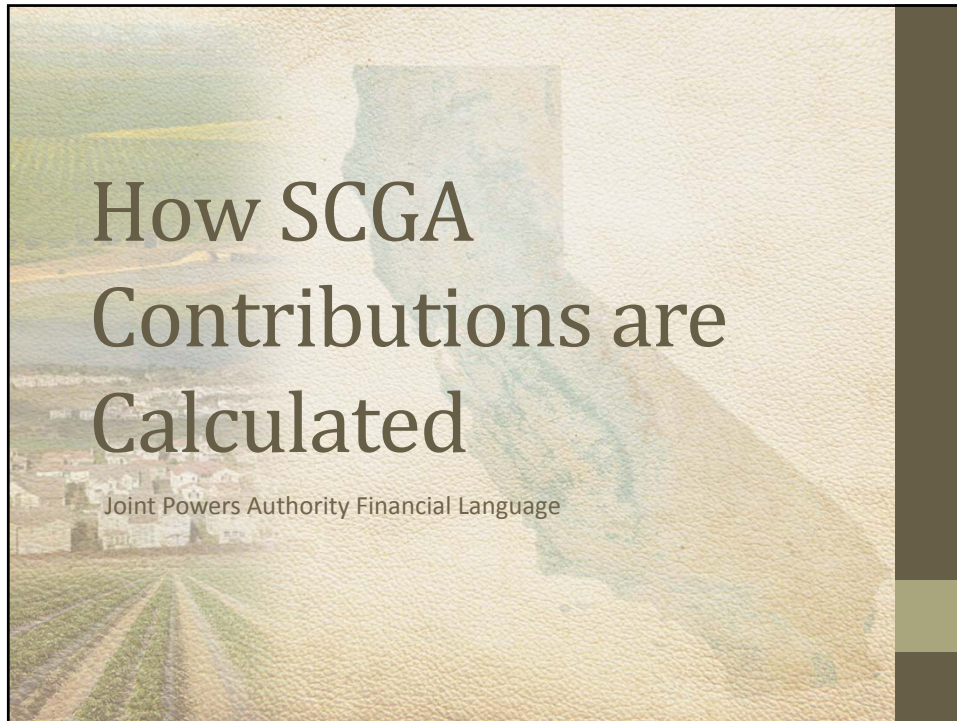




Presentation Overview

- SCGA Joint Powers Authority (JPA)
 - Financial Language
- How SCGA Contributions are Calculated
- How SGA Contributions are Calculated
- Transition to a SGA-Like Financial Model
- Post-SGMA Considerations



Section 8 (d)(i)

(i) An annual contribution by the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento in the amount of ten thousand dollars (\$10,000.00) each. (These entities shall not be required to pay any additional fee or assessment, such as that described in subsection (d)(ii) below.)

Plain Language:

Annual contributions by JPA Signatories shall be **\$10,000** each. (not required to pay any additional fee or assessment)

Section 8 (d)(ii)

(ii) An annual contribution by each of those water purveyors represented on the Governing Board, other than the entities listed in subsection (d)(i) above, that purvey surface water in the amount of six thousand dollars (\$6,000.00).

Plain Language:

Annual contributions by Non-Signatory Governing Board Members who Purvey Surface Water shall be **\$6,000** each.

Notes:

Represents amount established to sit on the Board. No Escalation of Fee Amount.

Section 8 (d)(iii)

(iii) An annual contribution by each of those water purveyors represented on the Governing Board, other than the entities listed in subsection (d)(i) above, that utilize groundwater, calculated at the rate of two dollars and seven cents (\$2.07) per acre foot of groundwater pumped from the basin, averaged over the three previous years and excluding the first five thousand (5,000) acre feet pumped in each of those years.

Plain Language:

Annual contributions by Non-Signatory Governing Board Members who use Groundwater shall be **\$2.07 per AF/Year** excluding the first 5,000 AF/year.

Notes:

Groundwater volume is average over last 3 years. No Escalation of Fee Amount.

