

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Governing Board Meeting
Final Minutes
April 9, 2008

LOCATION: 10545 Armstrong Avenue, Suite 101
Mather, CA 95655
9:10 a.m. to 11:05 a.m.

MINUTES:

1. Call to Order and Roll Call

Chair Scott Fort called the meeting to order at 9:10 a.m.

Roll call was taken; the following meeting participants were in attendance:

Board Members (Primary Rep.):

Edwin Smith, Public Agencies Self-Supplied
Rick Bettis, Conservation Landowners
Ronald Lowry, Omochumne-Hartnell Water District
Ed Crouse, Rancho Murieta Community Services District
Scott Fort, Gold State Water Company

Board Members (Alternate Rep.):

Clarence Korhonen, City of Elk Grove
Walt Sadler, City of Folsom
Albert Stricker, City of Rancho Cordova
Mel Johnson, City of Sacramento
Herb Niederberger, Sacramento County Water Agency
Ruben Robles, Sacramento Regional County Sanitation District

Staff Members:

Sharon Andrews, Clerk, Sacramento Central Groundwater Authority
Ramón Roybal, Sacramento Central Groundwater Authority
Ping Chen, Sacramento Central Groundwater Authority

Others in Attendance:

Ali Taghavi, WRIME
Jim Meier, WRIME

2. Public Comment:

Chair Fort called for public comment. No public comment was made.

3. Consent Calendar:

The draft meeting minutes for the March 12, 2008 Board Meeting and the March 27, 2008 Well Protection Program Subcommittee Meeting were reviewed for final approval.

In connection with Stuart Helfand's remarks on how to define an eligible well, Mr. Korhonen asked why people that drilled their own wells, as opposed to connecting to a domestic system, would not be eligible under the Central Basin Well Protection Program (WPP). He indicated that he tried to research what the Board had discussed previously and found nothing that said those land owners shouldn't be grandfathered in. Mr. Lowry responded that the situation described involved land owners who had an existing connection to a municipal water purveyor's system and then put in their own well to supplement the municipal water supply (primarily for irrigation).

Mr. Niederberger suggested the matter be brought up under Agenda Item 5 (Subcommittee Report/Workshop on Well Protection Program) and to address it as a new topic of discussion rather than debate the issue during the approval of the consent calendar. This was agreed to by the Board.

Motion/Second/Carried – Mr. Niederberger moved, seconded by Mr. Johnson, to approve the minutes.

4. Refined Impact Analysis for the Well Protection Program

Jim Meier presented an overview of the Refined Impact Analysis for the WPP prepared by WRIME and described the methodology used to determine the list of parcels that could potentially be impacted by future groundwater pumping in the Central Basin.

Development of the Refined Impact Analysis

During the development of the *2005 Impact Analysis*, specific data was collected for both domestic and agricultural wells within the Central Basin. This information included screen intervals, well depth and other of well construction data. Once this information was collected, an analysis was done on "model subregions." These model subregions were established during the development of the Water Forum Agreement and are loosely based on the service areas of the various water purveyors within the Central Basin. Within these subregions the information was grouped together to create sample well points. Each of these sample well points was then assigned a level of impact. In the *2005 Impact Analysis*, the impact assigned to a sample well point was determined to be the greatest level of impact encountered at that point.

The *2008 Refined Impact Analysis* took this process one step further by defining the level of impact for each well rather than to a sample well point. These impacts were then analyzed based on the "Project" scenario (the conjunctive use program being implemented by the Sacramento County Water Agency) and the "Reduced Surface Water Availability" scenario identified in the *Zone 40 Water Supply Master Plan (MWH, 2005)*.

The fiscal impact analysis contained in the *2005 Impact Analysis* was not updated because an exact count of the number of existing wells is still unavailable. Such an analysis will need to be done in the future if there is a need for an updated fiscal impact analysis.

