

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)**  
**Governing Board Meeting**  
**Final Minutes**  
**September 9, 2015**

**LOCATION:** 10060 Goethe Road, Room 1212  
Sacramento, CA 95827  
9:00 a.m. to 11:00 a.m.

**MINUTES:**

**1. CALL TO ORDER AND ROLL CALL**

Dave Ocenosak called the meeting to order at 9:00 a.m.

The following meeting participants were in attendance:

Board Members (Primary Rep):

Tom Nelson, Florin Resource Conservation District/Elk Grove Water District  
Tom Mahon, Agricultural Interests  
Ron Lowry, Omochumne-Hartnell Water District  
Rick Bettis, Conservation Landowners  
Christine Thompson, Public Agencies Self Supplied  
Dave Ocenosak, Sacramento Regional County Sanitation District  
Paul Schubert, Golden State Water Company

Board Members (Alternate Rep):

Todd Eising, City of Folsom  
Britton Snipes, City of Rancho Cordova  
Brett Ewart, City of Sacramento  
Forrest Williams, Sacramento County  
José Ramirez, Sacramento Regional County Sanitation District  
Brian Fragiao, City of Elk Grove  
Charlotte Mitchell, Agricultural Interests

Staff Members:

Darrell Eck, Executive Director  
Sarah Britton, Legal Counsel  
Ping Chen, SCGA  
Ramon Roybal, SCGA

Others in Attendance:

Jonathan Goetz, GEI  
Mark Madison, Florin Resource Conservation District/Elk Grove Water District  
Bruce Kamilos, Florin Resource Conservation District/Elk Grove Water District

Rodney Fricke, Aerojet Rocketdyne

Ali Taghavi, RMC Water and Environment  
Jim Blanke, RMC Water and Environment  
Jafar Faghieh, HDR  
Mark Roberson, Water Forum  
Carl Werder, Resident  
Rob Swartz, Sacramento Groundwater Authority (SGA)  
Jafar Faghieh, HDR  
Walt Sadler, Self  
Scott Morris, Sloughhouse RCD  
Herb Garms, Sloughhouse RCD  
Jay Schneider, Sloughhouse RCD  
Leland Scheinder, Sloughhouse RCD  
Jesse Roseman, The Nature Conservancy

*Member Agencies Absent*

*City of Folsom  
Rancho Murieta CSD  
Agricultural-Residential  
Omochumne-Hartnell Water District  
Commercial/Industrial Self-Supplied  
California-American Water Company*

**2. PUBLIC COMMENT**

None.

**3. CONSENT CALENDAR**

The draft meeting minutes for the July 8, 2015 Board meeting were reviewed for final approval.

*Motion/Second/Carried* – Mr. Bettis moved, seconded by Mr. Williams, the motion carried unanimously to approve the minutes.

**4. OMOCHUMNE-HARTNELL WATER DISTRICT PROPOSAL TO WITHDRAW FROM SCGA**

Mike Wackman, General Manager, Omochumne-Hartnell Water District (OHWD) and Rebecca Smith, Downey Brand LLP, OHWD Legal Counsel, spoke on behalf of OHWD.

Ms. Smith opened by saying that the item title stating that OHWD was proposing to withdraw from SCGA was not accurate and that as long as SCGA was managing groundwater within OHWD, that it would want a seat at the table. Ms. Smith clarified that

OHWD intended to inform the SCGA board as to what it and other interests in South Basin had been doing in relation to the Sustainable Groundwater Management Act (SGMA). Ms. Smith stated that SGMA required coordination between agencies and thus OHWD wanted to communicate its position relative to SGMA and what its next steps were. Ms. Smith stated that OHWD was comprised mainly of agricultural and agricultural-residential groundwater users as well as other like interests and that they wanted to ensure that they remained unified and did not want to see the district split due to its geographic position of straddling two different subbasins. Ms. Smith reviewed OHWD's groundwater management activities and interests. Ms. Smith mentioned that OHWD was working with the City of Galt, Clay Irrigation District, Galt Irrigation District, County of Sacramento, and Sloughhouse Resource Conservation District (Sloughhouse RCD) on development of a Joint Powers Agreement.

