

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

Wednesday, May 8, 2013; 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 13, 2013 Board meeting.
  - Minutes of the April 30, 2013 Budget Subcommittee meeting.  
*Action: Approve Consent Calendar items*
- 4. BUDGET SUBCOMMITTEE REPORT**
  - Review Budget Subcommittee recommendations for the 2013/2014 fiscal year budget.  
*Action: Approve resolution adopting the fiscal year 2013/2014 budget recommendation for SCGA.*
- 5. CALENDAR YEAR 2013 INVESTMENT POLICY FOR THE POOLED INVESTMENT FUND**
  - Information presentation: SCGA staff.  
*Action: Receive and file.*
- 6. WATER EFFICIENCY ON LARGE LANDSCAPES PROJECT**
  - The Water Efficiency on Large Landscapes (WELL) project provides a means to provide workshops and on-site surveys, including incentives for qualifying properties, for irrigation improvements to ag-res properties.  
*Action: Authorize the Executive Director to enter into an agreement with the California Association of Resource Conservation Districts for \$9,160.*
- 7. EXECUTIVE DIRECTOR'S REPORT**
  - a) Local Groundwater Assistance Grant
  - b) Review Policies and Procedures

## **8. DIRECTORS' COMMENTS**

### **ADJOURNMENT**

**Upcoming meetings –**

**Next SCGA Board of Directors Meeting –** Wednesday, July 10, 2013, 9 am; 10060 Goethe Road, South Conference Room No. 1212 (Sunset Maple).

**AGENDA ITEM 3: CONSENT CALENDER**

**BACKGROUND:**

Minutes of the March 13, 2013 SCGA Board meeting.  
Minutes of the April 30, 2013 Budget Subcommittee meeting.

**STAFF RECOMMENDATION:**

*Action: Approve Consent Calendar items.*

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)**  
**Governing Board Meeting**  
**Draft Minutes**  
**March 13, 2013**

**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 Jim Peifer called the meeting to order at 9:00 a.m.

The following meeting participants were in attendance:

Board Members (Primary Rep):

Tom Mahon, Agricultural Interests  
Rick Bettis, Conservation Landowners  
Christine Thompson, Public Agencies Self-Supplied  
Ed Crouse, Rancho Murieta Community Services District  
Dave Ocenosak, Sacramento Regional County Sanitation District

Board Members (Alternate Rep):

Bruce, Kamilos, Elk Grove Water District  
Paul Schubert, Golden State Water Company  
Sacramento Regional County Sanitation District  
Elk Grove Water District  
Darren Wilson, City of Elk Grove  
Todd Eising, City of Folsom  
Jim Peifer, City of Sacramento  
Ward Winchell, Public Agencies Self-Supplied  
José Ramirez, Sacramento Regional County Sanitation District

Staff Members:

Heather Peek, Clerk, SCGA  
Ping Chen, SCGA  
Ramon Roybal, SCGA

Others in Attendance:

Rodney Fricke, Aerojet Corporation  
David Beauchamp, Atkins North America Inc.  
Derrick Williams  
Alex Peterson, Kennedy Jenks

Mark Roberson, Water Forum  
Nels Ruud, Fugro  
Jafar Faghieh, HDR  
Ali Taghavi, RMC

Member Agencies Absent

*City of Rancho Cordova  
County of Sacramento/ Sacramento County Water Agency  
Agricultural-Residential  
Omochumne-Hartnell Water District  
California-American Water Company*

**2. PUBLIC COMMENT**

Rodney Fricke with the Aerojet Corporation announced a meeting that would be held March 13<sup>th</sup> at 5:30pm at the Executive Airport hosted by the Groundwater Resources Association addressing groundwater law.

**3. CONSENT CALENDAR**

The draft meeting minutes for the January 9, 2013 Board meeting were reviewed for final approval.

*Motion/Second/Carried* – Mr. Bettis moved, seconded by Mr. Schubert, the motion carried unanimously to approve the minutes.

**4. 2011 – AUDIT REPORT**

Bill Konigsmark, SCWA Accounting Manager, provided a detailed summary of the auditor's report.

*Action: Receive and file.*

**5. FISCAL YEAR 2013/2014 BUDGET**

Mr. Roybal requested that Board appoint a budget committee that would work with staff to develop a budget recommendation for the Fiscal Year 2013/2014. Mr. Roybal stated that the budget committee would work to have a recommendation prepared in time for the Board to approve a budget at the May 8, 2013 meeting. Additionally, water purveyors were expected to submit groundwater pumping data for 2012 in order to facilitate calculation of their annual contributions. Mr. Peifer then asked for budget committee volunteers. Mr. Schubert, Mr. Bettis and Mr. Kamilos all volunteered to assist on the budget committee.

**6. GROUNDWATER BANKING PROJECTS**

Mr. Roybal started with a brief summary of previous presentations delivered to the Board regarding examples of groundwater banking programs throughout the State, as well as potential groundwater banking opportunities within the central basin, and the development of a water accounting framework in the north basin. Mr. Roybal then introduced Dan Wendell from The Nature Conservancy (TNC), who provided a PowerPoint presentation titled “Multi-Benefit Conjunctive Use Concepts for South and Central Sacramento County” which addressed the TNC’s concerns and objectives concerning groundwater and surface water interactions, particularly as it affected the riparian forest, floodplain, wetlands and vernal habitats of the Cosumnes River Preserve. Also covered were potential solutions to improve the current state of groundwater to surface water interactions in order to raise groundwater levels and increase fall flows during the salmon run via regional water banking operations such as in-lieu pumping or direct recharge. Mr. Wendell then reviewed a groundwater contour map of Sacramento County from the Spring of 2003 along with graphs comparing simulated aquifer elevations to stream bed elevations by hydrologic year type. Mr. Wendell stated that there was a risk of groundwater levels further detaching from the stream bed, which he asserted, if it occurred along the Cosumnes River Preserve, would result in catastrophic effects on the eco system. Mr. Wendell stated that TNC had analyzed the potential to implement an in-lieu recharge program at two locations along the Cosumnes River, one being along the preserve, and the other in the Elk Grove/Galt area. The source of the in-lieu water would be the Oroville Reservoir which they determined would be subject to re-operation criteria of the reservoir in addition to other rules which would result in very restricted implementation. Therefore the analysis was very conservative. Mr. Wendell explained that for the in-lieu recharge scenario near the preserve, the analysis assumed a maximum single year diversion of 25,000 acre-feet (AF) and a 6,500 AF average net. The source of the diversion operation would be flood flows. Expected aquifer recovery would be 10-20 feet.

Mr. Schubert asked if the twenty foot groundwater level increase was on an average annual basis or total over a specific time period. Ali Taghavi responded that it was the latter.

Mr. Wendell then explained that for the in-lieu recharge scenario in the Elk Grove/Galt area they assumed a 25,000 AF maximum and 8,000AF average net recharge. The main benefit would be centered on the cone of depression with an expected recovery of 15-20 feet over a ten to twenty year period. Mr. Wendell stated that expected recovery in the Galt area would be less, on the order of five feet due to less municipal pumping when compared to Elk Grove. Mr. Wendell stated that another institutional issue would be that the analyzed source of in-lieu water would need to be treated as the analysis assumed that water would be used for municipal purposes and thus would have to meet certain water quality standards.

Mr. Bettis inquired about storage of the in-lieu source. Mr. Taghavi clarified that the scenario of in-lieu water delivery to the urban areas was originally conducted as a request from Ron Lowry on behalf of the South County Ag Council. Mr. Taghavi explained that it was analyzed mainly from a hydrologic and hydraulic standpoint and not for the cost of the required facilities for conveyance, treatment, and storage.

Two direct recharge scenarios were also analyzed, one for a gravel pit that is located between the Cosumnes River and Deer Creek and the other being the flooding of agricultural lands also located between the Cosumnes River and Deer Creek.

Mr. Wendell stated that gravel pit analyzed for direct recharge was located on the Hanford property near Wilton. Mr. Wendell said that the recharge pit was set up and ready for use but that it was small in size. The analysis demonstrated the potential to percolate 2,900 AFY with a recharge benefit of twenty feet adjacent to the river and declining at greater distances from the river. Mr. Wendell then pointed out that this scenario did not provide much significant benefit for the preserve area. Mr. Wendell then described direct recharge via seasonal flood irrigation on agricultural lands. It was determined that the soils in between Deer Creek and the Cosumnes River were the best suited for percolation. Similar to the in-lieu scenario, a maximum of 25,000 AFY recharge rate was assumed along with an annual average net of 6,800 AF. The expected groundwater level improvement was ten feet.

Mr. Wendell expressed TNC's desire to partner with SCGA to accomplish the goal of increase groundwater levels along the Cosumnes River while also having the members of SCGA derive benefits. Mr. Wendell identified the next steps as identifying other potential water sources and to identify interested parties. There would need to be a feasibility study to address key issues to move forward such as institutional, financial and legal.

Mr. Schubert asked if the water in wet years from Freeport that was analyzed, accounted for East Bay Municipal Utility District's (EBMUD) capacity. Mr. Taghavi replied in the affirmative.

Mr. Eising asked if the reimbursement cost of utilizing the Freeport pipeline was accounted for. Mr. Wendell replied that it was not due to the level of uncertainty of what would be expected from all the partners and that mainly capital facility improvements were calculated.

Mr. Mahon wanted to know if the agricultural land flooding would be a continuous flooding during winter months or repetitious. Mr. Taghavi's response was they looked at flooding during the non-irrigation season, November, December, January.

Mr. Mahon then asked if it would be more economical to pump it directly out of the river and spread it out over a wider area. Mr. Wendell replied that the natural flows in terms of recharge are already fairly heavy but that it is another potential water source. Mr. Mahon then state that he has a ranch between Deer Creek and Cosumnes River and did not see why there would be an issue with irrigating the land during high flow times through the existing pipelines. Mr. Wendell responded that TNC is looking to support that type of project to demonstrate how it might work.

Mr. Bettis said that previously, pre-wetting water was received from SMUD and whether that was still the case. Mr. Wendell replied that the focus of the presented analysis was on the rehabilitating the preserve area and that pre-wetting conditions are a separate issue which is driven by the natural habits of the salmon.

Mr. Ocenosak asked if the benefit being discussed was limited to the ecology of the Cosumnes River habitat or if they were looking to bank groundwater for other uses. Mr. Wendell said from TNC's perspective, it was entirely about looking at the benefiting the

Cosumnes River preserve. Mr. Taghavi said TNC has attempted to identify the technical feasibility of banking water in the central/south basin and who the potential partners may be and how the groundwater banking could be implemented in a way that would be a benefit to water users and the ecology of the Cosumnes River area.

