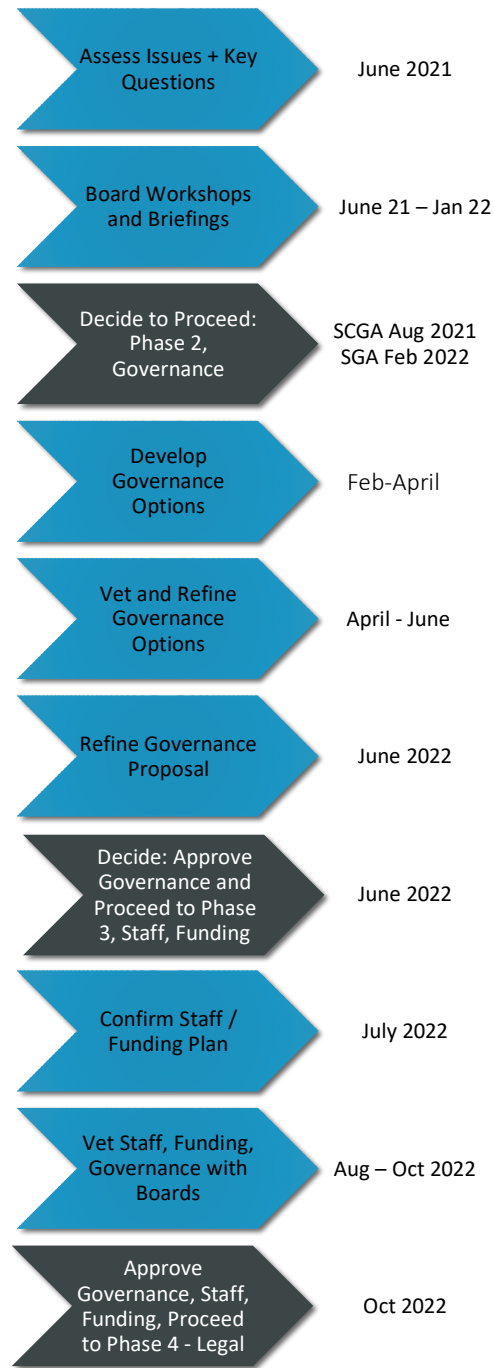
Staffing, funding, cost structure

Package governance, staffing, funding

Phase 4

Legal structure and documentation

Approval process



Ad Hoc 3x3 Meetings and Anticipated Topics

Dates	Anticipated Discussion Topics
1 3/16 at 1	Committee organization: operating guidelines and process road map Vision for consolidated entity
2 4/6 at 9	Criteria to weigh options Discuss roles and responsibilities and public involvement for effective groundwater management Prepare to brief Boards
4/7 at 9	SGA Board Meeting - <i>provide high level briefing</i>
4/13 at 9	SCGA Board Meeting – <i>provide high level briefing</i>
3 4/20 at 9	Discuss Board feedback Revisit vision statement Continue discussing roles, responsibilities, and potential structure Prepare to brief Boards on Criteria and Roles and Responsibilities
5/17 at 9:30	SGA Board Special Meeting or <i>Vision, Criteria, Roles and Responsibilities, Options Discussion</i>
4 5/18 at 9	Discuss any Board feedback Develop proposal for potential structure Begin discussing board representation and voting
5 5/24 at 3	Discuss board representation Decide on next steps
6 6/2 at 8	Discuss board representation and voting Craft governance proposal for Boards' consideration
	Submit Governance Structure(s) to Boards for Consideration
6/8 at 9	SCGA Board Meeting
6/9 at 9	SGA Board Meeting
7/7 at 9	RWA Board Meeting

Vision for a Consolidated Entity – Working Proposal

On 4/20/22, the 3x3 agreed to this vision statement as its working proposal. The Committee also discussed during its inaugural meeting on 3/16/2022. The Committee recognized that a new entity would need to undergo strategic planning and develop its own mission, vision, and goals. The purpose of the vision is to serve as a “north star” for considering governance options for the consolidated entity.

Sustainably and cost effectively manage groundwater to support the regional economy, environment, and quality of life and collaboratively govern with representation and engagement of water suppliers and stakeholders in the North and South American Sub-basins.

Additional Concept for Consideration

Integrated Resource Management: Mindful of how climate change, the demand for reliable safe water, and surface water availability can create either opportunities or pressure on effective groundwater management.

Criteria to Weigh Governance Options

The purpose of these criteria is to reflect the collective interests of the Authorities and assist in understanding and weighing governance structure proposals. *The Ad Hoc 3x3 Committee discussed and generally supported these concepts during its 4/6/22 meeting.*

Effective regional groundwater coordination: Facilitates sustainable groundwater coordination and management in the North and South American Subbasins, including successful SGMA implementation and groundwater banking.

Representative, yet nimble: Structure encompasses beneficial users of groundwater, but is small enough to make decisions efficiently.

Opportunity for stakeholder engagement: Creates an opportunity for stakeholder engagement in sustainable groundwater management.

Cost efficient: Provides for operational efficiencies and cost savings.

Organizational integration: Integrates Boards' and organizational cultures. Draws on staff expertise effectively.

JPA signatories' support: Current signatories as well as future (if a JPA would be the structure moving forward).

Manages likely legal / financial risks or liability

Governance under Exploration

Option 2: Establish Single Board

(Either combining existing boards or a reconfiguration)



Board Responsibilities

- Approve annual budgets and report
- Approve staffing levels
- Assess fees
- Approve audits
- Approve contracts
- Serve as GSA Board for each subbasin
- Adopt GSP updates
- Approve policies
- Responsible basin management
- Can form committees, including one for each subbasin

Board Composition Proposal

This proposal combines the existing boards and trims a few seats. Grey boxes would not have board seats in the proposal. Yellow boxes represent change.

