

SACRAMENTO GROUNDWATER AUTHORITY
**REGULAR MEETING OF THE BOARD OF
DIRECTORS**

Thursday, August 11, 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 cecilia@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
August 11, 2022 09:00 AM (PDT)

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

Join Zoom Meeting

<https://us06web.zoom.us/j/83430670593?pwd=T2hZOWVCa3IRSjJEL1RZUjJtaWcrdz09>

You can also dial in using your phone.

United States: +16699006833

Meeting ID: 834 3067 0593 Passcode: 080640

- 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.

3a. 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.

3b. Approve the minutes of June 9, 2022 Board meeting

Action: Approve Consent Calendar Items

4. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY INTEGRATION

Information and Discussion: Jim Peifer, Executive Director

Action: Rescind the Memorandum of Understanding of a Strategy for Shared Operations of the Regional Water Authority, the Sacramento Groundwater Authority, and the Sacramento Central Groundwater Authority

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:

October 13, 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 Christian Petersen (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 Nathan Doyel (alternate)	Sacramento County
Self-Supplied Industry	Larry Johnson	Sacramento City Council

AGENDA ITEM 2: PUBLIC COMMENT

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

AGENDA ITEM 3: CONSENT CALENDAR

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

3a. 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.

3b. Approve the minutes of June 9, 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 re-approved it on November 10, 2021, December 9, 2021, January 6, 2022, January 25, 2022, February 10, 2022, April 7, 2022, May 2, 2022, May 17, 2022 and June 9, 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 11th day of August 2022 by the following vote:

AGENDA ITEM 3b: Minutes of June 9, 2022 meeting

Attachment:

June 9, 2022 meeting minutes



1. CALL TO ORDER

Chair Yasutake called the meeting of the Board of Directors to order at 9:00 a.m. as a teleconference meeting. Individuals in attendance are listed below:

Board Members

Audie Foster, California American Water
Paul Selsky, Carmichael Water District
Caryl Sheehan, Citrus Heights Water District
Marcus Yasutake, City of Folsom
Brett Ewart, City of Sacramento
Kerry Schmitz, County of Sacramento
Robert Matteoli, Del Paso Manor Water District
Randy Marx, Fair Oaks Water District
Paul Schubert, Golden State Water Company
Brett Gray, Natomas Central Mutual Water Company
John Wingerter, Orange Vale Water Company
Mary Harris, Rio Linda/Elverta Community Water District
Bob Wichert, Sacramento Suburban Water District
Ted Costa, San Juan Water District
Mike DeWit, Agriculture
Larry Johnson, Self-Supplied Industry

Staff Members

Jim Peifer, Rob Swartz, Cecilia Partridge, Monica Garcia and Chris Sanders, legal counsel

Others in Attendance

Dan York, Jay Boatwright, Gina Bartlett, John Woodling, Hilary Straus, Tim Shaw, Cathy Lee, Greg Zlotnick, Alan Vail, Paul Helliker, Joe Duran, Alan Gardner, Pam Tobin, and Chris Hunley

2. PUBLIC COMMENT

None

3. CONSENT CALENDAR

Motion/Second/Carried (M/S/C) Ms. Harris moved, with a second by Mr. Schubert to approve the minutes of the April 7, 2022 Board meeting and extend Resolution 2021-02, including requisite findings, to renew authorization to hold meetings of the Board of Directors via teleconference pursuant

to Assembly Bill 361 until such time as the State of Emergency resulting from the COVID-19 pandemic no longer impacts the ability of Board members and the public longer impacts the ability of Board members and the public to safely meet in person. Paul Selsky, Carmichael Water District, Caryl Sheehan, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Kerry Schmitz, Sacramento County Water Agency, Robert Matteoli, Del Paso Manor Water District, Randy Marx, Fair Oaks Water District, Paul Schubert, Golden State Water Company, Brett Gray, Natomas Central Mutual Water Company, John Wingerter, Orange Vale Water Company, Mary Harris, Rio Linda/Elverta Community Water District, Bob Wichert, Sacramento Suburban Water District, Mike DeWit, Agriculture and Larry Johnson, Self-Supplied Industry voted yes. Ted Costa, San Juan Water District voted no. Motion passed. Audie Foster, California American Water was not present for the voice vote.

