

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY (SCGA)
Governing Board Meeting
Final Minutes
December 12, 2007

LOCATION: 10545 Armstrong Avenue, Suite 101
Mather, CA 95655
9:00 a.m. to 11:00 a.m.

MINUTES:

1. Call to Order and Roll Call

Chair Scott Fort called the meeting to order at 9:00 a.m.

Roll call was taken and the following meeting participants were in attendance:

Board Members (Primary Rep.)

Stuart Helfand, Agricultural-Residential
Rick Bettis, Conservation Landowners
Edwin Smith, Public Agencies Self-Supplied
Ronald Lowry, Omochumne-Hartnell Water District
Ed Crouse, Rancho Murieta Community Services District
Scott Fort, Golden State Water Company

Board Members (Alternate Rep.)

Clarence Korhonen, City of Elk Grove
Walter Sadler, City of Folsom
Albert Stricker, City of Rancho Cordova
Mel Johnson, City of Sacramento
Herb Niederberger, County of Sacramento/Sacramento County Water Agency
Andy Soulé, California-American Water Company
Ruben Robles, Sacramento Regional County Sanitation District

Staff Members

Darrell Eck, Executive Director, Sacramento Central Groundwater Authority
Michelle Fiorino, Clerk, Sacramento Central Groundwater Authority
Ramón Roybal, Sacramento Central Groundwater Authority

Others in Attendance

Dana Booth, EMD
Jose Ramirez, Sacramento Regional County Sanitation District
Ali Taghavi, WRIME

2. Public Comment

Chair Fort called for any public comment. No public comment was made.

3. Consent Calendar

The draft meeting minutes for the meeting held on November 14, 2007 were reviewed for final approval.

Motion/Second/Carried – Ed Crouse moved, by a second from Rick Bettis to approve the minutes.

4. Election of Officers

Action requested to elect the Chair and Vice Chair of the Board of Directors of the Sacramento Central Groundwater Authority for calendar year 2008 in accordance with Section 3.06(a) of the Rules of Procedure.

Motion/Second/Carried – Ruben Robles moved, by a second from Herb Niederberger to re-elect Scott Fort as the Chair for calendar year 2008.

Motion/Second/Carried – Mel Johnson moved, by a second from Clarence Korhonen to elect Walter Sadler as the Vice Chair for calendar year 2008.

5. Report Back on Well Protection Plan

Darrell Eck presented a report back on items of discussion identified at the October 10, 2007 Board meeting.

Who adopts the Well Protection Plan ordinance? – John Whisenhunt (Counsel) recommends that the Authority adopt the ordinance since it is the Authority that is responsible for regulating the groundwater basin. As part of the ordinance adoption process the Authority will also have to work with the land use jurisdictions to make sure procedures are in place so that they (the land use jurisdictions) can collect the Well Protection Fee on behalf of the Authority. This process is really no different than the various Water Agency, Regional Sanitation District, etc. fees that are imposed by those agencies but then collected by the land use authorities as part of the land use approval process.

Trust Fund shortfall – It had been suggested that any fund balance in the Authority's general fund could be used to cover a shortfall in the Trust Fund. Counsel indicated that there are some serious legal reservations about limiting the Board's discretion to use its general fund revenue by ordinance. In addition, any ordinance could simply be repealed so it does not guarantee that this commitment would remain in place indefinitely. Even if it had the authority to do so, it would be a very bad idea since there might be other higher priorities in the future which would be compromised by requiring that these general funds be dedicated to the well protection program. A preferable option would be not to make the payments until funds are available and then make the payments as funds become available in the order that the claim was filed.