Full Combined Board	Working Proposal	Comment
Entity	Entity	
California American Water	California American Water	
Carmichael Water District	Carmichael Water District	
Citrus Heights Water District	Citrus Heights Water District	
City of Citrus Heights	City of Citrus Heights	
City of Elk Grove	City of Elk Grove	
City of Folsom	City of Folsom	
City of Rancho Cordova	City of Rancho Cordova	
City of Sacramento	City of Sacramento	
County of Sacramento	County of Sacramento	One seat combines with SCWA
Del Paso Manor Water District	Del Paso Manor Water District	
Elk Grove Water District	Elk Grove Water District	
Fair Oaks Water District	Fair Oaks Water District	
Golden State Water Company	Golden State Water Company	
Natomas Central Mutual WC	Natomas Central Mutual WC	
Orange Vale Water Company	Orange Vale Water Company	
Rio Linda Elverta CWD	Rio Linda Elverta CWD	
Sacramento County Water Agency	County of Sacramento / Sacramento County Water Agency	
Sacramento Suburban Water District	Sacramento Suburban Water District	
San Juan Water District	San Juan Water District	
Sac Regional Sanitation District	Sac Regional Sanitation District	Alternate Supplier. May need to reconsider after OHWD annexation
Agriculture	Agriculture	GW User
Agricultural-Residential	Agricultural-Residential	GW User
Conservation Landowners	Conservation Landowners	GW User/ Landowner
Public Agencies Self-Supplied	Public Agencies Self-Supplied	Drop and combine into self-supplied CII
Self-Supplied Industry	Self Supplied Commercial/Industrial/Institutional (CII)	
25 Seats	19 Seats	
14 Potable Water Suppliers	14 Potable Water Suppliers	
1 ag water supplier	1 ag water supplier	
1 recycled water supplier	1 recycled water supplier	
5 self supplied	4 self supplied	

Voting

SCGA voting requires simple majority for approvals. For the budget, all five JPA signatories must vote “yes” on the budget.

SGA is a simple majority for most votes with two exceptions:

- For the administrative costs, two majority votes must pass: (1) simple majority of the voting members and (2) a majority vote weighted according to the financial contribution of members.
- For water costs, two majority votes must pass: (1) simple majority of the voting members and (2) a majority vote weighted on the basis of water production (defined in JPA).

Potential Features depending on Board Composition

Briefing JPA Members / Land Use Agencies

- Process to be decided. Conduct outreach and collaborate with land use agencies on issues for which SGA has combined but distributed responsibilities. It may include joint presentations to Boards and Councils and collaboration with planning and permitting departments.

Board Code of Conduct

- Code would provide guidance on best practice for engaging in board meetings and operating under the Brown Act.
- Board members would commit to the code of conduct and hold one another accountable to comply and engage with the framework.

Governance Refinement over Time

- The board would form a subcommittee to support organizational integration and consider modifications to the governance structure over the first 2-3 years. The subcommittee might consider further reducing the size of the board, depending on function and board observations. The governing board would be the final decision maker on any modifications.

Pros / Cons of Option 2: Single Board

Topic-specific subcommittees would be the forum for regional issues and stakeholder engagement

Pros	Cons	Other Considerations
<ul style="list-style-type: none">▪ Easier to keep board informed▪ Potentially more streamlined structure▪ Likely most cost-effective▪ Could modify existing JPA; the existing JPAs have been efficient and worked well	<ul style="list-style-type: none">▪ Would require large and possibly duplicative board to represent all the representative interests▪ Concern for less (or diluted) local control and engagement in technical issues▪ Requires delegation of authority to non-public agencies	<ul style="list-style-type: none">▪ Board could form topic-specific committees▪ “Roll call” system could provide regional emphasis▪ Can add “guardrails” to address specific interests / concerns associated with JPA as legal structure▪ New entity could incorporate or adopt SGMA authorities▪ If two subbasins combine, there may be justification to

		combine the whole Sacramento Valley basin – where are the “firewalls”?
--	--	--

Weighing Option against Criteria

Criteria	Option 2 – Single Board
Effective regional groundwater coordination	Enhances coordination because the staff are working together under the same entity. Cross-boundary issues would be managed cohesively.
Representative, yet nimble	Board would be representative. One board rather than board and councils (option 1) would be simplified.
Opportunity for stakeholder engagement	The entity could for committees to solicit input on activities.
Cost efficient	The staffing proposal demonstrates that a consolidated entity would be more cost efficient than independent.
Organizational integration	One board would address organizational issues. Staff would have common leadership rather than separate.
JPA signatories’ support	To be determined.
Manages likely legal / financial risks or liability	Entity would develop an annual budget with consideration for subbasins for board approval.

Legal Agreements / Structures

The following summarizes information and ongoing feedback on potential legal agreements / structures for the consolidated entity, should it be approved to proceed.

Community Services District (CSD)

An SGA Board member recommended a CSD to serve as the legal entity under Option 3, SGMA Model.

A CSD would not be a viable option since it is for unincorporated areas of a county and would not include municipalities.

Community Services Districts are a form of independent local government used to provide services in unincorporated areas of a county. A CSD may span unincorporated areas of multiple cities and/or counties. A CSD may issue bonds or form an improvement district for the purpose of issuing bonds, as any City or County might do. Any bond issuance or other long-term debt will require a 2/3rds majority approval of registered voters residing within the CSD. Source:

<http://www.californiataxdata.com/pdf/CSD.pdf>

A CSD cannot be formed without a two-thirds majority vote of residents living within the proposed boundaries.

Property owners pay fees to the CSD for services provided.

Joint Powers Agreement (JPA)

- JPAs can only exercise common powers of member public agencies.
- The existing JPAs have been stable and served the region well for many years.
- The existing SGA JPA could be refined to serve the consolidated entity.
- SGA JPA of the public entities provides for regulating groundwater well permitting (SGMA does not) and water quality.
- JPA agreements can be refined to address concerns and new developments under consideration.
- Members of the JPA can delegate authority to provide for non-public agencies to serve on the governing board (as it is now for both SGA and SCGA).