**Brett Ewart entered meeting during the item. Audie Foster entered the meeting following the vote on the item.*

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

Mr. Yasutake reported that the 3x3 Ad Hoc Committee (3x3) is continuing to meet to discuss potential governance proposals to merge the SGA with the Sacramento Central Groundwater Authority. Mr. Yasutake said that the 3x3 members positions are to look at and take feedback from different boards and develop and look into proposed governance structures for what a consolidated, SGA/SCGA could look like. He reminded the Board that the information that is brought back to the boards of each authority will decide what the consolidation and the associated structure will or will not be with a potential consolidation. The 3x3 committee has been exploring topics that include the vision of the governance structure and criteria for evaluating structures. Mr. Yasutake shared the PowerPoint presentation on the Decision-Making Roadmap, which showed potential SCGA, SGA, and RWA shared operations and discussion topics and phases of decision-making.

M/S Bob Wichert moved with a second by Caryl Sheehan that the SGA Board endorse bringing back the table to the 3X3 for the purpose of the 3X3 considering the grayed-out boxes and consulting the grayed-out entities to determine their interests in remaining on the board and the 3X3 should recommend whether those entities should remain or should be removed. Audie Foster, California American Water, Paul Selsky, Carmichael Water District, Caryl Sheehan, Citrus Heights Water District, Brett Ewart, City of Sacramento, Kerry Schmitz, Sacramento County Water Agency, Robert Matteoli, Del Paso Manor Water District, Paul Schubert, Golden State Water Company, Brett Gray, Natomas Central Mutual Water Company, John Wingerter, Orange Vale Water Company, Mary Harris, Rio Linda/Elverta Community Water District, Ted Costa, San Juan Water District and Mike DeWit, Agriculture voted no. Marcus Yasutake, City of Folsom, Randy Marx, Fair Oaks Water District, Bob Wichert, Sacramento Suburban Water District and Larry Johnson, Self-Supplied Industry voted yes. Motion did not pass.

M/S/C Brett Ewart moved with a second by Paul Selsky to direct the SGA members of the 3X3 to consider the comments that were heard from this body into further discussions with the other remaining members of the 3X3 and return to the SGA Board for further recommendations or findings. Audie Foster, California American Water, Paul Selsky, Carmichael Water District, Caryl Sheehan, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Kerry Schmitz, Sacramento County Water Agency, Robert Matteoli, Del Paso Manor Water District, Randy Marx, Fair Oaks Water District, Paul Schubert, Golden State Water Company, Brett Gray, Natomas Central Mutual Water Company, John Wingerter, Orange Vale Water Company, Mary Harris, Rio Linda/Elverta Community Water District, Bob Wichert, Sacramento Suburban Water District, Ted Costa, San Juan Water District, Mike DeWit, Agriculture and Larry Johnson, Self-Supplied Industry voted yes. Motion passed.

M/S/C Paul Schubert moved with a second by Bob Wichert, in addition to the motion just passed that discussed board composition, is to provide the background for the 3X3 to work on the support of the board which would be appointments, voting structure and public involvement to bring back to the board in August. Audie Foster, California American Water, Paul Selsky, Carmichael Water District, Caryl Sheehan, Citrus Heights Water District, Marcus Yasutake, City of Folsom, Brett Ewart, City of Sacramento, Kerry Schmitz, Sacramento County Water Agency, Randy Marx, Fair Oaks Water District, Paul Schubert, Golden State Water Company, Brett Gray, Natomas Central Mutual Water Company, John Wingerter, Orange Vale Water Company, Mary Harris, Rio Linda/Elverta Community Water District, Bob Wichert, Sacramento Suburban Water District, Ted Costa, San Juan Water District, and Larry Johnson Self-Supplied Industry voted yes. Robert Matteoli, Del Paso Manor Water District, voted no. Mike DeWit, Agriculture, was not present for the voice vote. Motion passed.

5. GROUNDWATER SUSTAINABILITY PROGRAM UPDATE

Mr. Swartz provided an update on Groundwater Sustainability Plan (GSP) implementation activities and recent conditions in groundwater monitoring wells. The GSP was submitted January 24, 2022. The public comment period was open until April 16, 2022, and 6 comment letters were submitted. The most substantial coming from NOAA/National Marine Fisheries Service and California Department of Fish and Wildlife. The GSP is available on the SGA website. Mr. Swartz stated the basin is healthy, considering three consecutive dry years.