Section 8 (d)(iv)

(iv) An annual contribution by agriculture computed at twenty five percent (25%) of the estimated annual pumping (as determined by the Sacramento County Water Agency) at the rate of two dollars and seven cents

Plain Language:

Annual contributions by Agriculture shall be \$2.07 per AF/Year using 25% of their estimated annual pumping.

Notes:

Annual agriculture pumping based on latest unit demand studies. No Escalation of Fee Amount. SCWA pays through Zone 13.

Section 8 (d)(v)

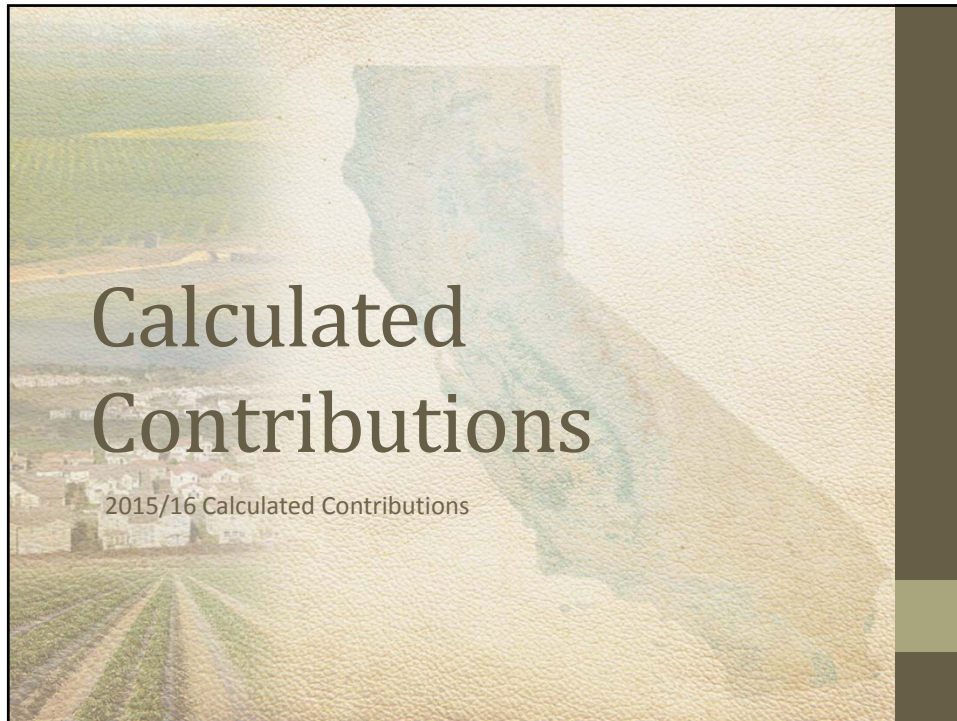
(v) An annual contribution by agriculture/residential groundwater users computed at twenty five percent (25%) of the estimated annual pumping (as determined by the Sacramento County Water Agency) at the rate of two dollars and seven cents (\$2.07) per acre foot and paid out of SCWA Zone 13 funds.

Plain Language:

Annual contributions by Ag-Res shall be \$2.07 per AF/Year using 25% of their estimated annual pumping.

Notes:

Annual Ag-Res pumping based on latest unit demand studies. No Escalation of Fee Amount. SCWA pays through Zone 13.