Memorandum of Agreement / Understanding (MOA / MOU)

- Non-public agency members could join an MOU if supported by other members.
- Decision making under MOA: To adopt a GSP under an MOU would require approval and legal review from each member agency. (In contrast, under SGA or SCGA JPA, the board is independent and can approve as a single entity.)
- Stability of MOU is a concern. If an MOA participant withdraws, this leaves a gap in management area of the subbasin. Clarification made that leaving an MOU is somewhat easier than leaving a JPA.

Board Member Representation across Authorities

Agency	SGA	SCGA	Appointing JPA Signatory
California American Water	Member	Member	Sacramento City Council (SGA) Sacramento County Board of Supervisors (SCGA)
Carmichael Water District	Member		Sacramento County Board of Supervisors
Citrus Heights Water District	Member		Citrus Heights City Council
City of Elk Grove		Member	Elk Grove City Council
City of Folsom	Member	Member	Folsom City Council
City of Rancho Cordova		Member	Rancho Cordova City Council
City of Sacramento	Member	Member	Sacramento City Council
Del Paso Manor Water District	Member		Sacramento City Council
Elk Grove Water District/FRCO		Member	Elk Grove City Council
Fair Oaks Water District	Member		Sacramento County Board of Supervisors
Golden State Water Company	Member	Member	Sacramento City Council (SGA) <i>(north of river)</i> City of Rancho Cordova (SCGA) <i>(south of river)</i>
Natomas Central Mutual Water Company	Member		Sacramento City Council
Orange Vale Water Company	Member		Sacramento County Board of Supervisors
Rio Linda/Elverta Community Water District	Member		Sacramento County Board of Supervisors
Sacramento County Water Agency	Member		Sacramento County Board of Supervisors (SGA)
Sacramento County		Member	Sacramento County Board of Supervisors
Sacramento Suburban Water District	Member		Sacramento City Council
San Juan Water District	Member		Sacramento County Board of Supervisors
Sacramento Regional County Sanitation District		Member	Sacramento County Board of Supervisors
Interest Group	SGA	SCGA	Appointing JPA Signatory
Agricultural-Residential		Member	Sacramento County Board of Supervisors
Agriculture	Member	Member	Sacramento County Board of Supervisors
Self-Supplied Industry	Member	Member	Sacramento City Council (SGA) Sacramento County Board of Supervisors (SCGA)
Conservation Landowners		Member	Sacramento County Board of Supervisors
Public Agencies Self-Supplied		Member	Sacramento County Board of Supervisors

Existing Joint Powers Agreement Signatories

SGA JPA Signatories	SCGA JPA Signatories
Sacramento County*	Sacramento County
City of Folsom	City of Folsom
City of Sacramento	City of Sacramento
City of Citrus Heights*	
	City of Elk Grove
	City of Rancho Cordova

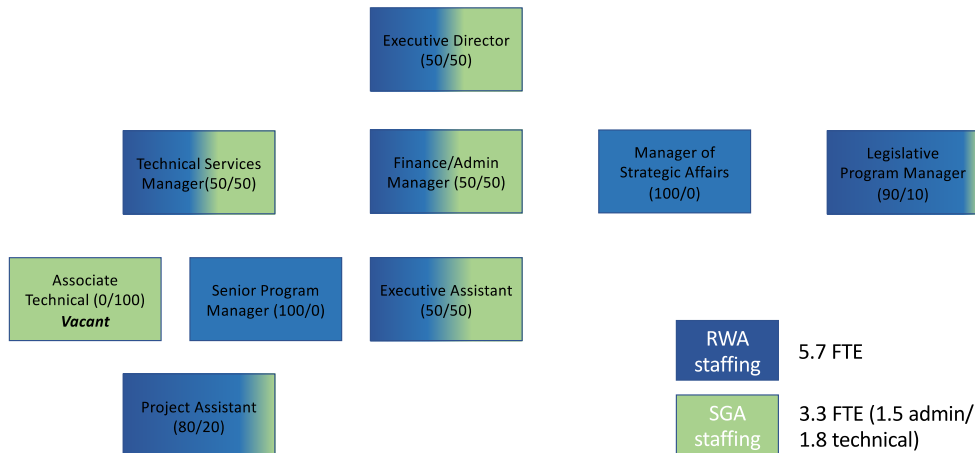
*Appointing entity. No-board seat.

Staffing Concept – Working Proposal

These staffing considerations are based on the recommendations of the “3x3 RWA-SCGA-SGA Ad Hoc Committee” (3x3 Committee) convened from August to December of 2020 to contemplate staffing issues and options. The outcomes of the 3x3 Committee’s deliberations were presented in December 2020 – January 2021. SGA / RWA staff member Rob Swartz presented this same proposed staffing structure to the SGA board on Jan 25, 2022, included here for easy reference.

Current RWA and SGA Staffing

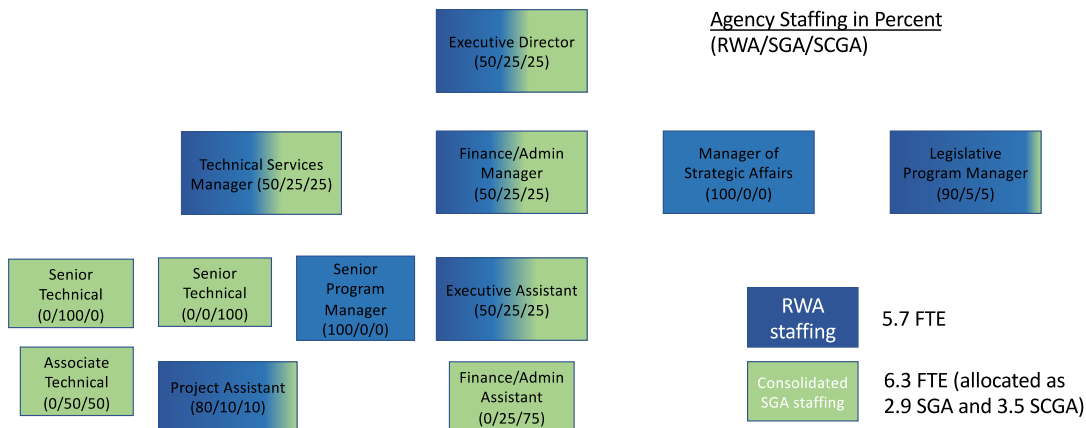
SGA



Presented to SGA Board 01/25/2022

Potential RWA and Combined SGA Staffing

SGA



Presented to SGA Board 01/25/2022

Cost Estimates – Working Proposal

Staff presented this potential cost estimate to the SGA Board on Jan. 25, 2022. For the purposes of developing a governance structure proposal in Phase 2, the Boards will assume that this staffing model / cost estimate is the working proposal. In Phase 3 Funding would likely be generated via dues and grants. A detailed funding plan would be developed as part of the package for consideration.

