

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS**

Wednesday, May 9, 2012; 9:00 am
10060 Goethe Road
Sacramento, CA 95827
(SASD South Conference Room No. 1212 – Sunset Maple)

The Board will discuss all items on this agenda, and may take action on any of those items, including information items and continued items. The Board may also discuss other items that do not appear on this agenda, but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this agenda.

The public shall have the opportunity to directly address the Board on any item of interest before and during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker.

- 1. CALL TO ORDER AND ROLL CALL – 9:00 a.m.**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR**
 - Minutes of March 14, 2012 Board meeting.
 - Minutes of the April 26, 2012 Budget Subcommittee
Action: Approve Consent Calendar items
- 4. BUDGET SUBCOMMITTEE REPORT**
 - Review Budget Subcommittee recommendations for the 2012/2013 fiscal year budget.
Action: Approve resolution adopting the fiscal year 2012/2013 budget recommendation for SCGA.
- 5. GROUNDWATER BANKING PROJECTS**
 - Presentation on developing the Water Accounting Framework for the Sacramento Groundwater Authority's North Basin by Rob Swartz, Senior Project Manager, Sacramento Groundwater Authority.
Action: Information presentation.
- 6. EXECUTIVE DIRECTOR'S REPORT**
 - a) Local Groundwater Assistance (AB 303)
 - b) South Area Water Council
 - c) HydroDMS

7. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings –

Next SCGA Board of Directors Meeting – Wednesday, July 11, 2012, 9 am; 10060
Goethe Road, South Conference Room No. 1212 (Sunset Maple).

AGENDA ITEM 3: CONSENT CALENDER

BACKGROUND:

Minutes of the March 14, 2012 SCGA Board meeting.
Minutes of the April 26, 2012 SCGA Budget Subcommittee meeting.

STAFF RECOMMENDATION:

Action: Approve Consent Calendar items.

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Governing Board Meeting
Draft Minutes
March 14, 2012

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 Paul Schubert 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
David Armand, California American Water Company
Rick Bettis, Conservation Landowners
Ed Crouse, Rancho Murieta Community Services District
Ron Lowry, Omochumne-Hartnell Water District
Edwin Smith, Public Agencies Self-Supplied
David Ocenosak, Sacramento Regional County Sanitation District

Board Members (Alternate Rep):

Paul Schubert, Golden State Water Company
Darren Wilson, City of Elk Grove
Todd Eising, City of Folsom
Elizabeth Sparkman, City of Rancho Cordova
Jim Peifer, City of Sacramento
Herb Niederberger, County of Sacramento

Staff Members:

Darrell Eck, Executive Director, SCGA
Heather Peek, Clerk, SCGA
Ping Chen, SCGA
Ramon Roybal, SCGA

Others in Attendance:

Bruce Kamilos, Elk Grove Water District
Jose Ramirez, SRCSD
Amanda Platt, California Association of Resource Conservation Districts
Jim Blanke, RMC
Rodney Fricke, Aerojet Corp.
Mark Roberson, Water Forum
Rob Swartz, Sacramento Groundwater Authority

Mary Lou Cotton, Kennedy Jenks
Walt Sadler, HydroScience Engineers Inc.
Bill Konigsmark, Sacramento County Water Agency
Steve Dalrymple, West Yost Associates
Derrick Williams, HydroMetrics WRI
Mark Salmon, Parsons-Brinkerhoff

Member Agencies Absent

Agricultural Interests

2. PUBLIC COMMENT

None

3. CONSENT CALENDAR

The draft meeting minutes for the January 11, 2012 Board meeting, the January 17, 2012 Ag-Res Water Conservation Subcommittee meeting, and the February 28, 2012 Ag-Res Water Conservation Subcommittee meeting, were reviewed for final approval.

Motion/Second/Carried - Mr. Bettis moved, seconded by Mr. Lowry, the motion carried unanimously to approve the all items.

4. CALENDAR YEAR 2012 INVESTMENT POLICY FOR THE POOLED INVESTMENT FUND

Mr. Eck stated that because the Authority's funds are held by the County of Sacramento, they are part of the County's pooled investment fund which is subject to investment policies which are reviewed by the County Board of Supervisors on an annual basis. Mr. Eck pointed out that a copy of the County's investment policy for 2012 had been provided in the board package, and reported that the County's Director of Finance recommended that the report be received and filed by the SCGA Board. Mr. Eck added that any questions regarding the policy could be directed to Julie Valverde, Director of Finance for Sacramento County, or Bernard Santo Domingo, Chief Investment Officer.

5. 2010-2011 AUDIT REPORT

Mr. Eck introduced Bill Konigsmark, Accounting Manager for Sacramento County Water Agency (SCWA) and the Sacramento County Department of Water Resources (DWR). Mr. Konigsmark provided an overview of the 2010 – 2011 Audit Report as conducted by Vavrinek, Trine, Day & Co. Mr. Peifer stated that it looked like the auditors did a limited examination on internal controls and wanted to know if they had any questions that came from it. Mr. Konigsmark replied with no, there was not any concern. Mr. Lowry asked about the twenty percent annual budget reserve and whether or not it was law or policy. Mr. Konigsmark said that it was required according to the Authority's Joint Powers Agreement (JPA). Mr. Ocenosak wanted to know if the insurance components referred to in the report

would undergo a risk analysis. Mr. Konigsmark replied that there was currently a process of determining whether or not it was necessary.