Mr. Wackman stated that the South Basin had developed a Groundwater Management Plan (GMP) in 2011 that OHWD was party to along with Sacramento County, Rancho Murieta CSD, The Nature Conservancy, City of Galt, Sloughhouse RCD, and Reclamation District 800. Mr. Wackman stated that OHWD was actively engaged in groundwater recharge efforts but that a governance structure for overall implementation of the GMP was in the process of development when SGMA was enacted. Mr. Wackman then stated that when OHWD considered the implications of SGMA it decided that its interests were more aligned to the interests of the South Basin due to the agricultural focus of its management activities. Mr. Wackman reiterated the message that OHWD did not want to be split in half and was considering either joining entirely with South Basin Groundwater Sustainability Agency (GSA) efforts or to form its own GSA though no action had yet been taken by the OHWD board.

Mr. Schubert asked for clarification on OHWD's statement regarding a concern over being split between multiple GSAs. Ms. Smith responded that the concern was mainly centered on the element of SGMA that allowed for the collection of fees and taxes and that OHWD would prefer to be under a GSA consisting of mostly agricultural interests in the event that such fees or taxes would be imposed.

Mr. Nelson asked if OHWD was pursuing a modification to the Bulletin 118 basin boundary. Mr. Wackman and Ms. Smith both responded that OHWD was not pursuing a modification at that time. Mr. Nelson then asked what OHWD's intentions were in terms of a Groundwater Sustainability Plan (GSP) that would reconcile OHWD's position in two basins. Ms. Smith responded that SGMA allowed for OHWD to develop its own GSP so long as it entered into coordinating agreements with adjacent GSA's to ensure consistency between GSPs.

Mr. Schubert asked what would happen if OHWD did not form a GSA by the mandated deadline. Would put the basin as a whole at risk of being a probationary basin due to a lack of coverage assuming SCGA did apply as a GSA that excluded the OHWD area? Mr. Wackman replied that OHWD was in good financial standing and had the resources to put together its own GSP.

Mr. Ocnosak asked what the difference was from a groundwater sustainability aspect, between participating in a plan that included urban water use and one entirely centered on agricultural use. Ms. Smith replied that a GSP in the central basin that included urban groundwater use would have to cover a broad array of management elements whereas a plan

focused on agricultural use would be more focused and able to account for the specific dynamics of water use and associated recharge.

Question was asked if the subbasin boundaries remained the same, would OHWD have to develop two different GSPs. Ms. Smith responded that OHWD would have to develop two GSPs or buy into two GSPs for each basin.

Scott Morris, Sloughhouse RCD Legal Counsel, spoke as a member of the public representing the Sloughhouse RCD. Mr. Morris stated that the Sloughhouse RCD area completely encompassed the OHWD boundary and included area to the south of the Cosumnes River. Mr. Morris explained that the Sloughhouse RCD position was the same as OHWD in that they wanted to remain under the governance of a body made up of agricultural interests and that they were of the opinion that a basin boundary adjustment should be made that would place Sloughhouse RCD complete within the Cosumnes Subbasin.

Mr. Nelson stated that at the SCGA SGMA subcommittee it was decided that it would be recommended that SCGA would not support a change to the Bulletin 118 boundary.

Mr. Ocnosak asked what OHWD's next steps were. Mr. Wackman replied that the next step was to take the issue before the OHWD board and that precisely what would be taken before that board would depend on what the SCGA board decided to do in terms of GSA formation.

Jay Schneider, Sloughhouse RCD Chairman, spoke as a member of the public to address the Sloughhouse RCD position regarding governance under SGMA and the basin boundary issue.

Mr. Ocnosak stated he was still unclear as to exactly what OHWD was proposing and requested that they come back to the SCGA board when they had a more definitive plan. Mr. Wackman responded that they were asking that if SCGA applied to be a GSA in the Central Basin that it excluded the OHWD from their application.

Mr. Nelson requested a timeline from OHWD that would describe its planned actions relative to its GSA formation to help clarify what SCGA would need to do in relation to its GSA application.

