

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Governing Board Meeting
Final Minutes
May 11, 2016

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

The following meeting participants were in attendance:

Board Members (Primary Rep):

Tom Mahon, Agricultural Interests
Rick Bettis, Conservation Landowners
Christine Thompson, Public Agencies Self-Supplied
Dave Ocenosak, Sacramento Regional County Sanitation District
Paul Schubert, Golden State Water Company
Carl Werder, Agricultural-Residential

Board Members (Alternate Rep):

Brett Ewart, City of Sacramento
Forrest Williams, Sacramento County
Brian Fragiao, City of Elk Grove
Allen Quynn, City of Rancho Cordova

Staff Members:

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

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
Jesse Roseman, The Nature Conservancy
Rodney Fricke, GEI
Paul Siebensohn, Rancho Murieta CSD
Mark Souverville, State DWR North Central Region
Mike Wackman, Omochumne-Hartnell Water District

Mike Eaton, Cosumnes Coalition
Amanda Platt, Sloughhouse RCD
Jay Schneider, Sloughhouse RCD
Lisa Dills, Southgate Recreation and Park District
Mike Koza, Sacramento County Department of Waste Management
Joe Turner, Kleinfelder
Jim Blanke, RMC Water and Environment
Lisa Dills, Southgate Recreation and Park District
Suzanne Pecci, Domestic Well Owner Elk Grove
Ron Pecci, Domestic Well Owner Elk Grove
Kerry Schmitz, Sacramento County Water Agency

Member Agencies Absent

*Rancho Murieta CSD
Commercial/Industrial Self-Supplied
California-American Water Company*

Mr. Ewart announced that there had been a problem with noticing the meeting on the Authority's website and that the required noticing period for the meeting was twenty-four hours short. Mr. Ewart stated that all agenda items would be heard as informational items and that a recommendation to continue each item to the subsequent board meeting could be considered. Mr. Ewart announced that public comments would be accepted and reflected in future minutes and that board member discussion should be limited to basic questions from staff. Mr. Ewart then stated that staff had requested that items four and five be combined.

2. PUBLIC COMMENT

None.

3. CONSENT CALENDAR

Bruce Kamilos, with the Florin Resource Conservation District, requested that the draft minutes for the April 28, 2016 Budget Subcommittee be edited to include additional comments that he had made as a member of the subcommittee during that meeting. Forrest Williams then remarked that he would like to see his response to the comments being referred to by Mr. Kamilos reflected in the minutes.

Motion/Second/Carried – Mr. Williams moved, seconded by Ms. Thompson, the motion carried unanimously to continue the item to the subsequent board meeting.

4. BUDGET SUBCOMMITTEE REPORT AND BUDGET REPORT

Darrell Eck stated that staff recommended the item be changed to an information presentation and continued for deliberation and action at the June 8, 2016 board meeting. Jon

Goetz, GEI, provided a presentation regarding the SCGA finance update which included an overview of the findings of the SGMA/Finance Subcommittees, overview of an updated contribution methodology, estimated level of effort and costs over the next five years, and the finance model assumptions and results (*Note: Mr. Goetz's presentation may be viewed on the Authority's website for the April 20, 2016 meeting date*). Ms. Britton reminded that any discussion by the board should be limited to clarifying questions for staff and that no deliberation amongst the board should occur.

Mr. Bettis asked for clarification regarding the labeling of source funding for ag, ag-res, and conservation landowner contributions. Mr. Eck reminded that the presentation was for information purposes only and that staff would be meeting with legal counsel to discuss the how those particular contributions would be represented in the future.

Mr. Werder asked why the County of Sacramento had no associated contribution amount for pumped groundwater. Mr. Goetz replied that the County was not a groundwater purveyor and that those contributions were associated with the Sacramento County Water Agency. Ms. Britton stated that she would be discussing the presentation of that particular information with staff prior to the June 8th board meeting. Mr. Werder then asked how the pumping total for ag-res users was determined. Mr. Eck replied that staff had previously completed a project which developed a methodology for estimating ag and ag-res pumping.