6. FISCAL YEAR 2012/2013 BUDGET

Mr. Schubert requested for volunteers to form a budget committee to prepare a budget recommendation for the 2012-2013 fiscal year. Mr. Niederberger, Mr. Peifer and Mr. Bettis volunteered. Mr. Eck mentioned that purveyor groundwater pumping data was needed for preparation of the budget. It was decided that all such data be submitted to staff by April 16, 2012. Mr. Niederberger noticed a recent decline in regional groundwater pumping and requested that the budget discussion include a trend analysis of recent annual groundwater pumping totals.

7. LOCAL GROUNDWATER ASSISTANCE GRANT

Jim Blanke from RMC presented information regarding the AB 303 Local Groundwater Assistance Program grant application. He stated that a draft Proposal Solicitation Package (PSP) was currently out and that a final PSP was expected in late spring or early summer. Mr. Blanke stated that the Authority's proposal would center on Central Basin GMP Basin Management Objective #2: Maintain specific groundwater elevations within all areas of the basin consistent with Water Forum "solution". Specifically, development of groundwater elevation thresholds as addressed in Appendix B of the Central Basin GMP. Mr. Blanked reviewed slides describing the steps necessary to establish groundwater thresholds including, updating data records within the HDMS, revision and possible aggregation of the polygon grid, and identification of data gaps. Mr. Blanked then discussed the second part of the AB 303 proposal which would address the mapping of recharge areas, per the requirements of AB 359, including that recharge maps to be part of an agency's GMP in order to receive grant funding.

Mr. Niederberger asked if it was the intent for the recharge maps to address conditions solely within the central basin or if it would identify areas outside of the central basin as well. Mr. Blanke replied that most likely mapping would be for areas both inside and outside of the basin but that it had not been fully determined as yet.

Mr. Eck stated that in conjunction with Mr. Blanke's presentation, staff requested that the Board authorize the application for an AB 303 grant and to adopt a resolution designating the Executive Director of the Authority as the authorized representative to enter into agreement with the State for the AB 303 grant.

Mr. Schubert inquired about the cost of the application/grant proposal and about the grant amount being sought. Mr. Eck said the amount authorized for the grant application was for up to \$20,000, which was consistent with what had previously been spent and that the maximum amount of the grant was \$250,000. Mr. Ocenosak asked if there was a match requirement to which Mr. Eck replied in the negative.

Motion/Second/Carried - Mr. Helfand moved, seconded by Mr. Niederberger, the motion carried unanimously to authorize the application for an AB 303 grant and to adopt a resolution designating the Executive Director of the Authority as the authorized representative to enter into agreement with the State for the AB 303 grant.

8. RECOMMENDATIONS TO THE BOARD FROM THE AG/AG RES WATER CONSERVATION SUBCOMMITTEE

Mr. Eck gave brief introductory remarks regarding the agricultural-residential conservation subcommittee that was formed on September 8, 2010 to address Central Basin GMP, Program Component 2 action items related to groundwater sustainability, specifically through the implementation of best management practices (BMP) aimed at reducing agricultural-residential water usage. Mr. Eck reported that after several meetings the subcommittee had recommendations for the Board. An information presentation was given by subcommittee member Amanda Platt, California Association of Resource Conservation Districts, on the Ag-Residential Irrigation Efficiency Component of the 2011 Proposition 84 Regional Water Efficiency Project. Staff requested that the Board follow the subcommittee's recommendation to authorize the expenditure of \$10,000 to augment monies received from the Prop. 84 grant. The money would go toward supporting workshops and increasing the number of surveys and incentives provided to the ag-res community within the Central Basin.

Mr. Peifer stated that the City of Sacramento could not support the recommendation. Mr. Smith stated that in his experience, such efforts resulted in minimal participation from the community. Mr. Helfand concurred with Mr. Smith and stated his disapproval of the proposed workshops.

Mr. Niederberger inquired about the measurement for success of the program. Ms. Platt responded that tracking of the total number of workshops given and follow up data from water audits would be used.

Motion/Second/Carried – Mr. Niederber moved, seconded by Mr. Bettis, the motion carried by majority to authorize the expenditure of \$10,000 to augment the agricultural-residential irrigation efficiency component of the 2011 Proposition 84 Regional Water Efficiency Project. Mr. Peifer, Mr. Smith, and Mr. Helfand opposed.

9. GROUNDWATER BANKING PROJECTS

Mary Lou Cotton, Kennedy/Jenks Consultants, was introduced and gave an information presentation on various groundwater banking projects throughout the State of California.

Mr. Bettis asked if there was an estimate of the total potential capacity of banked water state wide. Ms. Cotton replied that she did not know off hand but speculated that there may be an estimate in the California Water Plan. She further mentioned that the Kern Water Bank, the largest water bank in the state, had already demonstrated the ability to bank one million acre-feet.

Mr. Crouse asked how long water banks have been in used in California and what their effects are on subsidence and water quality. Ms. Cotton replied that the oldest water bank has effectively been operated since 1900. With respect to subsidence, Ms. Cotton stated that it would vary throughout the state depending on the geology and hydrogeology of a given area. With respect to water quality, Ms. Cotton stated that in

general, water banks have a positive effect though in areas with naturally occurring arsenic, issues may arise with pumping water into such an area that may create conflicts with Federal standards related to arsenic concentrations in pumped groundwater.

