

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

Wednesday, July 10, 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 June 12, 2013 Board meeting.
Action: Approve Consent Calendar items

4. LIABILITY INSURANCE PROPOSAL

- Review liability insurance proposal.
Action: Authorize the Executive Director to proceed with obtaining liability insurance for the Groundwater Authority through the County of Sacramento's Risk Management Office.

5. REVIEW OF POLICIES AND PROCEDURES

- Information presentation – Chapters 1 through 4: SCGA staff.
Action: Make recommendations as necessary.

6. EXECUTIVE DIRECTOR'S REPORT

- a) Local Groundwater Assistance Grant
- b) El Dorado Water and Power Authority

7. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings –

Next SCGA Board of Directors Meeting – Wednesday, September 11, 2013, 9 am;
10060 Goethe Road, South Conference Room No. 1212 (Sunset Maple).

AGENDA ITEM 3: CONSENT CALENDER

BACKGROUND:

Minutes of the June 12, 2013 SCGA Board meeting.

STAFF RECOMMENDATION:

Action: Approve Consent Calendar items.

AGENDA ITEM 4: LIABILITY INSURANCE PROPOSAL

BACKGROUND:

The independent auditors report dated March 7, 2012 (and presented to the Board on March 14, 2012) indicated that the, “Groundwater Authority is exposed to various risks of loss related to torts; errors and omissions; and natural disasters. Since that time staff has worked with both the ACWA JPIA and the County of Sacramento’s Risk Management Office to determine the best level of liability coverage to meet the needs of the Groundwater Authority and to satisfy the concerns of the independent auditor.

Part of the challenge in determining the extent and appropriate level of coverage needed for the Groundwater Authority is based on staff being employees of the County of Sacramento. It was this complication that ultimately caused the ACWA JPIA to withdraw their proposal for liability coverage for the Groundwater Authority (originally quoted at \$10,011 plus the cost of joining ACWA).

After reviewing the Groundwater Authority’s JPA Agreement and Policy and Procedures document the County’s Risk Management Office obtained an insurance proposal through the County’s insurance broker, Alliant Insurance Services, Inc., on behalf of SCGA. The insurance proposal is with Alliant’s Special Liability Insurance Program (SLIP). According to Risk Management, over the years they have placed a number of agencies and non-profits into the SLIP Program. The policy form is designed for public entities. It is placed through Associated Industries Insurance Company, which is part of the AmTrust Financial Services, Inc., group. The A.M. Best rating is A:IX and exceeds the County’s minimum financial requirements. Risk Management has provided both the formal proposal from Alliant and a copy of the basic policy for reference. Risk Management indicates that they are confident the SLIP Program provides the appropriate level of coverage for SCGA.

Insurance quote: \$5,548.38
Administrative fee by Risk Management: \$555.00
Total cost: \$6,103.38

The Board has approved a budget of \$11,000 (\$5,000 for JPIA Membership dues and \$6,000 for General Liability Insurance) for liability insurance in the 2013/2014 Budget.

STAFF RECOMMENDATION:

Action: Authorize the Executive Director to proceed with obtaining liability insurance for the Groundwater Authority through the County of Sacramento’s Risk Management Office.

COVERAGE PROPOSAL



Central Sacramento County Groundwater Authority
827 7th Street Room, 301
Sacramento, CA 95814

Date Presented:
January 11, 2013

Important Notice

This summary of proposed coverage is intended to be a brief general review of the proposed coverage. It does not alter, change or modify any of the coverage terms or conditions as found in the proposed Memorandum of Coverage. Please read the Memorandum of Coverage for the specifics as respects your agency's coverage.

This proposal does not ensure membership eligibility. The Executive Committee makes all decisions regarding membership application.

Membership requires an initial three-year commitment per the Joint Powers Agreement Article 22. Compliance with risk assessment recommendations, if any, is required prior to effecting coverage.

Introduction

The JPIA is a public entity, formed in 1979 by 83 water agencies of the state of California. There are now nearly 370 members. Like its members, the JPIA is a special district in the state of California. Its formation and operation are subject to the provisions of the California Government Code, including the Brown Act. It provides risk-sharing pools to meet the needs of its members for property, liability, workers' compensation and employee benefits coverage.

The JPIA is a partnership of water agencies working together to share the risks associated with purveying water. The risk-sharing pools of the JPIA are a cost-effective form of risk management available only to public entities, allowing them to bypass the high cost of commercial insurance. The coverages provided by this risk-sharing arrangement are unique to water agencies. The water agencies themselves—their directors and managers—have selected and refined these coverages. Not all water agencies are accepted into the JPIA. Prospective members must demonstrate a commitment to effective risk management programs.

Becoming a member is just the beginning. Besides handling covered claims for all members, the JPIA provides risk management services and training programs. Risk management consultants who are specialists in the water industry, not generalists, perform on-site visits. Certified treatment plant operators and distribution system operators are on staff. The risk management services include assistance with Injury and Illness Prevention Programs, ergonomic evaluations, Cal/OSHA regulatory compliance, confined space entry evaluations, noise surveys, and hazard communication programs. In addition, members receive assistance with their personnel policies and procedures as well as help in developing job descriptions and employee handbooks.

The JPIA provides a wide variety of training to its members at little or no cost. An extensive safety video lending library, a risk control manual, a risk transfer manual, monthly safety bulletins, and other risk management tools are provided to members at no additional cost.

The JPIA is managed by the directors and managers of the water agencies it serves. The JPIA is constantly evolving to meet the changing needs of its members. Changes are the result of decisions of the various Committees and Board of Directors. Members have opportunities to influence and control the direction and activities of the JPIA through the democratic process.

The JPIA is not an insurance agency or company. There are no stockholders, no income taxes, no premium taxes, and no property taxes. There is no profit margin and no sales commissions. Any excess funds, as well as investment income, for a given coverage year are returned to the member agencies instead of being retained as profit. Historically, commercial insurers have entered and left the public entity insurance market like a revolving door, seeking only market share and profit. The JPIA provides a secure, stable and highly cost-effective alternative for protecting the assets, liabilities, and employees of public water agencies.

Liability Program

The JPIA's Liability Program is designed specifically for public water agencies. It provides protection to members against liability for bodily injury, property damages, errors and omissions, employment practices, fiduciary responsibilities, products, and pollution. The Program provides each member with liability limits of \$60 million per occurrence.

Commercial insurance programs typically require the issuance of multiple policies, often with conflicting coverage grants and exclusions, creating dangerous gaps in coverage. The JPIA's Memorandum of Coverage combines these needed coverages into a single form, specifically tailored to meet members' needs.

Members of the Liability Program also share in the direction of the Program, helping to craft the coverage and risk financing as well as the membership selection process.

