Sacramento Central Groundwater Authority
Board of Directors Regular Meeting

August 20, 2026, 9:00 AM
Rancho Cordova City Council Chambers
2729 Prospect Park Drive
Rancho Cordova, CA 95670

NOTE: Directors Janet Grisanti, Nate Ellis, and Tim Mullins will be participating remotely from 5257 Galaxy Parkway, Sacramento, CA 95823, 6200 Franklin Boulevard, Sacramento CA 95824, and 8640 Bamarcia Drive, Elk Grove, CA 95624, respectively, pursuant to the Brown Act.

Members of the public may attend in person, remotely via Zoom, or by phone.

Please click the link below to join the meeting:
https://zoom.us/j/94017223677

Or Telephone: US: +1 669 900 6833

Meeting ID: 940 1722 3677

Passcode: 059579

Remote public participation is for convenience only and not required by law. If the remote connection offered via Zoom link or by phone fails for any reason, the meeting may be paused while a fix is attempted, and the meeting may continue at the discretion of the Board chairperson.

1. Convene

1.1. Call to Order and Roll Call

1.2. Pledge of Allegiance

1.3. Closed Session Report (None)

1.4. Additions or Deletions to the Agenda

1.5. Public Comments

2. Presentations (None)

Items either originate from outside parties or are informative in nature.

3. Administrative

Items are informational in nature and do not include an agenda report.

3.1. Acknowledgment of Board Member(s) Appointment for August 2026 – July 2030 term:

- Albert Stricker, Board Member appointed by City of Rancho Cordova (effective 08/03/2026)
- Kristine Courdy, Alternate Board Member appointed by City of Rancho Cordova (effective 08/03/2026)
- Margarita Dronov, Alternate Board Member appointed by City of Rancho Cordova (effective 08/03/2026)
- Sean Twilla (Golden State Water Company), Board Member appointed by City of Rancho Cordova (effective 08/03/2026)
- Mark Insco (Golden State Water Company), Alternate Board Member appointed by City of Rancho Cordova (effective 08/03/2026)
- Marcus Yasutake, Board Member appointed by City of Folsom (effective 08/11/2026)
- Barbara Leary, Alternate Board Member appointed by City of Folsom (effective 08/11/2026)

4. Consent

Items are routine in nature, may include agenda reports, and be approved in one motion.

4.1. Minutes of the June 2026 Regular Board Meeting

Minutes included in packet

Recommendation: Approve minutes of the June 18, 2026 Board meeting.

5. Public Hearing (None)

Items include an agenda report with recommendations, an oral staff report or presentation.

6. Business

Items are complex in nature, considered individually, and each item includes an agenda report with recommendations and an oral staff report or presentation.

6.1. Financial Report June 2026

Agenda report included in packet

SCGA Financial Report June 30, 2026

Recommendation: Receive and file financial report for the period ending June 30, 2026.

6.2. Agreement for Comprehensive Fee Study

Agenda report included in packet

Scope and Budget Confluence Engineering Solutions

Recommendation: Approve and authorize the Executive Director to execute agreement with Confluence Engineering Solutions for Comprehensive Fee Study in the amount not to exceed $135,599.

6.3. GSP 2027 Update

Agenda report included in packet

Draft 2027 GSP Update and Appendices (link)

Recommendation: Receive an informational update on the preparation, review, and anticipated approval and submittal process for the South American Subbasin 2027 Groundwater Sustainability Plan (GSP). No Board action is requested.

6.4. Board Strategic Planning and Governance Assessment

Agenda report included in packet

Recommendation: Receive information. No Board action is requested.

7. Staff Reports

7.1. General Manager Update (Oral)

7.2. SASb GSA Update (Oral)

7.3. Fraud Risk Review FY 2026

Staff report included in packet

Annual Fraud Risk Review Matrix FY 2026 included in packet

7.4. SCGA Board Onboarding Resources

Staff report included in packet

DWR GSA Onboarding Resources (link)

Presentation included in packet

8. Directors' Reports

Opportunity for members of the Board of Directors to provide oral reports on matters related to the agency.