Budget Comparison

SGA

Current

Staffing	RWA	SGA
Executive Director	50%	50%
Technical Services Manager	50%	50%
Senior Technical - North American		
Senior Technical - South American		
Senior Program Manager (WEP)	100%	
Associate Specialist		100%
Project Assistant	80%	20%
Finance/Admin Manager	50%	50%
Executive Assistant	50%	50%
Finance/Admin Assistant		
Manager of Strategic Affairs	100%	
Legislative Program Manager	90%	10%
FTE	5.7	3.3
Estimated FY23 Loaded Labor Costs	\$ 1,322,058	\$ 715,478

1.8 technical staff

Potential

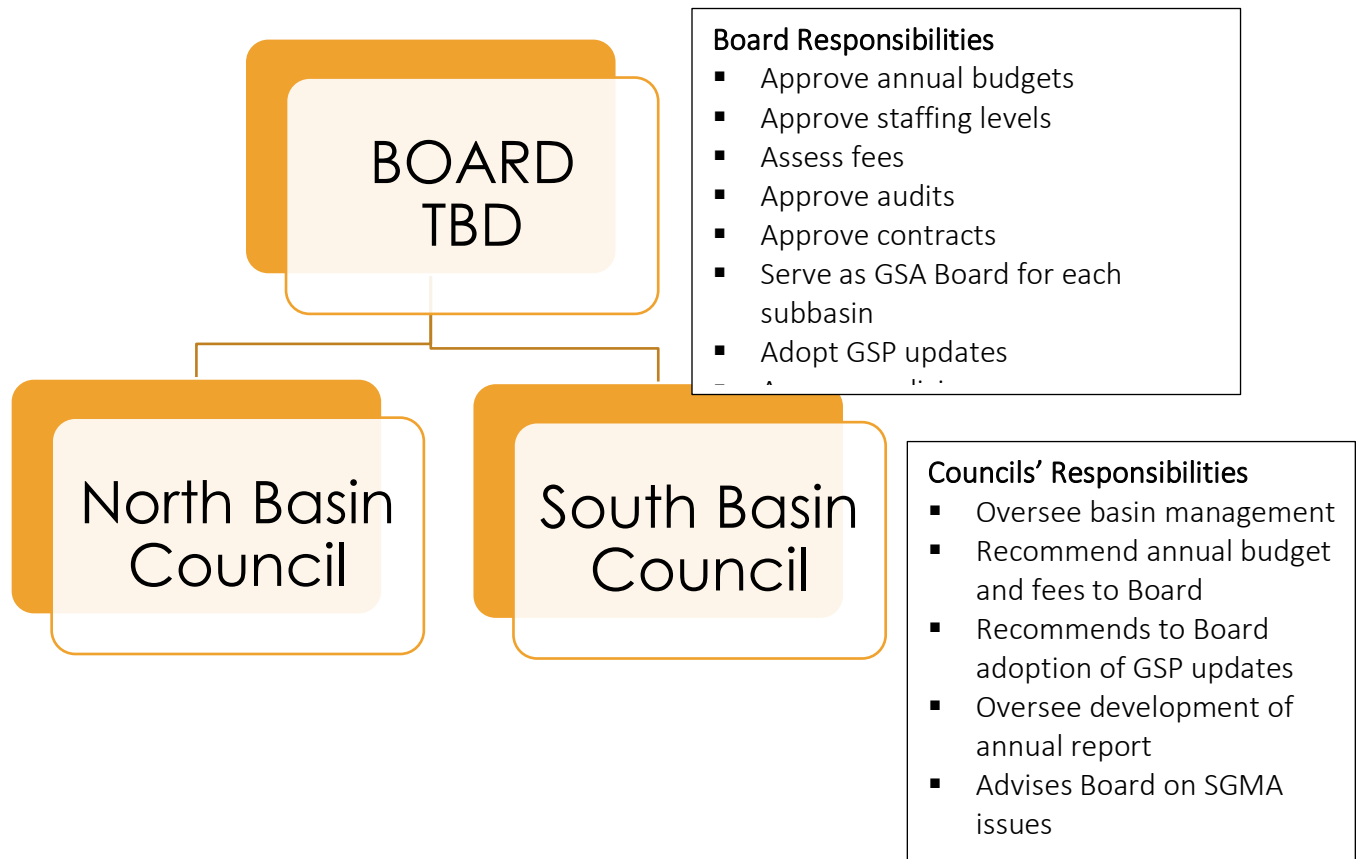
Staffing	RWA	SGA	SCGA
Executive Director	50%	25%	25%
Technical Services Manager	50%	25%	25%
Senior Technical - North American		100%	
Senior Technical - South American			100%
Senior Program Manager (WEP)	100%		
Associate Specialist		50%	50%
Project Assistant	80%	10%	10%
Finance/Admin Manager	50%	25%	25%
Executive Assistant	50%	25%	25%
Finance/Admin Assistant		25%	75%
Manager of Strategic Affairs	100%		
Legislative Program Manager	90%	5%	5%
FTE	5.7	2.9	3.4
Estimated FY23 Loaded Labor Costs	\$ 1,322,058	\$ 632,739	\$ 698,739

1.9 technical staff

Presented to SGA Board 01/25/2022

Options Explored by 3x3

Option 1: Establish Board with active Subbasin Councils
(Either combining existing boards or a reconfiguration)



Pros / Cons of Option 1: Board with Active Subbasin Councils

Subbasin councils would provide a forum for subbasin-specific groundwater issues and targeted stakeholder engagement

Pros

- Subbasin councils provide in-depth discussion forum on specific GW issues
- Basin councils retain expertise
- Preserves some functional elements of SGA & SCGA
- Allows flexible response to local needs

Cons

- Bifurcation does not necessarily support co-managing groundwater resources to the benefit of everyone
- Potential inefficiencies with multiple authorities and meetings
- Complication identifying what issues apply to only one basin vs. both basins

Other Considerations

- Current JPA could change
- Shared staff and coordinated meetings would help with consistency of information
- Would representatives that pump from both basins have more votes or power?