10. EXECUTIVE DIRECTOR'S REPORT

Mr. Eck provided an update regarding the California Statewide Groundwater Elevation Monitoring (CASGEM) program, stating that staff had been working with California Department of Water Resources (DWR) staff on the addition of three monitoring wells in the City of Folsom and that DWR had accepted an updated SCGA monitoring plan on March 5th. Mr. Eck announced that the South Area Water Council (SAWC) met on March 6th 2012 to consider resolutions providing direction on moving forward with developing a governance structure, amending their current JPA, and adopting a groundwater management plan. The Ag Water Authority Board adopted a resolution that provides for a single representative from designated stakeholder groups and made recommendations for potential funding. Follow-up meetings involving the provisions of the resolution and the participating parties have not yet been scheduled. Mr. Eck also reminded Board members to provide a wet copy of the Statement of Economic Interest Form 700 by April 1st.

11. DIRECTORS' COMMENTS

Mr. Helfand announced that he had been meeting with Teichert Corporation regarding their new development along Jackson Highway and the potential of creating a well protection program.

Mr. Niederberger announced that he had been invited to speak at the Aerojet C.A.G. regarding the Sacramento County Water Agency/Aerojet agreement.

Mr. Schubert announced that Golden State Water Company had sent out for bid, a proposal to drill a replacement well for existing wells lost due to perchlorate contamination from Aerojet.

ADJOURNMENT

Upcoming Meetings –

Next SCGA Board of Directors Meeting – Wednesday, May 9th, 2012. 10060 Goethe Road, Sacramento, CA; SASD South Conference Room 1212 (Sunset Maple).

By:

Chairperson

Date

Date

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Budget Committee Meeting
Draft Minutes
April 26, 2012

LOCATION: 827 7th Street, Room 301
Sacramento, CA 95814
9:30-10:30 a.m.

MINUTES:

1. CALL TO ORDER AND ROLL CALL

Meeting commenced at 9:35 a.m.

The following meeting participants were in attendance:

Board Members (Primary Rep.):

Rick Bettis, Conservation Landowners

Board Members (Alternate Rep.):

Jim Peifer, City of Sacramento

Herb Niederberger, Sacramento County Water Agency

Staff Members:

Darrell Eck, Executive Director, SCGA

Ping Chen, SCGA

Ramon Roybal, SCGA

Others in Attendance:

None

2. PUBLIC COMMENT

None

3. DISCUSSION OF THE 2012-2013 FISCAL YEAR BUDGET FOR THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

Mr. Eck began by discussing the declining trend of groundwater pumping by Authority purveyors and the associated decline in annual contributions. Mr. Eck pointed out that if annual contributions continued to decline at a similar rate, certain programs of the groundwater management plan (GMP) may be affected. Mr. Eck reported that the Sacramento Groundwater Authority (SGA) had experienced a similar decline in north basin pumping and recommended that SCGA look at how SGA addressed the issue. Mr. Eck discussed the possibility of adjusting the calculation used to determine the annual contribution from a three-year pumping average to five years, or of including the number of

service connections as a factor of the contribution calculation. The purpose would be to develop a strategy to stabilize annual contributions at a level sufficient to sustain implementation of the GMP. Mr. Eck then recommended that staff begin looking into it, perhaps at the discretion of a sub-committee. Mr. Niederberger pointed out that SGA may differ in the number of fixed contributions.

Mr. Niederberger stated that he wanted to see more detail related to line item number four of Attachment F describing “GMP Related Expenses”.

Mr. Peifer stated that SGA was investigating the effect of climate change and was curious if SCGA had been asked to participate. Mr. Eck responded that he had met with Rob Swartz of SGA and Derrick Whitehead of the City of Roseville, and that it was his sense that SCGA would not be asked to contribute. Mr. Peifer then asked if SCGA would investigate those effects on its own. He expressed a concern that many existing GMP’s are potentially weak at addressing climate change when used in reference for the requirements of SB 610 and AB 221. Mr. Eck responded that he saw it more of an applicable issue for the individual purveyors but that there was potential for it to be addressed as a part of the Central Basin’s Water Accounting Framework development.

Mr. Niederberger called for a move to recommend the proposed 2012-2013 FY Budget to the SCGA Board for approval pending the recommended additions. Mr. Peifer moved with a second by Mr. Niederberger.

4. SUBCOMMITTEE MEMBER COMMENTS

None

5. ADJOURNMENT

With no further business to discuss, meeting adjourns at 10:30 a.m.

By:

Chairperson

Date

Attest:

Date

Date

AGENDA ITEM 4: BUDGET SUBCOMMITTEE REPORT

BACKGROUND:

The proposed 2012-2013 fiscal year budget was developed based on the program requirements (GMP Related Expenses) described in the Central Basin GMP. The budget also provides for support costs (Staff Expenses) including the Executive Director, Administration support, Legal Counsel, Financial support, Contract services, and Travel/Conference expenses; consultant services (Consultant Expenses); and overhead costs (Office Expenses) such as General Liability Insurance, office supplies, etc. Based on the Board's decision to postpone work on the Well Protection Program at the January 12, 2011 Board meeting, no funding has been recommended for said program in the 2012-2013 fiscal year budget. The following provides a summary of the attachments to the Board item.

