

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Governing Board Meeting
Final Minutes
August 13, 2008

LOCATION: 10545 Armstrong Avenue, Suite 101
Mather, CA 95655
9:03 a.m. to 10:04 a.m.

MINUTES:

1. CALL TO ORDER AND ROLL CALL

Chair Scott Fort called the meeting to order at 9:03 a.m.

The following meeting participants were in attendance:

Board Members (Primary Rep.):

Stuart Helfand, Agricultural-Residential
Rick Bettis, Conservation Landowners
Edd Smith, Public Agencies Self-Supplied
Ron Lowry, Omochumne-Hartnell Water District
Scott Fort, Golden State Water Company

Board Members (Alternate Rep.):

Albert Stricker, City of Rancho Cordova
Dan Sherry, City of Sacramento
Herb Niederberger, Sacramento County Water Agency
Andy Soulé, California-American Water

Staff Members:

Darrell Eck, Executive Director, Sacramento Central Groundwater Authority
Sharon Andrews, Clerk, Sacramento Central Groundwater Authority
Ping Chen, Sacramento Central Groundwater Authority
Brian Gallucci, Sacramento Central Groundwater Authority

Others in Attendance:

John Garrett

2. PUBLIC COMMENT

John Garrett said he lives at 7160 Sloughhouse Road, and that the groundwater level in his well has dropped below his pump. He wanted to know if there is a grandfather clause for existing wells so that property owners could deepen their wells without having the full sanitary seal required by the County or whether they would be forced to pay \$15,000 to \$20,000 to drill a new well with new pumps and tanks, etc.

Mr. Garrett also wanted to know, if he has to drill a new well, would he be covered by the North Vineyard Well Protection Program. Mr. Garrett went on to say that with all the new construction around him, twelve houses in his immediate area, he and his neighbors are going to be seriously affected. He said he is retired, and \$15,000 to \$20,000 is a significant expense for him. For now, he said, he has hooked up to his neighbor's well.

Mr. Fort said that as a part of the Authority's Groundwater Management Plan the Board is working on developing a Central Basin Well Protection Program. This has been a priority since the Authority was formed in September 2006. Unfortunately, the program is not in place yet, and will not be in place in time to help Mr. Garrett in his current situation.

Mr. Garrett asked if it was possible to be reimbursed for part or all of the expense of putting in a new well after the fact. Mr. Fort responded that the Board would consider it, but that he could not make any promises. He added that it was very helpful that Mr. Garrett came to the meeting to make the Board aware of the problem out there.

Mr. Garrett thanked the Board for its consideration and asked whether the Board could assist him and other landowners with the County so that they would be able to use their existing wells without meeting the current sanitary seal requirements. Mr. Niederberger responded that the rule Mr. Garrett was talking about is part of the County Well Ordinance, which is enforced by the Sacramento County Environmental Management Department (EMD), and that the Authority does not have any jurisdiction over EMD.

Mr. Helfand said he had seen an application for 77 new homes right in that area (Matsuoka), all on their own wells. Mr. Garrett added he had heard that they would be built just south of the canal off Sloughhouse Road. Mr. Helfand said the proposal covers approximately 200 acres. Mr. Lowry added that there is another subdivision going in due south of the canal, Sheldon Hills Unit 3. Mr. Lowry stated that, "Everything is going in on an individual well, although Omochumne-Hartnell Water District tried to get a central water system installed, the County wouldn't support it."

Mr. Garrett said he was all for development, but a lot of it makes it tough on the people that have been out there for a long time. Water is so important and we're just hoping that the County will establish some kind of limits or restrictions on building when so much of it is dependent on individual wells. He said when he originally drilled his well in 1964 water was at 40 feet, it is now down at 171 feet. That is a radical problem, and it's getting worse rather than better.

Mr. Helfand asked him how many miles he was from the North Vineyard well field; Mr. Garrett responded that it is about four miles. Then Mr. Fort thanked him for his comments and asked him to leave his contact information with the Clerk.

3. CONSENT CALENDAR

Mr. Eck asked that approval of the minutes for the July 9, 2008 Board Meeting be continued to September 10th. Staff was unable to get the minutes out in a timely manner so that Board members would have an opportunity to review them completely prior to approval. He went on to

explain that the Board's current Clerk has recently assumed additional responsibilities in her position with the County and will be unable to continue as the SCGA's Board Clerk. He encouraged the Board to begin looking for her replacement as soon as possible. There was a brief discussion of the scope of the Clerk's duties and how to find a replacement.

4. WELL PROTECTION PROGRAM UPDATE

o Counsel review of Ordinance

Mr. Eck said staff has submitted the draft ordinance to counsel for review. Staff also suggested that as part of the review, counsel should look at compatibility with the JPA and also with the Authority's Policies and Procedures to make certain everything works together and that there are no conflicts. Initial comments indicate that counsel would like to modify the structure of the draft ordinance to enhance readability and clarity. Counsel also provided some specific comments on various sections of the ordinance and expressed a potential concern over the applicability of Proposition 218.