Results of the Refined Impact Analysis

Previous calculations have determined that there are approximately 220,000 parcels in the Central Basin. It is unrealistic to expect that all of these parcels would have a well as many are located in urbanized areas and are connected to a municipal water purveyor. In order to come up with a more manageable number, Groundwater Authority staff suggested considering the possibility that parcels less than one acre in size, do not have their own well. An analysis of the Central Basin indicates that there are approximately 12,000 parcels one acre and larger. Subsequent discussions determined that the number of potentially impacted parcels could be further reduced by revisiting the *2005 Impact Analysis* and developing a more refined analysis. The results of the *2008 Refined Impact Analysis* indicates that 3,600 parcels may be impacted under the “Project” scenario and 4,800 parcels may be impacted under the “Reduced Surface Water Availability” scenario. WRIME staff emphasized that the analysis is a risk analysis and that the above numbers represent potentially impacted parcels. Mr. Taghavi suggested that if the Board wished to further refine the impact area a survey could be mailed to each parcel to determine which actually have a well and how many.

Mr. Niederberger asked whether any of the parcels identified within the City of Sacramento would be included in the program, since the City of Sacramento would not be paying the Well Impact Fee. Mr. Johnson indicated that there could be situations in the future where the City of Sacramento would participate in the WPP. For example, there are locations within the City of Sacramento, particularly in the east fringe areas, where five or 10 acre parcels have a municipal water service. The owners of these parcels may want to irrigate in the future but not with metered water; they may opt to drill a well instead. If they do, then they would have to pay the fee. That was why the City of Sacramento requested the language change in the draft Ordinance.

Inclusion of the North Vineyard Program

Mr. Lowry mentioned that inclusion of the North Vineyard program was discussed at the last WPP Subcommittee Meeting. As a condition of inclusion, the North Vineyard program would be designated as the “first call” program for the affected area. In other words, any well benefits paid in this area would be paid out of the North Vineyard program first. If the resources provided under that program were totally utilized, then benefits from the WPP would kick in.

Mr. Fort stated he was under the impression that the North Vineyard program was some type of agreement, and that the program was developer funded. Mr. Lowry said he could not verify the details of the North Vineyard program, but stated that the subcommittee felt that benefits from the North Vineyard program would be called on first in the overlap area. For example, if the North Vineyard program pays up to \$12,000 and the WPP pays up to \$15,000, then the first \$12,000 comes from North Vineyard and the last \$3,000 comes from the WPP. Mr. Johnson asked if paying the difference would be incorporated in the language of the draft Ordinance. Mr. Lowry indicated that that was the essence of the discussion – how to integrate the two plans so that this plan becomes a second resource.

Mr. Stricker mentioned that if the North Vineyard program area is to be included appropriate language will need to be added to the draft Ordinance to properly define the relationship between the two programs. Mr. Fort agreed additional language would be needed and asked that the request be placed on the agenda for the next WPP Subcommittee meeting.

Action

Mr. Fort described the action before the Board as follows. First, approve the impact/benefit area for the WPP based on the Project scenario. This is supported by the *2008 Refined Impact Analysis* and the progress made on the Freeport Project. Second, inclusion of the North Vineyard program area as

part of the WPP impact/benefit area based on the discussion provided by Mr. Lowry on the interaction between the two programs so there's a primary and a secondary, like the coordination of benefits in an insurance program.

Motion/Second/Carried – Mr. Niederberger moved, by a second from Mr. Crouse; Mr. Korhonen abstained.

Mr. Fort moved for approval of the area of impact as described in the *2008 Refined Impact Analysis* for payment of benefits and for inclusion as Appendix 2 of the Central Basin Well Protection Program Ordinance.

Motion carried by unanimous vote.

Mr. Robles stated that Section 2.30.030 of the draft Ordinance makes reference to Appendix 3 which describes the maximum reimbursement schedule for the WPP. Mr. Robles recommended that the WPP's benefit schedule match North Vineyard's. It was suggested the subcommittee look at making the two schedules consistent or provide justification for why they are different. Mr. Fort agreed and polled the Board. The Board unanimously approved the recommendation.

5. Subcommittee Report/Workshop on Well Protection Program

Well Protection Program Subcommittee Report

Currently, Section 2.20.010 of the draft Ordinance stipulates that the well impact fee be assessed on all new construction building permits. Based on discussion at the March 12, 2008 Board meeting and the March 27, 2008 WPP Subcommittee meeting "all" was narrowed to "habitable buildings" only. Building permits for barns, sheds, or similar structures would not be assessed the fee. During the meeting the subcommittee also added Section 2.20.040(C) to the draft Ordinance as previously directed by the Board.

The Subcommittee also discussed an approach for detailing the components of the proposed WPP fee. A set of tables were developed that identifies the primary components of the fee; consisting of the Well Capacity Restoration Cost component (Well Component), the Internal Administrative Cost component (Internal Component) and the External Administrative Cost component (External Component). This approach is the subject of today's workshop.

