

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Sustainable Groundwater Management Act Sub-Committee
Meeting
Final Minutes
December 22, 2015**

LOCATION: 10060 Goethe Road, Room 1213
Sacramento, CA 95827
1:30 p.m. to 3:30 p.m.

MINUTES:

1. Call to Order and Roll Call

Paul Schubert called the meeting to order at 1:30 p.m.

The following meeting participants were in attendance:

Board Members:

Paul Schubert, Golden State Water Company
Tom Nelson, FRCD/EGWD
Tom Mahon, Agricultural Interests
Brett Ewart, City of Sacramento
Forrest Williams, County of Sacramento
Rick Bettis, Conservation Landowners

Staff Members:

Darrell Eck, SCGA
Sarah Britton, Legal Counsel
Ping Chen, SCGA

Others in Attendance:

Mark Madison, FRCD/EGWD
Bruce Kamilos, FRCD/EGWD
Jonathan Goetz, GEI

2. Public Comment

None

3. SCGA Funding

Mr. Eck provided an overview of the current financial language in the JPA which mainly addressed how budget contributions were calculated.

Mr. Schubert commented that with the increasing movement of water between agencies that it would be important to maintain language that distinguished between ‘surface water users’ and ‘surface water producers’.

Mr. Eck then reviewed the Fiscal Year 2015/2016 contributions by member agency and the budgeted operating expenses. For the current Fiscal Year there was a negative balance between the two of \$420,377. Mr. Eck explained that budget reserves and closing out of the existing AB303 grant project would make up the difference.

Mr. Goetz then reviewed the Sacramento Groundwater Authority’s (SGA) contribution structure followed by an analysis of what SCGA’s contributions might be utilizing a method similar to SGA.

Mr. Schubert pointed out that remediated water, such as that being produced by Aerojet, should be factored into new budget contribution model.

Mr. Goetz described a plan in which the SGMA subcommittee would determine a general methodology for future funding of the Authority followed by a recommendation to the Board to pursue the methodology with the idea of aligning the process for utilization by the Authority’s annual budget subcommittee by March 2016.

Mr. Ewart asked how the Base Fee in the proposed funding model would be determined. Mr. Eck replied that staff would need to get the details of how SGA determined the figure for its budget but that for SCGA’s purposes such an item would be open for analysis and discussion.

The subcommittee discussed incorporating water purveyors that had not previously shown an interest to participate in basin-wide groundwater management. Ms. Britton pointed out that the current discussion was contemplating how to fund the governance structure and not necessarily how to fund implementation of the GSP. Mr. Madison asked if it what was being discussed was more of an interim funding structure and that long-term funding under SGMA might change to something based on a parcel fee. Mr. Eck replied that the funding structure was assumed to be of an interim nature with the presumption that at some point in the future of GSP implementation it would become obvious that another change might be necessary.

Mr. Nelson asked if the current JPA would need to be amended to accommodate a change in the Authority’s funding structure. Ms. Britton replied that the JPA would not need to altered rather it would require a vote as currently prescribed by the JPA.

Mr. Goetz presented a list of near-term 2016 SGMA related costs as follows:

- SGMA/Finance Subcommittee Meetings
- Proposed Monthly Board Meeting
- SGMA Items
 - Boundary Line Adjustments

- GSP Regulations
- GSA Formation
- Coordination Agreements
- Prop 1 Grant Preparation
- SGMA Related Counsel Costs
- Develop GSP – Initial Review and Scope for SCGA
- Additional Operations, Staffing, Legal Counsel, Consultants

MR. Goetz then presented a list of potential SGMA related costs for 2017-2022:

- GSP Development
 - Stakeholder process
 - Review of All Data
 - Revisit Sustainable Yield
 - Assess Undesirable Results
 - Set Goals and Thresholds
- Update Monitoring and Reporting Program
- Installation of Monitoring Wells
- Update and Provide On-Going Support of Model

Mr. Goetz then identified the next steps as:

- Input from Subcommittee on actions necessary to approve changes in finance.
- Counsel review of proposed changes.
- Look for signatory approvals between January 13th and February 26th (need to outreach to the City of Elk Grove and Rancho Cordova).

General discussion ensued related to general funding of the governance structure. Mr. Madison proposed the idea of ‘cover charge’ that would be some baseline fee charged ‘for a seat at the table’. The subcommittee generally concurred with the idea but discussed the issue of how that fee would be paid from specific organizations such as agriculture who currently had its fee paid by SCWA’s Zone 13. Issues of equitability related to the actual source of the fee were discussed.

Mr. Ewart stated that he generally approved of the direction of the proposed funding methodology but sought to gain a better idea of how to reconcile the volumetric versus total water connection fee calculation strategy. He added that the SGA funding model had worked for the City of Sacramento to date.

Ms. Britton pointed out that the Sacramento County Water Agency (SCWA) did not currently have a seat on SCGA. Mr. Schubert asked why it did not. Mr. Eck explained that at the time that it was negotiated it was felt that having an SCWA position on the Board would effectively give the County of Sacramento two votes.

Mr. Ewart added that the overall proposed funding model was good but that detailed discussion on the exact per dollar amounts would need to be negotiated. Mr. Schubert agreed adding that as a better idea of the overall cost of the governance structure became clear, those details could be sorted out.

Mr. Mahon stated that he felt that the methodology was good. Mr. Bettis concurred.

Mr. Nelson stated that he felt the model would serve as a solid interim funding strategy but that a different model would be needed in the future as the cost of GSP implementation expanded. Mr. Madison commented it would be easier to get his board's buyoff on the methodology if it can be shown that every participant contributes a fee.

Mr. Mahon asked if the Conservation Landowner group would be expected to contribute. The subcommittee decided to add Public Agencies Self-supplied, Conservation Landowners, and Commercial/Industrial Self-supplied as potential future contributors.

Subcommittee discussed the differentiation between base costs and associated base fees and annual program costs which would be presumed to be variable and would thus require a separate variable fee.

4. Action Items/Next Steps/Assignments

Mr. Goetz stated that staff would determine more specific operating costs for 2016 and a five-year planning horizon to facilitate further development of the proposed funding model at the next subcommittee meeting. Mr. Madison requested that the analysis incorporate base and variable fee structures.

ADJOURNMENT

Upcoming meetings –

Next SCGA Board of Directors Meeting – Wednesday, January 13, 2016, 9:00 am;
SASD South Conference Room 1205, Valley Oak.

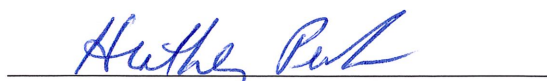
By:



Chairperson

1-13-16

Date



1-13-16

Date