- Attachment C – Funding
 - Funding is based on the provisions of the JPA [Section 8(d)].
 - Funding from all sources totals \$254,492.
- Attachment D – Provides a breakdown of the overall budget
 - Means of financing:
 - Prior year fund balance: \$704,421
 - Contributions: \$254,492
 - AB303 Grant \$250,000
 - Interest income: \$2,000
 - TOTAL: \$1,210,913
 - Expenditures:
 - TOTAL: \$513,989
 - Sufficient money remains in the fund balance to meet the 20 percent reserve requirement identified in the Authority's Policy and Procedures (see Attachment A – Fiscal Year 2012-2013 Authority's Budget).

In response to questions raised at the last Board meeting, the Budget Subcommittee also discussed declining revenues resulting from a reduction in groundwater pumping. As mentioned in the discussion of Attachment C, funding or “contributions” for the operation of the Groundwater Authority is defined in Section 8(d) of the JPA; a major component of these contributions are based on the amount of groundwater pumped in the basin. The attached table, SCGA Water Purveyor's Annual Groundwater Pumping and Contributions, provides specific details related to Annual Groundwater Pumping, 3-year Moving Average Pumping, and Annual

Contributions. As can be seen in the Annual Groundwater Pumping section of the table, reported groundwater pumping has been declining since 2008. As contributions are based on 3-year Moving Average Pumping, overall contributions are down \$14,000 annually based on the highest year – 2009. Part of the reduction can be attributed to hydrologic conditions and local economic conditions, but a significant component is the further implementation of the Sacramento County Water Agency’s (SCWA) conjunctive use program through start-up of the Vineyard Surface Water Treatment Plant. It is expected that operation of the Vineyard facility will result in a further decline in groundwater pumping and in contributions to the Groundwater Authority. After discussing proposed Vineyard operations with SCWA, staff developed the attached graphs to determine where groundwater pumping could be over the next three years. According to this analysis overall groundwater pumping could go as low as 45,130 acre-feet annually by 2014. This would reduce annual contributions to the program to \$213,190; a reduction of \$55, 473 from the 2009 peak.

The Sacramento Groundwater Authority (SGA) has had a similar experience and has taken a number of measures that ensure a more stable level of annual contributions. Staff proposes to spend some time this fiscal year reviewing SGA’s approach and determining what the “best fit” is for the Authority in addressing this situation. If an action is required, Section 8(c) of the JPA states, “Any change in annual contributions necessary to support the work of the Authority as set forth in subsection (d) below, shall require an affirmative vote of eleven of the sixteen members of the governing board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento.”

The proposed budget for SCGA and the WPP was presented, discussed and approval recommended by the SCGA Budget Subcommittee on April 26, 2012. Budget Committee members include Herb Niederberger, Jim Peifer, and Rick Bettis.

Staff recommends the Board approve the resolution adopting the fiscal year 2012-2013 budget recommendation for the Sacramento Central Groundwater Authority.

STAFF RECOMMENDATION:

Action: Approve resolution adopting the fiscal year 2012/2013 budget recommendation for SCGA.

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
CALIFORNIA**

4

For the Agenda of:
May 9, 2012

To: Board of Directors
Sacramento Central Groundwater Authority

From: Staff

Subject: Adoption Of The Fiscal Year 2012-2013 Sacramento Central Groundwater Authority Budget, Fiscal Year 2012-2013 Well Protection Program Trust Fund Budget, And Authorization To Collect Annual Contributions

Contact: Darrell K. Eck, Executive Director, 874-5039

Overview

The Sacramento Central Groundwater Authority (Authority) was established to maintain the long-term sustainable yield of the Central Sacramento County Groundwater Basin (Central Basin). The Joint Powers Agreement (JPA) between the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento and the County of Sacramento creating the Authority provides the funding mechanism necessary to implement Central Sacramento County Groundwater Management Plan (Central Basin GMP). Collection of the contributions described in the JPA and adoption of the Authority's 2012-2013 fiscal year budget provide the means for the Authority to implement the Central Basin GMPs administrative programs. The JPA also provides for the operation of any Well Protection Program (WPP) that may be prescribed by the Central Basin GMP. While current economic conditions have curtailed any activity on the WPP, adoption of a budget provides an administrative means to report on the status of the fund.

Recommendations

Adopt Resolution No. 2012-02 to fund the Authority's administrative budget for fiscal year 2012-2013 and provide for the collection of the annual contributions as described in the JPA; adopt the WPP Trust Fund budget for fiscal year 2012-2013.

Adoption Of The Fiscal Year 2012-2013 Sacramento Central Groundwater Authority Budget, Fiscal Year 2012-2013 Well Protection Program Trust Fund Budget , And Authorization To Collect Annual Contributions

Page 2

BACKGROUND:

On August 29, 2006 the Cities of Folsom, Elk Grove, Rancho Cordova and Sacramento and the County of Sacramento executed a joint powers agreement creating the Sacramento Central Groundwater Authority (Authority). The purpose of the Authority is to maintain the long-term sustainable yield of the Central Basin; ensure implementation of the Basin Management Objectives (BMOs) that are prescribed by the Central Basin GMP; oversee the operation of Well Protection Program prescribed by the Central Basin GMP; manage the use of groundwater in the Central Basin and facilitate implementation of an appropriate conjunctive use program by water purveyors; coordinate efforts among those entities represented on the governing body of the joint powers authority to devise and implement strategies to safeguard groundwater quality; and work collaboratively with other entities, including other groundwater management authorities that may be formed in the County of Sacramento and adjacent political jurisdictions, in order to promote coordination of policies and activities throughout the region.