Unlike fixed-cost commercial insurance programs, the JPIA's Liability Program affords members the opportunity to share in the benefits of effective risk management and loss prevention programs as well as thorough and knowledgeable claims handling. Since the inception of the Program in 1979, the JPIA has made retrospective premium adjustments (return premiums) of \$26 million, or approximately 8 percent of the deposit premiums.

Property Program

The JPIA's Property Program is a highly cost-effective method for members to protect their physical assets, such as buildings and infrastructure, vehicles, and equipment. Like the Liability Program, the Property Program's single Memorandum of Coverage eliminates the need for multiple and often conflicting or redundant commercial policies.

Some unique features of the Program include:

- Full Replacement Coverage for Buildings, Fixed Equipment, and Personal Property
- Machinery Breakdown and Electrical Injury of Fixed Equipment
- Coverage for earth movement and flood (except quake and rising bodies of water)
- Coverage for newly acquired, rented, or borrowed property, including autos
- Coverage for Business Interruption, Extra Expense, Valuable Papers, and Accounts Receivable
- Coverage for Employee Dishonesty and Forgery/Alteration
- Members also receive free replacement cost appraisals of their fixed assets

Since the Program began in 1983, the JPIA has returned over \$10 million to its members, or more than 18 percent of the deposit premiums.

Workers' Compensation Program

A water agency's employees are its most valuable asset. Injuries and lost time have hidden costs, such as the loss of productivity and lowered morale. The critical components of a successful workers' compensation program include effective loss prevention programs and claims handling.

The JPIA's Risk Management staff consists of highly qualified consultants that are experienced in the water industry. Some are state-certified water treatment and distribution operators. Each member is assigned a consultant who will work to help develop effective Injury and Illness Prevention Programs, Cal/OSHA regulatory compliance, and Return-to-Work programs. Extensive training programs are provided to help reduce employee injury and illness.

Members have free access to the services of Occu-Med for evaluation of pre-employment and fit-for-duty physical examinations.

A key to effective claims handling is good communication. The JPIA's Claims staff has a case load that is less than half of the industry standard, allowing them to work closely with members, injured workers, and treating physicians. They try to ensure that the employee is treated promptly and fairly, while working to eliminate abuse of the system and reduce costs.

Through a pro-active approach to reducing employee injuries and controlling claims costs, the JPIA has succeeded in avoiding the up and down cycles of the market while consistently remaining competitive with commercial insurers.

Since the Workers' Compensation Program began in 1984, the JPIA has returned over \$19 million to its members, or more than 14 percent of the deposit premiums.

Additional Programs & Services

Coverage Programs (Group Purchase)

Employee Dishonesty
Underground Storage Tank Liability
Dam Failure Liability
Earthquake and Flood
Special Event Liability

Services Provided at Little or No Additional Cost to Members

- Risk Management Consultations by Specialists in the Water Industry
- Cal/OSHA Regulatory Compliance Assistance
- DOT Drug & Alcohol Testing Consortium
- Injury & Illness Prevention Programs
- ADA Compliant JOB Descriptions
- Ergonomic Evaluations
- Hazard Identification & Coverage Evaluations
- Risk Transfer Consultations
- Lending Library with over 500 Videos on Safety, Health and Water Issues

Professional Development Program – provides training opportunities to members' employees, offering more than 40 different safety, management, and human resources classes at members' sites and other locations throughout the state. Certifications are available in the areas of Human Resources, Supervision, Risk Management, and Training. Many courses are approved for meeting the continuing education requirements of the California Department of Health Services.

LIABILITY COVERAGE QUOTATION
January 11, 2013

Comprehensive General Liability \$ 60,000,000
Per Occurrence Form

Public Officials Liability \$ 60,000,000

Automobile Liability \$ 60,000,000

Retrospective Allocation Point \$ 2,500

10/1/12 to 10/1/13 Deposit Premium:
Participation in 1 JPIA Program \$ **10,011**

<u>Excess Coverage Providers</u>	<u>AM Best Rating</u>
Starr Indemnity and Liability Company	A:X
Ironshore Specialty Insurance Company	A-XI
Great American Assurance Company/Argonaut Ins.	A XIII
Allied World National Assurance Company	A XV

EXCLUSIONS: ***Including, but not limited to selenium, asbestos, punitive damages, nuclear energy, dam failure.***



**SPECIAL LIABILITY INSURANCE PROGRAM (SLIP)
PROPOSAL
TBD TO SEPTEMBER 29, 2013**

NAMED INSURED: Sacramento Central Groundwater Authority

PROGRAM TERM: TBD to 9/29/13

INSURANCE COMPANY: Associated Industries Insurance Company

A.M. BEST RATING:* A, Excellent; Financial Size Category IX; (\$250 Million to \$500 Million) as of 5/29/12

STANDARD & POOR RATING:* Not Rated

CALIFORNIA STATUS: Non-Admitted

POLICY NUMBER: TBD

COVERAGE: Manuscript Liability Form on an Occurrence Basis. Coverage included for:

(Coverage applies only where checked)	LIMIT
Maximum Per Occurrence Limit for all Coverages Combined	\$5,000,000

		LIMIT	DED/SIR
X	Personal Injury (Including Bodily Injury and Property Damage)	\$5,000,000	\$ 1,000
	Broadcasters Liability		
	Owned Automobile Liability		
	Uninsured Motorist Coverage		
X	Non-Owned and Hired Automobile Liability	\$5,000,000	\$1,000
	Nonprofit Directors and Officers Liability		
X	Public Officials Errors and Omissions	\$5,000,000	\$1,000
	Educators Legal Liability		
	Employment Practices Liability		
	Nose Coverage		Retro Date:

Annual Aggregate Limits		LIMIT
X	Products / Completed Operations	\$5,000,000
	Nonprofit Directors and Officers Liability	
X	Public Officials Errors and Omissions	\$5,000,000
	Employment Practices Liability	
	Educators Legal Liability	

**See last page for additional information.*

SLIP Proposal

SUBLIMITS:

(Coverage applies only where checked)		LIMIT	DED/SIR
X	Fire Damage Liability (Sublimit of Personal Injury/property Damage Coverage Limit) Capped at \$1,000,000	\$1,000,000	\$1,000

- Limits are exhausted by Indemnity and Defense Cost.
- Limits are Per Occurrence.
- There is no General Aggregate.
- Limits apply to each entity in the program.

This QUOTATION is subject to review and possible re-rating if there are any significant changes in operations, exposure or experience prior to AmTrust binding. Such significant changes include, but are not limited to, any declared or potential occurrence series, claims series or batch notices by or to the insured.