Workshop on Fee Amount (Appendix 1), Revised Language for Section 2.20.010, the Addition of Section 2.20.040(C), Outreach Requirements and Revisions to the Work Plan

Appendix 1

Two Well Protection Program Fee tables were discussed - a five-year and 14-year fee program based on the Sunset Provision described in the GMP which states, "no earlier than five years after implementing this program, nor later than the beginning of the eleventh year after surface water from the FRWA project is delivered to the Central Basin area, the basin management body shall conduct a comprehensive evaluation to determine whether a continuing need exists to maintain the trust fund."

To determine costs for the Well Component, costs and the number of wells potentially impacted were obtained from the *2005 Impact Analysis*. For the Internal Component, staff relied on experience gained through implementation of the North Vineyard program. These costs are associated with the program registration process and on-going administration costs. Staff assumptions related to these costs are noted on the draft program fee tables. Staff is continuing to coordinate with the various land use agencies on the External Component.

There was some confusion over how costs were represented in the tables, specifically costs for the Well Component of the program. It was explained that the cost is based on various types of rehabilitation that could occur for each well; i.e., lowering the pump bowls, deepening the well or replacing the well. Given that most of the impacts identified in the 2008 Refined Impact Analysis indicated that the “fix” would be lowering the pump bowls, identified overall cost per well is low. The Board recommended staff look into streamlining this component. It was also recommended that the program be based on the 14-year term program fee table and that the number of permits per year should be reduced from 2,500 to 1,100 per year. The Board also felt that given the unavailability of data for the External Component of the fee that staff should estimate the amount at \$10 per building permit.

There was some discussion over whether a replacement well would be excluded from paying the fee. It was pointed out that generally a replacement well has a greater output capacity than the well it replaced because of improved construction techniques. The Board reached no conclusions and took no action on this matter.

Revised and Added Language

No discussion by the Board.

Outreach

Mr. Fort asked if there was any need for a general discussion on outreach or outreach requirements. Mr. Stricker reminded the Board that prior to meeting with the various government agencies that the Groundwater Authority needed to talk to BIA.

Auxiliary Water Systems

Mr. Fort said he recollected a discussion on this subject at a previous Board meeting by Leo Havener from the Elk Grove Water Service (EGWS). Mr. Havener’s concern was that some EGWS customers were drilling wells in their backyards as a means of reducing their water bill. Mr. Havener wanted to know if the Groundwater Authority could do anything to stop this practice. The response was that the decision to allow the drilling of a well was under the purview of the City Council. That’s where EGWS needed to go to get relief.

The EGWS customers in question are located in the east Elk Grove area where the parcels are very large. Basically, these people have an auxiliary water system. Wells for the auxiliary water systems have been drilled over the last five years. Mr. Crouse stated that if the wells were put in during the last five years they should be deep enough that dewatering shouldn’t be an issue.

Mr. Niederberger said there is a flip side to this discussion; that is, whether a property owner can participate in the WPP if they have municipal water sitting five feet from them. Mr. Sadler said it’s something that needs to be addressed, Mr. Korhonen agreed.

Mr. Sadler suggested that the matter be put to a straw vote so that the subcommittee doesn’t go off and draft language for the Ordinance that conflicts with the desire of the Board.

Mr. Korhonen said we have to remember that every council or board has to approve the WPP ordinance, they have that right. Mr. Niederberger said actually they don’t, that they have to direct their representative on this Board whether to vote yes or no, the fact is this Board is independent. If you want to put together language that specifically excludes those parcels that have a connection to a

municipal water supply in addition to their well as a source supply at the time of registration, that type of language would not be difficult to put into this ordinance.

Mr. Smith added that the second part of the original question is if a public water system is adjacent to your property do you have to connect. Mr. Niederberger said he saw this issue a little differently. A better way to ask the question is if the property owner elected not to redrill their well could use the WPP money to connect to a municipal water supply. He said he thought the answer is yes, and that it should be encouraged. Mr. Smith asked if a property owner is currently connected to a municipal water supply and they have an auxiliary system (meaning a secondary well on their property), is that well excluded from the WPP. Mr. Fort asked for a show of hands from those who wish to exclude properties connected to a municipal water supply that have a secondary/auxiliary well from the WPP to raise their hands. Mr. Fort then asked for a show of hands from those who do not want to exclude. Mr. Lowry stated he was ambivalent. The ayes have it to exclude.