Mr. Ewart requested that staff follow up with him to discuss updated pumping data for the City of Sacramento within the South American Subbasin.

Mr. Quynn asked if the connection fee would be paid by the customers of the purveyors as a part of a utility bill. Ms. Britton responded that it would be up to the individual purveyors to determine the source their respective connection contribution.

Mike Eaton spoke as a member of the public stating that he had a concern regarding the proposal to charge conservation organizations ten thousand dollars per year. Mr. Eaton stated that those organizations had aggressive programs for ecosystem restoration that included projects that provided enormous co-benefits for groundwater recharge. Mr. Eaton stated that objectively speaking, those organizations should be sending SCGA a bill and not the other way around. Mr. Eaton stated that SGMA was clear in its encouragement that an organization such as SCGA, engage in a collaborative process with conservation organizations to take the projects that they had developed and replicate them at scale. Mr. Eaton stated that SCGA was choosing to pick a fight rather than collaborate those organizations and that it demonstrated how much of a stretch it was to consider SCGA and its authorities, programs, and funding levels as approvable as an alternative under SGMA. Mr. Eaton finished by stating that he would speak further on the subject and SCGA's next board meeting.

Mark Madison, General Manager, Florin Resource Conservation District, stated that FRCD and the Elk Grove Water District generally supported the rate structure being proposed and applauded staff and the consultant for their work in its development. Mr. Madison stated that his organization supported the idea that in order to have a seat at the table you should pay a base charge because there was a cost to having the authority to participate. Mr. Madison then stated that there were three issues that FRCD wanted staff to look into and report back to the board on June 8th. The first was clarification that the proposed funding structure to be

approved was for a one year period. The second was that FRCD wanted to know how much the urban community was subsidizing ag and ag-res and how the subsidy was justified. Third was confirmation that the current Joint Powers Agreement provided ample authority for the board to adopt the proposed fees.

Jesse Roseman, Project Director, Nature Conservancy/Cosumnes River Preserve, stated that fees were not a part of the Water Forum Agreement and that as a non-profit organization and partner for the Conservation Landowner seat on the SCGA Board they were not setup to support them. Mr. Roseman added that the Preserve paid into Zone 13 as a landowner. Mr. Roseman added that the Preserve had less than five groundwater pumps and had added conservation lands that might have otherwise been used for intensive ag. Mr. Roseman asked what the basis for the ten thousand dollar fee was and pointed out that SGMA required environmental interest participation and that it was counterintuitive to have a pay to play arrangement for them.

Motion/Second/Carried – Mr. Bettis moved, seconded by Ms. Thompson, the motion carried unanimously to continue the item to the subsequent board meeting.

5. PUBLIC HEARING TO CONSIDER SCGA BECOMING A GROUNDWATER SUSTAINABILITY AGENCY IN AREAS OF THE SOUTH AMERICAN SUBBASIN (PORTIONS OF BULLETIN 118-03 BASIN 5-21.65)

Mr. Ewart opened the public hearing while noting that the action for the item would be amended by staff. Mr. Ewart said that public comments were welcome and would be carried forward to the June 8th meeting in the minutes. Mr. Eck stated that staff recommended that the board continue the item to June 8, 2016 and to accept any public oral or written comment on the item and that the board consider such public comment via meeting minutes if the commenter did not wish to return for the June board meeting.

Suzanne Pecci, domestic well owner in the City of Elk Gove, stated that she and about one hundred other well owners along Grantline Road would potentially fall under Ommochumne-Hartnell or Sloughhouse RCD and that she was concerned about it because she felt that the whole SGMA process of collaboration, public meetings, and public comments had been high jacked by those entities. Ms. Pecci said that the rush to local control by those entities had disrupted the process and made it about local control rather than sustainable management of the groundwater. Ms. Pecci then said that the residents did not elect the representatives to the local ag boards although there were provisions in the public resources code to provide for voting. Mr. Pecci stated that they were appointed by the Board of Supervisors and from there they elect themselves. Ms. Pecci said that all of the local support mentioned in a SRCD letter from May 6th was limited to local support of the board. Ms. Pecci stated that she understood their feelings about wanting local control but that she felt SGMA had a different intent and that local control in rural counties might mean the ag community should manage the resource but that in Sacramento there were other interests to account for such as the all the citizens of the City of Elk Grove. She stated that times had changed and that they were all locals and that the groundwater resource belonged to everyone not just those representing

Ommochumne or SRCD. Ms. Pecci stated that she feared Ommochumne and SRCD's rush to power and that she opposed both of their GSA applications and basin boundary modification proposal.

