

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)

Governing Board Meeting

Final Minutes

January 13, 2010

LOCATION: 10060 Goethe Road, Room 1212
Sacramento, CA 95827
9:00 a.m. to 11:00 a.m.

MINUTES:

1. CALL TO ORDER AND ROLL CALL

Chair Walt Sadler called the meeting to order at 9:00 a.m.

The following meeting participants were in attendance:

Board Members (Primary Rep):

Stuart Helfand, Agricultural Residential
Scott Fort, Golden State Water Company
Ed Crouse, Rancho Murieta Community Services District
Rick Bettis, Conservation Land Owners
Ron Lowry, Omochumne-Hartnell Water District
Ruben Robles, Sacramento Regional County Sanitation District

Board Members (Alternate Rep):

Clarence Korhonen, City of Elk Grove
Walt Sadler, City of Folsom
Albert Stricker, City of Rancho Cordova
Leo Havener, Elk Grove Water Service

Staff Members:

Ping Chen, Sacramento Central Groundwater Authority
Ramon Roybal, Sacramento Central Groundwater Authority
Heather Hawke, Clerk, Sacramento Central Groundwater Authority

Others in Attendance:

Rodney Fricke, Aerojet
Ali Taghavi, WRIME Inc.
Jim Blanke, WRIME Inc.
Jon Traum, WRIME Inc.

Member Agencies Absent

Commercial/Industrial Self-Supplied (vacant)
California – American Water Company
City of Sacramento
County of Sacramento
Public Agencies Self-Supplied
Agricultural Interests

2. PUBLIC COMMENT

None

3. CONSENT CALENDAR

The draft meeting minutes for the meeting held on November 10, 2009 were reviewed for final approval.

Motion/Second/Carried - Mr. Fort moved, seconded by Mr. Helfand, the motion carried unanimously to approve the minutes.

4. LOCAL GROUNDWATER ASSISTANCE GRANT

Presentation on Local Groundwater Assistance (AB 303) Grant Funding Opportunities by Ali Taghavi (WRIME)

The AB 303 grant was enacted to provide grants to local public agencies to conduct groundwater studies or to carry out groundwater monitoring and management activities. Department of Water Resources (DWR) anticipates funding will be available in the state's fiscal year 10/11 budget. According to DWR's website, the proposal solicitation packages are scheduled to be released in February 2010 with proposal applications due in April 2010 and grants are expected to be due in July 2010. Local public agencies with authority to manage groundwater may apply to up to \$250K, with the source of funding through Proposition 84.

Mr. Taghavi began the presentation by providing a recap of the status of the Data Management System (DMS) Update Project funded by an AB303 grant awarded to the Authority in June 2008. When completed, the DMS will provide for comprehensive data compilation, consolidation, and quality control, improved access to data, improved analysis capabilities, and the ability to quantify progress in implementation of the Basin Management Objectives (BMOs).

Mr. Taghavi then gave an overview of the other analytical tool used in the Central Basin – SacIGSM including:

- Schematic of IGSM;
- Coverage of the regional IGSM;
- Model applications for the Sac-IGSM in the past; and
- Updates to the SacIGSM in 2008.

Mr. Taghavi went on to describe the major data items used in IGSM consisting of:

- Historical hydrologic data for 1922-2004 (including daily hydrologic record and monthly ET records);
- Five land use surveys and 14 crop types;

- Agricultural pumping estimates;
- Data for approximately 500 purveyor wells; and
- Flow Data for the American, Sacramento, and Cosumnes Rivers and their interaction with groundwater.

Mr. Taghavi then identified some data gaps in the following areas for SacIGSM:

- Agricultural production
- Agricultural-residential production
- Water quality data
- Water levels
- Aquifer properties, and
- Subsidence data

Based on the status of the DMS and SacIGSM, Mr. Taghavi recommended to the Board the proposed project that the Authority would consider for the AB303 grant application would focus on improving the Authority's monitoring plan and fill the data gaps in IGSM. More specifically, the Authority would develop a more defined groundwater monitoring plan, locate and install multi-completion monitoring well(s), perform aquifer test on new /existing wells to acquire more data for aquifer properties, perform water quality test for rural areas or deep aquifer to obtain the water quality data for these areas, and install transducers in new or existing wells to fill in the gap for the subsidence data in SacIGSM model.