Signatory Contributions

SCGA Member	Signatory Contribution
City of Folsom	\$10,000
City of Rancho Cordova	\$10,000
City of Sacramento	\$10,000
City of Elk Grove	\$10,000
County of Sacramento	\$10,000

Note:

Signatories are exempt from additional fees

SW Purveyor Contributions

SCGA Member	SW Purveyor Contribution
Rancho Murieta CSD	\$6,000
Golden State Water Company	\$6,000
SCWA	\$6,000

Note:

Some members also pay GW contribution, if applicable

Non-Ag/Ag-Res GW User Contributions

SCGA Member	Average (3 Year) Groundwater Pumping (AF/Year)	GW Contribution
Elk Grove Water District	4,958	\$0
Cal-Am Water Company	18,211	\$27,347
Golden State WC	6,356	\$2,807
SCWA Zone 41	22,773	\$36,791

Note:

\$2.07 per AF/Year over 5,000 AF/Year

Ag/Ag-Res GW Use Contributions

SCGA Member	Estimated Average Groundwater Pumping (AF/Year)	GW Contribution
Ag Interests	125,550	\$64,973
Ag-Res	20,300	\$10,505

Note:

\$2.07 per AF/Year based on 25% of Estimated Pumping Amount

Non-Contributions

SCGA Member
Omochumne-Hartnell
Commercial and Self Supplied
Conservation Land Owners
SRCSD

Note:

Entities with less than 5,000 AF/Year of Pumping

SCGA Member Contributions

SCGA Member	Contribution
City of Folsom	\$ 10,000
City of Rancho Cordova	\$ 10,000
City of Sacramento	\$ 10,000
City of Elk Grove	\$ 10,000
County of Sacramento	\$ 10,000
Elk Grove Water District	\$ -
Rancho Murieta CSD	\$ 6,000
Cal-Am Water Company	\$ 27,347
Golden State Water Company	\$ 8,807
SCWA	\$ 42,791
Ag Interests	\$ 64,973
Ag-Res Interests	\$ 10,505
Total	\$210,423

Estimated Annual Operations Cost (FY15/16)

Cost Item	Operating Expense
Staff	\$291,500
Consultant	\$333,000
Office	\$6,300
Total	\$630,800
Membership Contributions	\$210,423
Difference (Reserves and Grants)	\$(420,377)

How SGA Contributions are Calculated and Example Comparison

SGA Basis and Example Using SCGA Members

SGA Contribution Calculation

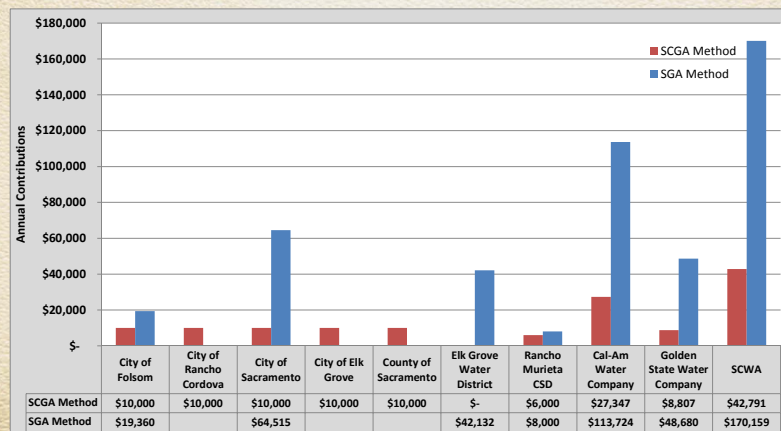
- Base Fee of **\$8,000** regardless of Number Retail Connections
- Minimum Number of **6,000** Connections
- Amount Over **6,000** connections Assessed **\$1.05** per connection
- Average (5 year) Groundwater Use Assessed **\$4.85** per AF/Year with Escalator
- Self-Supplied/Ag/Ag-Res No Charge
- Base fees may need adjusting from time to time to achieve or target **40%** fees supported by base fees.