On November 8, 2006 the Board adopted the Central Basin GMP. The Central Basin GMP reviews current and future water supply and demands and contains BMOs that address the rate of groundwater extraction, groundwater elevation, land surface subsidence, surface water flows and groundwater contamination. The Central Basin GMP also contains “trigger points” and remedies to ensure full implementation of the BMOs. It also provides for the protection of private groundwater wells and establishes cooperative relationships with Sacramento County’s Environmental Management Department and other regulatory agencies to address groundwater contamination.

DISCUSSION:

The proposed 2012-2013 fiscal year budget was developed based on the program requirements (GMP Related Expenses) described in the Central Basin GMP. The budget also provides for overhead expenses (Staff Expenses) including the Executive Director, Administration Support, Legal Counsel, and Financial support. The proposed budget also includes funding for consultant services (Consultant Expenses). Based on the Board’s decision to postpone work on the Well Protection Program at the January 12, 2011 Board meeting, no funding has been recommended for the Well Protection Program (WPP) in the 2012-2013 fiscal year budget.

The proposed budget for SCGA and WPP was presented, discussed and approval recommended by the SCGA Budget Committee on April 26, 2012. Budget Committee members include Herb Niederberger, Jim Peifer, and Rick Bettis.

Staff recommends adoption of Resolution No. 2012-02 to fund the Authority’s administrative budget for fiscal year 2012-2013 and provide for the collection of the annual contributions as described in the JPA. Staff further recommends adoption of the aforesaid resolution for the WPP Trust Fund budget for fiscal year 2012-2013.

Adoption Of The Fiscal Year 2012-2013 Sacramento Central Groundwater Authority Budget,
Fiscal Year 2012-2013 Well Protection Program Trust Fund Budget , And Authorization To
Collect Annual Contributions

Page 3

Attachments:

Resolution No. 2012-02

Attachment A – Fiscal Year 2012-2013 Authority’s Budget

Attachment B – Fiscal Year 2012-2013 Well Protection Program Budget

Attachment C – Sacramento Central Groundwater Authority Funding (2012-2013)

Attachment D – Fiscal Year 2012-2013 Authority’s Budget Break-down

Attachment E – Fiscal Year 2012-2013 Well Protection Program Budget Break-down

Attachment F – Operating Expenses Sacramento Central Groundwater Authority 2012-2013

RESOLUTION NO. 2012-02

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
RESOLUTION ADOPTING AND ASSIGNING COSTS TO FUND SCGA'S
ADMINISTRATIVE AND PROGRAM BUDGETS FOR FISCAL YEAR 2012-2013 AND
PROVIDE FOR THE COLLECTION OF ANNUAL CONTRIBUTIONS, AND
ADOPTING AND ASSIGNING COSTS FOR FISCAL YEAR 2012-2013 FOR THE
WELL PROTECTION PROGRAM**

WHEREAS, on August 29, 2006 the Joint Powers Agreement Between the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento and the County of Sacramento Creating the Sacramento Central Groundwater Authority (“JPA”) established a separate public entity identified as the Sacramento Central Groundwater Authority (“AUTHORITY”) with its own Board of Directors (“BOARD”); and

WHEREAS, the AUTHORITY was created to maintain the long-term sustainable yield of the Central Basin in accordance with the Central Sacramento County Groundwater Management Plan; and

WHEREAS, the JPA provides for the collection of annual contributions to fund implementation of the Central Sacramento County Groundwater Management Plan;

WHEREAS, the JPA provides for the operation of any Well Protection Program that may be prescribed by the GMP; and

WHEREAS, the AUTHORITY’s administrative budget for fiscal year 2012-2013 is specified in Attachment A. The budget includes projections of revenues, staff expenses, consultant expenses, office expenses and Groundwater Management Plan related expenses. The administrative budget is required to finance the administrative activities necessary to manage the Central Groundwater Basin; and

WHEREAS, the Well Protection Program Trust Fund’s administrative and program budget for fiscal year 2012-2013 is specified in Attachment B. No funding is recommended for the Central Basin Well Protection Program for fiscal year 2012-2013 based on current economic conditions and pending improvement in the housing market.

NOW, THEREFORE, be it resolved by the BOARD as follows:

1. The above recitals are correct and the BOARD so finds and determines.
2. The BOARD finds and determines that:
 - a. The SCGA administrative budget for fiscal year 2012-2013 as specified in Attachment A is hereby adopted; and
 - b. The Well Protection Program Trust Fund administrative and program budget for fiscal year 2012-2013 as specified in Attachment B is hereby adopted; and
 - c. The annual contribution for the SCGA administrative budget for fiscal year 2012-2013 budget will be collected from the contributors as directed in the JPA pursuant to Appendix C; and
 - d. Billing for the annual contribution shall be mailed not later than thirty (30) days following the adoption of this resolution with payment to be made within thirty (30) days of receipt of billing.

PASSED AND ADOPTED by the BOARD at their regular board meeting on May 9, 2012.