Mr. Taghavi's presentation material is also posted on the Authority's website:
<http://www.scgah2o.org/default.asp?year=2010>

• **Discussion on AB 303 Grant Proposal Presentation**

Mr. Bettis asked if the upper and lower thresholds described in the GMP, with regard to groundwater monitoring, would be updated in the development of the monitoring plan mentioned in Mr. Taghavi's presentation. Mr. Taghavi responded that it was not within the current scope of work to update that information but that the thresholds could be updated when more water level data becomes available in the future.

Mr. Crouse asked if changes could be made to the IGSM to take into account the State's 20x2020 water demand reduction goal as well as the new landscaping ordinance that was just adopted by the land use planning entities. Mr. Crouse also inquired as to the level of effort required to make those changes. Mr. Taghavi answered that such a model could be set up for simulation. He mentioned that it would require a reworking of the assumed land use conditions used in the model to look at the build-out conditions based on an updated general plan. Mr. Taghavi further mentioned that updated land use conditions had been incorporated within the IGSM in order to analyze water supply changes resulting from the construction of the Freeport Project and the introduction of new surface water supplies. He explained that they were able to look at the general plan build-out versus the current base line conditions to see what the impacts would be for both the groundwater and surface water system. Mr. Taghavi stated that, based on this experience, changes in the model could be a simple process or complex depending on which assumptions were used.

Mr. Crouse also commented that the model uses historical hydrological data thus making it more of a look-back tool. He expressed concern that with the basin moving forward with more stringent water demand reduction, the model would need to be more of a forecasting tool versus a look-back tool. Mr. Crouse continued by stating that the focus of DMS development should be on management activities, particularly as they pertain to funding opportunities, as opposed to refining the model, as it was his belief that the model was sufficiently accurate and that there may be a better strategy for being awarded a grant. Mr. Robles added that SRCSD has plans to implement a larger recycled water project that would result in recycled water use in lieu of groundwater. He stated that evaluating the impacts and benefits of increased recycled water use within the basin, as well as groundwater banking and water accounting framework opportunities, would be an example of a forecasting utility with the model.

Mr. Crouse then inquired as to the level of accuracy that might be achieved from filling the data gaps in the model. Specifically, Mr. Crouse referred to groundwater level and asked if the current model has a groundwater level bandwidth of five or ten feet of accuracy, would that bandwidth drop to one foot or less? Mr. Taghavi responded that it is not so much an accuracy issue, as there is no data at all in certain areas. Mr. Crouse said he understood that but wanted to be clear with what would be achieved from filling in the missing data. Mr. Taghavi said the proposal plans to get additional water quality data in addition to groundwater level data with the purpose of gaining a broader understanding of basin characteristics. Mr. Crouse said that he would want to look at recycled water impacts, recharge, and subsidence because those are the issues that residents are concerned with. Mr. Korhonen inquired as to whether it was possible to collaborate with another entity on a grant proposal, and if it would increase SCGA's chances to be awarded funds. Mr. Sadler responded that if SCGA were to collaborate on an AB 303 grant proposal it would be limit the total amount the project could be awarded. Mr. Sadler suggested that Mr. Taghavi could refine the scope of work to take a look at some reclamation demands and its impact on the basin.

Mr. Taghavi pointed out that all three Sacramento area groundwater basin management entities were awarded grants during the 07/08 funding cycle. Mr. Chen mentioned that WRIME and SCGA staff had met to discuss the logical next step for the Authority to take with the completion of the DMS. Staff also looked at the SGA projects that were awarded AB303 grant funding in the past and noticed that SGA was awarded an AB303 grant to install eleven monitoring wells after SGA had updated its DMS. Mr. Chen explained that staff felt that the Authority might have better chance of getting funded by following SGA's footsteps to develop a groundwater monitoring plan. Mr. Crouse said that the DWR may eventually run out of money if SCGA were to spend too much time and effort to enhance the model and as a result, SCGA may have a difficult time finishing any projects. Mr. Robles relayed that there is a balance between identifying the data gap that we deeply need to fill and putting more emphasis on projects using the model as a forecasting tool.