Note: \$604,500 Annual Contributions vs. **\$852,000** Operating Expenses (FY15/16)

Change in SCGA Contributions Using a Modified Form of SGA Calculation

- Base Fee of **\$8,000** regardless of Number Retail Connections
- Minimum Number of **6,000** Connections
- Amount Over **6,000** connections Assessed **\$1.05** per connection
- Average (**3** year) Purveyor Groundwater Use Assessed **\$4.85** per AF/Year with Escalator
- Ag/Ag-Res/Self-Supplied assessed **25%** of GW Use at **\$4.85** per AF/Year with Escalator
- Base Fees Support **40%** of Total Contribution

Cost Difference by Member



Note:

Ag/Ag-Res Not Shown

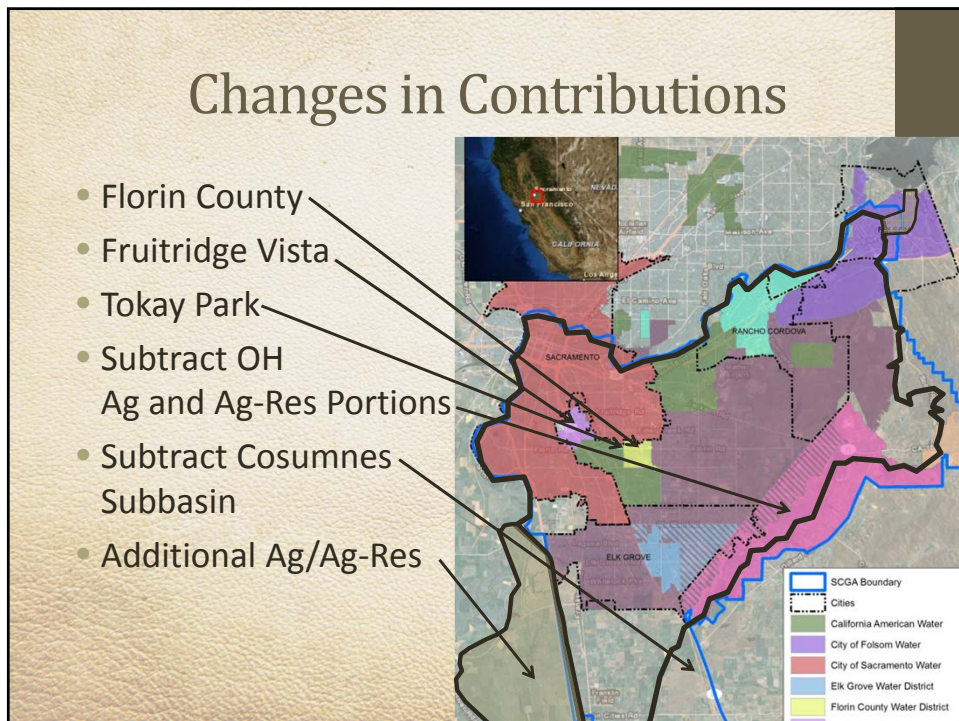
Contributions Using SGA Basis

SCGA Member	Annual Contribution	% Increase
City of Folsom	\$ 19,360	94%
City of Rancho Cordova		
City of Sacramento	\$ 64,515	545%
City of Elk Grove		
County of Sacramento		
Elk Grove Water Service	\$ 42,132	
Rancho Murieta CSD	\$ 8,000	33%
Cal-Am Water Company	\$ 113,724	316%
Golden State Water Company	\$ 48,680	453%
SCWA	\$ 170,159	298%
Ag Interests (OH Removed)	\$ 104,942	62%
Ag-Res Interests	\$ 24,614	134%
Total	\$ 596,126	

Contribution Base Fee Split

Base Fee represents the basic fundamental staff /overhead costs (i.e., no projects, studies, etc.)

- Base Fee **\$207,083**
- Supplemental GW Usage Fee **\$389,040**
- Total Fee **\$596,126**
- Base Fee as Percent of Total = **35%**
- Spreadsheet...if needed



SGMA-Related and 2016 Cost Program

- SGMA/Finance Subcommittee Meetings
- Proposed Monthly Board Meetings
- 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

SGMA-Related and 2017-2022 Cost Program

- 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 for Model

Next Steps

- Input from Subcommittee on actions necessary to approve changes in finances
- Counsel review of proposed changes
- Looking for signatory member approvals between January 13th and February 26th – Need to reach out to City of Elk Grove and Rancho Cordova

End of Presentation