9. Written Correspondence (None)

Letters, Emails

10. Closed Session (None)

11. Report on Closed Session (None)

12. Future Items

- Harvest Water Update
- Groundwater Recharge Overview

13. Meetings and Event Calendar

- GRA Western Groundwater Conference, Palm Springs, September 28-30

14. Adjournment

The next regular meeting of the Sacramento Central Groundwater Authority Board of Directors is scheduled for October 15, 2026.

Accommodations under the ADA

Pursuant to the Americans with Disability Act (ADA), any person in need of any type of special equipment, assistance or accommodations in order to effectively participate at this meeting is asked to make a request to email or phone no later than 5 p.m. two business days prior to the meeting.

Agenda Posting

The agenda was posted in accordance with the Ralph M. Brown Act and AB 2647, and the agenda packet is made available at the meeting.

Sacramento Central Groundwater Authority
Board of Directors Regular Meeting

June 18, 2026, 9:00 AM
Rancho Cordova City Council Chambers
2729 Prospect Park Drive
Rancho Cordova, CA 95670

1. CONVENE

1.1 Call to Order and Roll Call

Vice Chair Ahrary, presiding in the absence of Chair Kamilos, called the meeting to order at 9:03 A.M.

Directors present: Shoaib Ahrary (City of Elk Grove); Marcus Yasutake (City of Folsom); Albert Stricker (City of Rancho Cordova); Brett Ewart (City of Sacramento); Chris Hunley (County of Sacramento); Travis Franklin (Elk Grove Water District); Ken Oneto (Agricultural Interests); David Trask (Agricultural Residential); Barbara Evoy (Conservation Landowners); Evan Jacobs (California-American Water Company); Sean Twilla (Golden State Water Company).

Directors absent: Commercial/Industrial Self-Supplied; Public Agency Self-Supplied; Sacramento Area Sewer District.

Staff Present: Piret Harmon (Executive Director), Valerie Kincaid (Counsel), Denise Silva (RGS).

1.2 Pledge of Allegiance

Vice Chair Ahrary led the Pledge of Allegiance.

1.3 Closed Session Report (None)

1.4 Additions or Deletions to the Agenda

There were no additions or deletions to the agenda.

1.5 Public Comments

No public comments were received.

2. PRESENTATIONS

2.1 Sacramento Regional Water Bank Update (Trevor Joseph, Regional Water Authority)

Trevor Joseph, Project Manager with the Regional Water Authority, presented an update on the Sacramento Regional Water Bank, a conjunctive use project to bank water in the North and South American Subbasins. The project aims to improve long-term regional water supply reliability, create statewide water supply opportunities, and support healthy ecosystem function on the lower American River. Mr. Joseph described the water accounting system framework document, previously banked water analysis conducted by Woodard & Curran, plans for a stream depletion factor analysis, the ongoing CEQA process, and anticipated federal recognition through the U.S. Bureau of Reclamation following CEQA completion.

Directors discussed stream depletion factor methodology, the relationship between groundwater and surface water, in-lieu recharge terminology, implications for individual agency infrastructure planning, the need for the updated accounting document to reflect South American Subbasin input, and transparency in water accounting.

No public comment was received.

Item was informational only; no action taken.

3. ADMINISTRATIVE (NONE)

4. CONSENT

Item 4.2 was pulled from consent to be voted upon separately from item 4.1.

4.1 Minutes of the Board April 2026 Regular Meeting
Recommendation: Approve minutes of the April 16, 2026, Board of Directors meeting.

No public comment was received.

