

**APPROVED**  
BOARD OF DIRECTORS

APR 12 2017

By *Fluence Evans*  
Clerk of the Board

Sacramento Central Groundwater Authority (SCGA)  
Budget Subcommittee Meeting  
Thursday, January 26, 2017

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

Vice Chair, Forrest Williams called the Sacramento Central Groundwater Authority Budget Subcommittee meeting of Thursday, January 26, 2017 to order at 1:33 p.m.

The following meeting participants were in attendance:

### Subcommittee Members

Carl Werder – Agricultural Residential

Todd Eising – City of Folsom

Forrest Williams – County of Sacramento

Bruce Kamilos – Elk Grove Water District/Florin Resource Conservation District

Paul Schubert – Golden State Water Company

### Staff Members:

Darrell Eck – Executive Director

Stephanie Studdert – Deputy Clerk

Ramon Roybal – SCGA Staff

### Others in Attendance:

John Goetz – GEI

Kerry Schmitz - SCWA

### Member Agencies Absent

*Agricultural Interests*

*City of Sacramento*

## **2. PUBLIC COMMENT**

None

### **3. RANCHO MURIETA CSD FUNDING CONTRIBUTION FOR FY 2016/2017**

Executive Director Darrell Eck provided background and correspondence regarding Rancho Murieta CSD funding contribution.

***Motion/Second/Carried*** – Member Paul Schubert moved, seconded by Member Bruce Kamilos, the motion carried unanimously to recommend to the Sacramento Central Groundwater Authority (SCGA) Board to approve the contribution adjustment regarding Rancho Murieta CSD for FY 2016/2017 with those members present. Members Tom Mahon of Agricultural Interests and Brett Ewart of City of Sacramento were absent.

### **4. SCGA FUNDING DISCUSSION**

Jon Goetz of GEI provided a presentation of the overview of FY 2016-2017 and included recommendations of possible adjustments to the current model moving forward. *(Note: The presentation given by Jon Goetz may be viewed on the Authority's website for the January 26, 2017 Budget Subcommittee meeting date.)*

Member Paul Schubert requested clarification regarding the rate consultant that will be attending the February 23, 2017 subcommittee meeting. He stated for clarification that the rate consultant will be concentrating on the long term budget 2018/2019 moving forward.

Executive Director Darrell Eck provided some insight into a discussion he had with a rate consultant. Executive Director Eck stated that a rate consultant provided an estimated timeframe of six month to one year to complete the project. Member Forrest Williams stated that the consultant will need to understand the structure of SCGA, the different organizations, what they each bring to the table and the funding model from each organization. Executive Director Eck stated that the rate consultant will need to know how to define SCGA, individual entity customers and how they relate to the structure that gets developed.

Members Todd Eising and Bruce Kamilos provided concerns regarding timing if the Board decides to go out for a formal Request for Proposal (RFP). Executive Director Darrell Eck stated that a rate consultant is not currently in the 2016/2017 budget. Executive Director Eck provided that staff has estimated \$20,000 out of the 2016/2017 that could be allocated to a rate consultant.

Questions arose regarding the budget contribution model moving forward. Executive Director Darrell Eck stated that the overall contribution structure will remain the same; however, there is a need for some adjustments. Jon Goetz of GEI presented the question of

fairness among the different user categories. Member Carl Werder asked how the estimate for agriculture is calculated. Executive Director Darrell Eck stated that a consultant was hired many years ago to calculate the usage and the process is currently utilized statewide. Member Carl Werder stated concerns regarding metering of wells. Member Paul Schubert suggested that the subcommittee concentrate not on who owns the water but the management of it.

Member Todd Eising suggested that the subcommittee recommends to the SCGA Board to add the voting on the rate consultant to the March meeting agenda. Member Eising requested that staff ask the rate consultant to construct a preliminary scope of work per the subcommittee's suggestions. Member Paul Schubert stated that if the subcommittee made the recommendation to add the rate consultant to the March agenda, then staff would need to have the funding available as well. Member Paul Schubert asked staff if there is an estimate on cost for the rate consultant. Member Forrest Williams stated that the contract could be written in such a way to limit the expense for this fiscal year. Member Paul Schubert stated for clarity that the broadly estimated schedule for a rate consultant is six to twelve months and it could cost an estimated \$50,000 to \$100,000. Member Schubert stated that whether the Board has one or two meetings in March is irrelevant as the possible new rate structure would not be in place until 2018/2019 fiscal year.

It was requested that the rate consultant provides the presentation and then leaves the room for the subcommittee to deliberate. Member Forrest Williams reiterated the need to provide as much information to staff so that staff can provide it to the consultant.

Kerry Schmitz of the Sacramento County Water Agency asked if the five-year budget projection included the costs of an independent staffing arrangement. Kerry Schmitz then stated that it should be the assumption. Jon Goetz replied that during the last fiscal year it had been discussed to transition to a standalone agency with increased staffing costs in two to three years. Member Forrest Williams stated that it had been built into the five-year projections but that it would be brought back to the SCGA Board for a decision. Kerry Schmitz stated that it was the County's preference for SCGA to be independently staffed and that her Board members had received a lot of complaints about a conflict of interest. Member Forrest Williams replied that he had not heard it. Member Paul Schubert stated that he disagreed that a conflict of interest existed. Kerry Schmitz replied that it was a perception issue. Kerry Schmitz stated that she hopes that SCGA naturally evolves into a standalone agency. Director Darrell Eck stated that the SCGA Board had previously made a commitment to address the staffing arrangement. Kerry Schmitz replied that it was her preference that the transition would evolve naturally without being forced.

**5. BUDGET SUBCOMMITTEE MEMBER COMMENTS**

Member Carl Werder recalled a litigation experience prior to SCGA.

**ADJOURNMENT**

Vice Chair Forrest Williams adjourned the meeting at 3:00 p.m.

**UPCOMING MEETINGS**

**Next SCGA Board of Directors Meeting** - Wednesday, February 8, 2017, 9:00 a.m. located at 10060 Goethe Road, SRCSD/SASD Office Building South Community Meeting Room No. 1212 - (Sunset Maple)



  
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Chair, of the Sacramento Central  
Groundwater Authority Budget Subcommittee

ATTEST: S. Studdert.  
Stephanie Studdert Deputy Clerk,  
Sacramento Central Groundwater Authority Budget Subcommittee