## **7. EXECUTIVE DIRECTOR'S REPORT**

- a) **Hydrologic Modeling Tools Evaluation** – RWA has finalized an agreement with the California Water Foundation for a grant to help identify information and analytical tools needs in the region, which would support Integrated Regional Water Management for the lower American River Basin. The grant funds an effort led by RWA, with SGA, SCGA, and Placer Groundwater Management Group representatives serving as a steering committee, to identify regional informational and analytical tool needs, evaluate and recommend enhancements to existing tools, and to potentially implement some of the recommended enhancements. The initial steering committee meeting was held on January 31, 2013 with a follow-up meeting held March 4, 2013. This effort is scheduled for completion in 2013.

A follow-up process in 2014 would look at implementing recommendations from the previous evaluation including: developing partnering agreements to identify roles and responsibilities for long-term management and maintenance of analytical tools, implementation of recommended upgrades of analytical tools, and documentation of those upgrades.

- b) **Local Groundwater Assistance Grant** – Ninety-eight grant applications were submitted for a 2012 Local Groundwater Assistance Grant. Total funds requested were \$23.6 million; total grant funds available is approximately \$4.7 million. On February 15, 2013 the State Department of Water Resources (DWR) released the preliminary scoring for the 98 grant applications. According to this preliminary scoring the Groundwater Authority scored 39 out of 40 points awarded. On February 27, 2013 DWR held a Technical Advisory Panel/Public Meeting to discuss the scoring process and to receive public comments. Comment period closed on March 6, 2013 and a final decision is expected in May 2013. Grant agreements are tentatively scheduled to be executed in July 2013.
- c) **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 no later than April 1, 2013. Please address them c/o Ramon Roybal, 827 Seventh Street, Room 301, Sacramento, CA 95814. Forms can be located online at:

<http://www.fppc.ca.gov/index.php?id=500/>



- d) **Nominations and Appointments to the SCGA Board** – The following is a status report on nominations and appointments to the Board.
- Appointments that are complete:
    - Agriculture – Tom Mahon (Board member) and Charlotte Mitchell (Alternate)
    - Public Agencies Self-Supplied – Christine Thompson (Board member)
  - Pending Nominations
    - Ag-Res – expired September 30, 2012

Those who have not submitted nomination letters are encouraged to do so as soon as possible.

- e) **HydroDMS Data Requirements** – In order to continue to provide high quality information and analysis on the condition and management of the groundwater basin it is important to have as complete as possible data information on groundwater levels, quality, and pumping. The availability of this information is reliant on the efforts of individual water purveyor stakeholders. Staff recognizes that each purveyor has important tasks to complete as part of their business and that time is short; please consider the submission of this information to the Groundwater Authority in a timely manner as part of that business.

## 8. **DIRECTOR'S COMMENTS**

Mr. Schubert commented on the Water Accounting Framework (WAF) kick off meeting was and went through an outline of what the issues are and how they are similar and differ with the Sacramento Groundwater Authority (SGA) framework. Mr. Schubert then recommended that the WAF committee meet on a regularly reoccurring basis on the second Wednesday of the alternate months that the SCGA Board does not meet.

**Motion/Second/Carried** – Mr. Schubert moved, seconded by Mr. Kamilos, the motion carried unanimously to schedule the water accounting framework meetings on the second Wednesday of the alternate months that the SCGA Board does not meet.

Mr. Schubert requested a copy of the insurance requirement letter from the audit report.

Mr. Ocenosak announced that SRCSD had preliminarily selected MWH for consulting services for the South County Ag and SMUD co-generation facility to provide a ten percent design and environmental studies.

Mr. Kamilos reported that the General Manager of the Elk Grove Water District had met with Sacramento County regarding Sacramento County Environmental Management District's release of well drilling permits for properties the "triangle" area of Elk Grove, east of Bradshaw Road, west of Grantline Road, south of Bond Road, and north of Elk Grove Blvd.

Mr. Kamilos stated that the area contained properties of one acre and under and that the area is set up for municipal water connection from the EGWD. Mr. Kamilos reported that there were now ten properties in the area with private wells. Mr. Kamilos stated that the EGWD was of the opinion that the issuance of well permits in that area was in direct conflict with Sacramento County Ordinance SCC1217 which addresses the issuing drilling permits. Mr. Kamilos further reported that it was EGWD’s objective to put measures in place to stop the issuance of those permits. Mr. Eising asked if the properties in question were zoned agricultural residential and if so, it may be difficult to stop the issuance of well drilling permits on those properties due to the ag component of their land-use designation. Mr. Kamilos replied that he did not believe they were but could not say for certain. Mr. Wilson asked if the properties in question were approved for domestic use and then flopped and consequently approved private wells. Mr. Kamilos replied that he was not aware if they were.

**ADJOURNMENT**

**Upcoming Meetings –**

**Next SCGA Board of Directors Meeting** – Wednesday, May 8<sup>th</sup>, 2013. 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 30, 2013**

**LOCATION:** 827 7<sup>th</sup> Street, Room 301  
Sacramento, CA 95814  
10:00 – 11:00 a.m.

**MINUTES:**

**1. CALL TO ORDER AND ROLL CALL**

Meeting commenced at 10:05 a.m.

The following meeting participants were in attendance:

Board Members:

Paul Schubert, Golden State Water Company  
Rick Bettis, Conservation Landowners  
Bruce Kamilos, Elk Grove Water District

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 2013-2014 FISCAL YEAR BUDGET FOR THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

Mr. Eck began by discussing Attachment C – Contributions. Mr. Schubert asked how the current year contributions compared with the previous year. Mr. Eck replied that contributions were down roughly four percent due to a decrease in groundwater pumping.

Mr. Eck then discussed Attachment F – Expenditures. He pointed out under Item #2 regarding consultant expenses/ technical services, that he recommended \$50,000 be allotted for the Groundwater Accounting Program (GAP), of which \$30,000 would be used to investigate agricultural irrigation pumping and \$20,000 for the remainder of GAP development. All committee members agreed. Mr. Schubert pointed out that investigation of

ag pumping would be critically important to establishing base water use within the basin for development of the GAP.

Mr. Eck then asked the committee if they felt it appropriate to commence providing refreshments at the SCGA board meetings. Mr. Schubert replied that it may not be necessary so long as the board meetings are one hour or less but that if they are planned to be much longer then perhaps each agency could take a turn at providing refreshments. Mr. Kamilos concurred that only for longer meetings would refreshments be needed.

Mr. Schubert suggested a review of the reserve balance policy in order to expand it to cover something on the order of six months of operating expenses as opposed to the current policy which calls for carrying over ten percent. Mr. Schubert also suggested that the SCGA Policies and Procedures be reviewed. He suggested reviewing one policy at a time and providing recommendations of any changes to the board.

Mr. Schubert moved, followed by a second from Mr. Bettis and a concurrence from Mr. Kamilos to recommend approval of the draft fiscal year 2013/2014 budget to the SCGA board.

**4. SUBCOMMITTEE MEMBER COMMENTS**

None

**5. ADJOURNMENT**

With no further business to discuss, meeting adjourns at 10:35 a.m.

By:

\_\_\_\_\_

Chairperson

\_\_\_\_\_

Date

Attest:

\_\_\_\_\_

\_\_\_\_\_

Date

## **AGENDA ITEM 4: BUDGET SUBCOMMITTEE REPORT**

### **BACKGROUND:**

The proposed 2013/2014 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 2013/2014 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     \$244,222
  
- Attachment D – Provides a breakdown of the overall budget
  - Means of financing:
    - Prior year fund balance:     \$748,739
    - Contributions:                 \$244,222
    - AB303 Grant                    \$200,000
    - Interest income:               \$2,000
    - TOTAL:                         \$1,194,961
  - Expenditures:
    - TOTAL:                         \$554,050
    - 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 2013/2014 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,

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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.

The proposed budget for SCGA and the WPP was presented, discussed and approval recommended by the SCGA Budget Subcommittee on April 30, 2013. Budget Committee members include Paul Schubert, Bruce Kamilos, and Rick Bettis. Staff recommends the Board approve the resolution adopting the fiscal year 2013/2014 budget recommendation for the Sacramento Central Groundwater Authority.

**STAFF RECOMMENDATION:**

***Action: Approve resolution adopting the fiscal year 2013/2014 budget recommendation for SCGA.***

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY  
CALIFORNIA**

4

For the Agenda of:  
May 8, 2013

To: Board of Directors  
Sacramento Central Groundwater Authority

From: Staff

Subject: Adoption Of The Fiscal Year 2013/2014 Sacramento Central Groundwater Authority Budget, Fiscal Year 2013/2014 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 2013/2014 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. 2013-01 to fund the Authority's administrative budget for fiscal year 2013/2014 and provide for the collection of the annual contributions as described in the JPA; adopt the WPP Trust Fund budget for fiscal year 2013/2014.

Adoption Of The Fiscal Year 2013/2014 Sacramento Central Groundwater Authority Budget, Fiscal Year 2013/2014 Well Protection Program Trust Fund Budget , And Authorization To Collect Annual Contributions

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**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 2013/2014 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 2013/2014 fiscal year budget.

The proposed budget for SCGA and WPP was presented, discussed and approval recommended by the SCGA Budget Committee on April 30, 2013. Budget Committee members include Paul Schubert, Bruce Kamilos, and Rick Bettis.

Based on the Committee’s recommendation, staff recommends adoption of Resolution No. 2013-01 to fund the Authority’s administrative budget for fiscal year 2013/2014 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 2013/2014.