ANNUAL	Premium:	\$4,708.00
PREMIUM:	Taxes:	\$141.24
<small>* Taxes, surplus lines fee and brokerage fees are included.</small>	Stamp Fee:	\$11.77
	Broker Fee:	\$541.42
	SHR Fee:	\$28.25
	MGA Service Fee:	\$117.70
	Total Cost:	\$5,548.38

IMPORTANT NOTICE: THE NONADMITTED & REINSURANCE REFORM ACT (NRRRA) GOES INTO EFFECT ON JULY 21, 2011. ACCORDINGLY, SURPLUS LINES TAX RATES AND REGULATIONS ARE SUBJECT TO CHANGE WHICH COULD RESULT IN AN INCREASE OR DECREASE OF THE TOTAL SURPLUS LINES TAXES AND/OR FEES OWED ON THIS PLACEMENT. IF A CHANGE IS REQUIRED, WE WILL PROMPTLY NOTIFY YOU. ANY ADDITIONAL TAXES AND/OR FEES OWED MUST BE PROMPTLY REMITTED TO ALLIANT INSURANCE SERVICES, INC.

SHR Fee is 100% earned.
MGA Service Fee is 100% earned.

Mid-term cancellations could have a short-rate penalty applied to the return premium.

TRIA OPTION: 5% of premium plus applicable taxes and fees.

MINIMUM EARNED: 25% of the annual premium

SUBJECT TO AUDIT: NO

MAJOR EXCLUSIONS:
(Including but not limited to)

- Fiduciary Liability
- Breach of Contract
- Workers' Compensation
- Asbestos
- Auto Liability (unless Owned Auto coverage provided)
- Uninsured Motorist coverage except if Auto Liability marked X'd above, or unless coverage specifically requested and in file
- Failure to Supply
- Pollution Except for Hostile Fire and Vehicle Upset / Overturn coverage
- Inverse Condemnation / Eminent Domain
- Care, Custody, and Control
- Medical Payment Coverage
- Dam Liability
- All Aircraft; Watercraft over 51 feet in length
- Airports
- Medical Malpractice (except incidental)
- Subsidence
- Nuclear Material
- ERISA
- Fungi or Bacteria
- War or Terrorism
- Securities and Financial Interest
- Mold
- Public Officials Errors & Omissions (if Directors & Officers Applies)
- Directors & Officers (if Public Officials Errors & Omissions Applies)
- Employment Practices Liability (Unless purchased under page 1)
- Montrose Exclusion – Prior knowledge of incident or loss
- Abuse & Molestation
- Residential Construction
- Athletic Participants
- Transit Operations
- Bodily Injury of Tenants or Guests of Tenants for Habitational Risks
- Insurance Agent/Claims Administration/Mortgage Broker
- Lead

CLAIMS REPORTING:

Please contact Alliant to report claims. Program and Deductible loss adjustment will be provided by Carl Warren Co.

PROPOSAL DATE:

May 9, 2013

PROPOSAL VALID UNTIL:

30 days from the proposal date

SLIP Proposal

BROKER:

ALLIANT INSURANCE SERVICES, INC. • NEWPORT BEACH, CA

Gordon B. DesCombes, Executive Vice President

Rick Steddom, Vice President

Christine Tobin, First Vice President

Sheryl Fitzgerald, Account Manager Lead

SUBJECT TO POLICY TERMS, CONDITIONS AND EXCLUSIONS



This proposal is for information purposes only and does not amend, extend or alter the policy in any way. Please refer to the policy form for completed coverage and exclusion information.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliantinsurance.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

**Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.*

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

To learn more about companies doing business in California, visit the California Department of Insurance website at www.insurance.ca.gov.

AGENDA ITEM 5: REVIEW OF POLICIES AND PROCEDURES

BACKGROUND:

At the May 8, 2013 Board meeting it was mentioned that a significant amount of time had passed since the Board had adopted the Policies and Procedures for the Groundwater Authority and that there should be a process that would provide for a regular assessment. To initiate this process, staff would like to take this opportunity to review Chapters 1 through 4 of the Rules of Procedure Governing the Sacramento Central Groundwater Authority with the Board. This review will provide an opportunity to become more familiar with the Rules of Procedure and to make recommendations for revision as necessary.

STAFF RECOMMENDATION:

Action: Make recommendations as necessary.

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : Board of Directors
Policy Title : Rules of Procedure
Policy Number : 100.1
Date Adopted : December 13, 2006
Date Amended :

See attached SCGA Rules of Procedure.

**RULES OF PROCEDURE GOVERNING THE
SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

**CHAPTER 1.
ADOPTION AND SCOPE OF RULES OF PROCEDURE**

**ARTICLE 1.
SCOPE AND PURPOSE**

§ 1.01 Scope and Purpose of Authority

- (a) These Rules of Procedure govern the administration and management of the Sacramento Central Groundwater Authority in furtherance of the objectives and purposes set forth in the Joint Powers Agreement between and among the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, and the County of Sacramento.
- (b) The Sacramento Central Groundwater Authority is established for the purposes of:
 - (1) maintaining the long-term sustainable groundwater yield of the Central Basin;
 - (2) ensuring implementation of the Basin Management Objectives that are prescribed by the current version of the Central Sacramento County Groundwater Management Plan (GMP);
 - (3) overseeing the operation of any Well Protection Program that may be prescribed by the GMP;
 - (4) managing the use of groundwater in the Central Basin and facilitate implementation of an appropriate conjunctive use program by water purveyors;
 - (3) coordinating efforts among those entities represented on the governing body of the joint powers authority to devise and implement strategies to safeguard groundwater quality; and
 - (4) working collaboratively with other entities, including the Sacramento Groundwater Authority, the Southeast Sacramento County Agricultural Water Authority and 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.

§ 1.02 Boundaries of the Authority

- (a) The boundaries of the Authority shall be:
 - (1) on the north the American River;
 - (2) bounded on the south by the southern boundary of the Omochumne-Hartnell Water District;
 - (3) bounded on the west by the Sacramento River and Interstate 5; and
 - (4) bounded on the east by the Sacramento-El Dorado County line;

- as further and more precisely depicted in the boundary map identified as Exhibit A.
- (b) The boundaries of the Authority shall be amended or changed only by amendment to the Joint Powers Agreement.

ARTICLE 2.
CONSTRUCTION OF RULES OF PROCEDURE

§ 1.21 **Scope of Rules of Procedure**

- (a) Unless these Rules specifically or by context indicate to the contrary, the general provisions and definitions set forth in this Chapter govern the construction of these Rules.
- (b) When these Rules refer to an officer, employee, or other function, such references shall be to the appropriate or designated officer, employee, or function of the Authority.
- (c) Chapter and section headings in these Rules shall not govern, limit or modify the scope, meaning, or intent of these Rules.
- (d) Nothing in these Rules is intended to alter, amend or otherwise change any provision of the Joint Powers Agreement between and among the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, and the County of Sacramento. In any instance where there is a conflict between the Joint Powers Agreement, as it may be amended, and these Rules, the provisions of the Joint Powers Agreement shall govern.

§ 1.22 **Severability**

In the event that any Chapter, section, subsection, sentence, clause or phrase of these Rules are held invalid or unconstitutional, such determination shall not affect the validity of the remaining portions of these Rules.