Option 3 "SGMA Model" - Eliminate existing JPA Authority and Re-form under SGMA

Option 3-MOA: Memorandum of Agreement would serve as the legal agreement to form the entity.

Option 3-JPA: A JPA would serve as the legal agreement to form the entity. A JPA would require an additional agreement with investor-owned utilities.

Option 3-CSD: Entities would seek to form an independent Community Services District to serve as the legal entity.

Pros and Cons of Option 3: SGMA Model		
The 3x3 will continue to explore the pros and cons of these options with the Authorities' Boards.		
Pros	Cons	Other Considerations
<ul style="list-style-type: none">▪ Could eliminate some of the minor inconsistencies between SGMA authority and existing JPA limitations▪ Under MOA, participants would have more flexibility in appointing representatives	<ul style="list-style-type: none">▪ Under MOU, each participating entity must approve the GSP and implementation plan – reducing efficiency and increasing uncertainty▪ Forming a new entity would be a very heavy lift and might not provide more benefits than other options▪ Concern that forming a new entity is outside SCGA Board's direction on consolidation▪ Under MOU, would lose police powers on well permitting provided for under JPA	<ul style="list-style-type: none">▪ A MOA or CSD would likely dissolve PERS benefits for current SCGA employees▪ A JPA may allow employees to still be classic CalPERS employees (like in transition from Sac Metro Water Authority to RWA) and fulfill intent of SGMA model▪ A new entity could have a separate contract on liabilities (retirement, benefits, unfunded liability costs)

Option 4: Subscription Model

The RWA's JPA allows for the creation of subscription programs between two or more RWA members. Under a subscription program, the RWA would provide staffing services to provide groundwater management activities. Under this proposal, the RWA Board of Directors would be in charge of employees performing those services, and ultimately in charge of the work that is performed for groundwater management activities in the SCGA area.

Pros and Cons of Option 4: Subscription Model

The 3x3 will continue to explore the pros and cons of these options with the Authorities' Boards.

Pros	Cons	Other Considerations
<ul style="list-style-type: none">▪ Would provide staff to SCGA without requiring a consolidation	<ul style="list-style-type: none">▪ SCGA board approved consolidation as the path forward	Would SCGA members create a GSA under an MOU or would RWA become a GSA?

Other Options Considered and Rationale for Setting Aside

"Triangle" Option – RWA provides Staff to SGA and SCGA

This option is not feasible because the complexity of the staffing necessary to manage a third organization. Costs would increase. This option would necessitate a separate membership in PERS with a different retirement formula for a subset of staff that would be problematic.

Timeline of Activities to Date

Timeline	Major Activities
May 17, 2022	SGA Board Special Meeting to review Ad Hoc Committee work to date
March-May 2022	3x3 Ad Hoc Committee Meetings
Jan. 25, 2022	SGA Board votes to move to Phase 2 governance
Aug. 12, 2021	SGA Board Workshop
Aug. 11, 2021	SCGA Board votes to move to Phase 2 governance
June 7, 2021	Joint Board Workshop on assessment and process recommendations
April-June 2021	Consensus Building Institute conducts independent issue assessment via interviews and Tri-Board (RWA, SCGA, SGA) Workshop
March 2021	Secure DWR funding and hire impartial facilitation services from the Consensus Building Institute
Dec 2020 to Jan 2021	3x3 Report - Presentations on Staffing to RWA, SGA and SCGA
Aug to Dec 2020	3x3 members ⁽¹⁾ (chair, vice chair, +1 from each authority) discuss proposed staffing for SCGA
July 2020	RWA-SGA-SCGA MOU approved and “3x3” Committee convened
March 2020	Water Forum White Paper presented to SCGA
December 2019	RWA presents to the SCGA Board on RWA staffing for SGA
August 2019	Established “2x2” meetings (Chair and Vice Chair of the authorities) to begin discussing the potential to have the RWA provide staffing to SCGA
2019	SCGA prepares a strategic plan that includes provisions to: <ul style="list-style-type: none"> ▪ “Consider status quo, merger with SGA, or other measures to most effectively and efficiently govern” ▪ “Create new governance to foster independence, transparency, accountability, and cost efficiency as it relates to the long term management of the basin.”

(1)

2020 Ad Hoc 3x3 Committee Members

RWA: Kerry Schmitz (Sacramento County Water Agency), Sean Bigley (City of Roseville) , Cathy Lee (Carmichael Water District)

SGA: Caryl Sheehan (Citrus Heights Water District), Brett Ewart (City of Sacramento), Robert Reisig (Rio Linda Elverta Community Water District)

SCGA: Todd Eising (City of Folsom), Paul Schubert (Golden State Water Co.), Dalia Fadl (City of Rancho Cordova)

[3x3] Ad Hoc Committee Operating Guidelines

SCGA - SGA – RWA

Updated 5/24/2022 Prepared by Senior Mediator Gina Bartlett, CBI

On May 24, the 3x3 Ad Hoc Committee refined to better reflect the Committee's intent. On March 16, 2022, the 3x3 Ad Hoc Committee agreed to work under the original guidelines.

Intent

The purpose of the 3x3 Ad Hoc Committee is to jointly explore effective and appropriate governance structures for the consolidation of SGA and SCGA. The boards of SCGA and SGA are the ultimate decision makers on consolidation and the governance option. The RWA Board must authorize any needed changes to the management agreement between SGA and RWA.