Adoption Of The Fiscal Year 2013/2014 Sacramento Central Groundwater Authority Budget,  
Fiscal Year 2013/2014 Well Protection Program Trust Fund Budget , And Authorization To  
Collect Annual Contributions

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Attachments:

Resolution No. 2013-01

Attachment A – Fiscal Year 2013/2014 Authority’s Budget

Attachment B – Fiscal Year 2013/2014 Well Protection Program Budget

Attachment C – Sacramento Central Groundwater Authority Funding (2013/2014)

Attachment D – Fiscal Year 2013/2014 Authority’s Budget Break-down

Attachment E – Fiscal Year 2013/2014 Well Protection Program Budget Break-down

Attachment F – Operating Expenses Sacramento Central Groundwater Authority 2013/2014

ATTACHMENT A - Fiscal Year 2013-2014 Authority's Budget

FUND: Sacramento Central Groundwater Authority (096B)

ACTIVITY: Groundwater Supply Operations (0960001)

FISCAL YEAR: 2013 -14

	Actual 2010-2011	Actual 2011-2012	Adopted 2012-2013	Estimate 2012-2013	Requested 2013-2014
<b>MEANS OF FINANCING</b>					
<b>Reserves:</b>					
Prior Year Fund Balance	365,186	631,157	712,483	684,986	748,739
<b>Revenues:</b>					
Contributions from other Agencies	268,461	264,048	254,492	254,492	244,222
Interfund Charges (Transfer In / Out) reimbursement from SCGA WPP fund	0	0		0	0
Reserve Release	21,939	0		0	0
Interest Income	3,396	2,862	2,000	1,905	2,000
AB303 Grant	119,034	0	250,000	0	200,000
<b>Encumbrance Rollover from Prior Year</b>	104,174	0		0	
<b>Total Means of Financing</b>	<b>882,190</b>	<b>898,067</b>	<b>1,218,975</b>	<b>941,383</b>	<b>1,194,961</b>
<b>FINANCING USES</b>					
Provision for Reserves	0	0		0	
Interfund Charges (Transfer In / Out) reimbursement from SCGA WPP fund				0	
Salaries / Benefits	0	0	0	0	0
Services & Supplies	251,033	185,584	533,989	192,644	554,050
Other Charges	0	0		0	0
<b>Total Financing Uses</b>	<b>251,033</b>	<b>185,584</b>	<b>533,989</b>	<b>192,644</b>	<b>554,050</b>
<b>ENDING FUND BALANCE</b>	<b>631,157</b>	<b>712,483</b>	<b>684,986</b>	<b>748,739</b>	<b>640,911</b>

See Attachment D for Budget Detail

*need reserve of 20% of expenditures.*

**110,810**

ATTACHMENT B - Fiscal Year 2013-2014 Well Protection Program Budget

**FUND:** SCGA - Well Protection Program Trust (096C)  
**ACTIVITY:** Well Protection Program Operations (0961000)  
**FISCAL YEAR:** 2013-14

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

See Attachment E for Budget Detail

**ATTACHMENT C**

Authority's Members Contribution (2013-2014)

	Annual Contribution	Annual Contribution/Surface Water	Annual Contribution/Groundwater	Annual Contribution/Ag	Annual Contribution/Ag/Res	Total Annual Contribution
<b>Board Members</b>	Paragraph 8(d)(i)	Paragraph 8(d)(ii)	Paragraph 8(d)(iii)	Paragraph 8(d)(iv)	Paragraph 8(d)(v)	
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.			\$ 31,126			\$ 31,126
Golden State Water Company		\$ 6,000	\$ 2,805			\$ 8,805
Sacramento County Water Agency		\$ 6,000	\$ 49,917			\$ 55,917
Sacramento Regional County Sanitation District						
<b>Total</b>	\$ 50,000	\$ 18,000	\$ 83,848	\$ 88,493	\$ 3,881	\$ 244,222
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						
<b>Groundwater/Purveyors</b>	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	4,654	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.	20,037	5,000	15,037	\$ 2.07	\$ 31,126	
Golden State Water Company	6,355	5,000	1,355	\$ 2.07	\$ 2,805	
Sacramento County Water Agency - Zone 41	29,114	5,000	24,114	\$ 2.07	\$ 49,917	
<b>Groundwater/Ag</b>		25% of estimated pumping				
Agricultural Interests	171000	0.25	42,750	\$ 2.07	\$ 88,493	
Conservation Landowners	0	0.25	0	\$ 2.07	\$ -	
<b>Groundwater/Ag/Res</b>						
Agriculture-Residential	7500	0.25	1,875	\$ 2.07	\$ 3,881	

ATTACHMENT D - Fiscal Year 2013-2014 Authority's Budget Break-down

**MEANS OF FINANCING**

Prior Year Fund Balance	\$	748,739
Revenues:		
Contributions from Member Agencies		
Annual Contribution	\$	50,000
Surface Water Contribution	\$	18,000
Groundwater Contribution	\$	83,848
Agricultural Contribution	\$	88,493
Ag/Res Contribution	\$	3,881
<hr/>		
Subtotal of Contributions	\$	244,222
Provision for Reserve	\$	-
AB 303 Grant (Prop. 84)	\$	200,000
Interest Income	\$	2,000
<b>Total Means of Financing</b>	<b>\$</b>	<b>1,194,961</b>

**FINANCING USES**

Salaries/Benefits	\$	-
Services & Supplies:		
Staff Expenses	\$	85,250
Consultant Expenses	\$	332,000
Office Expenses	\$	13,400
GMP Related Expenses	\$	103,400
Well Protection Program	\$	-
Reporting Expenses	\$	20,000
Other Charges	\$	-
<b>Total Financing Uses</b>	<b>\$</b>	<b>554,050</b>
<b>ENDING FUND BALANCE</b>	<b>\$</b>	<b>640,911</b>

ATTACHMENT E - Fiscal Year 2013-2014 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	\$	-
<b>Total Means of Financing</b>	<b>\$</b>	<b>-</b>

**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	\$	-
<b>Total Financing Uses</b>	<b>\$</b>	<b>-</b>
<b>ENDING FUND BALANCE</b>	<b>\$</b>	<b>-</b>

**Attachment F - Authority's Operating Expenses (2013-2014)**

<b>Operating Expenses</b>	<b>(\$ Dollar)</b>	<b>Notes</b>
<b>1. Staff Expenses</b>		"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	\$ 15,000	County Water Resource Finance/Accounting Staff (Remie and Bill)
AFS Contract Services	\$ 750	Contract payment and writing allocation costs.
Travel/Conference	\$ 1,000	
<b>Total Staff Expenses</b>	<b>\$ 85,250</b>	
<b>2. Consultant Expenses</b>		
Audit Report	\$ 7,000	VTD & Co. Audit Expense
Technical Services	\$ 70,000	A. \$50k - Groundwater Accounting Program (GAP); 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	The Authority is qualified for an AB303 grant (prop.84), and expected to receive at least \$200,000. The balance will be funded by the fund reserve.
<b>Total Consultant Expenses</b>	<b>\$ 332,000</b>	
<b>3. Office Expenses</b>		
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
<b>Total Office Expenses</b>	<b>\$ 13,400</b>	
<b>4. GMP Related Expenses</b>		Ongoing activities to implement the GMP
<b>A. Stakeholder Involvement</b>		
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>B. GW Resource Protection</b>		
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)
<b>C. Monitoring Program</b>		
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)
<b>D. Planning Integration</b>		
DWSAP/Urban Mgt/Land Use/I	\$ 16,000	GMP Section 3.2.5.1 (ARB IRWMP coordination, UWMP, Land Use Agency coordination, IGSM custodianship)
<b>E. Plan Implementation Costs</b>	\$ 3,000	GMP Section 4.7.1
<b>Total GMP Expenses</b>	<b>\$ 103,400</b>	
<b>5. Well Protection Program</b>		
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	\$ -	
<b>Total WPP Expenses</b>	<b>\$ -</b>	
<b>6. Reporting Expenses</b>		
State of the Basin Report	\$ 20,000	
<b>Total Reporting Expenses</b>	<b>\$ 20,000</b>	
<b>GRAND TOTAL</b>	<b>\$ 554,050</b>	

## SCGA Water Purveyors' Annual Groundwater Pumping and Contributions

Annual Groundwater Pumping (acre-feet)								
	2005	2006	2007	2008	2009	2010	2011	2012
SCWA	27,685	29,019	30,451	34,220	34,248	32,171	29,809	25,363
Cal-Am	23,391	22,775	23,651	24,769	23,659	21,525	19,413	19,173
GSWC	12,639	13,129	9,754	9,162	8,197	6,650	5,731	6,684
EGWD	5,397	6,365	6,963	6,460	5,407	3,784	4,615	5,562
<b>Total</b>	<b>69,112</b>	<b>71,288</b>	<b>70,819</b>	<b>74,611</b>	<b>71,511</b>	<b>64,130</b>	<b>59,568</b>	<b>56,782</b>

3-year Moving Average Pumping(acre-feet)								
	2005	2006	2007	2008	2009	2010	2011	2012
SCWA			29,052	31,230	32,973	33,546	32,076	29,114
Cal-Am			23,272	23,732	24,026	23,318	21,532	20,037
GSWC			11,841	10,682	9,038	8,003	6,859	6,355
EGWD			6,242	6,596	6,277	5,217	4,602	4,654
<b>Total</b>			<b>70,406</b>	<b>72,239</b>	<b>72,314</b>	<b>70,084</b>	<b>65,069</b>	<b>60,160</b>

Annual Contributions (Dollars)								
			FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
SCWA			\$ 49,787	\$ 54,296	\$ 57,904	\$ 59,091	\$ 56,047	\$ 49,917
Cal-Am			\$ 37,824	\$ 38,775	\$ 39,385	\$ 37,918	\$ 34,222	\$ 31,126
GSWC			\$ 14,160	\$ 11,761	\$ 8,358	\$ 6,216	\$ 3,849	\$ 2,805
EGWD			\$ 2,570	\$ 3,304	\$ 2,643	\$ 449	\$ -	\$ -
<b>Groundwater Contribution</b>			<b>\$ 104,341</b>	<b>\$ 108,135</b>	<b>\$ 108,289</b>	<b>\$ 103,674</b>	<b>\$ 94,118</b>	<b>\$ 83,848</b>
<b>Surface Water Contribution</b>			<b>\$ 18,000</b>	<b>\$ 18,000</b>	<b>\$ 18,000</b>	<b>\$ 18,000</b>	<b>\$ 18,000</b>	<b>\$ 18,000</b>
<b>JPA Contribution</b>			<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>Ag/Ag Res Contribution</b>			<b>\$ 92,374</b>	<b>\$ 92,374</b>	<b>\$ 92,374</b>	<b>\$ 92,374</b>	<b>\$ 92,374</b>	<b>\$ 92,374</b>
<b>TOTAL</b>			<b>\$ 264,715</b>	<b>\$ 268,509</b>	<b>\$ 268,663</b>	<b>\$ 264,048</b>	<b>\$ 254,492</b>	<b>\$ 244,222</b>



**RESOLUTION NO. 2013-01**

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY  
RESOLUTION ADOPTING AND ASSIGNING COSTS TO FUND SCGA'S  
ADMINISTRATIVE AND PROGRAM BUDGETS FOR FISCAL YEAR 2013/2014 AND  
PROVIDE FOR THE COLLECTION OF ANNUAL CONTRIBUTIONS, AND  
ADOPTING AND ASSIGNING COSTS FOR FISCAL YEAR 2013/2014 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 2013/2014 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 2013/2014 is specified in Attachment B. No funding is recommended for the Central Basin Well Protection Program for fiscal year 2013/2014 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 2013/2014 as specified in Attachment A is hereby adopted; and
  - b. The Well Protection Program Trust Fund administrative and program budget for fiscal year 2013/2014 as specified in Attachment B is hereby adopted; and
  - c. The annual contribution for the SCGA administrative budget for fiscal year 2013/2014 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 8, 2013.