Mike Wackman, General Manager, Ommochumne-Hartnell Water District, announced that OHWD had submitted a letter to SCGA regarding SCGA's GSA formation with the request that SCGA not declare as a GSA over its area. Mr. Wackman stated that OHWD had been following all of the public outreach and noticing requirements required by SGMA and reminded that OHWD had been discussing SGMA and GSA formation for months during multiple public meetings. Mr. Wackman then stated that OHWD sought to continue working with SCGA on moving forward with the process of developing of sustainable groundwater management.

Mr. Roseman stated that a large portion of the Cosumnes River Preserve currently covered by SCGA would no longer be covered under the proposed GSA and that it was not clear what entity other than the County or the State would assume GSA management of that area. Mr. Roseman said that the Preserve had enjoyed its relationship with SCGA and requested that he be informed if there were other options besides the County or the State for management of the area. Mr. Eck said he would talk to Mr. Roseman about the issue.

Ms. Thompson stated that she would like similar consideration for the park agency as the conservation interests with regard to paying a contribution. Ms. Thompson said that the park agency was about to become the conservator of a one hundred acre preserve for the US Army Corps of Engineers and that they do not collect water fees although they use wells for irrigation. Ms. Thompson recommended that SCGA outreach to Ward Winchel to discuss the park agency's contribution arrangement going forward. Ms. Thompson finished by stating that the park agency's participation on the SCGA board was important.

Amanda Platt, with the Sloughhouse RCD, announced that they had submitted a letter to SCGA requesting that the public hearing for GSA formation be delayed to allow for additional public outreach. Ms. Platt stated that Sloughhouse RCD sought to continue talking and negotiating with SCGA with respect to Area 3 and the Ommochumne area to try and come to an agreement so that there would not be overlapping GSAs. Ms. Platt stated that the Sloughhouse RCD board was also concerned that its district and the Cosumnes Basin were not represented in the work that would serve as the basis for an Alternative Plan Submittal by SCGA and that they wanted a seat at the table as the Alternative Plan was developed to ensure that all of the constituents of the Cosumnes Basin were accounted for.

Ron Pecci, domestic well owner in the City of Elk Gove, stated he had attended a few of OHWD and SRCD's meetings and was concerned that their experience was limited to serving water to themselves and that they did not have the municipal or professional experience to comply with SGMA to the same level that SCGA could. Mr. Pecci then said that he had come to realize that the groundwater was for everyone not just for agriculture or for himself. Mr. Pecci said it was important to be mindful of the professional experience and credentials necessary for making the correct decision with respect to the basin boundaries. Mr. Pecci stated that he did not want to be under the authority of a group whose only experience was serving agricultural water to itself. Mr. Pecci then stated that for the

Sacramento area, local control should mean regional control and that he would prefer to have professionals managing the groundwater and not farmers.

Ms. Thompson commented that the letter submitted by Sacramento County Water Agency (SCWA) regarding OHWD and SRCD's basin boundary modification proposal brought up the question of how those agencies would account for future development and made the point that the existing plan for the South American Subbasin would have to be redone. Ms. Thompson stated that those were deciding factors for her decision to support SCGA's position. Ms. Thompson said that she hoped that SCGA, OHWD, and SRCD would work together to come up with a plan to move forward toward basin sustainability while accounting for the concerns raised by SCWA. Ms. Thompson said that OHWD and SRCD should be considered separately as they represented different situations.