Area of application - Previous discussion on program application has centered on the payment of Well Protection Program benefits throughout the entire basin. At the September 12, 2007 Board meeting it was suggested that given the number of wells that would potentially be registered (estimated at 7500 – based on one acre lots and larger) and the amount of staff time that would be required to support a registration effort of this size that it might be worth while to go back and look at the *Impact Analysis for the Well Protection Program* (Impact Analysis) and see where these impacts would occur. The Impact Analysis includes three scenarios which were taken from the Environmental Impact Report that was done as part of the Zone 40 Water Supply Master Plan. These scenarios include:

- A - No Project
- B - Proposed Project (SCWA Zone 40 project)
- C - Reduced Surface Water Availability

Figures 4-1, 4-2, and 4-3 from the Impact Analysis provide a visual representation of the area of impact based on the three identified scenarios. Staff proposes that Scenario C (see Figure 4-3), the most conservative of the three scenarios, serve as the basis for determining the area of impact and replacement costs. Staff proposes to coordinate with WRIME to develop a map that clearly delineates the parcels that would be included in the area of impact.

Other issues or concerns – Given the current housing market is now the time to attempt to implement a new fee? Acceptance of the program by Cities will be based on several factors including: viability of program, timing, etc.

Staff proposes the following Action Plan for completion and implementation of the Well Protection Program.

Action Plan –

- Complete the Ordinance
 - Provide appropriate language for the Trust Fund shortfall
 - Determine Costs –
 - Meet with the land use agencies to determine cost of collecting fee and transferring to Trust Fund
 - Complete cost analysis for well replacement and administrative costs
 - Evaluate and develop nexus report materials
 - Develop procedure for accounting for fee collection
 - Determine area of impact –
 - Coordinate with WRIME to “fine tune” impact area as represented in Figure 4-3 of the Impact Analysis
 - Develop map that delineates parcels within the impact area
 - Identify parcels/land owners that will be contacted for well registration
 - Develop language for the Ordinance that would allow an appeal process for payment of benefit

- Prepare Nexus Report
 - Purpose of fee
 - Use of fee
 - Establish relationship between the fees use and project that will be charged
 - Establish relationship between the amount of the fee and the cost of implementing the program
- Meet with BIA regarding provisions of the Ordinance and costs
- Adopt the Ordinance
- Authority enters into business agreements with land use agencies for collection of fee etc.
- Register wells

Staff recommends that a subcommittee be formed to assist staff in completing development of the Well Protection Ordinance.

Discussion -

Stuart Helfand commented that surface water will be delivered to the basin by the time we complete work on the Well Protection Program. Andy Soulé suggested that the Board should start picking off the tasks identified by Darrell in his report so that progress can be made toward implementation. Andy further stated that the Program is necessary and that the Board needed to get to work on, possibly by starting with the nexus report since it is required by law. Herb Niederberger stated that an area of eligibility needs to be identified first, prior to completing the nexus report. Rick Bettis asked if staff would be looking at new development as part of any impact analysis.

Herb Niederberger stated that while there would be a smaller impact area where benefits would be paid that the fee would be collected throughout the entire Central Basin area. Stuart suggested that instead of looking at a smaller impact area maybe we should only look at wells of a certain age, say older than five years. Andy questioned whether it was fair to have some pay for a program that they not benefit from. Herb stated that the work done by WRIME for the Impact Analysis clearly indicates that there is a defined area of impact resulting from basin wide pumping, as this information will be used in developing the nexus study required for the ordinance (in compliance with Government Code Section 66000) it can easily be articulated that projected basin wide pumping will potentially result in adverse impacts in the identified area of impact. Based on the science it is appropriate to only pay benefits to well owners within the area of impact. Andy commented that he didn't think that was fair. Stuart indicated that the program fees will be paid by new construction, those that are already there will be the beneficiaries of the program – we're really making the process more complicated then it has to be.

Dana Booth stated that all wells within the basin are impacted by pumping, it's only a small number that are negatively impacted. Scott Fort felt that the program needed to be "scoped down" in order to have viable program. Andy stated that it was difficult to determine what size the program would be as we don't know how many well owners would want to

participate. Andy also questioned the effectiveness of an appeal process given that there is a lack of data on levels of participation. Andy suggested that the Board direct staff to investigate a limited area of eligibility to be funded by the entire basin. Andy further stated that even though he does not agree with the approach he believes it should be investigated.