By: \_\_\_\_\_  
Chair

**AGENDA ITEM 5: CALENDAR YEAR 2013 INVESTMENT POLICY FOR THE  
POOLED INVESTMENT FUND**

**BACKGROUND:**

As the Authority's funds are held by the County of Sacramento they are part of the County's Pooled Investment Fund and are subject to investment policies which are reviewed by the Board of Supervisors on an annual basis. A copy of the investment policy for 2013 has been provided for the Board's information. The Director of Finance for the County of Sacramento recommends that this report be received and filed by this Board.

**STAFF RECOMMENDATION:**

*Action: Receive and file*



Internal Services Agency

Department of Finance

Julie Valverde, Director

Bradley J. Hudson,  
County Executive

David Villanueva,  
Chief Deputy County Executive

## County of Sacramento

March 18, 2013

To: Pooled Investment Fund Participant Agency Board Chairs

Subject: **CALENDAR YEAR 2013 INVESTMENT POLICY FOR THE POOLED INVESTMENT FUND**

Since 1987, the Director of Finance has submitted a statement of investment policy to the Sacramento County Board of Supervisors for consideration and adoption. The Board of Supervisors approved the enclosed calendar year 2013 investment policy on December 4, 2012.

There are no major changes to the investment policy. The list of tobacco-related companies was replaced with the component companies in two major tobacco indices: the Dow Jones U.S. Tobacco Index and the NYSE Arca Tobacco Index. Additionally, the required minimum Fitch Individual ratings, which were discontinued by Fitch, were replaced with Fitch Viability ratings. All other changes were grammatical corrections and did not affect the intent of the policy.

I recommend that the legislative body of your agency receive and file the enclosed Sacramento County Annual Investment Policy of the Pooled Investment Fund — Calendar Year 2013 at its next regular meeting. Your action to receive and file the policy constitutes consideration at a public meeting as recommended by Government Code section 53646(a)(2). The investment policy is also available on the Department of Finance — Investment Division webpage at [www.finance.saccounty.net/investments](http://www.finance.saccounty.net/investments).

The following investment-related reports are also available on the Investment Division webpage:

- Pooled Investment Fund Monthly Review;
- Quarterly Pooled Investment Fund Report; and
- Non-Pooled Investment Funds Portfolio Reports.

If you have any questions about the investment policy or management of the Pooled Investment Fund portfolio, please call me at (916) 874-6744 or Chief Investment Officer Bernard Santo Domingo at (916) 874-7320.

Sincerely,

**Julie Valverde**  
Director of Finance

Enclosure



**SACRAMENTO COUNTY**

**Annual Investment Policy  
of the Pooled Investment Fund**

**CALENDAR YEAR 2013**

*Approved by the  
Sacramento County Board of Supervisors*

**December 4, 2012  
Resolution No. 2012-0827**

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SACRAMENTO COUNTY

**Annual Investment Policy  
of the Pooled Investment Fund**

CALENDAR YEAR 2013

**I. Authority**

Under the Sacramento County Charter, the Board of Supervisors established the position of Director of Finance and by ordinance will annually review and renew the Director of Finance's authority to invest and reinvest all the funds in the County Treasury.

**II. Policy Statement**

This Investment Policy (Policy) establishes cash management and investment guidelines for the Director of Finance, who is responsible for the stewardship of the Sacramento County Pooled Investment Fund. Each transaction and the entire portfolio must comply with California Government Code and this Policy. All portfolio activities will be judged by the standards of the Policy and its investment objectives. Activities that violate its spirit and intent will be considered contrary to the Policy.

**III. Standard of Care**

The Director of Finance is the Trustee of the Pooled Investment Fund and therefore, a fiduciary subject to the prudent investor standard. The Director of Finance, employees involved in the investment process, and members of the Sacramento County Treasury Oversight Committee (Oversight Committee) shall refrain from all personal business activities that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with California state law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Director of Finance shall act with care, skill, prudence, and diligence to meet the aims of the investment objectives listed in Section IV, Investment Objectives.

**IV. Investment Objectives**

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance.

**A. Safety of Principal**

The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

**B. Liquidity**

As a second objective, the Pooled Investment Fund should remain sufficiently flexible to enable the Director of Finance to meet all operating requirements that may be reasonably anticipated in any depositor's fund.

**C. Public Trust**

In managing the Pooled Investment Fund, the Director of Finance and the authorized investment traders should avoid any transactions that might impair public confidence in Sacramento County and the participating local agencies. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

**D. Maximum Rate of Return**

As the fourth objective, the Pooled Investment Fund should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified herein. For comparative purposes, the State of California Local Agency Investment Fund (LAIF) will be used as a performance benchmark. The Pooled Investment Fund quarterly performance benchmark target has been set at or above LAIF's yield. This benchmark was chosen because LAIF's portfolio structure is similar to the Pooled Investment Fund.

**V. Pooled Investment Fund Investors**

The Pooled Investment Fund investors are comprised of Sacramento County, school and community college districts, districts directed by the Board of Supervisors, and independent special districts whose treasurer is the Director of Finance. Any local agencies not included in this category are subject to California Government Code section 53684 and are referred to as outside investors.

**VI. Implementation**

In order to provide direction to those responsible for management of the Pooled Investment Fund, the Director of Finance has established this Policy and will provide it to the Oversight Committee and render it to legislative bodies of local agencies that participate in the Pooled Investment Fund. In accordance with California Government Code section 53646, et seq., the Board of Supervisors shall review and approve this Policy annually.

This Policy provides a detailed description of investment parameters used to implement the investment process and includes the following: investable funds; authorized instruments; prohibited investments; credit requirements; maximum maturities and concentrations; repurchase agreements; Community Reinvestment Act Program; criteria and qualifications of broker/dealers and direct issuers; investment guidelines, management style and strategy; Approved Lists; and calculation of yield and costs.



**VII. Internal Controls**

The Director of Finance shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, or misuse. To assist in implementation and internal controls, the Director of Finance has established an Investment Group and a Review Group.

The Investment Group, which is comprised of the Director of Finance and his/her designees, is responsible for maintenance of the investment guidelines and Approved Lists. These guidelines and lists can be altered daily, if needed, to adjust to the ever-changing financial markets. The guidelines can be more conservative or match the policy language. In no case can the guidelines override the Policy.

The Review Group, which is comprised of the Director of Finance and his/her designees, is responsible for the monthly review and appraisal of all the investments purchased by the Director of Finance and staff. This review includes bond proceeds, which are invested separately from the Pooled Investment Fund and are not governed by this Policy.

The Director of Finance shall establish a process for daily, monthly, quarterly, and annual review and monitoring of the Pooled Investment Fund activity. The following articles, in order of supremacy, govern the Pooled Investment Fund:

1. California Government Code
2. Annual Investment Policy
3. Current Investment Guidelines
4. Approved Lists (see page 9, Section IX.K)

The Director of Finance shall review the daily investment activity and corresponding bank balances.

Monthly, the Review Group shall review all investment activity and its compliance to the corresponding governing articles and investment objectives.

Quarterly, the Director of Finance will provide the Oversight Committee with a copy of the Pooled Investment Fund activity and its compliance to the annual Policy and California Government Code.

Annually, the Oversight Committee shall cause an annual audit of the activities within the Pooled Investment Fund to be conducted to determine compliance to the Policy and California Government Code. This audit will include issues relating to the structure of the investment portfolio and risk.

All securities purchased, with the exception of time deposits, money market mutual funds, LAIF and Wells Fargo's overnight investment fund, shall be delivered to the independent third-party custodian selected by the Director of Finance. This includes all collateral for repurchase agreements. All trades, where applicable, will be executed by delivery versus payment by the designated third-party custodian.

## **VIII. Sacramento County Treasury Oversight Committee**

In accordance with California Government Code section 27130 et seq., the Board of Supervisors, in consultation with the Director of Finance, has created the Sacramento County Treasury Oversight Committee (Oversight Committee). Annually, the Director of Finance shall prepare an Investment Policy that will be forwarded to and monitored by the Oversight Committee and rendered to Boards of all local agency participants. The Board of Supervisors shall review and approve the Policy during public session. Quarterly, the Director of Finance shall provide the Oversight Committee a report of all investment activities of the Pooled Investment Fund to ensure compliance to the Policy. Annually, the Oversight Committee shall cause an audit to be conducted on the Pooled Investment Fund. The meetings of the Oversight Committee shall be open to the public and subject to the Ralph M. Brown Act.

A member of the Oversight Committee may not be employed by an entity that has contributed to the campaign of a candidate for the office of local treasurer, or contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the Oversight Committee. A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the Sacramento County Board of Supervisors or governing board of any local agency that has deposited funds in the county treasury while a member of the Oversight Committee. Finally, a member may not secure employment with, or be employed by bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the Oversight Committee or for one year after leaving the committee.

The Oversight Committee is not allowed to direct individual investment decisions, select individual investment advisors, brokers or dealers, or impinge on the day-to-day operations of the Department of Finance treasury and investment operations.

## **IX. Investment Parameters**

### **A. Investable Funds**

Total Investable Funds (TIF) for purposes of this Policy are all Pooled Investment Fund moneys that are available for investment at any one time, including the estimated bank account float. Included in TIF are funds of outside investors, if applicable, for which the Director of Finance provides investment services. Excluded from TIF are all bond proceeds.

The Cash Flow Horizon is the period in which the Pooled Investment Fund cash flow can be reasonably forecasted. This Policy establishes the Cash Flow Horizon to be one (1) year.

Once the Director of Finance has deemed that the cash flow forecast can be met, the Director of Finance may invest funds with maturities beyond one year. These securities will be referred to as the Core Portfolio.