Jay Schneider with the Sloughhouse RCD stated that SRCD and OHWD were formed by the residents of the area and had been implementing water management projects since the 1950's in addition to various conservation projects with partners such as The Nature Conservancy and Trouts Unlimited. Mr. Schneider stated that the residents within his district were all responsible for their own water systems and that the district's roll would be facilitating the ongoing resource management and conservation projects. Mr. Schneider stated that the path forward was for SCGA to choose to be the GSA for Area 1 and to support the boundary line change. Mr. Schneider said that the boundary line change would follow the jurisdictional boundary of every governmental agency throughout the region's history and that it has never followed the centerline of the Cosumnes River. Mr. Schneider stated that SRCD had the support of the local residents. Mr. Schneider then reiterated that the only way forward was for SCGA to support SRCD and OHWD, for SCGA to not form a GSA over Areas 2 and 3, and to support the basin boundary modification. Mr. Schneider said that if SCGA followed those recommendations, then cooperation and coordination could begin as early as August. Mr. Schneider then said that if SCGA went ahead and filed as a GSA over Areas 2 and 3 then it was assured there would be a fight all the way to the end. Mr. Schneider stated that SRCD had the experience and expertise to act as the GSA and represent the land owners.

Mr. Williams asked if OHWD had a seat on the SCGA Board. Ms. Britton replied in the affirmative. Mr. Williams stated that the mechanism for coordination with them was already in place.

Mr. Ewart then closed the public hearing.

Motion/Second/Carried – Mr. Bettis moved, seconded by Mr. Williams, the motion carried to continue the item to June 8, 2016 and accept any public oral and written comments on the item and that the Board consider said public comments via meeting minutes if the commenter did not wish to attend the June Board meeting.

6. EXECUTIVE DIRECTOR'S REPORT

Mr. Eck announced that on May 18, 2016 the California Water Commission would hold a hearing to consider the Draft Emergency GSP regulations. Mr. Eck said that the issue would be agendaized for the May 16, 2016 SGMA Subcommittee.

Mr. Eck then announced that Elk Grove Dry Well Project 2016 Report had been attached to the agenda package and that he planned to meet with Barbara Washburn to go over the report.

Mr. Eck announced that the SGM Subcommittee would meet on May 16, 2016 at 1 pm.

Mr. Eck then provided a review of regional activities as follows:

- a. April 26, 2016 – Ag Water Authority meeting
 - i. Reported that the Notice of Formation was filed with DWR on April 25 for SRCD and OHWD
 - ii. Discussed basin boundary modification effort
 - iii. Discussed CASGEM monitoring efforts
- b. April 27, 2016 – SCGA presentation at the Elk Grove City Council.
- c. May 13, 2016 – SGMA Work Group for Sacramento, Placer, and Sutter counties will be meeting at RWA office at 9 am.
- d. May 16, 2016 – SCGA/OHWD pre-meeting at the Water Forum. Next step in the mediation process.
- e. June 2, 2016 – Solano County GSA Workshop

Mr. Werder asked Mr. Eck if there was a way to post the various dates in place where people could easily access it. Mr. Eck replied that it was something that staff could work on.

7. DIRECTORS' COMMENTS

Mr. Ewart disclosed that the City of Sacramento had submitted a comment regarding OHWD's basin boundary request.

ADJOURNMENT

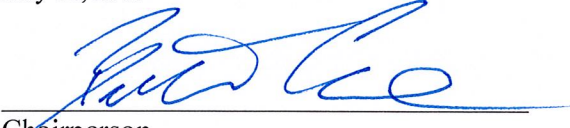
Brett Ewart adjourned the meeting at 11:30 a.m.

Upcoming Meetings –


Next SCGA Board of Directors Meeting – Wednesday, June 8, 2016, 9 am; 10060 Goethe Road, South Conference Room No. 1205 (Valley Oak).

By:

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Governing Board Meeting
Final Minutes – Page 8
May 11, 2016



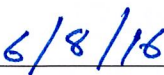
Chairperson



Date



Date



Date

