

**APPROVED**  
BOARD OF DIRECTORS

**MAY 17 2017**

By *Fluence Evans*  
Clerk of the Board

Sacramento Central Groundwater Authority (SCGA)  
Budget Subcommittee Meeting  
Thursday, February 23, 2017  
REVISED

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

Chair, Brett Ewart called the Sacramento Central Groundwater Authority Budget Subcommittee meeting of Thursday, February 23, 2017 to order at 10:00 a.m.

The following meeting participants were in attendance:

Subcommittee Members

Carl Werder – Agricultural Residential

Todd Eising – City of Folsom

Brett Ewart – City of Sacramento

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

Sarah Britton – Legal Counsel

Stephanie Studdert – Deputy Clerk

Ramon Roybal – SCGA Staff

John Goetz – GEI

Others in Attendance:

Mark Madison – Elk Grove Water District/Florin Resource Conservation District

Jafar Faghih – HDR

Shawn Koorn – HDR

Member Agencies Absent

*Agricultural Interests*

## **2. PUBLIC COMMENT**

None

## **3. UPDATED FINANCIAL MODEL**

Jon Goetz of GEI provided a presentation of the overview of FY 2017/2018 financial model. *(Note: The presentation given by Jon Goetz may be viewed on the Authority's website for the February 23, 2017 Budget Subcommittee meeting date.)*

Member Todd Eising asked whether SCGA would be staffed by County staff or self-staffed moving forward as this discussion arose at the prior Budget Subcommittee meeting. Member Bruce Kamilos stated that he recalled Kerry Schmitz of the Sacramento County Department of Water Resources disclosed that any future budgets should be presented as though SCGA is a standalone agency and not staffed by the County of Sacramento. Member Kamilos further stated that he understood Kerry Schmitz to say that the County of Sacramento wished to step away from the facilitator role for SCGA. Member Forrest Williams stated that the January 23, 2017 minutes have not been published and urged the Members to wait for the minutes. Member Williams continued by stating that he understood Ms. Schmitz to say that she urged the Board to consider the cost of being a standalone agency while in budget development. Member Paul Schubert stated that he also urged the Members to wait for the minutes prior to continuing with the conversation. Chair Ewart requested Member Williams, as the County representative, to provide a letter of intent on behalf of the County if staff recommendation would eventually be to take it to the Board of Supervisors for guidance.

Member Carl Werder requested clarification regarding the Department of Water Resources (DWR) tabling the Alternative Submittal due to the current litigation. Counsel Sarah Britton stated that was not the information that DWR had provided to her at that time. Member Werder asked if there had been efforts to obtain additional entities to join SCGA as there are multiple agencies that have connections and withdrawing water from the aquifer but are not contributing to the management of the sub basin. Counsel Sarah Britton stated that currently SCGA has no authority to charge entities that are not part of the Joint Powers Authority (JPA).

Mark Madison stated that SCGA currently has an inequitable rate structure. Mr. Madison explained that there are some entities in the subbasin that use groundwater that are not contributing to SCGA in addition to other entities that are receiving a discount. Mr. Madison asserted that the rest of the entities that do contribute to SCGA are subsidizing those that are receiving the discount or that are not contributing.

#### **4. SCGA FUNDING WORKSHOP**

Jon Goetz of GEI introduced Shawn Koorn of HDR. *(Note: The presentation given by Shawn Koorn may be viewed on the Authority's website for the February 23, 2017 Budget Subcommittee meeting date.)*

Member Forrest Williams asked if Shawn Koorn of HDR had an approximate time frame for how long it would take to go through the process that was outlined from customer outreach and through Proposition 218 process. Shawn Koorn stated that there are a lot of caveats but that they could possibly do the technical policy level development piece within a three to six month period pretty easily. The time extensive part is identifying the joint costs verses specific costs, different levels of service, and other stipulations. Member Carl Werder asked if there are any models or samples that the members were able to view. Shawn Koorn stated that all of the method are different. Member Forrest Williams stated that the key point was to get each entity to ask the question of what are our customers and trying to get that discussion going.

Member Werder asked for clarification regarding the budget for next fiscal year. Member Werder stated that SCGA should have some idea regarding the cost of a rate consultant. Executive Director Darrell Eck stated that the draft budget does entail some consideration for a rate consultant. Member Paul Schubert stated that it would be beneficial to get to the point of defining the customer and obtain a facilitator that would assist the Board in grouping those customer classes.