The 3x3 will serve as a representative group to anticipate issues to be considered in developing governance proposals. Staff in cooperation with the facilitator will develop the governance proposal(s) for the boards to consider that reflect the insights of the Ad Hoc 3x3 Committee.

Tasks

The primary tasks of the Ad Hoc 3x3 Committee are to:

- ✦ Help develop vision for a consolidated entity.
- ✦ Identify criteria to evaluate governance options considering board feedback to date.
- ✦ Discuss governance structure options, including representation, voting, and public involvement.
- ✦ Vet and refine governance options with the three boards, refining the proposals for governance based on feedback received.
- ✦ Submit governance proposal to the SGA and SCGA boards by June 2022.

Meetings and Schedule

Staff have scheduled six meetings, every two weeks for 75 minutes. The goal is to craft a governance proposal by June 2022.

Roles and Responsibilities

Board Members

Board members can jointly explore but must independently evaluate options and proposals. Ultimate decision making is with each board, following board protocols. Ad Hoc 3x3 Committee members along with the Executive Directors will regularly update each Authority.

Executive Directors

Per the MOU, the Executive Directors of SGA, RWA, and SCGA will participate in the committee.

Staff

Staff will provide technical expertise and supportive information.

Facilitator

The Consensus Building Institute (CBI) will provide impartial facilitation services and guidance on governance structures. The primary role of the facilitator is to work with all the parties to ensure the process is credible and effective. The facilitator will organize the process, developing a work plan, designing meetings, and guiding the group toward its desired outcomes. The facilitator may identify and synthesize points of agreement, assist in building consensus, and serve as a confidential communication channel for participants. CBI also works with organizations designing governance structures and can share best practices and examples with the Ad Hoc.

Decision Making

The Ad Hoc 3x3 Committee will strive for consensus outcomes and proposals where possible, recognizing that each Authority board retains full decision-making autonomy. The definition of consensus spans the range from strong support to neutrality, to “I can live with it,” to abstention.

When exploring the level of support for any proposal, the facilitator will check with each Authority as an entity.

If the Ad Hoc 3x3 Committee does not agree on a particular issue, staff and the facilitator will write up the viewpoints as appropriate and present to the boards for decision.

Process Agreements

The following process agreements will guide the Ad Hoc 3x3 Committee’s work.

Everyone agrees to factor in existing information that has been presented to boards. Staff have presented detailed information and numerous proposals, including most recently, a staffing and funding proposal to the boards of the Authorities. The Ad Hoc will build on previous boards’ conversations and proposals and refrain from revisiting options that have already been “set aside” unless compelling or new information has emerged. For this phase, the Ad Hoc will assume that the staffing and funding structure, presented during the SGA Board meeting on Jan

25, 2022, is the working model. Once governance is decided, staff may revisit the staffing and funding proposal and present to the boards as part of Phase 3.

Everyone agrees to address the issues and concerns of the three boards, to the extent that those issues and concerns are understood. For the process to be successful, committee members acknowledge the issues and concerns of the Authorities and will attempt to craft a proposal that is responsive. When unable to be responsive to a particular issue, the Ad Hoc will document and continue its work, recognizing that the boards of the Authorities will ultimately decide on the governance structure and consolidation.

Working Agreements

All ideas and points of view have value.

Focus on the work at hand: Thank you in advance for staying focused on the task set in the meeting and attempting to move the process forward.

Take Space. Make Space.

Honor the overall timeline of this effort and each meeting: The goal is to use the Ad Hoc 3x3 Committee's time as effectively as possible. Participants will strive to be concise and follow the process.

The background features a series of concentric circles in light gray, some solid and some dashed, creating a subtle pattern. A large, solid blue rectangle is centered on the page, serving as a backdrop for the text. The rectangle has a small triangular point at the bottom center.

Board Briefing

SGA – SCGA Potential Consolidation

June 2022

“big picture” Road Map

Decision-Making Roadmap:

SCGA, SGA, and RWA Shared Operations

01/19/22

Discussion Topics and Phases for Decision-Making

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

Phase 1

Assessment: issues and questions

Vision for ideal organization

Decision-making timeline

Phase 2

Governance structures and options

- Representation
- Voting
- Public Involvement

Criteria for evaluating options

Phase 3

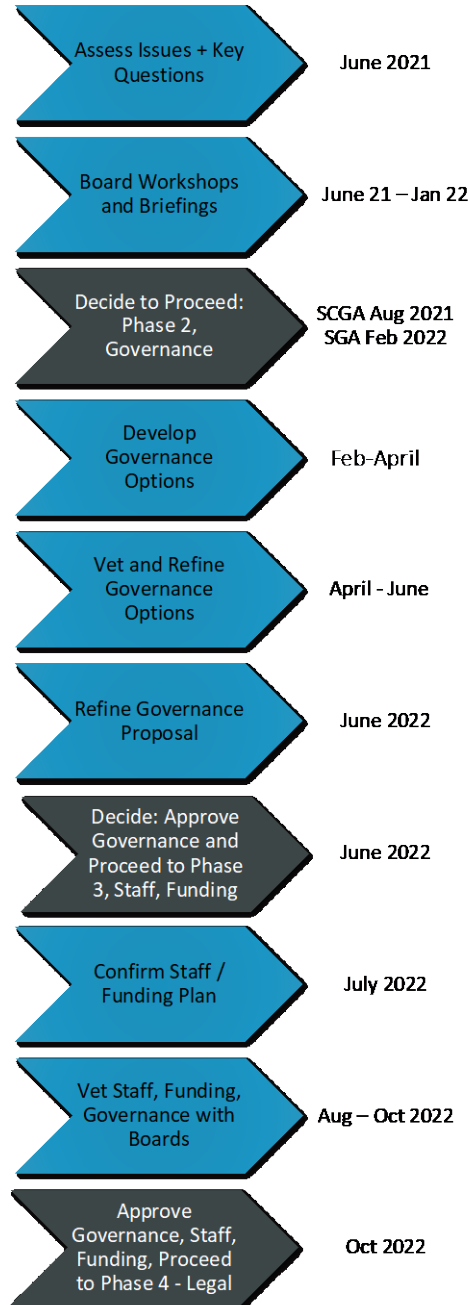
Staffing, funding, cost structure

Package governance, staffing, funding

Phase 4

Legal structure and documentation

Approval process



Regular Board Briefings and Feedback

- The purpose of the 3x3 Ad Hoc Committee is to develop proposed governance structure(s) for a consolidated SGA – SCGA
- The Boards of the Authorities will decide on consolidation and the associated structure
- The 3x3 meeting schedule plans for regular briefings and feedback with Boards

Today's Feedback

- Proposed Board Composition

The background of the slide features a series of concentric, curved lines in a light gray color, creating a sense of motion and depth. These lines are more prominent on the left side and fade towards the right.