***Action: Information item.***

## **5. SGMA SUBCOMMITTEE REPORT**

Mr. Eck stated that much of what was to be discussed under the SGMA subcommittee report as it related to GSA formation and basin boundary issues was discussed during the previous item and thus he decided to first discuss the outreach plan. Mr. Eck stated that in order to maximize SCGA's outreach, Board members would be asked to act as spokespersons for the SGMA process and to reach out to interested parties that they may already have a connection with in addition to their respective organizations. Staff would also participate in the process by reaching out to identified interested parties, by meeting with them and inviting them to

attend SCGA Board Meetings if desired. The outreach process would include development of a consistent message and presentation in conjunction with the subcommittee.

Mr. Eck then reported that SB13 had been signed into law on September 3, 2015. The Bill addressed many aspects of SGMA compliance but most relevant to the discussion at hand was the provision addressing overlapping GSA boundaries. Mr. Eck explained that the Bill stated that the State would not recognize GSA's that comprised of overlapping boundaries and encouraged filing entities to resolve conflicts prior to GSA application. Mr. Eck then pointed out that the action as was stated on the agenda would likely need to be modified given the information received from OHWD under Item 4.

Mr. Ewart asked Mr. Eck what the effect on the Central Basin would be from a groundwater management perspective if the Cosumnes River area was removed as a management element for SCGA. Mr. Eck replied that there would be significant changes related to the determination of the sustainable yield, groundwater elevation data, groundwater extraction data, surface water supply, total water use, change in groundwater storage, and water budget. Mr. Eck identified them as items of coordination identified by the State and stated that development of a coordination agreement with OHWD would be critical.

Mr. Williams stated that the subcommittee had determined that time and resources would be better spent to work on a coordination agreement than to pursue a change to the basin boundary.

Ms. Thompson stated that she saw no harm with OHWD's desire to govern themselves and that it appeared to her that they were doing what they needed to do in order to accomplish it. She further explained that she recognized that OHWD had unique needs and interests relative to being focused on agriculture.

Mr. Ewart asked what the impact on SCGA would be if OHWD did not file for GSA formation by the deadline. Mr. Eck replied that the legislation outlined steps such as being classified as a probationary basin if certain requirements were not met but the important thing would be for everyone to keep on track and follow through with their respective responsibilities. Mr. Eck then said it would be helpful to have a roadmap identifying OHWD's timeframe for meeting the various milestones required by SGMA. Ms. Thompson stated that it was a fair request and asked if OHWD could provide a timeline. Mr. Wackman responded that some of the timelines were set by the law and that if OHWD did not meet them then it would default to the County to take over which was something that the residents in the area did not want. Mr. Wackman further explained that south area did want the County's partnership and stated that Ron Lowry had spent a lot of time facilitating the County's financial and technical assistance. Mr. Wackman stated that OHWD had yet to identify the exact timelines that they would need to meet because they needed to determine where they stood in relation to SCGA's actions for GSA formation. Mr. Eck stated that if SCGA and OHWD were going to essentially work in tandem on separate GSA formation efforts, each organization would need to know what the other planned to do. Ms. Thompson again asked when OHWD could provide a timeline. Mr. Wackman replied that it would take three weeks.

Mr. Ocenosak asked if the Board could take an action that result in OHWD being removed from the SCGA JPA. Ms. Britton, SCGA Legal Counsel, indicated that it was not necessary to make a determination on OHWD's inclusion in the JPA at that time and that rather, the items required to move forward with establishing a GSA mainly involved stakeholder outreach for the areas that would be included in the proposed GSA and any amendments to the JPA would be made at the time that the SCGA boundary would be modified to be inclusive of the new areas as consistent with the Bulletin 118 boundary and exclusive of OHWD.

Mr. Schubert asked for clarification on when SCGA planned to file an NOI for GSA formation. Mr. Eck responded that it was proposed for January 2016.

Mr. Eck stated that if OHWD was to hold a board meeting as planned the following week, there would be more clarity on their intentions. Mr. Ocenosak then repeated that he would like OHWD to come back and present to the SCGA board the plan it decided upon or actions it took. Ms. Smith replied that the next decision for the OHWD board was whether or not to file as its own GSA or as a part of a GSA including the Cosumnes Subbasin and to set a hearing date for formalizing that decision.