MOTION:	Ewart/Hunley to approve the minutes of the April 16, 2026, Board of Directors meeting.
AYES:	Shoaib Ahrary; Marcus Yasutake; Albert Stricker; Brett Ewart; Chris Hunley; Travis Franklin; Ken Oneto; David Trask; Barbara Evoy; Evan Jacobs; Sean Twilla.
NOES:	None

ABSTAIN:	None
ABSENT:	Commercial/Industrial Self-Supplied; Public Agency Self-Supplied; Sacramento Area Sewer District.

MOTION PASSED.

4.2 GSP 2027 Periodic Evaluation
Recommendation: Receive the South American Subbasin Groundwater Sustainability Plan (GSP) 2027 Periodic Evaluation and direct staff to release the draft 2027 GSP.

Item 4.2 was pulled from the consent calendar at the request of Director Evoy. Director Evoy noted that the 2027 Periodic Evaluation represents a significant milestone and she requested that items of this significance receive executive committee review before being placed on the agenda. Staff clarified that a draft of the evaluation had been presented at the April 2026 meeting, that the current version is a "final draft" with public comments still being accepted, and that a public workshop was scheduled for June 23, 2026, at noon.

Following discussion, the Board agreed to receive the 2027 Periodic Evaluation as a final draft and to direct staff to release the draft 2027 GSP.

No public comment was received.

MOTION:	Evoy/Trask to receive the South American Subbasin GSP 2027 Periodic Evaluation as a final draft document and direct staff to release the draft 2027 GSP.
AYES:	Shoaib Ahrary; Marcus Yasutake; Albert Stricker; Brett Ewart; Chris Hunley; Travis Franklin; Ken Oneto; David Trask; Barbara Evoy; Evan Jacobs; Sean Twilla.
NOES:	None
ABSTAIN:	None
ABSENT:	Commercial/Industrial Self-Supplied; Public Agency Self-Supplied; Sacramento Area Sewer District.

MOTION PASSED.

5. PUBLIC HEARINGS (NONE)

6. BUSINESS

6.1 Work Plan and Budget FY 2027
Recommendation: 1) Approve the fiscal year (FY) 2027 Work Plan; 2) Adopt the FY 2027 Budget.

Executive Director Harmon presented the FY 2027 Work Plan, the first formal work plan brought to the Board for approval, structured to provide greater transparency into work occurring between meetings. Tim Jones presented the FY 2027 Budget, describing it as a deliberate transition-year budget focused on SCGA's governance restructuring rather than new program expansion.

Directors discussed the proportional distribution of the former Sloughhouse RCD cost share among remaining MOU members, inflation considerations for future fee structures, and potential impacts from future boundary changes.

No public comment was received. A roll call vote was taken

MOTION:	Ewart/Trask to approve the FY 2027 Work Plan and adopt the FY 2027 Budget.
AYES:	Shoaib Ahrary; Marcus Yasutake; Albert Stricker; Brett Ewart; Chris Hunley; Travis Franklin; Ken Oneto; David Trask; Barbara Evoy; Evan Jacobs; Sean Twilla.
NOES:	None
ABSTAIN:	None
ABSENT:	Commercial/Industrial Self-Supplied; Public Agency Self-Supplied; Sacramento Area Sewer District.

MOTION PASSED.

6.2 Groundwater Fee FY 2027
Recommendation: Adopt Resolution 2026-03 setting groundwater fees for FY 2027 in the amount of $2.51 per parcel and $3.44 per acre-foot of groundwater use.

Executive Director Harmon presented the recommended groundwater fees for FY 2027. Because the proposed fees do not exceed the Proposition 218 ceiling established in the 2021 rate study, no new public hearing was required.

No public comment was received. A roll call vote was taken.

MOTION:	Hunley/Jacobs to adopt Resolution 2026-03 setting groundwater fees for FY 2027 at $2.51 per parcel and $3.44 per acre-foot of groundwater use.
AYES:	Shoaib Ahrary; Marcus Yasutake; Albert Stricker; Brett Ewart; Chris Hunley; Travis Franklin; Ken Oneto; David Trask; Barbara Evoy; Evan Jacobs; Sean Twilla.
NOES:	None
ABSTAIN:	None
ABSENT:	Commercial/Industrial Self-Supplied; Public Agency Self-Supplied; Sacramento Area Sewer District.