By: _____
Chair

ATTACHMENT A - Fiscal Year 2012-2013 Authority's Budget

FUND: Sacramento Central Groundwater Authority (096B)
 ACTIVITY: Groundwater Supply Operations (0960001)
 FISCAL YEAR: 2012 -13

	Actual 2008-09	Actual 2009-2010	Actual 2010-2011	Adopted 2011-12	Estimate 2011-12	Requested 2012-13
MEANS OF FINANCING						
Reserves:						
Prior Year Fund Balance	146,493	90,401	365,186	631,157	631,157	704,421
Revenues:						
Contributions from other Agencies	263,336	267,146	268,461	264,048	264,048	254,492
Interfund Charges (Transfer In / Out) reimbursement from SCGA WPP fund	0	0	0	0	0	0
Reserve Release	0	0	21,939	0	0	0
Interest Income	29,685	4,741	3,396	15,000	1,791	2,000
AB303 Grant Reimbursement	0	130,927	119,034	0	0	250,000
Encumbrance Rollover from Prior Year	36	162,928	104,174	0	2,900	
Total Means of Financing	439,550	656,143	882,190	910,205	899,895	1,210,913
FINANCING USES						
Provision for Reserves	102,544	102,020	0	643,305	0	
Interfund Charges (Transfer In / Out) reimbursement from SCGA WPP fund					0	
Salaries / Benefits	0	0	0	0	0	0
Services & Supplies	246,605	188,937	251,033	266,900	195,474	513,989
Other Charges	0	0	0	0	0	0
Total Financing Uses	349,149	290,957	251,033	910,205	195,474	513,989
ENDING FUND BALANCE	90,401	365,186	631,157	(0)	704,421	696,924

See Attachment D for Budget Detail

need reserve of 20% of expenditures.

102,798

ATTACHMENT B - Fiscal Year 2012-2013 Well Protection Program Budget

FUND: SCGA - Well Protection Program Trust (096C)
 ACTIVITY: Well Protection Program Operations (0961000)
 FISCAL YEAR: 2012-13

	Actual 2008-09	Actual 2009-10	Actual 2010-11	Adopted 2011-12	Estimate 2011-12	Requested 2012-13
MEANS OF FINANCING						
Prior Year Fund Balance	0	0	0	0	0	0
Revenues:						
Contributions from other Agencies	0	0	0	0	0	0
Interfund Charges (Transfer In / Out)	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0
Total Means of Financing	0	0	0	0	0	0
FINANCING USES						
Salaries / Benefits	0	0	0	0	0	0
Services & Supplies	0	0	0	0	0	0
Other Charges	0	0	0	0	0	0
Interfund Charges (Transfer In / Out) reimbursement to SCGA fund	0	0	0	0	0	0
Total Financing Uses	0	0	0	0	0	0
ENDING FUND BALANCE	0	0	0	0	0	0

See Attachment E for Budget Detail

ATTACHMENT C

Sacramento Central Groundwater Authority Funding
(2012-2013)

	Annual Contribution Paragraph 8(d)(i)	Annual Contribution/Surface Water Paragraph 8(d)(ii)	Annual Contribution/Groundwater Paragraph 8(d)(iii)	Annual Contribution/Ag Paragraph 8(d)(iv)	Annual Contribution/Ag/Res Paragraph 8(d)(v)	Total Annual Contribution
Board Members						
City of Folsom	\$ 10,000					\$ 10,000
City of Rancho Cordova	\$ 10,000					\$ 10,000
City of Sacramento	\$ 10,000					\$ 10,000
City of Elk Grove	\$ 10,000					\$ 10,000
County of Sacramento	\$ 10,000					\$ 10,000
Agricultural Interests				\$ 88,493		\$ 88,493
Agriculture-Residential					\$ 3,881	\$ 3,881
Commercial/Industrial Self Supplied						\$ -
Conservation Landowners						\$ -
Public Agencies/Self Supplied						\$ -
Elk Grove Water Service			\$ -			\$ -
Omochumne-Hartnell Water District						\$ -
Rancho Murieta CSD		\$ 6,000				\$ 6,000
California-American Water Co.			\$ 34,222			\$ 34,222
Golden State Water Company		\$ 6,000	\$ 3,849			\$ 9,849
Sacramento County Water Agency		\$ 6,000	\$ 56,047			\$ 62,047
Sacramento Regional County Sanitation District						
Total	\$ 50,000	\$ 18,000	\$ 94,118	\$ 88,493	\$ 3,881	\$ 254,492
Annual Contribution/Groundwater is \$2.07/acre-foot of groundwater pumped from the basin averaged over previous three calendar years and excluding the first 5000 acre-feet						
Annual Contribution by Agriculture is 25-percent of the estimated annual pumping (as determined by SCWA) at the rate of \$2.07/acre-foot and paid out of SCWA Zone 13 funds						
Annual Contribution by Agriculture/Residential is 25-percent of the estimated annual pumping (as determined by SCWA) at the rate of \$2.07/acre-foot and paid out of SCWA Zone 13 funds						
Groundwater/Purveyors	Pumping Amount (acre-feet)	Exclusion (acre-feet)	Net Pumping (acre-feet)	Rate (\$/acre-foot)	Cost	
Commercial/Industrial Self Supplied	0	0	0	\$ 2.07	\$ -	
Public Agencies/Self Supplied	0	0	0	\$ 2.07	\$ -	
Elk Grove Water Service	4,602	5,000	0	\$ 2.07	\$ -	
Omochumne-Hartnell Water District	0	0	0	\$ 2.07	\$ -	
Rancho Murieta CSD	0	0	0	\$ 2.07	\$ -	
California-American Water Co.	21,532	5,000	16,532	\$ 2.07	\$ 34,222	
Golden State Water Company	6,859	5,000	1,859	\$ 2.07	\$ 3,849	
Sacramento County Water Agency - Zone 41	32,076	5,000	27,076	\$ 2.07	\$ 56,047	
Groundwater/Ag		25% of estimated pumping				
Agricultural Interests	171000	0.25	42,750	\$ 2.07	\$ 88,493	
Conservation Landowners	0	0.25	0	\$ 2.07	\$ -	
Groundwater/Ag/Res						
Agriculture-Residential	7500	0.25	1,875	\$ 2.07	\$ 3,881	