Mr. Williams suggested a motion that would incorporate Ms. Britton's recommendation that an amendment to the JPA could be tabled until later in the GSA formation process.

Mr. Ocenosak suggested that a motion be made as recommended by the subcommittee with a modification that would exclude OHWD from the proposed SCGA GSA.

**Motion/Second/Carried** – Mr. Ocenosak moved, seconded by Mr. Schubert, the motion carried unanimously to direct staff to take actions necessary for SCGA to become the Groundwater Sustainability Agency for an area coextensive with the Bulletin 118 South American Subbasin boundary and exclusive of the Omochumne-Hartnell Water District boundary.

## **6. SCGA FUNDING SUBCOMMITTEE**

Mr. Eck announced that at the April 29, 2015 Budget Subcommittee meeting and at the May 13, 2015 Board meeting staff discussed the current funding model for SCGA as described in the JPA. In those discussions it was recognized that changes in groundwater usage and the new requirements set forth for the development and implementation of SGMA would require the Authority to revisit how annual funding was determined. Mr. Eck stated that staff was recommending the establishment of a subcommittee to evaluate changes in the way annual revenue was calculated and collected for SCGA and make recommendations for adjustment to the Board.

Mr. Nelson asked for clarification on whether the change in funding structure was intended for enabling SCGA to form and GSA or to implement a GSP. Mr. Eck responded that both of those components would be part of the discussion and that the first step would be to look at the current funding structure as described in the JPA and then determine what changes would be necessary to comply with SGMA going forward long term. Mr. Eck stated that it may be

necessary to look at setting up an interim structure designed to fund SCGA during GSA and GSP development. Mr. Nelson stated that an understanding of the ultimate structure of a SGMA management agency would be needed. Mr. Eck responded that such a discussion would be addressed by the subcommittee. Mr. Ocenosak added that the timing of determining the funding structure was urgent.

Recommendation was made to have the existing SGMA Subcommittee assume the additional role of SCGA Funding Subcommittee.

**Motion/Second/Carried** – Mr. Nelson moved, seconded by Ms. Thompson, the motion carried unanimously to direct the existing SGMA Subcommittee to assume the additional role of SCGA Funding Subcommittee.

## **7. EXECUTIVE DIRECTOR'S REPORT**

- a) Government Affairs Update – Mr. Eck reported that there were numerous bills that had been introduced in the legislature that would amend the Sustainable Groundwater Management Act or otherwise change water law. Reported that the Regional Water Authority was tracking bills that related to local and regional issues. A summary of tracked bills (groundwater and otherwise) was attached and could be found at [rwah2o.org](http://rwah2o.org).
- b) Proposition 1 Sustainable Groundwater Planning Grant Program Draft Guidelines and Proposal Solicitation Package for Counties with Stressed Basins – Mr. Eck reported that State DWR had released Draft Guidelines and PSP in August. According to the Draft Guidelines, “A local cost share of not less than 50% of the total project costs is required by Proposition 1.” Special considerations would also be given to disadvantaged communities and economically distressed areas. The Guidelines also described specific program preferences and statewide priorities.

The eligibility criterion for the above PSP is focused on counties. The PSP states:

- The applicant must be a County government.
  - The groundwater basin(s) addressed by the proposal must not be adjudicated.
  - The County must be applying for funding to address sustainability of a stressed groundwater basin.
- c) GAP Committee – The GAP Committee would meet immediately following today's Board meeting.
  - d) Mr. Eck announced that SCGA Clerk of the Board, Heather Peek, had accepted a new job and would no longer be available to serve in her role. Mr. Eck asked board members for suggestions for a replacement Clerk.
  - e) Mr. Eck announced that Carl Werder was appointed to be the Agricultural-Residential representative and Michael Martel was appointed to be the Rancho Murieta CSD representative.

**8. DIRECTORS' COMMENTS**

None.

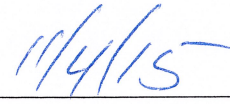
**ADJOURNMENT**

**Upcoming Meetings –**

**Next SCGA Board of Directors Meeting –** Wednesday, November 4, 2015, 9 am;  
10060 Goethe Road, South Conference Room No. 1212 (Sunset Maple).

By:

  
Chairperson

  
Date



  
Date