6. LEGISLATIVE/REGULATORY UPDATE

Mr. Ojakian gave an update on the legislative cycle. Bills that are moving and will be heard in June. There are no new bills, beyond what the board has previously seen, that could significantly impact SGA members. The following bills have 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 basins. 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. Mr. Ojakian reported that the budget must be passed by next Wednesday and the budget bill went into print yesterday. The budget includes \$21 billion to address climate change issues, including drought, among other issues. The Senate budget proposal included \$7.5 billion to address drought and water supply issues. The focus is that a significant dedicated portion goes to groundwater recharge. There will be more details in August.

7. EXECUTIVE DIRECTOR'S REPORT

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

8. DIRECTORS' COMMENTS

Audie Foster said California American Water will be holding virtual public hearings to discuss moving to the next stage of the Drought and Water Conservation Plan starting June 14th in the evening. Links are available on their website. After the 30-day period following that, they will be moving to stage two.

Marcus Yasutake thanked the Board for their feedback and participation.

Brett Ewart gave a disclosure on the groundwater substitution transfer. They are working their way through the process of public comment period. The water board is considering the petitions and should anticipate approval or some feedback within a couple of weeks. Mr. Ewart complimented the Directors of SGA and their staff, Citrus Heights Water District, Fair Oaks Water District, San Juan Water District, Carmichael Water District, Sacramento Suburban Water District, and Sacramento County Water Agency. He said everyone is working very well together and this is the kind of collaboration that will make the water bank successful in the future.

Kerry Schmitz introduced Chris Hunley. He is the Sacramento County's new Groundwater Sustainability Program Manager. The County is happy to have Chris on staff as he has a great deal of experience in groundwater.

Paul Schubert said they filed with the Public Utilities Commission to go to Stage 2, which is their mandatory 20% reduction.

Tim Shaw, Rio Linda/Elverta Community Water District, shared that they will be considering adopting their 2020 Urban Water Management Plan at their next meeting on June 29. They had a previous rate structure that was incompatible with the requirements of the Urban Water Management Plan, so now they will be moving forward.

Bob Wichert said Sacramento Suburban Water District is working to achieve a 20% conservation reduction through education. They are implementing three day-a-week watering in their area.

Ted Costa made a comment that in 1982 or 1983 he and others had a statewide initiative, that compelled the legislature to vote for a balanced budget and it went to the Supreme Court. The Court said you cannot compel elected officials to vote in any way. He believes the portion of this Joint Powers Authority, which says the County Board of Supervisors and the City has to appoint, is null and void and will have no effect on the County at any time. He will be mentioning this in the future.

ADJOURNMENT

With no further business to come before the Board, Chair Yasutake adjourned the meeting at 11:40 a.m.

By:

Chairperson

Attest:

Cecilia R. Partridge, Acting Board Secretary

AGENDA ITEM 4: SACRAMENTO CENTRAL GROUNDWATER AUTHORITY INTEGRATION

BACKGROUND:

On June 11, 2020, the SGA Board adopted a Memorandum of Understanding with the Regional Water Authority and Sacramento Central Groundwater Authority to work cooperatively towards an integration of SCGA into the existing joint operation of RWA and SGA, subject to a framework and guiding principles. A copy of the MOU is attached.

The MOU created an ad hoc committee (titled the 3x3 Committee) of three members from each authority to discuss governance and other matters related to an integration. At its July 5, 2022, meeting, the 3x3 Committee concluded its activities with this statement for its boards:

Considering all of the input from the SGA and SCGA Boards, the 3x3 Ad Hoc Committee was unable to develop consensus around a governance proposal that would broadly satisfy the interests of all SGA and SCGA members and be likely to gain support from the JPA signatories.

Staff recommends rescinding the MOU and disbanding the 3x3 Committee since no governance proposal will be developed with this effort.

STAFF RECOMMENDATION:

Action: Rescind the Memorandum of Understanding of a Strategy for Shared Operations of the Regional Water Authority, the Sacramento Groundwater Authority, and the Sacramento Central Groundwater Authority

Presentation and Discussion: Jim Peifer, Executive Director

Attachments:

SGA SCGA RWA MOU
3x3 Committee Statement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCGA - SGA – RWA

3x3 Ad Hoc Committee Closing

July 5, 2022

The purpose of the 3x3 Ad Hoc Committee was to jointly explore effective and appropriate governance structures for the consolidation of SGA and SCGA. The 3x3 served as a representative group to anticipate and consider issues in developing governance proposals, refining the proposals based on feedback received from the Authorities' boards.

At its July 5, 2022, meeting, the Ad Hoc Committee concluded its activities with this statement for its boards:

Considering all of the input from the SGA and SCGA Boards, the 3x3 Ad Hoc Committee was unable to develop consensus around a governance proposal that would broadly satisfy the interests of all SGA and SCGA members and be likely to gain support from the JPA signatories.