Member Todd Eising stated that the budget structure that SCGA is currently using is changing with new State regulations. Member Eising suggested workshops facilitated by a consultant, such as HDR, to aid conversations in defining SCGA's components. Executive Director Darrell Eck provided that staff is thinking that there will be an interim budget for the next fiscal year. Mark Madison thanked the Committee and staff for bringing about the discussion regarding governance, leadership and financing. Mr. Madison further stated that the Committee should first figure out which model to use moving forward. Mr. Madison provided that the model Shawn Koorn presented was a direct assessment model in which the agency is directly assessing the beneficiaries.

Member Forrest Williams provided the need for a discussion regarding customer class. Chair Brett Ewart stated that the benefit of a facilitator is that they help provide structure for this process. Member Bruce Kamilos stated that he would like HDR to provide a proposal to provide this service.

Chair Brett Ewart requested that staff explore options in order to make the best recommendation to the Board. He further stated that he wanted to make sure that SCGA had the best team for the broad variety of customer classes of SCGA. Chair Ewart stated that he believes the Board will ask what kind of competitive bid process staff performed and would like to make sure that staff does its due diligence in this process.

Member Todd Eising asked Shawn Koorn if his team was able to facilitate this properly considering the range of entities SCGA contains. Shawn Koorn stated that his team has the background and could facilitate this.

Executive Director Darrell Eck provided that staff recommends an exploration phase to give members a sense of where we are before initiating a more focused conversations. He further stated that staff would like to have the Budget Subcommittee reconvene in April and schedule a SGMA Subcommittee meeting in.

Member Paul Schubert requested that the exploration phase include identifying the benefits and the user. Executive Director Eck confirmed. Chair Brett Ewart asked if any members had a dispute with the recommendation that staff pursue this exploration phase.

Member Carl Werder asked for clarification as to why the Budget Subcommittee would not be meeting in March. Executive Director Darrell Eck stated that the SGMA Subcommittee would be meeting in March as opposed to the Budget Subcommittee. Member Carl Werder provided his concerns related to the limited timeframe remaining as it relates to discussions prior to SCGA budget approval. Counsel Sarah Britton stated that she was unclear with what staff was proposing as related to the SGMA Subcommittee meeting. She further stated that in regards to the current meeting the subcommittee is still on Item No. 4 and staff is discussing what they intend on doing over the next couple of months. Counsel Britton stated that there will be no action on this item, just simply a discussion as part of the workshop. Counsel Sarah Britton requested clarification regarding staff's intent for the March SGMA Subcommittee meeting. Counsel Britton asked if the discussion that staff intends on having at the March SGMA Subcommittee meeting is a policy discussion that staff is seeking to do and is not budgetary merely whether or not specific action items are necessary to fulfil SGMA. Jon Goetz confirmed.

Member Todd Eising asked if staff will be bringing the recommendation to the SCGA Board in April to have HDR facilitate. Counsel Sarah Britton stated that there will be no formal action by this subcommittee in today's meeting.

## **5. BUDGET SUBCOMMITTEE MEMBER COMMENTS**

Member Carl Werder stated that he has concerns as it relates to the budget reflecting alternative options. Member Werder further clarified by stating that the budget should reflect contingency budget options so that the board is aware of the cost of each. Executive Director Darrell Eck and Jon Goetz demonstrated that staff has included the preliminary GSP effort in case the Alternative Submittal is not approved.

Member Bruce Kamilos stated that Jon Goetz provided at the prior SCGA Meeting, the mid-year budget, and under technical services it stated that \$163,000 had been spent, of that, \$90,000 was spent on the Alternative Submittal. Member Kamilos asked if Jon Goetz could briefly speak to what the other \$73,000 was spent on. Jon Goetz stated that the Water Forum outreach effort and other necessary obligations that staff did not originally scope.

Chair Brett Ewart asked Mark Madison to reiterate what he had previously disclosed relating to a request from Omochumne-Hartnell Water District (OHWD) to have him attend an OHWD meeting and answer some questions regarding the intent of the SCGA Board. Chair Brett Ewart stated that he was uncomfortable with Mr. Madison representing SCGA as he is not a current board member. Mr. Madison provided that Executive Director Darrell Eck should attend on behalf of SCGA. Executive Director Eck provided confirmation that Zone 13 paid the OHWD contribution portion to SCGA. Chair Brett Ewart requested that Mr. Madison not represent SCGA if he attends the OHWD meeting. Member Bruce Kamilos asked Mr. Madison what he believed he should do. Mr. Madison stated that a member or staff of SCGA should go instead of him.

## **ADJOURNMENT**

Chair Brett Ewart adjourned the meeting at 12:21 p.m.

**UPCOMING MEETINGS**

**Next SCGA Board of Directors Meeting** - Wednesday, March 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  
Clerk, Sacramento Central Groundwater Authority Budget Subcommittee