ATTACHMENT D - Fiscal Year 2012-2013 Authority's Budget Break-down

MEANS OF FINANCING

Prior Year Fund Balance	\$	704,421
Revenues:		
Contributions from Member Agencies		
Annual Contribution	\$	50,000
Surface Water Contribution	\$	18,000
Groundwater Contribution	\$	94,118
Agricultural Contribution	\$	88,493
Ag/Res Contribution	\$	3,881
<hr/>		
Subtotal of Contributions	\$	254,492
Provision for Reserve	\$	-
AB 303 Grant Reimbursement (Prop. 84)	\$	250,000
Interest Income	\$	2,000
<hr/>		
Total Means of Financing	\$	1,210,913

FINANCING USES

Salaries/Benefits	\$	-
Services & Supplies:		
Staff Expenses	\$	85,189
Consultant Expenses	\$	312,000
Office Expenses	\$	13,400
GMP Related Expenses	\$	103,400
Well Protection Program	\$	-
Reporting Expenses	\$	-
Other Charges	\$	-
<hr/>		
Total Financing Uses	\$	513,989

ENDING FUND BALANCE **\$ 696,924**

Balances as of March 31, 2012

Reserve:	1,108
Encumbrance:	10,658
Fund Balance:	646,205
Cash Balance:	762,742

ATTACHMENT E - Fiscal Year 2012-2013 Well Protection Program Budget Break-down

MEANS OF FINANCING

Prior Year Fund Balance	\$	-
Revenues:		
Well Protection Fee Collection	\$	-
Interfund Charges (Transfer In/Out)	\$	-
Interest Income	\$	-
Total Means of Financing	\$	-

FINANCING USES

Salaries/Benefits	\$	-
Services & Supplies		
Well Impact Claims	\$	-
Well Registration	\$	-
Subtotal of Services & Supplies	\$	-
Other Charges	\$	-
Interfund Charges (Transfer In/Out)		
Reimburse to SCGA Fund	\$	-
Total Financing Uses	\$	-
ENDING FUND BALANCE	\$	-

**Attachment F - Operating Expenses
Sacramento Central Groundwater Authority
2012-2013**

Operating Expenses	(\$ Dollar)	Notes
1. Staff Expenses		"Staff Expenses" were not covered in the cost breakdown provided in the GMP.
Executive Director	\$ 57,000	Executive Director @ 8 hours/week: (\$136/hr)(8hr/wk)(52wk/yr)
Administration Support	\$ 6,500	Board Clerk, Water Resources Admin. Staff, etc.
Legal Counsel	\$ 5,000	Michele Bach - County Counsel
Financial	\$ 14,954	County Water Resource Finance/Accounting Staff (Remie and Bill)
AFS Contract Services	\$ 735	Contract payment and writing allocation costs.
Travel/Conference	\$ 1,000	
Total Staff Expenses	\$ 85,189	
2. Consultant Expenses		
Audit Report	\$ 7,000	VTD & Co. Audit Expense
Technical Services	\$ 50,000	A. \$30k - Water Accounting Framework; B. \$10k - Ag-Res water conservation; C. \$10k -Misc
Water Quality Testing	\$ 5,000	GMP Section 3.2.2.2 (water quality data collection related to populating the DMS) See Groundwater Quality under 4.C. Laboratory costs.
BMO#2 Implementation and GW Recharge Mapping	\$ 250,000	Anticipated to be funded by an AB303 grant (prop.84). If the grant is not secured, it is expected to be funded by the Authority's fund reserve.
Total Consultant Expenses	\$ 312,000	
3. Office Expenses		
JPIA Membership Dues (ACWA)	\$ 5,000	Range based on FY09/10 actual & FY12/13 operation budget
General Liability Insurance	\$ 6,000	Estimated insurance expense based on JPIA.
Office Supplies/Postage	\$ 400	
Printing	\$ 1,000	Printing of letterhead, envelopes, etc.
Website Development/Hosting	\$ 1,000	Web site maintenance - See Public Outreach Plan.
Food Purchase/Service	\$ -	Monthly Board Meeting
Total Office Expenses	\$ 13,400	
4. GMP Related Expenses		Ongoing activities to implement the GMP
A. Stakeholder Involvement		
Public Outreach Plan	\$ 600	GMP Section 3.2.1.1 (Implementation of the Public Outreach Plan)
Adjacent Basin Coordination	\$ 3,000	GMP Section 3.2.1.2 (SAWC coordination. Misc. meetings with SGA, SSCAWA, TNC, Water Forum Successor Effort, etc.)
Agency Outreach Program	\$ 2,800	GMP Section 3.2.1.4 (Develop and establish relationships with EMD, DHS, EPA, etc.)
Advisory Committee	\$ -	GMP Section 3.2.1.3 (Is there a specific need for the advisory committee? If so, how should this be implemented?)
B. GW Resource Protection		
Construction/Abandonment Ord	\$ 5,000	GMP Section 3.2.3.1 & 3.2.3.2 (DMS data collection - abandoned/destroyed wells, wildcat well data collection, etc.)
Protection Measures	\$ 2,000	GMP Section 3.2.3.3 (Collection of well head protection data from water purveyors)
Control of Contaminants	\$ -	GMP Section 3.2.3.5 (Delineate sentry wells in areas of known groundwater contamination)
C. Monitoring Program		
Protocols for GW Data	\$ 3,000	GMP Section 3.2.2.5 (Coordinate with other Agencies collecting groundwater data in conjunction with SCGA's program and ensure that protocols are met)
Data Management System	\$ 10,000	GMP Section 3.2.2.6 (Populate the DMS with past and current water purveyor data)
Groundwater Elevation	\$ 53,000	GMP Section 3.2.2.1 (Groundwater elevation monitoring and associated tasks)
Groundwater Quality	\$ 5,000	GMP Section 3.2.2.2 See Water Quality Testing under 2. (Collection and evaluation of groundwater quality data and associated tasks)
D. Planning Integration		
DWSAP/Urban Mgt/Land Use/IR	\$ 16,000	GMP Section 3.2.5.1 (ARB IRWMP coordination, UWMP, Land Use Agency coordination, IGSM custodianship)
E. Plan Implementation Costs	\$ 3,000	GMP Section 4.7.1
Total GMP Expenses	\$ 103,400	
5. Well Protection Program		
Ordinance Development	\$ -	Includes on-going coordination with Land Use Agencies, development of cooperating agreements and adoption of ordinance and agreements.
Registration	\$ -	Includes developing parcel map, generating mailing list, update of data base and field verifications. Reimbursed by WPP trust fund later.
Replacement Fund		
Total WPP Expenses	\$ -	
6. Reporting Expenses		
State of the Basin Report	\$ -	
Total Reporting Expenses	\$ -	
GRAND TOTAL	\$ 513,989	