Clarence felt that drought conditions should be considered as part of the discussion. Andy concurred and brought up the issue of seasonal conditions. Ruben indicated that he thought it would be nice to cover those whose wells might be marginal. Walt stated that the subcommittee could consider making these kinds of provisions but that we need to set up the basic program first and then provide for appropriate exemptions. Ed suggested that the subcommittee develop a plan consisting of a list of bullet items that delineates all the various tasks including deliverables, timeframe, and cost and that this could be used to focus the subcommittee's efforts.

Motion/Second/Carried – Herb Niederberger moved, by a second from Walter Sadler to form a Well Protection Subcommittee to discuss issues and report back to the Board. Volunteers were requested. The sub-committee will consist of Ronald Lowry, Stuart Helfand, Andy Soulé, and Walter Sadler. Herb Niederberger offered his assistance.

After the motion Ruben asked Darrell how much it would cost to investigate an area of impact versus registering the entire basin. Ali Taghavi responded that most of the data and analysis for investigating an area of impact has already been assembled as a part of the Impact Analysis for the Well Protection Program and that any additional data and analysis will not require a significant effort. Ruben then stated that it makes sense for the Board to focus its resources by identifying an area of impact but that it is important to also have a means by which those outside of the identified area remain eligible.

6. Policies and Procedures Manual

Action requested to approve amendment to the Rules of Procedure, modifying Chapter 7 – Alternative Dispute Resolution (see corresponding attachment).

Motion/Second/Carried – Andy Soulé moved, by a second from Walter Sadler to modify Chapter 7 of the SCGA's Rules of Procedure to include language based on Resolution 1998-03 of the Sacramento North Area Groundwater Management Authority establishing a policy for alternative dispute resolution.

7. Executive Director's Report

Darrell provided a report on the following items.

Local Groundwater Assistance Grant Update - The Authority's grant application was submitted to State DWR on December 11th. The application will be checked for completeness, evaluated and scored by two technical reviewers from DWR, after which it will be considered by the Technical Advisory Panel. The Technical Advisory Panel will make the award. The projected start time is no sooner than June 1, 2008 and completion not later than May 15, 2010. Darrell thanked everyone who provided a letter of support.

Water Forum Grant - In November 2007 the Water Forum provided the Authority with a

\$7,500 grant to assist in the preparation of our Local Groundwater Assistance Grant. Darrell thanked the Water Forum for their on-going support.

South Area Water Council – The last meeting of the Water Council was held on December 5th. Attendees were provided an overall update on program development including funding, outreach meetings, and Water Forum administrative support. Council members reviewed the Southeast Sacramento County Agricultural Water Authority's (Ag Water Authority) draft AB 303 grant proposal for developing a groundwater management plan and discussed starting broader stakeholder meetings in early 2008. The next scheduled meeting of the Water Council will be on January 10, 2008 from 2-4 p.m.

Water Forum Successor Effort Meeting – Meeting to be held on December 13, 2007. Representatives of the North, Central, and South groundwater basins to provide program updates.

8. Director's Comment

The following comments were made by Directors:

Ruben Robles - Should the Board submit a letter of support to the Ag Water Authority for their AB 303 grant application to develop a Groundwater Management Plan? Ron Lowry indicated that Ag Water Authority would love to have the support.

Motion/Second/Carried – Herb Niederberger moved, by a second from Walter Sadler to direct staff to develop and submit a letter of support for the South Area Water Council's AB 303 grant application to develop a Groundwater Management Plan and to have the Executive Director sign the letter.

Clarence Korhonen – How do we respond to letters (specifically a letter from ACWA) notifying water purveyors of potential surface water shortages? Herb Niederberger advised that water purveyors have a Water Shortage Contingency Plan as part of their Urban Water Management Plans. The Water Shortage Contingency Plan provides defined procedures for responding to water shortages.

Andy Soulé – Will be attending the Water Forum Successor Effort meeting on December 13.

Rick Bettis – General Plan Update – We need to look at proposed new development and the impact it may have on available water supplies.

9. Adjournment

With no further business to come before the Board, Chair Scott Fort adjourns meeting at 10:15 a.m.

By:

[Handwritten Signature]

Chairperson

1/9/08

Date

Attest:

Michele Fiorino

1/9/08

Date