§ 1.23 **Definitions**

As used in these Rules, the following terms are defined as follows:

- (a) “Administrative Costs” refers to all costs and expenses of the Authority related to the administration and management of the Authority, excluding “Water Costs” as defined in this section.
- (b) “Agricultural Interests” refers to all persons or entities that pump groundwater within the boundaries of the Authority for agricultural purposes, other than a Retail Provider, and that are represented on the Board by the agricultural representative nominated by the Sacramento County Farm Bureau and appointed by the Sacramento County Board of Supervisors. The Board shall establish by

resolution a minimum quantity of water that must be produced annually by such agricultural pumpers to qualify as an "Agricultural Interest" under these Rules and the Joint Powers Agreement.

- (c) "Agricultural-Residential Groundwater User" refers to all persons that pump groundwater within the boundaries of the Authority for agricultural-residential purposes, other than a Retail Provider, and that are represented on the Board by the Agricultural-Residential Groundwater Users representative nominated by the Vineyard Community Advisory Council in consultation with adjacent Councils within the Central Basin and appointed by the County of Sacramento Board of Supervisors.
- (d) "Annual Pumping" for the purposes of determining assessments, fees or charges for management and operations of the Authority shall mean the total amount of groundwater produced within the boundaries of the Authority by each retail provider, by agricultural interests, by agricultural-residential groundwater users, by commercial/industrial self-supplied groundwater users and by public agency self-supplied groundwater users, for use within the boundaries of the Authority and other areas approved by the Authority's Board of Directors excluding the first five thousand (5000) acre-feet of groundwater pumping by each such user.
- (e) "Appointing Authority" refers to the individual signatory party responsible for appointing a specific member to the Board, as set forth in section 3.04(a) of these Rules.
- (f) "Authority" refers to the Sacramento Central Groundwater Authority that is established pursuant to the Joint Powers Act and the executed Joint Powers Agreement.
- (g) "Board" refers to the governing Board of Directors of the Sacramento Central Groundwater Authority.
- (h) "Central Basin" refers to the groundwater basin underlying the area within the boundaries of the Authority.
- (i) "Commercial/Industrial Self-Supplied Groundwater Users" refers to all persons or entities that pump groundwater within the boundaries of the Authority for commercial and industrial purposes, other than a Retail Provider, and that are represented on the Board by the Commercial/Industrial Self-Supplied Water User representative appointed by the County of Sacramento. The Board shall establish by resolution a minimum quantity of water that must be produced annually by such commercial/industrial self-supplied pumpers in order to qualify as a "Commercial/Industrial Self-Supplied Water User" under these Rules and the Joint Powers Agreement.
- (j) "Conjunctive Use" refers to the planned management and use of both groundwater and surface water resources in order to maintain the sustainable yield of the Central Basin.
- (k) "Conservation Landowner" refers to a non-profit land trust holding a fee or easement interest in two thousand five hundred (2500) acres or more of land located within the boundaries of the Authority.
- (l) "Director" or "Directors" refer to individuals or groups of individuals comprising the membership of the Board of the Authority.
- (m) "Financing Plan for the Administrative Budget" refers to the revenue-generating plan annually adopted by the Board to finance the Authority's administrative

budget. The financing plan shall include the levy of assessments, fees and charges, or any combination thereof, as well as any other revenue-generating devices, including voluntary contributions from water users or purveyors within the Authority's boundaries.

- (n) "Groundwater Management Plan" refers to the document adopted by the Board which sets forth the Authority's plan to manage groundwater quantity and quality in the Central Basin. The Groundwater Management Plan may include various components, such as Conjunctive Use and regulatory components.
- (o) "Joint Powers Agreement" refers to the Joint Powers Agreement, as it may be modified or amended, between and among the County of Sacramento, City of Sacramento, City of Elk Grove, City of Folsom and City of Rancho Cordova establishing the Sacramento Central Groundwater Authority.
- (p) "Public Agency Self-Supplied Groundwater User" refers to all persons or entities that pump groundwater within the boundaries of the Authority for Public Agency purposes, other than a Retail Provider, and that are represented on the Board by the Public Agency Self-Supplied Groundwater Users representative nominated by the Southgate Recreation and Park District in consultation with other public agencies that are self-supplied groundwater users within the Central Basin and appointed by the County of Sacramento Board of Supervisors.
- (q) "Retail Provider" refers to established water purveyors within the boundaries of the Authority that sell water on a retail basis and that are represented on the Board by an elected member of their respective governing bodies, as set forth in Section 3.02(b)(1) and (2) of these Rules.
- (r) "Rules" refers to these Rules of Procedure, as may be amended, supplemented or changed.
- (s) "Signatory Parties" refer to the County of Sacramento, City of Sacramento, City of Elk Grove, City of Folsom and City of Rancho Cordova, each of which executed the Joint Powers Agreement establishing the Authority.
- (t) "Sustainable Yield" refers to the amount of groundwater which can be safely extracted from the Central Basin on an estimated average annual basis while maintaining groundwater elevations and groundwater quality at acceptable levels as set forth in the Groundwater Management Plan. Sustainable Yield requires a balance between extraction and basin recharge and is expressed as the number of acre feet of groundwater which can be extracted from the Central Basin on an average annual basis as set forth in the Groundwater Management Plan.
- (u) "Water Costs" refer to costs or expenses incurred by the Authority for the purposes of:
 - (1) purchasing or otherwise acquiring water;
 - (2) pumping and treatment costs; and
 - (3) other costs related to a Conjunctive Use program.

§ 1.24 Maintenance of Rules

A copy of these Rules shall be maintained in the clerk's office of the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, and the County of Sacramento. The Rules shall be available for inspection by any person during normal business

hours, and copies shall be provided to any person requesting the same, upon payment of reasonable copying costs.

§ 1.25 Changes to Rules

- (a) At its discretion, and consistent with applicable law, the Board of Directors of the Sacramento Central Groundwater Authority may adopt, amend, supplement or repeal these Rules of Procedure from time to time as it deems appropriate.
- (b) Each resolution making a change to these Rules of Procedure shall be filed as set forth in section 1.24, and shall be properly indexed and attached to the existing set of Rules. Such changes shall be specified by resolution number and date in which the resolution was adopted. The Board may require from time to time that these Rules be updated to reflect such changes.

CHAPTER 2.
PRELIMINARY MATTERS

§ 2.01 Termination of the Authority

- (a) The Authority shall remain in effect until terminated by one of the Signatory Parties thereto. The Authority may be terminated by any of the Signatory Parties at any time and for any reason by providing ninety (90) days written notice of termination to the other parties.
- (b) In the event of termination of the Authority where there is established a successor public entity which will carry on the functions of the Authority and assume its assets, the assets of the Authority shall be transferred to the successor public entity. If there is no successor public entity to carry on the functions of the Authority and assume its assets, the assets shall be returned to the Joint Powers Authority signatories in proportion to the contribution of each party during the existence of the Authority. If there is a successor public entity which will carry on some, but not all, of the functions of the Authority and assume some, but not all, of its assets, the assets of the Authority shall be allocated by the Board between the successor public entity and the Joint Powers Authority signatories.