### **B. Authorized Investments**

Authorized investments shall match the general categories established by the California Government Code sections 53601 et seq. and 53635 et seq. Authorized investments shall

include, in accordance with California Government Code section 16429.1, investments into LAIF. Authorization for specific instruments within these general categories, as well as narrower portfolio concentration and maturity limits, will be established and maintained by the Investment Group as part of the Investment Guidelines. As the California Government Code is amended, this Policy shall likewise become amended.

### **C. Prohibited Investments**

No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages.

All legal investments issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars, or snuff or for smoking in pipes. The tobacco-related issuers restricted from any investment are any component companies in the Dow Jones U.S. Tobacco Index or the NYSE Arca Tobacco Index. Annually the Director of Finance and/or his designee will update the list of tobacco-related companies.

### **D. Credit Requirements**

Except for municipal obligations and Community Reinvestment Act (CRA) bank deposits and certificates of deposit, the issuer's short-term credit ratings shall be at or above A-1 by Standard & Poor's, P-1 by Moody's, and, if available, F1 by Fitch, and the issuer's long-term credit ratings shall be at or above A by Standard & Poor's, A2 by Moody's, and, if available, A by Fitch. There are no credit requirements for Registered State Warrants. All other municipal obligations shall be at or above a short-term rating of SP-1 by Standard & Poor's, MIG1 by Moody's, and, if available, F1 by Fitch. In addition, domestic banks are limited to those with a Fitch Viability rating of a or better, without regard to modifiers. The Investment Group is granted the authority to specify approved California banks with Fitch Viability ratings of bbb+ but they must have a Support rating of 1 where appropriate. Foreign banks with domestic licensed offices must have a Fitch Sovereign rating of AAA and a Fitch Viability rating of a or better, without regard to modifiers; however, a foreign bank may have a rating of bbb+ but they must have a Support rating of 1. Domestic savings banks must be rated a or better, without regard to modifiers, or may have a rating of bbb+ but they must have a Support rating of 1.

*Community Reinvestment Act Program Credit Requirements*

Maximum Amount	Minimum Requirements
Up to the FDIC- or NCUSIF-insured limit for the term of the deposit	<b>Banks</b> — FDIC Insurance Coverage
	<b>Credit Unions</b> — NCUSIF Insurance Coverage <i>Credit unions are limited to a maximum deposit of the NCUSIF-insured limit since they are not rated by nationally recognized rating agencies and are not required to provide collateral on public deposits.</i>
Over the FDIC- or NCUSIF-insured limit to \$10 million  Collateral is required	(Any 2 of 3 ratings) S&P:           A-2 Moody's:       P-2 Fitch:           F-2

Eligible banks must have Community Reinvestment Act performance ratings of “satisfactory” or “outstanding” from each financial institution’s regulatory authority. In addition, deposits greater than the federally-insured amount must be collateralized. Banks must place securities worth between 110% and 150% of the value of the deposit with the Federal Reserve Bank of San Francisco, the Home Loan Bank of San Francisco, or a trust bank.

Since credit unions do not have Community Reinvestment Act performance ratings, they must demonstrate their commitment to meeting the community reinvestment lending and charitable activities, which are also required of banks.

All commercial paper and medium-term note issues must be issued by corporations operating within the United States and having total assets in excess of one billion dollars (\$1,000,000,000).

The Investment Group may raise these credit standards as part of the Investment Guidelines and Approved Lists. Appendix A provides a Comparison and Interpretation of Credit Ratings by Standard & Poor’s, Moody’s, and Fitch.

**E. Maximum Maturities**

Due to the nature of the invested funds, no investment with limited market liquidity should be used. Appropriate amounts of highly-liquid investments, such as Treasury and Agency securities, should be maintained to accommodate unforeseen withdrawals.

The maximum maturity, determined as the term from the date of ownership to the date of maturity, for each investment shall be established as follows:

U.S. Treasury Notes and Agency Obligations .....	5 years
Bonds issued by local agencies .....	5 years
Registered State Warrants and Municipal Notes .....	5 years
Bankers Acceptances .....	180 days
Commercial Paper .....	270 days
Negotiable Certificates of Deposit .....	180 days
CRA Bank Deposit/Certificates of Deposit .....	1 year
Repurchase Agreements .....	1 year
Reverse Repurchase Agreements .....	92 days
Medium Term Corporate Notes.....	180 days
Shares of a Money Market Mutual Fund .....	(per SEC regulations) <sup>1</sup>
Collateralized Mortgage Obligations .....	180 days

The Investment Group may reduce these maturity limits to a shorter term as part of the Investment Guidelines and the Approved Lists.

The ultimate maximum maturity of any investment shall be five (5) years. The dollar-weighted average maturity of all securities shall be equal to or less than three (3) years.

#### **F. Maximum Concentrations**

No more than 80% of the portfolio may be invested in issues other than United States Treasuries and Government Agencies. The maximum allowable percentage for each type of security is set forth as follows:

U.S. Treasury and Agency Securities.....	100%
Bonds issued by local agencies .....	80%
Registered State Warrants and Municipal Notes .....	80%
Bankers Acceptances .....	40%
Commercial Paper .....	40%
Negotiable or CRA Bank Deposit/Certificates of Deposit.....	30%
Repurchase Agreements .....	30%
Reverse Repurchase Agreements .....	20%
Medium Term Corporate Notes.....	30%
Shares of a diversified Money Market Mutual Fund.....	20%
Collateralized Mortgage Obligations .....	20%
Local Agency Investment Fund (LAIF) .....	(per State limit) <sup>2</sup>

The Investment Group may reduce these concentrations as part of the Investment Guidelines and the Approved Lists.

<sup>1</sup> Money Market mutual funds are regulated by the Securities and Exchange Commission under §270.2a-7 and are required to maintain a dollar-weighted average portfolio maturity of 60 days or less.

<sup>2</sup> LAIF current maximum allowed is \$50 million.

No more than 10% of the portfolio, except Treasuries and Agencies, may be invested in securities of a single issuer including its related entities.

Where a percentage limitation is established above, for the purpose of determining investment compliance, that maximum percentage will be applied on the date of purchase.

### **G. Repurchase Agreements**

Under California Government Code section 53601, paragraph (j) and section 53635, the Director of Finance may enter into Repurchase Agreements and Reverse Repurchase Agreements. The maximum maturity of a Repurchase Agreement shall be one year. The maximum maturity of a reverse repurchase agreement shall be 92 days, and the proceeds of a reverse repurchase agreement may not be invested beyond the expiration of the agreement. The reverse repurchase agreement must be "matched to maturity" and meet all other requirements in the code.

All repurchase agreements must have an executed Sacramento County Master Repurchase Agreement on file with both the Director of Finance and the Broker/Dealer. Repurchase Agreements executed with approved broker-dealers must be collateralized with either: (1) U.S. Treasuries or Agencies with a market value of 102% for collateral marked to market daily; or (2) money market instruments which are on the Approved Lists of the County and which meet the qualifications of the Policy, with a market value of 102%. Since the market value of the underlying securities is subject to daily market fluctuations, investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. Use of mortgage-backed securities for collateral is not permitted. Strictly for purposes of investing the daily excess bank balance, the collateral provided by the Sacramento County's depository bank can be Treasuries or Agencies valued at 110%, or mortgage-backed securities valued at 150%.

### **H. Community Reinvestment Act Program**

The Director of Finance has allocated within the Pooled Investment Fund, a maximum of \$90 million for the Community Reinvestment Act Program to encourage community investment by financial institutions, which includes community banks and credit unions, and to acknowledge and reward local financial institutions which support the community's financial needs. The Director of Finance may increase this amount, as appropriate, while staying within the investment policy objectives and maximum maturity and concentration limits. The eligible banks and savings banks must have Community Reinvestment Act performance ratings of "satisfactory" or "outstanding" from each financial institution's regulatory authority. The minimum credit requirements are located on page 5 of Section IX.D.

### **I. Criteria and Qualifications of Brokers/Dealers and Direct Issuers**

All transactions initiated on behalf of the Pooled Investment Fund and Sacramento County shall be executed through either government security dealers reporting as primary dealers to the Market Reports Division of the Federal Reserve Bank of New York or direct issuers that directly issue their own securities which have been placed on the Approved List of

brokers/dealers and direct issuers. Further, these firms must have an investment grade rating from at least two national rating services, if available.

Brokers/Dealers and direct issuers which have exceeded the political contribution limits, as contained in Rule G-37 of the Municipal Securities Rulemaking Board, within the preceding four year period to the Director of Finance or any member of the governing board of a local agency or any candidate for those offices, are prohibited from the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions. Each firm must acknowledge receipt of such materials to qualify for the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer authorized to do business with Sacramento County shall, at least annually, supply the Director of Finance with audited financial statements.

#### **J. Investment Guidelines, Management Style and Strategy**

The Investment Group, named by the Director of Finance, shall issue and maintain Investment Guidelines specifying authorized investments, credit requirements, permitted transactions, and issue maturity and concentration limits which are consistent with this Policy.

The Investment Group shall also issue a statement describing the investment management style and current strategy for the entire investment program. The management style and strategy can be changed to accommodate shifts in the financial markets, but at all times they must be consistent with this Policy and its objectives.

#### **K. Approved Lists**

The Investment Group, named by the Director of Finance, shall issue and maintain various Approved Lists. These lists are:

1. Approved Domestic Banks for all legal investments.
2. Approved Foreign Banks for all legal investments.
3. Approved Commercial Paper and Medium Term Note Issuers.
4. Approved Money Market Mutual Funds.
5. Approved Firms for Purchase or Sale of Securities (Brokers/Dealers and Direct Issuers).
6. Approved Banks / Credit Unions for the Community Reinvestment Act Program.

#### **L. Calculation of Yield and Costs**

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets; managing and accounting for the banking; receiving and remitting deposits; oversight controls; and indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated by specific cost

accounting projects and charged to the Pooled Investment Fund on a quarterly basis throughout the fiscal year.

The Department of Finance will allocate the net interest earnings of the Pooled Investment Fund quarterly. The net interest earnings are allocated based upon the average daily cash balance of each Pooled Investment Fund participant.

#### **X. Reviewing, Monitoring and Reporting of the Portfolio**

The Review Group will prepare and present to the Director of Finance at least monthly a comprehensive review and evaluation of the transactions, positions, performance of the Pooled Investment Fund and compliance to the California Government Code, Policy, and Investment Guidelines.