- Section 2.20.010 contains the phrase, "a building permit for new habitable construction." Counsel's comment was that they are not quite sure what is meant by the term "habitable construction." One specific example that was given; what about an addition to an existing home? That is habitable construction. The issue being that the Authority needs to clearly define how the fee would be applied when a building permit is issued. Lack of a clear definition could result in a challenge.
- Section 2.20.040 states, "Any other property within the Central Basin that is served exclusively by a surface water supply system is exempt from paying the well protection fee." Counsel stated that the Authority needs to be specific with any exemptions that are provided. Lack of specificity could result in a challenge.
- Section 2.25.010 states, "any legal parcel to which water is furnished or sold from an approved public water system which has an auxiliary water system," etc. Counsel questioned how the Authority can demonstrate that a particular parcel meets this description. In this particular case, staff believes it could be addressed during the registration process.
- Counsel indicated the possibility of a Proposition 218 issue because of the connection between a fee and property. This issue will be discussed with John Whisenhunt, Assistant County Counsel, and Bob Ryan, County Counsel. It is expected that there will be some clarification and a potential resolution of this issue within the next couple of weeks. If counsel finds that Proposition 218 is an issue then Mr. Eck and the Chair will meet with John Whisenhunt to discuss the problem and possible solutions, if any, prior to discussing it with the Board.

Mr. Niederberger asked if there is a third majority protest provision in SCWA's water development fee, saying that is how Proposition 218 manifests itself in these cases. If a

majority of the voters protest the fee, then it has to go to a vote. Mr. Eck indicated that SCWA doesn't go through that process with development fees. As counsel explained it, the issue seemed to be related to the nature of the organization and the fees connection to property. Counsel's initial suggestion was that to resolve the issue it would be best if the WPP was implemented by the land use authorities. That is what counsel is trying to clarify right now, whether or not the problem truly exists as it relates to the Authority, and if it does, what are the potential remedies for that.

- **Fee Collection**

Staff met with County of Sacramento staff on July 17, 2008, to discuss general requirements for setting up a fee collection mechanism with the County. Three general steps were identified. First, staff will need to provide a shape file to the County's GIS department. The shape file defines the boundary of the area where the fee will be collected. Parcels within the boundary will then be flagged for collection of the fee when a building permit is issued. The second step is coordination with two other County divisions – AFS (Accounting and Fiscal Services) and LDSIR (Land Division and Site Improvement Review), where the building permits are actually issued, – to set up appropriate coding so that fees collected can be transferred to the Authority's WPP Trust Fund. In the third step information developed in the first two steps will be sent to another County department called OCIT (Office of Communications and Information Technology) where they will incorporate the necessary provisions into the software (ACCELA) so that County staff can identify parcels at the counter where the Authority's fee needs to be collected. This is the structural mechanism that needs to be set up; it will go along with whatever business arrangement the Authority needs to set up with the County.

Providing counsel doesn't have any bad news regarding Proposition 218, staff will need to have that same kind of meeting with all of the other land use authorities to see what kind of mechanisms need to be set up in their respective jurisdictions.

- **Collection of fees from well drilling.**

Staff met with EMD staff on August 11, 2008, to discuss collection of the proposed Well Impact Fee that would be paid when a well drilling permit was issued. According to EMD, their fee collection program is not set up to accommodate the collection of fees for other departments or agencies. EMD staff did indicate that they could notify the Authority when a well drilling permit was issued, it would then be the responsibility of the Authority to determine if a fee should be collected and then collect the fee if appropriate.

During the meeting, staff asked EMD to provide the Authority with a list of all domestic and agricultural wells that have been drilled over the last ten years and on which parcels. Staff will then compare that with a parcel list for the Central Basin to see exactly how many wells have been drilled during that time period and make an estimate of revenues.

Another option for collecting the fee is through the electrical permit. Staff will evaluate this process and see if sufficient information is provided in order to calculate a fee. Ultimately, if the Authority moves forward with collecting a fee at well drilling, information relative to well diameter or horsepower will need to be known in order to calculate the fee.

Mr. Helfand asked if EMD could add new programming to their fee collection program in order to collect the fees. Mr. Eck said it could be done, but it would be at the Authority's expense and that cost estimates would have to be obtained to identify just what that cost might be. But, staff should investigate the electrical permit first and see if that is a way that the Authority can do this without having to create something new.

Mr. Bettis said the County is set up with systems to accomplish the task but wondered whether Folsom, Elk Grove and Rancho Cordova have that capability. Mr. Eck said Folsom does because Mr. Sadler told the Board that they already collect fees for the Sanitation District. The question is whether or not the City of Elk Grove and Rancho Cordova have similar types of mechanisms. Staff needs to discuss this issue with the Cities in a similar manner as we did with the County.

Mr. Niederberger wanted clarification on whether the fee would be assessed for new wells only, not to rehab wells or replace wells. Mr. Eck indicated that it is the intent to assess only new wells.

o **One-page summary.**

Staff sent a copy of the WPP summary to all members of the Board and everyone who is on the current mailing list on July 30, 2008. The text of the summary was fully vetted through the City of Elk Grove before it was sent. Elk Grove was satisfied that the summary would meet the needs of its various managers.