§ 2.02 Liabilities

The debts, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone, and neither the Signatory Parties, nor any other entity, party, or person shall be subject to or accountable for the debts, liabilities or obligations of the Authority.

§ 2.03 Conflicts of interest

- (a) The model Conflicts of Interest Code of the Fair Political Practices Commission, found in Title 2, section 18730 of the California Code of Regulations, as from time to time amended, is adopted by the Authority.
- (b) The conflicts of interest categories established by the Fair Political Practices Commission, as from time to time amended, are adopted by the Authority.

§ 2.04 Pending litigation in which Director has an adverse interest

- (a) A Director shall remove himself or herself from the meeting room, and shall not be allowed to participate in any closed session meeting, if:
 - (1) the closed session meeting is authorized pursuant to Brown Act, California Government Code section 54956.9;
 - (2) the Director is a party, or a representative of a party, that is or may be adverse to the Authority in pending litigation involving the Authority;
 - (3) the closed session meeting is being conducted to discuss the pending litigation in which the Director is a party, or a representative of a party;and

- (4) the Director's presence at the meeting would prejudice the Authority in the pending litigation.
- (b) As used in subsection (a) of this section, a "representative of a party" shall include any Director who is an officer, employee, or member of a governing body, or who is otherwise acting on behalf of a party that is adverse to the Authority in pending litigation.
- (c) As used in subsection (a) of this section, "litigation" shall include any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator. Litigation shall be deemed "pending" for purposes of subsection (a) of this section when any of the following circumstances exist:
 - (1) litigation, to which the Authority is a party, has been initiated formally;
 - (2) a point has been reached where, in the opinion of the Board on the advice of legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the local agency;
 - (3) based on existing facts and circumstances, the Board is meeting only to decide whether a closed session is authorized pursuant to paragraph (2) of this subsection; or
 - (4) based on existing facts and circumstances, the legislative body of the local agency has decided to initiate or is deciding to initiate litigation.
- (d) Prior to commencement of a closed session meeting authorized pursuant to California Government Code section 54956.9, legal counsel shall advise the Directors as to whether this section is applicable to any Director.

**CHAPTER 3.
BOARD OF DIRECTORS**

§ 3.01 General

- (a) The Board shall establish policies and determine whether the Executive Director is implementing those and other policies of the Authority. The Executive Director is responsible for the day-to-day management and operation of the Authority.
- (b) The Board and any individual Director may communicate with the Executive Director about the development and implementation of Authority policy.
- (c) The Board and any individual Director are discouraged from communicating directly with any employee. Such communications shall be made through the Executive Director.

§ 3.02 Composition of the Board

- (a) The governing body of the Authority is the Board of Directors.
- (b) The Board shall consist of sixteen (16) members, and shall be comprised as follows:
 - (1) One (1) elected member of the governing board, or designee thereof, of each of the following public agencies:
 - (i) the City of Elk Grove,
 - (ii) the City of Folsom,
 - (iii) the City of Rancho Cordova,
 - (iv) the City of Sacramento,
 - (v) the County of Sacramento, and
 - (vi) the Sacramento Regional County Sanitation District.
 - (2) One (1) elected member of the governing board of each of the following public agencies:
 - (i) the Florin Resource Conservation District/Elk Grove Water Service,
 - (ii) the Omochumne-Hartnell Water District, and
 - (iii) the Rancho Murieta Community Services District.
 - (3) One (1) member of the governing body, or designee thereof, of each of the following private water purveyors or investor owned utilities:
 - (i) California American Water Company; and
 - (ii) the Golden State Water Company.
 - (4) One (1) representative of the Agricultural Interests within the boundaries of the Authority.
 - (5) One (1) representative of the Agricultural-Residential Groundwater Users within the boundaries of the Authority.
 - (6) One (1) representative of the Commercial/Industrial Self-Supplied Groundwater Users within the boundaries of the Authority.
 - (7) One (1) representative of the Conservation Landowners within the boundaries of the Authority.

- (8) One (1) representative of the Public Agency Self-Supplied Groundwater Users within the boundaries of the Authority.

§ 3.03 Adjustment to Composition of the Board

- (a) With the exception of the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, the Sacramento Regional County Sanitation District, and the County of Sacramento, membership on the Board shall be limited to public and private water purveyors, investor owned utilities and groundwater rights holders within the boundaries of the Authority.
- (b) Notwithstanding subsection (a) of this section, should circumstances change in the future, the signatories to the Joint Powers Agreement may agree to amend the Joint Powers Agreement and these Rules for the purpose of adding or deleting representatives to the Board to accurately reflect groundwater production within the boundaries of the Authority.

§ 3.04 Appointment of Members of the Board

- (a) The members of the governing Board of Directors of the Authority shall be appointed as follows:
 - (1) The City of Folsom representative shall be appointed by the Folsom City Council.
 - (2) The Elk Grove City Council shall appoint the representatives of the following entities:
 - (i) the City of Elk Grove, and
 - (ii) the Florin Resource Conservation District/Elk Grove Water Service.
 - (3) The Rancho Cordova City Council shall appoint the representatives of the following entities:
 - (i) the City of Rancho Cordova, and
 - (ii) the Golden State Water Company.
 - (4) The City of Sacramento representative shall be appointed by the Sacramento City Council.
 - (5) The Sacramento County Board of Supervisors shall appoint the representatives of the following entities:
 - (i) the County of Sacramento,
 - (ii) the California-American Water Company,
 - (iii) the Agricultural Interests,
 - (iv) the Agricultural-Residential Groundwater Users,
 - (v) the Commercial Industrial Self-Supplied Groundwater Users,
 - (vi) the Conservation Landowners,
 - (vii) the Omochumne-Hartnell Water District,
 - (viii) the Public Agency Self-Supplied Groundwater Users,
 - (ix) the Rancho Murieta Community Services District, and
 - (x) the Sacramento Regional County Sanitation District.

- (b) In addition to appointments made pursuant to subsection (a) of this section, the appropriate Appointing Authority also shall appoint one or more persons with the required qualifications to serve as alternates for each member of the Board. Such alternates shall be empowered to cast votes in the absence of the regular members or in the event of a conflict of interest preventing the regular member from voting.
- (c) Prior to appointment of the representatives of the entities described in Sections 3.04(a)(2)(ii), (3)(ii) and (5)(ii) through (x), the represented entities shall submit a recommended appointment for their representatives to their appropriate Appointing Authority. The Appointing Authority shall consider such recommendations, but shall retain the absolute discretion and authority to appoint any person satisfying the criteria set forth in Section 3.02(b) hereof.