Committee Members

SGA

Chair, Marcus Yasutake

Vice Chair Randy Marx

Director Mary Harris

SCGA

Chair Paul Schubert

Vice Chair Dalia Fadl

Director Brett Ewart

RWA

Chair Dan York

Vice Chair Tony Firenzi

Director Kerry Schmitz

Jim Peifer, SGA and RWA Executive Director

John Woodling, Interim SCGA Executive Director

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 year is nearing its end point. Regular session ends at midnight on August 31st. While bills could still be “gut and amended” in the next few weeks, 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). Additionally, the bill would require the permit applicant to provide a report from a qualified licensed professional that the facility is not likely to impact surrounding domestic wells or contribute to subsidence. It is expected that the bill will be amended further, with amendments possibly addressing liability associated with the report, the scope of the report, the application of CEQA to a well permit, and adding exemptions to the application of the bill’s provisions.
- AB 2895 (Arambula D- Fresno) at one point would have significantly revised the water transfer process. It now maintains the existing water transfer process as is and additionally creates a second voluntary transfer approval process that would require initiation by January.
- SB 1124 (Archuleta D- Pico Rivera) As currently drafted, the bill would require that the State Water Board establish a primary drinking water MCL standard for manganese and the Office Of Health Hazard Assessment establish a public health goal. However, the author has agreed to amend the bill to remove the mandates that a PHG and primary MCL be developed and instead providing guidance to OEHHA and the State Water Board regarding manganese. These amendments essentially restate existing law and the practical effect of the bill as amended will no longer be significant.

Beyond bills, the Legislature and administration continue to finalize details on approved budget appropriations. From SGA’s perspective the primary focus is on \$1.5 billion for drought and climate resilience. It is expected that the details on what that appropriation can be used for will be described by a budget trailer bill or bills passed in mid to late August. Among the items of interest are funding for urban drought, SGMA, and long-term watershed resilience.

Information: Ryan Ojakian, Legislative and Regulatory Affairs Manager

AGENDA ITEM 7: EXECUTIVE DIRECTOR'S REPORT

AUGUST 11, 2022

TO: SACRAMENTO GROUNDWATER AUTHORITY BOARD

FROM: JIM PEIFER

RE: EXECUTIVE DIRECTOR'S REPORT

- a. New RWA/SGA Staff Member** – I am pleased to announce that Ms. Raiyna Villasenor has joined the RWA/SGA. Ms. Villasenor brings a wide variety of water experience including elements of groundwater management.
- b. SGA Outreach** – Mr. Peifer has attended the ACWA DC conference and the National Water Resources Association (NWRA) Western Water Seminar in the month of July. Mr. Peifer focused on bringing attention to the need for groundwater banking and investments the federal government could make to support that effort.
- c. Compensation Study** – The RWA has obtained the services of Regional Governmental Services (RGS) to prepare a compensation study as required under [RWA Policy 400.2](#). The consultant is developing a list of comparable agencies for RWA/SGA staff.
- d. SGA Financial Reports** – Local Agency Investment Fund Statement as of July 2022 and financial reports as of March 31, 2022 are attached. Unaudited income statement as of June 30, 2022 is also included but subject to change as part of fiscal year end reconciliation.

Attachments

- 1. Financial Reports

California State Treasurer
Fiona Ma, CPA



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

August 02, 2022

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

SACRAMENTO GROUNDWATER AUTHORITY

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

[Tran Type Definitions](#)

Account Number: 90-34-020

July 2022 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
7/15/2022	7/15/2022	QRD	1709441	N/A	SYSTEM	1,688.75

Account Summary

Total Deposit:	1,688.75	Beginning Balance:	902,010.64
Total Withdrawal:	0.00	Ending Balance:	903,699.39



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

For the period ending March 2022

Cash in checking account:	\$	327,742
LAIF Balance	\$	901,300

For the period of January 1 to March 31, 2022

Total cash receipts for the period:	\$	336,110
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Total cash disbursements for the period:	\$	74,254
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Per California Government Code 6505.5 (e), SGA reports the following unaudited information:

For the period ending June 2022

Cash in checking account:	\$	71,284
LAIF Balance	\$	902,011

For the period of April 1 to June 30, 2022

Total cash receipts for the period:	\$	56,194
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Total cash disbursements for the period:	\$	312,625
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SACRAMENTO GROUNDWATER AUTH.