Quarterly, the Director of Finance will provide to the Oversight Committee and to any local agency participant that requests a copy, a detailed report on the Pooled Investment Fund. Pursuant to California Government Code section 53646, the report will list the type of investments, name of issuer, maturity date, par and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value, and the pricing source. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Policy and a statement of the Pooled Investment Fund's ability to meet the expected expenditure requirements for the next six months.

Each quarter, the Director of Finance shall provide to the Board of Supervisors and interested parties a comprehensive report on the Pooled Investment Fund.

Annually, the Director of Finance shall provide to the Oversight Committee the Investment Policy. Additionally, the Director of Finance will render a copy of the Investment Policy to the legislative body of the local agencies that participate in the Pooled Investment Fund.

#### **XI. Withdrawal Requests for Pooled Fund Investors**

The Director of Finance will honor all requests to withdraw funds for normal cash flow purposes that are approved by the Director of Finance at a one dollar net asset value. Any requests to withdraw funds for purposes other than immediate cash flow needs, such as for external investing, are subject to the consent of the Director of Finance. In accordance with California Government Code Sections 27133(h) and 27136, such requests for withdrawals must first be made in writing to the Director of Finance. When evaluating a request to withdraw funds, the Director of Finance will take into account the effect of a withdrawal on the stability and predictability of the Pooled Investment Fund and the interests of other depositors. Any withdrawal for such purposes will be at the market value of the Pooled Investment Fund on the date of the withdrawal.

#### **XII. Limits on Honoraria, Gifts, and Gratuities**

In accordance with California Government Code Section 27133(d), this Policy establishes limits for the Director of Finance; individuals responsible for management of the portfolios; and members of the Investment Group and Review Group who direct individual investment decisions, select individual investment advisors and broker/dealers, and conduct day-to-day investment



trading activity. The limits also apply to members of the Oversight Committee. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of \$50 in a calendar year from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the designated filing official and complete the appropriate State forms.

No individual may receive aggregate gifts, honoraria, and gratuities in a calendar year in excess of the amount specified in Section 18940.2(a) of Title 2, Division 6 of the California Code of Regulations. This limitation is \$440 for the period January 1, 2013, to December 31, 2014. Any violation must be reported to the State Fair Political Practices Commission.

### **XIII. Terms and Conditions for Outside Investors**

Outside investors may invest in the Pooled Investment Fund through California Government Code Section 53684. Their deposits are subject to the consent of the Director of Finance. The legislative body of the local agency must approve the Sacramento County Pooled Investment Fund as an authorized investment and execute a Memorandum of Understanding. Any withdrawal of these deposits must be made in writing 30 days in advance and will be paid based upon the market value of the Pooled Investment Fund. If the Director of Finance considers it appropriate, the deposits may be returned at any time to the local agency.

# Appendix A

## Comparison and Interpretation of Credit Ratings

<b>Long Term Debt &amp; Individual Bank Ratings</b>				
<b>Rating Interpretation</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>	<b>Fitch Viability Rating</b>
<i>Best-quality grade</i>	Aaa	AAA	AAA	aaa
<i>High-quality grade</i>	Aa1	AA+	AA+	aa+
	Aa2	AA	AA	aa
	Aa3	AA-	AA-	aa-
<i>Upper Medium Grade</i>	A1	A+	A+	a+
	A2	A	A	a
	A3	A-	A-	a-
<i>Medium Grade</i>	Baa1	BBB+	BBB+	bbb+
	Baa2	BBB	BBB	bbb
	Baa3	BBB-	BBB-	bbb-
<i>Speculative Grade</i>	Ba1	BB+	BB+	bb+
	Ba2	BB	BB	bb
	Ba3	BB-	BB-	bb-
<i>Low Grade</i>	B1	B+	B+	b+
	B2	B	B	b
	B3	B-	B-	b-
<i>Poor Grade to Default</i>	Caa	CCC+	CCC	ccc
<i>In Poor Standing</i>	-	CCC	-	
	-	CCC-	-	
<i>Highly Speculative Default</i>	Ca	CC	CC	cc
	C	-	-	c
<i>Default</i>	-	-	DDD	f
	-	-	DD	f
	-	D	D	f

<b>Short Term / Municipal Note Investment Grade Ratings</b>			
<b>Rating Interpretation</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>
<i>Superior Capacity</i>	MIG-1	SP-1+/SP-1	F1+/F1
<i>Strong Capacity</i>	MIG-2	SP-2	F2
<i>Acceptable Capacity</i>	MIG-3	SP-3	F3

# Appendix A

## Short Term / Commercial Paper Investment Grade Ratings

Rating Interpretation	Moody's	S&P	Fitch
<i>Superior Capacity</i>	P-1	A-1+/A-1	F1+/F1
<i>Strong Capacity</i>	P-2	A-2	F2
<i>Acceptable Capacity</i>	P-3	A-3	F3

## Fitch Support Ratings

Rating	Interpretation
1	A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.
2	A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.
3	A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.
4	A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.
5	A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

# Appendix A

Fitch Sovereign Risk Ratings	
Rating	Interpretation
AAA	<b>Highest credit quality.</b> 'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	<b>Very high credit quality.</b> 'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	<b>High credit quality.</b> 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB	<b>Good credit quality.</b> 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for timely payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.
BB	<b>Speculative.</b> 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.
B	<b>Highly speculative.</b> 'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
CCC	<b>High default risk.</b> Default is a real possibility.
CC	<b>Very high levels of credit risk.</b> Default of some kind appears probable.
C	<b>Exceptionally high levels of credit risk.</b> Default appears imminent or inevitable.
D	<p><b>Default.</b> Indicates a default. Default generally is defined as one of the following:</p> <ul style="list-style-type: none"> <li>• Failure to make payment of principal and/or interest under the contractual terms of the rated obligation;</li> <li>• The bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of the business of an issuer/obligor; or</li> <li>• The coercive exchange of an obligation, where creditors were offered securities with diminished structural or economic terms compared with the existing obligation.</li> </ul>

**AGENDA ITEM 6: WATER EFFICIENCY ON LARGE LANDSCAPES  
PROJECT**

**BACKGROUND:**

On September 8, 2010 the Board established the Residential-Agricultural Water Conservation Sub-committee to identify ways the Board could address actions identified in Section 3.2.4.1 of the groundwater management plan that states, “The basin governance body shall develop BMPs for self-served agricultural and agricultural-residential water users.” During the first meeting discussion focused on ways water conservation programs could be developed and delivered to the ag-residential community. Since that time the sub-committee has met off and on with representatives of the California Association of Resource Conservation Districts (Association) to discuss ways to provide this service. Coincident to these discussions the Regional Water Authority (RWA) was awarded a grant to implement a region wide water efficiency program for both urban and agricultural-residential water users. The sub-committee agreed that the Groundwater Authority should take advantage of this opportunity and that in doing so would make significant progress toward meeting the requirements set forth in the groundwater management plan.

With this strategy in mind, the Board authorized the expenditure of up to \$10,000 at their March 14, 2012 meeting to augment the ag-residential component of the 2011 Proposition 84 Regional Water Efficiency Project.

On April 23, 2013 the sub-committee met with representatives of the Association. These representatives indicated that they have now reached the point where they can begin to implement the WELL program. The Association has completed work on a scope of work that provides what the sub-committee believes will satisfy requirements for best management practices for ag-residential water users.

**STAFF RECOMMENDATION:**

*Action: Authorize the Executive Director to enter into an agreement with the California Association of Resource Conservation Districts for \$9,160.*

## The Where...

The project area is the American River Basin, including most of:

- » Sacramento County
- » Eldorado County
- » Placer County



## The Why...

When considering water use of an average home *outside watering accounts for over 50% of water use*, largely spent on watering lawns. According to the American Water Association, converting a 2500 square foot lawn to *low-water use plantings saves 372 gallons of water per day during the growing season*. An average home has the potential to *collect over 1500 gallons of rainwater each year* with a simple rain harvest system, depending on rainfall, roof area and storage capacity.

The California  
Association of  
Resource  
Conservation  
Districts



RESOURCE  
CONSERVATION DISTRICT

801 K Street, 18th Floor  
Sacramento, CA 96814  
[www.CARCD.org](http://www.CARCD.org)



## Water Efficiency on Large Landscapes

... an incentive project aimed to encourage water conservation and efficiency on larger landscapes in the American River Basin.

Receive up to \$500 incentives  
Hand-on Workshops  
DIY system kits



# Projects

## Reimbursement

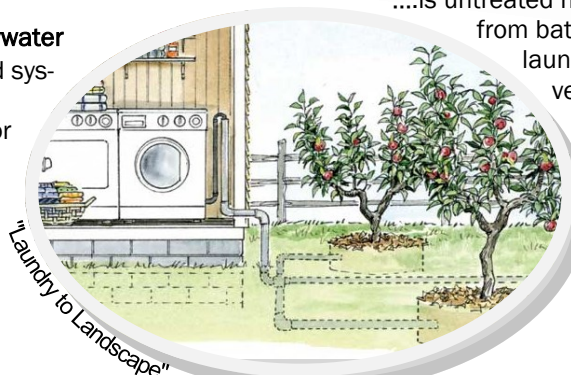
Up to \$500 reimbursement available for homeowners for water conservation and efficiency projects

- » **Smart Irrigation Controllers** upgrades standard irrigation timers (i.e. Rain Sensors, moisture sensors, weather stations etc.)
- » **Upgrading to Water Efficient Sprinkler Heads.**
- » **Drip Irrigation Equipment:** converting existing non-turf area spray equipment to low volume drip.
- » **Pressure regulation equipment** for irrigation system
- » **Rainwater Catchment Systems**
- » **Greywater Systems**

## Hand-On Workshops

Sign-up for a **FREE** workshop, participants will receive all materials to install either of the systems on their properties.

- » **“BlueBarrel” Rainwater Catchment Systems-** simple self-installed system consisting of a series of 55 gallon barrels collecting rainwater from a structures roof.
- » **“Laundry to Landscape” Greywater Systems-** simple self-installed system reusing only laundry machine water to irrigate outdoor landscape.



“Laundry to Landscape”

# What are...

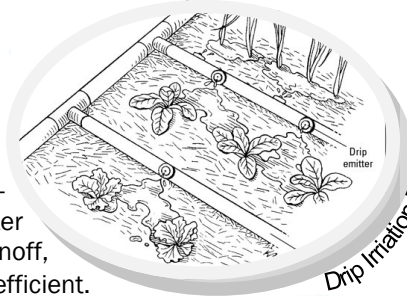
## Smart Irrigation Controllers...

...tailor watering schedules and run times automatically to meet specific landscape needs. These controllers are a proven technology to improve outdoor water use efficiencies.