§ 3.05 Term of Office

- (a) The term of office of each member of the Board shall be for a period of four (4) calendar years, with the exception of the initial term of the representatives appointed by the County of Sacramento. For the purpose of providing staggered terms of office, the initial term of office of the representatives appointed by the County of Sacramento shall be for a period of two (2) calendar years. Thereafter, the term of office of each representative appointed by the County of Sacramento shall be for a period of four (4) years.
- (b) Each member of the Board shall serve at the pleasure of their respective Appointing Authority and may be removed as a member of the Board by the Appointing Authority at any time.
- (c) If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the unexpired term of the previous representative pursuant to the provisions set forth in section 3.04 hereof within ninety (90) days of the date that such position becomes vacant. A position on the Board shall be deemed vacant upon the occurrence of any event that prevents a Director from satisfying the qualifications of Directors as set forth in section 3.02.

§ 3.06 Organization of the Board

- (a) The Board of Directors shall elect a Chair and a Vice Chair, and may elect such other officers as the Board shall find appropriate. The Chair shall preside over meetings of the Board, and in the Chair's absence, the Vice Chair shall preside. Board officers shall serve for a term of one (1) calendar year unless sooner terminated at the pleasure of the Board. If, for any reason, an officer is appointed after the commencement of a calendar year, the term of office shall expire at the end of the calendar year. Elections for Chair and Vice Chair shall be conducted not later than the last regularly scheduled meeting which precedes the calendar year for which the appointments are made. Nothing in these rules shall preclude an officer from serving more than one term, if so appointed pursuant to these Rules.
- (b) The Chair may create committees when appropriate to aid in the efficient management of the Authority. The Chair shall appoint the Board members to serve on a committee and shall designate the specific task or tasks of the

committee. The Chair may also appoint other persons, who are not Board members, to serve on committees, when such appointments would be beneficial to the completion of the task or tasks of the committee. The Chair's appointments shall be final absent an objection from a majority of the Board. In the event of such an objection, an appointment or appointments by a majority of the Board shall be necessary to complete the membership of a committee, to create a committee, or to disband a committee.

- (c) All established committees shall be ad hoc, and shall meet as directed or approved by the Chair. Committees shall not be required to meet pursuant to a regular schedule unless otherwise directed by the Chair.
- (d) In no event shall any committee be comprised of a number of Board members equal to or greater than that number which constitutes a quorum of the entire Board.

§ 3.07 Powers and functions of the Board

- (a) Subject to the limitations set forth in section 3.08, the Authority shall have any and all powers commonly held by the County of Sacramento, City of Sacramento, City of Elk Grove, City of Folsom and City of Rancho Cordova, including, but not limited to, the following powers to:
 - (1) Collect, monitor, and analyze data on the extraction of groundwater from, and the quality of groundwater in, the Central Basin;
 - (2) Establish and facilitate any Conjunctive Use program for the purpose of maintaining the Sustainable Yield in the Central Basin consistent with the GMP;
 - (3) Distribute water in exchange for ceasing or reducing groundwater extractions;
 - (4) Spread, sink and inject water into the Central Basin;
 - (5) Store, transport, recapture, recycle, purify, treat or otherwise manage and control water for the beneficial use of persons and property within the Authority;
 - (6) Study and plan ways and means to implement any or all of the foregoing powers.
- (b) For the purposes of exercising the authority set forth in subsection (a) of this section, and subject to the limitations set forth in section 3.08, the Authority shall have the power to:
 - (1) Sue and be sued in all actions and proceedings in all courts and tribunals.
 - (2) Adopt a seal and alter the seal at its discretion.
 - (3) For the common benefit of the Authority, to store water in underground water basins or reservoirs within and outside the Authority, to appropriate water and acquire water rights within or outside the Authority, to import water into the Authority, and to conserve, or cause the conservation of, water within or outside the Authority.
 - (4) Act jointly, or cooperate, with the Federal government or any agency thereof, the state, or any county or agency thereof, or any political

subdivision or district therein, including flood control districts, private and public corporations, and any person, so that the powers of the Authority may be fully and economically exercised.

- (5) Cause taxes, assessments, fees or charges to be levied in accordance with applicable State law, and in a manner consistent with the GMP to accomplish the purposes of the Authority.
- (6) Require the permitting of groundwater extraction facilities within the boundaries of the Authority, to maintain a record of extraction with respect to any such facilities, and to require the installation of meters on groundwater extraction facilities for the purpose of determining the amount of groundwater being extracted from the Central Basin.
- (7) Make contracts, employ labor and to do all acts necessary for the full exercise of the Authority's powers.
- (8) Carry on technical and other investigations of all kinds necessary to further the purposes of the Authority.
- (9) Fix rates at which water acquired by the Authority shall be sold for replenishment purposes, and to establish different rates for different classes of service or conditions of service, provided that the rates shall be uniform for like classes and conditions of service.
- (10) Participate in any contract under which producers may voluntarily agree to use surface water in lieu of groundwater, and to that end the Authority may become a party to the contract and pay from Authority funds that portion of the cost of the surface water as will encourage the purchase and use of that water in lieu of groundwater pumping so long as persons or property within the boundaries of the Authority are directly or indirectly benefited by the resulting replenishment of the Central Basin.
- (11) Apply for, accept and receive state, federal or local licenses, permits, grants, loans or other aid from any agency of the United States, the State of California, or other public or private entity necessary or appropriate for the Authority's full exercise of its powers.

§ 3.08 Limitation on powers and functions of the Board

- (a) The Authority shall not have the power to regulate land use or to engage in the retail sale of water.

§ 3.09 Meetings of the Board

- (a) Except for closed session meetings, meetings of the Board shall be open and public, and any person shall be permitted to attend any portion of a meeting. Notwithstanding any provision in this Chapter, the Authority shall comply with the provisions of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the California Government Code, or with any successor provision.
- (b) Regular meetings of the Board shall be held on the second Wednesday of every month at a suitable location within the Authority's boundaries. If, by reason of emergency or other good cause, a meeting cannot be held as regularly scheduled,

the Chair may re-schedule with due notice a meeting on an alternate date or time or at an alternate location.

- (c) Special meetings of the Board may be called by the Chair or a majority of the Board by delivering written notice to each Director, the Executive Director, Counsel, and to a local newspaper of general circulation. To the extent practicable, the Chair or a majority of the Board shall direct that actual notice be given to known interested parties. In all cases, notice shall be given at least 24 hours prior to the time scheduled for the special meeting.
- (d) In the event of an emergency, as determined by the Chair or a majority of the Board, the Board may conduct a meeting without the 24 hour notice. In no event shall this meeting be a closed session meeting. To the extent practicable, the Chair, Vice-Chair, or majority of the Board shall direct that notice be given to known interested persons at least one hour prior to the emergency meeting.
- (e) Any meeting of the Board may be adjourned to a date, time and place specified in the order of adjournment.