Mr. Fort agreed with Mr. Crouse's comments and with Mr. Robles's idea of using the model for forecasting purposes. He questioned whether or not SCGA must rely on consultants to fill the data gaps. He further stated that he believed the current model to be sufficient to investigate how the basin would respond to water demand reduction and recycled water

application. Mr. Fort concluded by reminding everyone that the purpose of the model is to make a good policy decisions. Mr. Havener said he would like to see the Board emphasizing future management activities and would focusing more on the future sustainability of the basin.

Mr. Sadler suggested that Mr. Taghavi work with staff and to circulate information out to the Board to get a general consensus on the scope of work to be included in the AB 303 grant proposal. Mr. Robles stated he would like to see the Water Accounting Framework be supported for future efforts. Mr. Sadler suggested the various Board members send Mr. Eck an e-mail of what they'd like to projects they'd like to include on the grant application so that they can be prioritized in order to develop a consensus for the scope of work. The scope of work could then be fine tuned it at the next Board meeting.

Mr. Sadler then called for a vote to authorize application for an AB 303 grant and adopt a resolution designating the Executive Director of the Authority as the authorized representative to enter into an agreement with the State for the AB 303 grant.

Motion/Second/Carried – Mr. Sadler motioned, seconded by Mr. Robles, to authorize application for an AB 303 grant and adopt a resolution designating the Executive Director of the Authority as the authorized representative to enter into an agreement with the State for the AB 303 grant, the motion carried unanimously to get approve a resolution.

Lastly, Mr. Sadler called for a vote among the JPA signatories to authorize the Executive Director or his designee to enter into a contract with WRIME to complete and submit an AB 303 grant application for an amount not to exceed \$20,000. The vote was unanimous among the JPA signatories that were present.

5. WELL PROTECTION PROGRAM UPDATE

Report back on activities related to the development of the Review and Authorization to Proceed (RAP) package.

Mr. Roybal, communicating Mr. Eck's talking points, stated that at the last board meeting there was considerable discussion on what should be done to move the Well Protection Program (WPP) forward. The primary focus was setting up a trigger for program implementation. Another issue raised was the BIA coordination. Significant work can be done without having to immediately resolve these two issues. The concept of the trigger was developed to ascertain when conditions of the housing market had improved sufficiently such that the land-use agencies could move forward comfortably in the implementation of the WPP. Staff had suggested using 800 building permits as the threshold for the trigger because that was the number of permits necessary to generate sufficient cash flow to initiate and complete the registration and field verification aspect of the program within a reasonable time frame and to provide some cash for setup of the Trust Fund. Mr. Roybal, continuing with Mr. Eck's talking points, clarified for the Board that in the November Board meeting, the 800 building permits suggested as a trigger represented a basin wide threshold but that within individual jurisdictions, the number would be less. The decision would need to be made by each individual jurisdiction as to the number of building permits they feel comfortable with to trigger the implementation of the WPP and the collection of the Fee.

In response, Mr. Sadler stated that the Board's concern should be with the cumulative impact of groundwater use within the Basin and that the current objective for the Board is simply to get a commitment from the land-use agencies to proceed with the WPP. Mr. Stricker mentioned that he would like to establish communication with the BIA regarding the WPP and Fee in order to gauge their reaction and to solicit feedback. Mr. Stricker explained that it would serve as useful preparation for presenting the program to his City management for discussion. Mr. Helfand stated that the BIA had already agreed to the WPP program during development of the CSCGMP and reminded that the BIA has a designated seat on the Board but chooses not to attend the meetings. He questioned why the Board needed to involve the BIA prior to moving forward with the program. Mr. Havener concurred with Mr. Helfand stating that he did not believe it necessary to communicate with or seek BIA approval because in his experience, they would resist any imposition of a fee even when the economy was thriving and thus hinging the progress of the WPP to BIA concurrence was not prudent. He felt that it was not in the Board's best interest to involve the BIA until implementation of the WPP. Mr. Fort agreed that acquiring BIA approval was not a reasonable expectation and that it should not be an obstacle, particularly at the moment, because all the Board was looking to do was acquire a commitment from the land-use agencies to move forward with developing the WPP.