Vision for a Consolidated Entity

Working Proposal

- ***Sustainably and cost effectively manage groundwater to support the regional economy, environment, and quality of life and collaboratively govern with representation and engagement of water suppliers and stakeholders in the North and South American Subbasins.***

Criteria to Weigh Options

- **Effective regional groundwater coordination**
 - ✓ Facilitates sustainable groundwater coordination and management in the North and South American Subbasins, including successful SGMA implementation and groundwater banking.
- **Representative, yet nimble**
 - ✓ Structure encompasses beneficial users of groundwater, but is small enough to make decisions efficiently.
- **Opportunity for stakeholder engagement**
 - ✓ Creates an opportunity for stakeholder engagement in sustainable groundwater management.
- **Cost efficient**
 - ✓ Provides for operational efficiencies and cost savings.
- **Organizational integration**
 - ✓ Integrates Boards' and organizational cultures. Draws on staff expertise effectively.
- **JPA signatories' support**
 - ✓ Current signatories as well as future (if a JPA would be the structure moving forward).
- **Manages likely legal / financial risks or liability**

The background features a series of concentric circles in light gray, some solid and some dashed, creating a ripple effect. In the center, there is a large blue speech bubble with a white border. Inside the bubble, the text "Board Feedback" is written in a large, white, sans-serif font, and "Board Composition" is written below it in a smaller, white, sans-serif font.

Board Feedback

Board Composition

Option 2

Option 2: Establish Single Board
(Either combining existing boards or a reconfiguration)

BOARD
TBD

Board Responsibilities

- Approve annual budgets and report
- Approve staffing levels
- Assess fees
- Approve audits
- Approve contracts
- Serve as GSA Board for each subbasin
- Adopt GSP updates
- Approve policies
- Responsible basin management
- Can form committees, including one for each subbasin

Board Composition

Board Composition Proposal

This proposal combines the existing boards and trims a few seats. Grey boxes would not have board seats in the proposal. Yellow boxes represent change.

Full Combined Board	Working Proposal	Comment
Entity	Entity	
California American Water	California American Water	
Carmichael Water District	Carmichael Water District	
Citrus Heights Water District	Citrus Heights Water District	
City of Citrus Heights	City of Citrus Heights	
City of Elk Grove	City of Elk Grove	
City of Folsom	City of Folsom	
City of Rancho Cordova	City of Rancho Cordova	
City of Sacramento	City of Sacramento	
County of Sacramento	County of Sacramento	One seat combines with SCWA
Del Paso Manor Water District	Del Paso Manor Water District	
Elk Grove Water District	Elk Grove Water District	
Fair Oaks Water District	Fair Oaks Water District	
Golden State Water Company	Golden State Water Company	
Natomas Central Mutual WC	Natomas Central Mutual WC	
Orange Vale Water Company	Orange Vale Water Company	
Rio Linda Elverta CWD	Rio Linda Elverta CWD	
Sacramento County Water Agency	County of Sacramento / Sacramento County Water Agency	
Sacramento Suburban Water District	Sacramento Suburban Water District	
San Juan Water District	San Juan Water District	
Sac Regional Sanitation District	Sac Regional Sanitation District	Alternate Supplier. May need to reconsider after OHWD annexation
Agriculture	Agriculture	GW User
Agricultural-Residential	Agricultural-Residential	GW User
Conservation Landowners	Conservation Landowners	GW User/ Landowner
Public Agencies Self-Supplied	Public Agencies Self-Supplied	Drop and combine into self-supplied CII
Self-Supplied Industry	Self Supplied Commercial/Industrial/Institutional (CII)	
25 Seats	19 Seats	
14 Potable Water Suppliers	14 Potable Water Suppliers	

Pros	Cons	Other Considerations
<ul style="list-style-type: none"> • Easier to keep board informed • Potentially more streamlined <p>Likely most cost-effective</p> <ul style="list-style-type: none"> ▪ Could modify existing JPA; the existing JPAs have been efficient and worked well 	<ul style="list-style-type: none"> • Would require large and possibly duplicative board to represent all the representative interests • Concern for less (or diluted) local control and engagement in technical issues • Requires delegation of authority to non-public agencies 	<ul style="list-style-type: none"> • Board could form topic-specific committees • “Roll call” system could provide regional emphasis • Can add “guard rails” to address concerns with JPA structure • New entity could incorporate or adopt SGMA authorities • Combining 2 subbasins could justify combining whole Sacramento Valley – where are firewalls?

Option 2 Pros / Cons / Considerations

- *Topic-specific subcommittees would be the forum for regional issues and stakeholder engagement*

What's Next

3x3 Meeting
5/17 and
5/24

Consider
subsequent
session with
Boards in
June / July

Assess
Progress

The background of the slide features a series of concentric, curved lines in a light gray color, creating a sense of motion or a circular path. These lines are more prominent on the left side and fade out towards the right.

Feedback

- What are your thoughts?
- What else should would you like the 3x3 Ad Hoc Committee to be thinking about?
- What are the pros / cons of these options?
- Role Call – What is your preferred option? And, why? In terms of pros / cons

Board Composition Proposal

This proposal combines the existing boards and trims a few seats. Grey boxes would not have board seats in the proposal. Yellow boxes represent change.