## Water Efficient Sprinklers

...such as: matched precipitation, reduced pressure, low precipitation, high distribution uniformity and multistream nozzles. Each of these nozzles can be match with a landscaping needs to increase efficiency.



## Drip Irrigation

...delivers water directly to the root zone of plants. This method of watering is efficient and economical; water is applied slowly, reduces runoff, evaporation, and is 90% efficient.

## Rainwater Harvesting...

...is the collection of precipitation from rooftops and other above-ground impervious surfaces that is stored in catchment tanks for later use. Collection of rainwater for reuse uses: include water for garden, water for livestock, water for irrigation, etc.

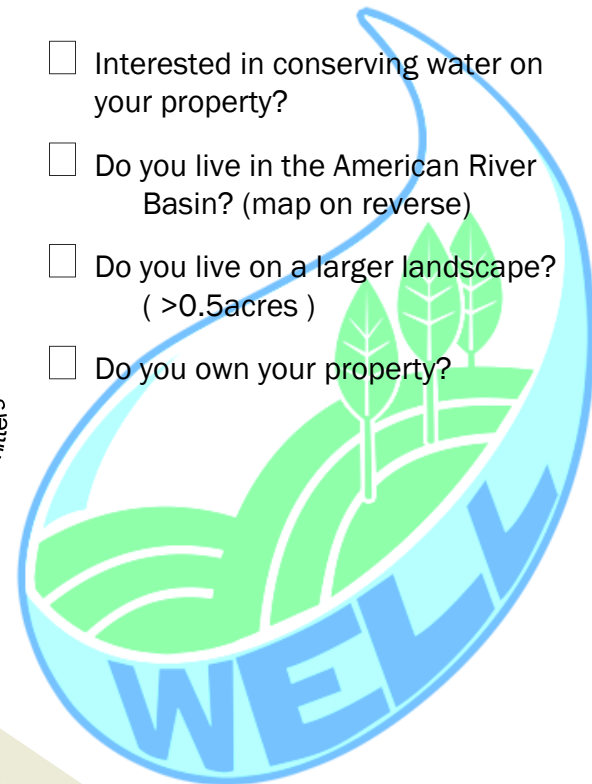
## Graywater...

...is untreated household wastewater generated from bathroom sinks, bathtubs, and laundry. This wastewater can be diverted from the sewer to irrigate outdoor plants and landscape. This re-use of this water reduces the amount of potable water used, but safety consideration must be made when installing this system.

# Eligibility

Is your property eligible to receive up to \$500 in reimbursement or a DIY whole system kit?

- Interested in conserving water on your property?
- Do you live in the American River Basin? (map on reverse)
- Do you live on a larger landscape? (>0.5acres)
- Do you own your property?



If you're interested in learning more or applying for the WELL incentives program contact us...

Amanda Platt

Amanda-platt@carcd.org

Fill out a survey or download the application at:

[www.ElkGroveGreenerGardens.org/WELL](http://www.ElkGroveGreenerGardens.org/WELL)



California Association of Resource Conservation Districts
Water Efficiency on Large Landscapes (WELL)
Incentives Project



Instructions: Completely fill out application and return to CARCD

1. Name and Mailing Address

2. Application Date

Applicant Name (Rebate Check Payable To)

Mailing Address

City

State

Zip

Daytime Phone No.

Email

Site Name and Site Address

City

State

Zip

Zoning Classification:

Site Assessor's Parcel Number (APN)\*

\*APN can be found online by County. Sacramento County: assessorparcelviewer.saccounty.net/, El Dorado County: main.edcgov.us/assessor.html and Placer County: http://lis.placer.ca.gov/gis.asp

Water Source:

Parcel Acreage:

Terms and Conditions

- 1. The applicant applying for the rebate must be in an unincorporated area, use groundwater as a water source, must have a larger landscape (greater than 0.75 acres), and be located in the American River Basin.
2. The site must be able to estimate current and future water consumption.
3. Rebates are only available to improve existing in-ground irrigation systems and/or automatic timers. New irrigation system installations are not eligible. Systems must improve efficiency of already existing systems or by used to off-set currently irrigated areas.
4. The maximum rebate for irrigation system efficiency upgrades is \$500 per application/residence. Rebate may include materials and labor (installation) costs. Material cost per unit must not exceed manufacturer's MSRP suggested retail price. Installation is the sole responsibility of the applicant. However the applicant can choose to hire a licensed (State of California C27, D12, or C36 license) landscape contractor. Installation costs from a licensed landscape contractor can be reimbursed through this Program for up to \$150 per application/residence with a total rebate not to exceed above limits. Installation labor rates must be in line with industry prevailing wages. In order to receive reimbursement for installation costs, a detailed



invoice from a licensed landscape professional with itemized material and labor costs must be submitted. Self-installation from residential owners/staff may not be reimbursed for installation costs.

5. Rebates may be given for water efficient product material and labor for installation of water efficient product material. Items such as couplings, wiring, electrical tape, etc. are excluded from rebate funding. Participants are eligible for one rebate per property.
6. Eligible irrigation equipment upgrades include equipment that improves irrigation efficiencies as determined by the WELL Project staff. Itemized receipts and/or invoices are required. Eligible efficiency products and projects are outlined under "Option A/B section"
7. Any project(s) started before the Pre-Qualification Evaluation is performed are not eligible for any portion of these rebates.
8. All applications for rebates under the WELL Rebate Program must be submitted by the applicant no later than December 31, 2013.
9. Rebate program is subject to available funding. Rebates will be distributed on a first-come, first-served basis until funding is depleted. Submission of an application does not guarantee a rebate.
10. WELL Project Staff are entitled to full review of all reported labor and materials costs and reserve the right to deny reimbursement to any applicant for extraneous costs.

### **Option A: Reimbursement**

#### Eligible Projects:

- a) Smart Irrigation Controllers or related equipment that upgrades standard irrigation timers to smart timers (i.e. Rain Sensors, moisture sensors, weather stations etc.)
- b) Matched precipitation rate sprinkler heads equipped with pressure reducing devices or check valves; to standardize equipment within systems
- c) Drip Irrigation Equipment: converting existing non-turf area spray equipment to low volume drip. Note: Microspray systems do not meet the terms of the Program. Drip systems must be separated from overhead spray heads with an independent valve.
- d) Convert standard spray type nozzles to low precipitation, high distribution uniformity or multistream nozzles.
- e) Pressure regulation equipment for irrigation system
- f) Rainwater Catchment Systems- systems must be implemented to off-set current water needs. It is the responsibility of the applicant to comply with any necessary permitting
- g) Greywater Systems- systems must contribute to current water needs. It is the responsibility of the applicant to compile with any necessary permitting

#### Instructions

1. Submit a completed application to WELL Project staff. Once the application has been received and rebate funds have been identified, a WELL project representative will contact the applicant to schedule a Pre-Qualification Evaluation. The Evaluation will include a site visit and audit of applicant's outdoor irrigation system.
2. Once the evaluation has been completed, WELL Project staff will provide the applicant with a list of the irrigation efficiency equipment and materials that are approved for purchase and eligible for a rebate. Both the applicant and the WELL Project representative must sign and date the Pre- Qualification Evaluation form.
3. The purchase and installation of all approved equipment must be completed and a Post-Installation Inspection must be scheduled by the applicant within 120 days from the date of the Pre-Qualification Evaluation.
4. At the time of the Post-Installation Inspection, the applicant must provide the Pre-Qualification Evaluation form and original receipts to the WELL Project representative. Submission of the receipts and form are required to be eligible for a rebate under this Program. If a contractor purchased the materials, the applicant must request a detailed invoice showing separate line-items for materials and labor. Rebates will not be processed until a Post-Installation Inspection has occurred.

5. Once a Post-Installation Inspection is complete and the appropriate receipts are submitted, a rebate will be issued within 90 days from the date of the Post-Installation Inspection. Rebate checks will be made payable to the applicant and mailed to the address provided on the application.

**Option B: Hand-on Installation Workshop, system materials included**

Eligible Projects:

- a) "BlueBarrel" Rainwater Harvest System: simple self-installed system consisting of a series of 55 gallon barrels collecting rainwater from a structures roof. System must collect at least 200 gallons of water. It is the responsibility of the applicant to comply with any necessary permitting.
- b) Laundry to Landscape Greywater System: Systems must compile with Chapter 16A of State plumbing code, it is the responsibility of the applicant to comply with any necessary permitting.

Instructions:

Applicants will be invited to participate in a hand-on installation workshop for the system of their choice. This workshop will include all the necessary information to complete the project on the applicant's site, including: site assessment, water savings calculation, and hand-on installation instructions. Participates will be provided will the necessary equipment and materials to install a system.

1. Submit completed application.
2. Register for Hand-On Workshop for either Greywater or Rainwater Harvest.
3. Submit photos of the installation site (see article 1).
4. Attend workshop and receive materials to install system.
5. Installation of system must be complete within 120 days from the date of 'pre-evaluation' the day of the installation workshop.
6. Post installation of installation site.

7. Agreement

I irrevocably authorize the water agency, or anyone authorized/designated by the water agency, to use or reproduce any and all photographs which have been taken of my landscape as part of the Irrigation Efficiency Rebate Program by the water agency or the water agency's authorized agent(s) for any purpose determined by the water agency without compensation or further notice to me.

I have read and understand the program information as stated in the attached application materials including Program Terms and Conditions in Section 5 of this document. I understand that by signing below, I agree to allow an official from my water provider to verify the installation of the equipment at said property. I agree to indemnify and hold the Regional Water Authority and my water provider, and their respective directors, officers, employees and agents, harmless from any and all liability or claims for damage, including any attorneys' fees and costs, connected to or in any way arising from the Irrigation Efficiencies, the inspection of the premises to verify proper installation, and any other activity related to this program.

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Authorized Signature

Date



This Program is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84, Chapter 2), administered by State of California, Department of Water Resources.

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY  
CALIFORNIA**

6

For the Agenda of:  
May 8, 2013

To: Board of Directors  
Sacramento Central Groundwater Authority

From: Staff

Subject: Authorize The Executive Director To Execute An Agreement With The California Association Of Resource Conservation Districts

Contact: Darrell Eck, Executive Director, 874-5039

**Overview**

The Water Efficiency on Large Landscapes Project (WELL) provides for regional workshops and on-site surveys that include incentives for qualifying properties for qualifying agricultural-residential properties. Participation in this program by the Groundwater Authority will assist in meeting the objectives of the basin management objectives by encouraging groundwater conservation.