Income Statement

June 2022

	12 Months Ended June 30, 2022	Annual Budget	Unused	% Used
REVENUES				
Groundwater Fees Revenue	476,742.00	476,742.00	0.00	100.0 %
Base Administrative Fee	377,570.00	377,570.00	0.00	100.0 %
Special Project Fees Revenue	121,754.76	145,000.00	23,245.24	84.0 %
Program Revenues	169,817.60	0.00	(169,817.60)	
Cash Discount	344.83	0.00	(344.83)	
Interest Income	2,568.49	7,500.00	4,931.51	34.2 %
TOTAL REVENUES	1,148,797.68	1,006,812.00	(141,985.68)	114.1 %
Total REVENUE	1,148,797.68	1,006,812.00	(141,985.68)	114.1 %
GROSS PROFIT	1,148,797.68	1,006,812.00	(141,985.68)	114.1 %
OPERATING EXPENDITURES				
Staff Expenses				
General Salaries	364,788.47	455,941.00	91,152.53	80.0 %
Benefits/Taxes	139,686.05	222,922.00	83,235.95	62.7 %
Travel / Meals	5,503.18	11,000.00	5,496.82	50.0 %
Professional Development	90.00	4,000.00	3,910.00	2.3 %
TOTAL Staff Expenses	510,067.70	693,863.00	183,795.30	73.5 %
Office Expenses				
Rent & Utilities	17,787.25	27,800.00	10,012.75	64.0 %
Insurance	16,648.85	16,500.00	(148.85)	100.9 %
Office Maintenance	0.00	400.00	400.00	
Telephone	4,133.02	3,000.00	(1,133.02)	137.8 %
Dues and Subscription	4,945.94	6,300.00	1,354.06	78.5 %
Printing & Supplies	3,842.47	11,200.00	7,357.53	34.3 %
Postage	679.90	1,700.00	1,020.10	40.0 %
Meetings	110.08	1,400.00	1,289.92	7.9 %
Computer Equipment/Support	14,226.87	20,000.00	5,773.13	71.1 %
TOTAL Office Expenses	62,374.38	88,300.00	25,925.62	70.6 %
Office Furniture & Equipment				
Office Furniture	0.00	3,600.00	3,600.00	
TOTAL Office Furniture & Equipment	0.00	3,600.00	3,600.00	

***12 Months Ended
June 30, 2022***

		<i>Annual Budget</i>	<i>Unused</i>	<i>% Used</i>
Professional Fees				
ADP / Banking Charges	1,045.09	1,600.00	554.91	65.3 %
Audit Fees	14,350.00	14,350.00	0.00	100.0 %
Legal Fees	30,635.66	44,100.00	13,464.34	69.5 %
GASB 68 reporting fee	700.00	0.00	(700.00)	
Consulting Expenses	6,045.60	11,750.00	5,704.40	51.5 %
Budget/audit/actuarial	25,378.75	36,750.00	11,371.25	69.1 %
Human Resources Services	0.00	2,500.00	2,500.00	
Recruiting	200.00	0.00	(200.00)	
TOTAL Professional Fees	78,355.10	111,050.00	32,694.90	70.6 %
Consulting - Program Management				
Annual Basin Management Report	0.00	20,000.00	20,000.00	
Monitor water quality/levels (AB 303)	0.00	5,000.00	5,000.00	
Maintain/Improve DMS	0.00	5,000.00	5,000.00	
Groundwater Modeling	0.00	10,000.00	10,000.00	
SGMA Consulting	132,042.50	88,490.00	(43,552.50)	149.2 %
TOTAL Consulting Program Management	132,042.50	128,490.00	(3,552.50)	102.8 %
Special Projects Expenses				
2022 GSP Imp - Consulting	73,663.95	0.00	(73,663.95)	
TOTAL Special Projects Expenses	73,663.95	0.00	(73,663.95)	
TOTAL OPERATING EXPENDITURES	856,503.61	1,025,303.00	168,799.39	83.5 %
OPERATING INCOME (LOSS)	292,294.07	(18,491.00)	(310,785.07)	-1580.7 %
NET OPERATING INCOME (LOSS)	292,294.07	(18,491.00)	(310,785.07)	-1580.7 %
NET INCOME (LOSS) OF PROGRAM	292,294.07	(18,491.00)	(310,785.07)	-1580.7 %

AGENDA ITEM 8: DIRECTORS' COMMENTS