AGENDA ITEM 5: GROUNDWATER BANKING PROJECTS

BACKGROUND:

At the March 14, 2012 Board meeting Mary Lou Cotton from Kennedy/Jenks discussed groundwater banking in California, cited specific examples considered in the development of the Water Accounting Framework for the North Basin, and provided a brief update on more recent activities involving groundwater banking statewide. Ms. Cotton's presentation provided a general picture of groundwater banking and illustrated the diversity of approach and application taken by various agencies and interests in addressing the specific needs of their stakeholders, community, and customers. Today's presentation is much more focused in that it addresses both the specific need and process used in developing the Water Accounting Framework for the Sacramento Groundwater Authority's North Basin.

These two presentations set the stage for a process to develop a Water Accounting Framework in the Central Basin that is necessary to inform contemplated groundwater banking operations. To date, the following agencies and/or programs have proposed groundwater banking operations that could have an impact on basin management and operations. These agencies/programs include:

- Sacramento Regional County Sanitation District (component of the South County Agriculture Irrigation project)
- Rancho Murieta Community Services District/Omochumnes-Hartnell Water District (project currently funded by a Proposition 84 grant)
- Sacramento County Water Agency (Zone 40 conjunctive use program)
- City of Folsom (Water System Optimization Review (SOR) Program)
- East Bay Municipal Utility District (2040 Water Plan)
- South Basin Groundwater Management Plan

As these programs could have a significant influence on the Groundwater Authority's future Water Accounting Framework, representatives of these agencies/programs will be asked to provide an overview of their respective proposals during upcoming Board meetings.

Making today's presentation is Rob Swartz, Senior Project Manager, Sacramento Groundwater Authority.

STAFF RECOMMENDATION:

Action: Information presentation.

AGENDA ITEM 10: EXECUTIVE DIRECTOR'S REPORT

- a) Local Groundwater Assistance (AB 303)
- b) South Area Water Council
- c) HydroDMS

May 9, 2012

TO: SACRAMENTO CENTRAL GROUNDWATER AUTHORITY BOARD

FROM: DARRELL ECK

RE: EXECUTIVE DIRECTOR'S REPORT

- a) **Local Groundwater Assistance (AB 303)** – On May 2, 2012 the State Department of Water Resources (DWR) announced the release of the Local Groundwater Assistance (LGA) Grant Program Guidelines and Proposal Solicitation Package (PSP). There will be a local workshop held June 5, 2012 at 10 am at the CalEPA Building. The due date for applications is July 13, 2012 at 5 pm.
- b) **South Area Water Council** – A working group met on May 1, 2012 to discuss development of a revised JPA for the South Basin Groundwater Management Plan. When completed, the JPA will provide both financial and governance direction for implementation of the plan. A copy of the South Area Water Council's draft groundwater management plan can be found at <http://www.ohwd.org/southgmp.html>.
- c) **HydroDMS** – Data in the HydroDMS, for the most part, is through 2008 but there are some instances in which the data is older. As part of the on-going maintenance of the Hydro DMS, present day and "historic" data (pre 2008 – from specific agencies) are necessary to more accurately characterize the basin. The specific data needs have been identified by agency. These agencies will be contacted via e-mail by Authority staff with the specific information request. Thank you in advance for your cooperation.