Mr. Roybal continued with Mr. Eck's talking points relating, recalling that Mr. Niederberger had mentioned that he had discussions with the BIA concerning fees for the Sacramento County Water Agency and that the BIA was strongly opposed to any fee increases at this time. Mr. Roybal continued, stating that as was recommended in original WPP work plan, a meeting with the BIA would serve to remind them of the basis of the program and to bring them up to speed with the approach that the SCGA Board is taking with it. A more detailed outreach wasn't scheduled until the Ordinance was completed, reviewed by council, and all fee issues had been resolved. Mr. Roybal recalled that Mr. Starsky had mentioned at the November board meeting, that the Authority and the individual land-use agencies needed to be very strategic in their approach with the BIA and had perhaps by making sure to present the fee as a necessary resource preservation measure for ensuring water supply reliability. Mr. Roybal reminded the Board that the action at the last meeting was to provide an opportunity for Board members to comment on the RAP package prior to advancing it within their respective organizations. Mr. Roybal reported that since the November Board meeting staff had not received any comments regarding the RAP package and that they had taken the opportunity to make a number of changes to the document that they believed reflected comments made at the previous meeting as could be seen on the "strikeout" and "clean" copies of the document provided in the Board package.

Mr. Crouse stated that although each entity operates independently when it comes to adopting resolutions, it was his suggestion that everyone agree on a common Resolution in order to communicate a united effort and to eliminate potential conflicts during implementation. He concluded by stating that it would be benefit any potential coordination with the BIA and everyone else involved to present a consistent and common resolution that everyone could agree to.

Motion/Second/Carried – Mr. Fort motioned to adopt the action item, that representatives of the signatories to the JPA consult with their staff, management, and governing bodies regarding the WPP and the RAP package and take the necessary steps to adopt a resolution that commits them to a process of developing a WPP, in coordination with the Authority, within their jurisdictional boundaries, Mr. Sadler seconded, the motion carried unanimously.

6. EXECUTIVE DIRECTOR'S REPORT

Mr. Sadler read Director Eck's report:

- Financial Audit
 - The financial audit by Vavrinek, Trine, Day and Company is in progress. Results and recommendations should be available at the March 10, 2010 Board meeting.
- AB 303 Grant Reimbursement Status
 - To date, four invoices have been submitted to State DWR for costs incurred between November 2008 and December 2009. Reimbursement payments for the first three invoices have been received by the Authority totaling \$99,907. The fourth invoice, for \$34,446, is still outstanding.
 - According to DWR staff, the funds raised through the bond sale in March/April 2009 only provided sufficient funds to pay each grantee up to \$100,000. Given this situation, staff asked DWR what the delay would be for claims beyond the initial \$100,000. DWR staff indicated that there may not be any delays and that they were looking for other sources of money for reimbursement.
- DMS update status
 - In order to complete the entry of groundwater pumping data into the DMS, WRIME requires certain pumping data from Cal-Am. Staff has relayed this request to Cal-Am and is waiting for their response.
 - Staff has discussed with DWR the possibility of extending the project schedule as a result of progress delays associated with the State's financial situation. DWR staff has said that extensions will be evaluated on a project by project basis to ensure that each grantee has sufficient time to complete their project. DWR staff indicated that a revision to the Authority's contract could occur within the next couple of months.
 - WRIME will be providing a demonstration of the DMS at the March 2010 Board meeting.
- Conflict of Interest (Form 700)
 - At the beginning of each year the State of California requires designated positions within the Authority to file Conflict of Interest Form 700 (see Authority Policy 100.2 for disclosure categories). These forms are to be submitted to the SCGA office by **April 1, 2010**. Please address them c/o Ramon Roybal, 827 7th Street Room 301, Sacramento, CA 95814. Forms can be located online at: <http://www.fppc.ca.gov/>.

7. DIRECTOR'S COMMENTS

Mr. Sadler mentioned to Mr. Stricker that it would be good idea to meet to discuss BIA coordination to which Mr. Stricker concurred. Mr. Korhonen stated that would like to be included in any such meeting.

ADJOURNMENT

Upcoming Meetings –

**Next SCGA Board of Directors Meeting – Wednesday, March 10th, 2010. 10060
Goethe Road, Sacramento, CA; SASD South Conference Room 1212 (Sunset Maple).**

By:

Walter Sadler
Chairperson

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Date

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Date