§ 3.10 Closed Session Meetings

- (a) The Board shall comply in all respects with closed session requirements and procedures of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the California Government Code, or with any successor provision.
- (b) To the extent practicable, the Board shall avoid taking action in closed session. Action may be taken in closed session when necessary to avoid prejudice to the Authority. When the potential for prejudice does not exist, action taken in closed session shall be publicly announced at the same meeting as the closed session. If the action was taken by roll call vote, the vote shall be announced. A summary of action taken in closed session, when it is determined not to prejudice the Authority, shall be provided and submitted into the record at the next regular meeting.

§ 3.11 Meeting Agendas

- (a) The agenda for a regular meeting shall be posted at least 72 hours prior to the meeting. The agenda for an adjourned meeting shall be the same as the agenda for the meeting which was adjourned, if the scheduled meeting was not more than five (5) days prior to the adjourned meeting. A new agenda shall be prepared at least 72 hours prior to an adjourned meeting if additional matters are added to an adjourned meeting agenda, or if the adjourned meeting takes place more than five (5) days after the scheduled meeting. The agenda for a special meeting shall be posted at least 24 hours prior to the meeting.
- (b) The Board shall act on matters appearing on the agenda, and may act on emergency matters, as defined in California Government Code Section 54956.5, or on matters where there is a need to take action that has arisen subsequent to the posting of the agenda and that cannot reasonably wait for the next regularly scheduled meeting. Prior to acting on matters arising subsequent to the posting of the agenda, a two-thirds majority of the Board members present, or when less

than two-thirds of the members are present, a unanimous vote of those members present, must determine that there is a need to consider the matter at the meeting. Prior to discussing any item, whether or not the item appears on the agenda, the Board shall publicly identify the item.

- (c) The Board shall receive public comments on matters not appearing on the agenda for regular meetings but shall not act on such matters unless the Board adds the matter to the agenda pursuant to subsection (b) of this section.

§ 3.12 Interruption of Meetings

The Chair or Vice Chair, after concurrence of a majority of the Board present, may order the meeting room cleared and continue the meeting in closed session if a meeting is willfully interrupted and the orderly conduct of the meeting becomes infeasible and order cannot be restored by the removal of the individual or individuals interrupting the meeting. In such cases, only matters appearing on the agenda may be considered in the resulting closed session meeting. Duly accredited representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend the session. At its discretion, the Board may establish a procedure for readmitting individuals not responsible for willfully disturbing the meeting.

§ 3.13 Voting Requirements

- (a) A majority of the members of the Board shall constitute a quorum for the purposes of transacting business, except that less than a quorum may vote to adjourn a meeting.
- (b) Each member of the Board shall have one vote. With the exception of fiscal items as set forth in subsections (c) and (d) below, an affirmative vote by a majority of all members of the Board is required to approve any item related to implementation of the GMP.
- (c) Fiscal items, including, but not limited to, approval of the annual budget of the Authority and any expenditures, shall require an affirmative vote by a majority of all the members of the Board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento.
- (d) Any change in annual contributions necessary to support the work of the Authority, as set forth in section 5.22(e), shall require an affirmative vote of eleven of the sixteen members of the Board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova, and Sacramento and the County of Sacramento.

§ 3.14 Manner of Taking Action; motions, resolutions and ordinances

- (a) The Board shall take action by motion, resolution or ordinance.
- (b) Motions may be adopted by voice vote. Resolutions may be adopted by voice vote but on demand of any member of the Board, the roll shall be called. The roll shall be called for votes on adoption of ordinances.
- (c) Motions and resolutions shall be effective when adopted unless a different effective date is stated.

- (d) Proposed ordinances shall be introduced in writing, and shall contain a title which shall state in general terms the subject or subjects contained in the ordinance. Ordinances shall be read in full at the time of introduction except when reading by title only is approved by unanimous vote of the Directors present. Prior to adoption, the Board shall pass such ordinances for publication of title. At least five (5) days shall pass between the date the ordinance is passed for publication of title and the date the ordinance is adopted by the Board. The Executive Director or other designated official shall cause the title of such ordinances to be published at least once in a newspaper of general circulation published within the boundaries of the Authority no later than the third day preceding the adoption of the ordinance. Ordinances adopted pursuant to this subsection shall become effective fifteen (15) days after the adoption, or at a later date if so specified in the ordinance.
- (e) Notwithstanding subsection (d) of this section, the following ordinances shall take effect immediately:
 - (1) Ordinances relating to an election;
 - (2) Ordinances necessary for the immediate preservation of the public peace, health or safety containing a declaration of the facts constituting the emergency, if adopted by the affirmative vote of two-thirds of the Board; andSuch urgency ordinances may be passed immediately upon introduction and approval at a regular, adjourned regular, or special meeting.
- (f) The Authority's GMP shall be adopted by ordinance.

§ 3.15 Minutes

- (a) The clerk, as appointed by the Board, shall cause to be kept minutes of all meetings of the Board, except closed session meetings. Within a reasonable time following any meeting other than a closed session meeting, the clerk shall cause a copy of the minutes to be forwarded to each member of the Board and to the clerk's offices for the County of Sacramento, the City of Sacramento, the City of Elk Grove, the City of Folsom and the City of Rancho Cordova.
- (b) The written minutes need not be a verbatim transcription, but shall at a minimum reflect the following:
 - (1) Official actions taken by the Board;
 - (2) Disposition of items appearing on the agenda;
 - (3) The vote of each Director on action matters appearing on the agenda, or a description of the vote;
 - (4) Statements requested by a Director or Directors to be included in the minutes when related to reasons for voting in a particular manner;
 - (5) Matters requested by a Director or Directors to be included as an agenda item, and which was not placed on the agenda;
 - (6) The number and title of ordinances and resolutions.
- (c) The written minutes are not the official minutes until approved by the Board at a subsequent public meeting. Upon approval, the minutes shall be signed by the Chair, or in the event the Chair is not available, the Vice-Chair, and shall be attested to by the Clerk.

**CHAPTER 4.
OFFICERS AND EMPLOYEES**

§ 4.01 General

- (a) The Board of the Authority shall appoint an Executive Director and Legal Counsel, and may appoint, commission, employ, contract with, or retain contractors as the Board deems appropriate to carry out the administration and management of the Authority. The appointment of the Controller and Treasurer shall be as set forth in section 4.03 of these Rules and in the Joint Powers Agreement.
- (b) All officers, the Executive Director, Legal Counsel, and contractors, except the Controller and Treasurer, shall serve at the pleasure of the Board.