Mr. Niederberger instructed staff to add language to the ordinance that would allow the Board to exclude property owners who have an existing municipal water connection and a secondary/auxiliary well. He also directed staff to use language from the California Code of Regulations, Title 17, Cross-Connection Control in order to be consistent with the regulation's description of auxiliary water supplies. Mr. Sadler added that we should include a provision that would allow use of well replacement money to hook-up to a municipal water system. Mr. Niederberger agreed that staff needs to make sure that that is a permitted use of whatever benefit they receive.

6. Budget

Status of 2007/2008 Budget

Mr. Fort called for comments on the Financial Status Report for FY 2007-08. There were no comments.

Mr. Sadler said he had been on the Budget Committee for the 2007/2008 fiscal year and would be happy to serve again. Mr. Niederberger and Mr. Crouse agreed to serve.

Mr. Niederberger said we wanted to applaud staff for being so prudent in their expenditures, particularly keeping a tight rein on the AB 303 grant application contract. Mr. Fort and Mr. Niederberger asked staff if they had an update on the grant application. Staff indicated that information on the status of the grant is supposed to be out in May.

Requests for Contributions

Mr. Niederberger asked staff about the request for contributions. He said it looks like everybody is all paid up for the current fiscal year. Mr. Roybal said staff has collected groundwater pumping data from each of the water purveyors to assist in calculating the 2008/2009 fiscal year contributions. Once the contribution amounts have been determined staff will send out letters to the appropriate members.

7. Executive Director's Report

Mr. Fort indicated that because Darrell Eck was absent there would not be an Executive Director's report.

8. Directors' Comments

Mr. Niederberger stated that he and Mr. Sadler sit on a subcommittee for the Sacramento Groundwater Authority (SGA), the groundwater authority north of the American River, that is currently working on the banking and exchange program element of the North Basin Water Accounting Framework. Mr. Niederberger's concept is to have SGA develop the Water Accounting Framework program for the North Basin and then use that program as a template to develop a similar program for the Central Basin. The plan would be to develop the banking and exchange program element of a future Central Basin Water Accounting Framework around the Freeport Project. A banking and exchange program is important because it provides the means for quantifying how much water is going into and out of a basin and provides information on whether or not we can do exchanges with member agencies or if we can do sales outside the basin. The basic idea behind this type of program is to utilize available capacity within the groundwater basin as a big reservoir. Mr. Niederberger said that to date SGA has participated in the state environmental water account and that they had sold some water several years ago as part of a pilot program. As part of the process SGA is working through a number of banking and exchange issues with the Sacramento Suburban Water Agency who has actively been purchasing up to 29,000 acre feet a year from Placer County Water Agency and storing it in the North Basin. Those issues include who takes credit for the banked water so that if there was an opportunity to market the water it would be understood who would be the first to benefit. There are other issues such as, if you put in 30,000 acre feet could you take 30,000 acre feet out or would it be something less. One challenge for SGA has been that all the models for groundwater banking and exchange programs are in Southern California.

In answer to a question on the status of the evaluation of the Executive Director Mr. Fort indicated that he would try to get the evaluation done before the Board meeting in May.

Mr. Korhonen asked for an update on the Freeport Project. Mr. Niederberger said that he and Forrest Williams from SCWA could provide an update in June. Mr. Niederberger indicated he would discuss the distribution of surface water within SCWA's distribution system and that Forrest Williams would update the Board on construction of the FRWA intake and pipeline.

Mr. Crouse asked for status report on East Bay Municipal Utility District's (EBMUD) portion of the FRWA project. Mr. Niederberger said that EBMUD's project provides for the delivery of water to EBMUD's service area via a pipeline from the terminus of the Folsom South Canal to the Mokelumne Aqueduct. Mr. Niederberger also indicated that it is his understanding that EBMUD has been having problems with their contractors.

Mr. Bettis mentioned that San Joaquin County has an application into the State Board to relocate their point of diversion from Natomas to Freeport.

Mr. Fort asked for a motion to adjourn. Mr. Smith moved and Mr. Crouse seconded the motion at 11:05 a.m.

By:

Mark D. Fort
Chairperson

Date

Attest:

Sharon Andreue

Date