Staff wanted to know if anyone had any comments on the summary. Mr. Sherry asked if a map could be included to show the program boundaries, and Mr. Eck indicated a map will be provided.

o **Revision to the Work Plan.**

With the comments made by counsel there most likely will be some changes required to the Work Plan. Potential changes include: Proposition 218 issue and recommendations from the WPP Subcommittee. An updated Work Plan should be ready for distribution at the Board Meeting in September.

Action:

Staff requested that the Chair reconvene the WPP Subcommittee to discuss language issues in the ordinance raised by counsel, discuss the collection of fee on new wells, discuss the appeal process for wells outside the established benefit area and then report back on recommendations to the Board.

Mr. Fort stated he feels that's the way to handle it, and he asked if any other Board members have any comments on how to move forward based upon Mr. Eck's report of counsel's initial review.

Mr. Bettis said regarding the map that shows the boundaries of the benefit area, as determined by the modeling, we talked last month about how to handle an appeal by people outside the boundaries. Mr. Eck said that is one of the topics of discussion on WPP Subcommittee's agenda. Mr. Bettis said he thinks there are legitimate cases that do fall outside the boundary of the benefit area that should be eligible for reimbursement by the WPP. Mr. Eck said we have the results of the enhanced impact analysis, and this is the boundary that was established through that analysis. The Authority needs to discuss conditions relative to Mr. Garrett's or other similar situations and then make an informed decision on how to proceed.

Mr. Niederberger added that wells like TNC's are under the influence of the Cosumnes River and as a result would be much more susceptible to periodic drought. Because of that susceptibility, the WPP was not intended to insure those wells, but to insure wells that would have been impacted through a lack of surface water coming in for residential subdivisions currently being served by groundwater.

Mr. Bettis said the question is how difficult the Authority is going to make it for the folks that happen to fall outside the benefit area.

Mr. Fort called for reconvening the WPP Subcommittee.

Motion/Second/Carried – Mr. Smith moved, seconded by Mr. Lowry, to reconvene the WPP Subcommittee.

5. EVALUATION OF EXECUTIVE DIRECTOR

- **Report back on progress on evaluation of the Executive Director.**

Mr. Fort confirmed that we do not need to agendaize and provide a 72-hour notice for the evaluation review. He said he drafted a performance evaluation and received comments back from Mr. Crouse, who is not present today, agreeing with and approving the evaluation. Mr. Fort said he would find a good time to meet with Mr. Eck, review it with him, gather any comments he may have, make any necessary changes, and then bring it before the Board as an Action Item next month. He asked if the Board had any objection to moving it forward as described, and no objections were raised.

Action: Review the performance evaluation with the Executive Director, make revisions as necessary, and bring the evaluation before the Board for a vote at its next scheduled meeting.

6. EXECUTIVE DIRECTOR'S REPORT

- **Status of AB 303 grant application.**

Ping Chen attended the grant kickoff meeting on August 8, 2008. Discussion centered on the grant agreement between the Authority and the State. The State anticipates execution of the contract by the end of August. Mr. Eck said he is working with counsel on it. The first reimbursement should be available in January 2009.

The AB 303 grant was applied for to assist us in updating and fully developing our data management system (DMS). The DMS is where the Authority stores information relative to groundwater levels, wells, water quality and will assist the Authority in determining compliance with the basin management objectives outlined in the groundwater management plan.

- **Expiration of County Appointed Board Members Terms.**

Almost everyone who was appointed to the Board by the County has their nominations in. One we're still waiting for is the Sanitation District, and that Board member and Alternate nomination will be approved at the Sanitation District's August 27, 2008 Board meeting. The Board letter for all nominees will be submitted on September 2, 2008, and will be at the Board of Supervisors for approval on September 30, 2008.

- **Cosumnes River Flow Augmentation Project. (Off Agenda Item)**

The Cosumnes River Flow Augmentation Project (Project) is a pilot project that was defined through an agreement between SCWA, the Nature Conservancy, and the Agricultural Water Authority in 2005. The objective of the Project was to provide prewetting of the Cosumnes River in the fall to assist salmon and other migrating fish and also provide a means for groundwater recharge. The term of the agreement for the pilot program is almost at an end and the project proponents are looking at establishing a more long-term program. In doing so the project proponents are looking for additional partners for the program and the SCGA seems to be a logical choice.

The objectives presented seem to be consistent with the groundwater management plan's Basin Management Objective No. 4, which is: "[P]rotect against any adverse impacts to surface water flows in the American, Cosumnes, and Sacramento rivers. The project proponents would like to make a presentation next month on their proposal. If that is acceptable to the Board, Mr. Eck said he would make the necessary arrangements. Mr. Fort said he thought it was a good idea, and the rest of the Board agreed verbally.

7. DIRECTORS' COMMENTS.

Mr. Smith said he will start his eighth term on the Southgate Board.

There being no further comments from the Directors, Mr. Fort asked for a motion to adjourn. Mr. Niederberger moved, Mr. Smith seconded the motion, and the meeting was adjourned at 10:04 a.m.

By:

Scott D. Fort
Chairperson

9/10/08
Date

Sharon Andrews

9/10/08
Date