§ 4.02 Executive Director

- (a) The Board of the Authority, with the concurrence of the Sacramento County Water Agency, shall appoint an Executive Director who shall be responsible to the Board for the proper and efficient administration of the Authority as directed by the Board pursuant to the terms and provisions of the Joint Powers Agreement, these Rules, and any ordinance, resolution, order or motion of the Board.
- (b) In addition to other duties and authority which may be assigned by the Board, the Executive Director shall have the following authority:
 - (1) To plan, organize and direct all Authority activities, pursuant to the policy direction of the Board;
 - (2) To authorize expenditures within the designation and limitations of the budget approved by the Board;
 - (3) To make recommendations to and requests of the Board concerning any matter which is to be performed, done or carried out by the Board;
 - (4) To have the authority to appoint, discipline, assign, promote, and otherwise supervise and control the activities of any employees or contractors which may be hired or retained by the Authority; and
 - (5) To have charge of, handle and have access to any property of the Authority.

§ 4.03 Controller and Treasurer

- (a) The County of Sacramento Director of Finance shall act as treasurer and controller for the Authority.
- (b) The Controller of the Authority shall cause an independent annual audit of the Authority's finances to be made by a certified public accountant in compliance with California Government Code Section 6505. The Controller shall draw warrants to pay demands against the Authority when the demands have been approved by the Authority or by its authorized representative pursuant to any delegation of authority adopted by the Authority. The Controller shall comply strictly with the provisions of statutes relating to the duties found in Chapter 5

(commencing with Section 6500) of Division 7 of Title 1 of the California Government Code.

- (c) The Treasurer of the Authority shall be the depositor and shall have custody of all money of the Authority from whatever source. The Treasurer shall comply strictly with the provisions of statutes relating to the duties found in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code.
- (d) The Sacramento County Department of Water Resources is authorized to set up appropriate funds with the Treasurer and Controller of the Authority and to administer these funds as necessary to accomplish the goals and objectives of the Authority.

§ 4.04 Personnel Policy

- (a) Any officer, employee or agent of the Authority also may be an officer, employee or agent of the Signatory Parties unless decided differently by the Authority.
- (b) The Board shall adopt a Personnel Policy for the administration and management of Authority employees and personnel as it deems appropriate.

§ 4.05 Clerk and Legal Counsel

- (a) The board shall appoint a clerk and legal counsel as it deems appropriate. The clerk and legal counsel serve at the pleasure of the Board.
- (b) Legal Counsel retained by the Board is directly accountable to the Board, and shall provide legal advice and services as requested by the Board, including legal advice to the Executive Director and other officers of the Authority. Legal Counsel retained by the Board represents the Authority, and shall not represent individual Directors, officers or employees unless authorized by the Board in writing.
- (c) The duties of the clerk shall be directed by the Board.

§ 4.06 Compensation

The compensation of officers, employees, agents, counsel and contractors shall be established by the Board as it deems appropriate.

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
CALIFORNIA**

4

For the Agenda of:
July 08, 2009

APPROVED
BOARD OF DIRECTORS

Date 07-08-09

By 
Clerk of the Board

To: Board of Directors
Sacramento Central Groundwater Authority

From: Staff

Subject: Amendment To Chapter 3, Section 3.09, Paragraph (b) – Meetings Of The Board
– Of The Sacramento Central Groundwater Authority's Rules Of Procedure

Contact: Darrell Eck, Executive Director, 874-5039

Overview

The Joint Powers Agreement (JPA) provides for the adoption of rules and regulations for the conduct of the Sacramento Central Groundwater Authority's (Authority) affairs. The Board of Directors of the Authority (Board) has requested that Chapter 3, Section 3.09, Paragraph (b) of the Rules of Procedure, as adopted on December 13, 2006, be amended to adjust the frequency that Board meetings will be held. When the original rule was established there was a need for the Board to meet on a monthly basis in order to act on various items necessary to establish the Authority and to initiate program development. Amending this rule will change the schedule of Board meetings to the second Wednesday of every odd numbered month.

Recommendation

Staff recommends that the Board approve the amendment to Chapter 3, Section 3.09, Paragraph (b) of the Authority's Rules of Procedure as adopted on December 13, 2006.

BACKGROUND:

On August 29, 2006 the Sacramento Central Groundwater Authority was formed through a Joint Powers Agreement (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. Section 24 of the Agreement provides for the adoption of rules and regulations for the conduct of the Authority's affairs.

On December 13, 2006 the Board adopted Rules of Procedure for the Authority. At the time the Rules of Procedure were adopted the Board felt that it was prudent to meet on a monthly basis in order to act in a timely manner on various items necessary to establish the Authority and to initiate program development.

DISCUSSION:

During the June 10, 2009 Board meeting, the Board discussed reducing the number of their regularly held meetings as described in Chapter 3, Section 3.09, Paragraph (b). During this discussion it was agreed that there was no longer a reason to meet on a monthly basis and that meeting every two months would be sufficient to conduct the business of the Authority. The Board directed staff to prepare an amendment to the Authority's Rules of Procedure for their consideration. Said amendment would change the frequency of Board meetings from once a month to once each odd numbered month. When convened, Board meetings will still be held on the second Wednesday of said month.

Staff recommends that the Board approve the amendment to Chapter 3, Section 3.09, Paragraph (b) of the Authority's Rules of Procedure as adopted on December 13, 2006.

Attachment:

Rules of Procedure, Chapter 3, Section 3.09(b) – Strikethrough version

cc: Susan Purdin, Larry Ottman – Sacramento County DWR



§ 3.09

Meetings of the Board

- (b) Regular meetings of the Board shall be held on the second Wednesday of every *odd numbered* month at a suitable location within the Authority's boundaries. If, by reason of emergency or other good cause, a meeting cannot be held as regularly scheduled, the Chair may re-schedule with due notice a meeting on an alternate date or time or at an alternate location.

AGENDA ITEM 6: EXECUTIVE DIRECTOR'S REPORT

- a) Local Groundwater Assistance Grant
- b) El Dorado Water and Power Authority

July 10, 2013

TO: SACRAMENTO CENTRAL GROUNDWATER AUTHORITY BOARD

FROM: DARRELL ECK

RE: EXECUTIVE DIRECTOR'S REPORT

- a) **Local Groundwater Assistance Grant** – Based on conversations with DWR staff it appears that the Groundwater Authority will receive a \$200,000 local groundwater assistance grant. No specific information is available on DWR's website specifying when grant agreements will be made available or when they will ultimately be executed.

- b) **El Dorado Water and Power Authority** - The El Dorado Water and Power Authority (EDWPA) has a pending water rights application with the State Board for 40,000 AFA of water from the SMUD Upper American River Project for the West Slope of El Dorado County. EDWPA has been working with SGA members and some SCGA member agencies to explore the possibility of using the 40,000 AFA for ground water banking on an interim basis until El Dorado County needs the water over time. Dave Eggerton, Executive Director of EDWPA, met with representatives of SCWA on June 11, 2013 to discuss what they've been working on and how it may fit into SCWA and SCGA's long term goals and objectives. Mr. Eggerton was invited to make a presentation to the Board regarding their proposal by scheduling conflicts prevented this from happening.