**Recommendations**

Authorize the Executive Director to execute a contract with the California Association of Resource Conservation Districts

**Fiscal Impact**

Project cost is \$9,160; funding for this project has been included in the Groundwater Authority's Fiscal Year 2013/2014 adopted budget.

**BACKGROUND**

On September 8, 2010 the Board established the Residential-Agricultural Water Conservation Sub-committee to identify ways the Board could address actions identified in Section 3.2.4.1 of the groundwater management plan that states, "The basin governance body shall develop BMPs for self-served agricultural and agricultural-residential water users." During the first meeting discussion focused on ways water conservation programs could be developed and delivered to the ag-residential community. Since that time the sub-committee has met off and on with representatives of the California Association of Resource Conservation Districts (Association) to discuss ways to provide this service. Coincident to these discussions the Regional Water Authority (RWA) was awarded a grant to implement a region wide water efficiency program for both urban and agricultural-residential water users. The sub-committee agreed that the Groundwater Authority should take advantage of this opportunity and that in doing so would

make significant progress toward meeting the requirements set forth in the groundwater management plan.

With this strategy in mind, the Board authorized the expenditure of up to \$10,000 at their March 14, 2012 meeting to augment the ag-residential component of the 2011 Proposition 84 Regional Water Efficiency Project.

### **DISCUSSION**

On April 23, 2013 the sub-committee met with representatives of the Association. These representatives indicated that they have now reached the point where they can begin to implement the WELL program. The Association has completed work on a scope of work that provides what the sub-committee believes will satisfy requirements for best management practices for ag-residential water users.

### **CONCLUSION**

Staff recommends the Board authorize the Executive Director to enter into an agreement with the Association for \$9,160 in accordance with the attached Work Plan/Budget (Attachment A).

Attachments:

Resolution 2013-02  
Attachment A – Work Plan/Budget

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

**RESOLUTION NO. 2013-02**

**AUTHORIZATION TO EXECUTE AN AGREEMENT WITH THE CALIFORNIA ASSOCIATION OF RESOURCE CONSERVATION DISTRICTS**

**BE IT RESOLVED AND ORDERED** that the Executive Director be and is hereby authorized and directed to execute an agreement on behalf of the SACRAMENTO CENTRAL GROUNDWATER AUTHORITY, a Joint Powers Authority created through a 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, with THE CALIFORNIA ASSOCIATION OF RESOURCE CONSERVATION DISTRICTS for the Water Efficiency on Large Landscapes Project and to do and perform everything necessary to carry out the purpose of this Resolution.

ON A MOTION by Director \_\_\_\_\_, and seconded by Director \_\_\_\_\_, the foregoing resolution was passed and adopted by the Board of Directors of SCWA, State of California, this 8<sup>th</sup> day of May, 2013, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

ABSENT: Directors,

ABSTAIN: Directors,

\_\_\_\_\_  
Chair of the Board of Directors

(SEAL)

ATTEST: \_\_\_\_\_  
Clerk of the Board

## Work plan/Budget

## Central Basin Groundwater Authority Ag-Residential Water Efficiency Project

The RWA, on behalf of the American River Basin IRWMP, was awarded a grant to implement a regional water efficiency program for both urban and agricultural-residential (ag.-res.) water users. The total award was for \$988,000 with \$63,500 for ag.-res. properties. A unique feature of the grant is that no local cost share is required. Details are available at:

[www.rwah20.org/rwa/programs/irwmp](http://www.rwah20.org/rwa/programs/irwmp).

In addition to this funding the Water Forum will contribute \$2,500, both in-kind services and cash, to assist with the publicizing of this program throughout the region.

For the ag.-res. effort, the IRWMP funding breakdown will be based on the proportion of ag.-res. land acreage within the American River Basin IRWMP. The proportion of ag.-res. acreage is depicted below.

Ag.-Res. land use within the American River Basin

Boundaries	Approximate total of ag.-res. acreage	Percentage of total within ARB
American River Basin (ARB)	27,986	100%
Sacramento County*	27,300	98%
Central Basin	7,572	27%
Placer County*	>586	2%
El Dorado County*	100	0.4%

Approximately 27% of the ag.-res. acreage in the American River Basin is located within the boundaries of the Sacramento Central Basin Groundwater Authority.

Therefore approximately \$17,145 will be allocated to the Central Basin for the program.

Within the ag.-res. component there are two tasks; regional workshops and on-site surveys that include incentives for qualifying properties that make irrigation efficiency improvements. The objective of the workshop task is to prepare a single presentation that contains narrative and photographic descriptions of management practices that can be implemented by the ag.-res. community. It is assumed that presentations will be given at local meetings such as CPAC's or other watershed-based organizations. The goal of the survey task is to provide property owners with a quantitative and qualitative review of their property and to suggest management practices to meet resource objectives. In addition, there is incentive funding available to encourage the implementation of water use efficiency practices.

### Timeline

Although there is no signed contractual agreement between RWA and the State at this time, the State has indicated that project is currently eligible for reimbursement. All funds must be spent by December 2016.

The remainder of this memo provides detail for each task including a work plan, budget, and an implementation timeline.

### Task 1. Regional Ag-Residential Workshops

Workshops will take place at strategic locations throughout the AR Basin region. Workshops will be one to two hours and will be scheduled around existing meetings such as CPAC's, homeowners associations, resource conservation district board meetings, and other interested groups. Integrating these presentations with local community meetings will allow for targeting the ag.-res community

## Work plan/Budget

## Central Basin Groundwater Authority Ag-Residential Water Efficiency Project

that this funding focuses on. It is expected that at least 10 workshops will be given throughout the region between spring 2013 and fall 2014.

### Budget

Total budget for the entire American River Basin IRWMP for this effort is \$23,800 for labor, mileage and printing cost.

From the IRWMP grant funds, approximately \$6,650.40 will go for workshops in the Central Basin. This funding will be augmented by \$2,500 through the Central Basin Groundwater Authority providing a total of approximately \$9150.40. The following is a breakdown for the workshops in the Central Basin.

### Workshop Budget Breakdown for Central Basin

Budget Item	hours	\$/hr	\$
Travel (\$0.55/mile)			135
Materials Printing			135
Staff Labor	110	65	7,150
Staff Management Labor	10	75	750
Sub Total			\$8,170
		Administration (12%)	\$980.40
		Total	\$9150.40

### Work Plan

CARCD staff will prepare a presentation that contains information on proven management practices that can be implemented on ag.-res. properties, which provide a watershed perspective and encourage natural resource conservation. This presentation will have an outline the process of developing a 'conservation plan' on a homeowner's property. An introduction on the importance of best management practices (BMP), the process of determining cost and benefits of different practices, the practices themselves, and how to get support for implementation. In addition to a presentation the CARCD will prepare handouts with details on BMPs and outlining the watershed perspective. This preparation of this presentation will be considered a one-time event.

The introduction on practices will discuss resource protection objectives, such as: water conservation, surface and ground water quality protection, soils health, and habitat. The cost and benefits section will help a homeowner to understand that each property is unique, where different BMPs will be more or less effective depending on characteristics of the property. This section will provide a simple view of how to determine the costs of a practice and how to establish the benefits of implementation. This section will not be technical in nature but rather it will provide a qualitative description of how to exam cost and benefits. The management practices section will contain information on efficient drip irrigation, landscaping and plant choice, gray water use, and rain water harvesting with the following content for each practice: practice description, objective of implementation, methods of implementation, pictures or narratives describing successful implementation, known implementation issues, and costing information. The remainder of the presentation will be next steps information such as who to contact.

### Task 2. Ag-Residential Surveys and Incentives

Surveys on ag-res properties will be provided at no charge to property owners. In addition to surveys, property owners are eligible for incentive reimbursement per property for implementation of management practices.

## Work plan/Budget

## Central Basin Groundwater Authority Ag-Residential Water Efficiency Project

### Budget

The total budget for the entire American River Basin IRWMP for this task is \$32,400 with the majority of these funds being dedicated to incentives. Survey labor is estimated at 1 hour of driving time, 2 hours of on-site effort and 1 hour of report preparation and homeowner follow-up. Support staff will be required to help with scheduling and management time is assumed for invoice preparation and general oversight.

From the IRWMP grant funds, approximately \$10,196 will go for survey and incentives in the Central Basin. This funding will be augmented, \$7,500 through the Central Basin Groundwater Authority. A total of \$17,696 has been budgeted for the Central Basin. The following is a breakdown for the surveys and incentives in the Central Basin.

### Survey and Incentive Budget Breakdown for Central Basin

Budget Item	Count	hours	\$/hr	\$	\$
Incentives	~20			500	10,000
Materials Printed				15	300
Survey Labor		3	60		4,600
Staff Labor		0.25	45		400
Staff Management Labor		0.25	75		500
Sub-Total					15,800
Administration (12%)					1,896
Total					\$17,696

### Work Plan

Agency staff will contact eligible property owners, based on workshop responses and other means of contact, and arrange for site assessment. Site assessment will include a review of storm water runoff and erosion prevention, water and energy savings opportunities, habitat value on the property, and improving soil quality.

For each survey a written report that identifies potential management practice that could be implemented will be provided. In addition, necessary paperwork will be provided for property owners who are interested in receiving a financial incentive. No incentives will be provided without a completed survey. All participants who receive an incentive will be required to allow photo documentation of the implementation.



**AGENDA ITEM 7: EXECUTIVE DIRECTOR'S REPORT**

- a) Local Groundwater Assistance Grant
- b) Review Policies and Procedures

**May 8, 2013**

**TO: SACRAMENTO CENTRAL GROUNDWATER AUTHORITY BOARD**

**FROM: DARRELL ECK**

**RE: EXECUTIVE DIRECTOR'S REPORT**

- a) **Local Groundwater Assistance Grant** – On April 25, 2013 DWR reconvened the Technical Advisory Panel (TAP) to present and further discuss with the TAP and the public regarding DWR's rankings of Local Groundwater Assistance grant applications so that the TAP may formulate funding recommendations to DWR decision makers. While no final decision has been made, it appears that the Groundwater Authority will receive at least \$200,000 from the grant. Awards are expected to be made in July 2013 and grant agreements are tentatively scheduled to be executed in September 2013.
  
- b) **Review Policies and Procedures** – A significant amount of time has passed since the Board adopted Policies and Procedures for the Groundwater Authority. Staff proposes to initiate a process that will provide for a regular assessment of standing policies and procedures. This process will offer an opportunity to review and revise as necessary.