Full Combined Board	Working Proposal	Comment
Entity	Entity	
California American Water	California American Water	
Carmichael Water District	Carmichael Water District	
Citrus Heights Water District	Citrus Heights Water District	
City of Citrus Heights	City of Citrus Heights	
City of Elk Grove	City of Elk Grove	
City of Folsom	City of Folsom	
City of Rancho Cordova	City of Rancho Cordova	
City of Sacramento	City of Sacramento	
County of Sacramento	County of Sacramento	One seat combines with SCWA
Del Paso Manor Water District	Del Paso Manor Water District	
Elk Grove Water District	Elk Grove Water District	
Fair Oaks Water District	Fair Oaks Water District	
Golden State Water Company	Golden State Water Company	
Natomas Central Mutual WC	Natomas Central Mutual WC	
Orange Vale Water Company	Orange Vale Water Company	
Rio Linda Elverta CWD	Rio Linda Elverta CWD	
Sacramento County Water Agency	County of Sacramento / Sacramento County Water Agency	
Sacramento Suburban Water District	Sacramento Suburban Water District	
San Juan Water District	San Juan Water District	
Sac Regional Sanitation District	Sac Regional Sanitation District	Alternate Supplier. May need to reconsider after OHWD annexation
Agriculture	Agriculture	GW User
Agricultural-Residential	Agricultural-Residential	GW User
Conservation Landowners	Conservation Landowners	GW User/ Landowner
Public Agencies Self-Supplied	Public Agencies Self-Supplied	Drop and combine into self-supplied CII
Self-Supplied Industry	Self Supplied Commercial/Industrial/Institutional (CII)	
25 Seats	19 Seats	
14 Potable Water Suppliers	14 Potable Water Suppliers	
1 ag water supplier	1 ag water supplier	
1 recycled water supplier	1 recycled water supplier	
5 self supplied	4 self supplied	

AGENDA ITEM 5: GROUNDWATER SUSTAINABILITY PROGRAM UPDATE

BACKGROUND:

Staff will provide an update on Groundwater Sustainability Plan (GSP) implementation activities and recent conditions in groundwater monitoring wells.

Information and Presentation: Rob Swartz, Manager of Technical Services

AGENDA ITEM 6: LEGISLATIVE/REGULATORY UPDATE

BACKGROUND:

The legislative cycle has past the halfway point. Bills that are still moving will be heard in the second house (Assembly bills in the Senate and Senate bills in the Assembly) policy committees in June. There are no new bills beyond what the board has previously seen that could significantly impact SGA members. The following bills have however been amended in significant ways that change what their impacts would be if they were to become law as currently drafted:

AB 2201 (Bennett D- Ventura) Would significantly change the permit process for the alteration of an existing or a new groundwater extraction facility in a high or medium priority basin. Specifically, it would require the permitting agency to get written verification from a groundwater sustainability agency (GSA) that the new well or alteration would be consistent with the groundwater sustainability plan (GSP), that it would not decrease the likelihood of achieving the sustainability goal in the GSP and is not likely to interfere with the production and function of other nearby wells or is likely to cause subsidence.

AB 2895 (Arambula D- Fresno) Revises and recasts the water transfer process. Specifically, it would add days to the existing transfer approval process, including taking away the ability of the transfer applicant to require a decision by the Water Board. Additionally, it would create a second transfer approval process that would require initiation of that process by January.

Beyond bills the Legislature is constitutionally required to pass a budget by June 15th. It is expected that the budget will be passed by that date but be a framework of what expenditures will be. It is expected that the details of those expenditure will be determined by budget trailer bills passed sometime in August.

Information: Ryan Ojakian, Legislative and Regulatory Affairs Manager

AGENDA ITEM 7: EXECUTIVE DIRECTOR'S REPORT

June 9, 2022

TO: SACRAMENTO GROUNDWATER AUTHORITY BOARD

FROM: JIM PEIFER

RE: EXECUTIVE DIRECTOR'S REPORT

- a. RWA Salary Survey** – As reported in the April 2022 Executive Director's report, the RWA has initiated a salary survey of RWA staff positions. The selected consultant is Regional Government Services. An initial kickoff meeting occurred on May 27th.
- b. Groundwater Substitution Transfers** - Water agencies within the SGA area are preparing for a groundwater substitution transfer this year. A concurrence letter has been prepared for the transfer and is attached.
- c. ACWA Conference** – The Executive Director participated in the recent ACWA Groundwater Committee meeting.

Attachments

- 1. Concurrence Letter



Sacramento Groundwater Authority
*Managing Groundwater Resources
in Northern Sacramento County*

5620 Birdcage Street, Suite 180
Citrus Heights, CA 95610

Tel: (916) 967-7692
Fax: (916) 967-7322
www.sgah2o.org

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
San Juan Water District
Agricultural and Self-Supplied Representative

April 28, 2022

Transmitted via e-mail

Dear Ms. Lee, Mr. Ewart, Mr. Gray, Mr. Helliker, Mr. Straus and Mr. York,

This is in response to your 2022 Water Transfer Notification dated April 21, 2022. Your letter indicates that your agencies intend to extract up to an additional 12,000 acre-feet of groundwater from the North American Subbasin between July 1, 2022 and November 30, 2022 to participate in a proposed groundwater substitution transfer.

The California Department of Water Resources 2019 Water Transfer White Paper (draft) requires consultation with the appropriate Groundwater Sustainability Agency (GSA) to determine consistency with the applicable Groundwater Sustainability Plan (GSP). The Sacramento Groundwater Authority (SGA) serves as the GSA for all of the area from which the pumping will occur, as well as serving as the administering agency for the North American Subbasin GSP.

After review of the proposed groundwater extractions, SGA finds that the actions are consistent with the GSP. The volumes of groundwater extraction and the potential for transfers as a part of a conjunctive use program for the subbasin were fully considered in GSP development and found to be consistent with the long-term sustainability of the groundwater resource. We also find that the proposed operations are consistent with the SGA Water Accounting Framework adopted by SGA in 2010.

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

Sincerely

James Peifer
Executive Director

AGENDA ITEM 8: DIRECTORS' COMMENTS