MOTION PASSED.

6.3 Board Travel Policy
Recommendation: Adopt Resolution 2026-04 establishing the Board Travel and Expense Policy.

Executive Director Harmon presented a proposed new Board Travel and Expense Policy, which arose from discussion at the April 2026 meeting. As drafted, the policy would apply to board members and alternates who are not employed by another public agency or privately owned water utility, to avoid the use of public funds to subsidize travel already covered by another agency.

Directors discussed the application of the policy to primary versus alternate directors, and reporting requirements for amounts expended. No consensus was reached on the proposed policy as drafted.

No public comment was received.

Staff was directed to revise the policy to address scope, transparency, and reporting and to bring it back at a future meeting.

6.4 Ethics Policy
Recommendation: Adopt Resolution 2026-05 approving the updated Ethics Policy.

Executive Director Harmon presented an updated Ethics Policy for the Board, a cleanup and reformatting of the existing policy to incorporate applicable legal requirements in a clear standalone document.

Directors discussed the biennial ethics training compliance requirement, noting the requirement that board members complete ethics training every two years. General Counsel confirmed the biennial training requirement. Staff indicated they would track compliance and distribute online training resources to board members.

No public comment was received. A roll call vote was taken.

MOTION:	Ewart/Hunley to adopt Resolution 2026-05 establishing an Ethics Policy.
AYES:	Shoaib Ahrary; Marcus Yasutake; Albert Stricker; Brett Ewart; Chris Hunley; Travis Franklin; Ken Oneto; David Trask; Barbara Evoy; Evan Jacobs; Sean Twilla.
NOES:	None
ABSTAIN:	None
ABSENT:	Commercial/Industrial Self-Supplied; Public Agency Self-Supplied; Sacramento Area Sewer District.

MOTION PASSED.

6.5 Conflict of Interest Code
Recommendation: Adopt Resolution 2026-06 approving the amended Conflict of Interest Code of Sacramento Central Groundwater Authority.

Executive Director Harmon presented the biennial update to the SCGA Conflict of Interest Code, a required review. The update incorporated the current FPPC format and standards. No substantive changes were made to the designated positions or disclosure categories.

No public comment was received. A roll call vote was taken.

MOTION:	Hunley/Evoy to adopt Resolution 2026-06 updating the Conflict of Interest Code.
AYES:	Shoaib Ahrary; Marcus Yasutake; Albert Stricker; Brett Ewart; Chris Hunley; Travis Franklin; Ken Oneto; David Trask; Barbara Evoy; Evan Jacobs; Sean Twilla.
NOES:	None
ABSTAIN:	None
ABSENT:	Commercial/Industrial Self-Supplied; Public Agency Self-Supplied; Sacramento Area Sewer District.

MOTION PASSED.

6.6 Professional Services Agreements FY 2027
Recommendation: 1) Approve and authorize the Board Chairperson to execute the agreement with Regional Government Services for Executive and Administrative Staffing Services for fiscal year (FY) 2027 in the amount not to exceed $300,000; 2) Approve and authorize the Executive Director to execute the agreement with GEI Consultants, Inc. for Technical Services for FY 2027 in an amount not to exceed $403,000; 3) Approve and authorize the Executive Director to execute the agreement with Paris Kincaid Wasiewski for General Counsel Services for FY 2027 in an amount not to exceed $60,000; 4) Approve and authorize the Executive Director to execute the agreement with TTJ Consulting for Financial Support Services for FY 2027 in an amount not to exceed $80,360.

Executive Director Harmon presented four professional services agreements for FY 2027. A new standardized professional services agreement template approved by General Counsel was used, with scope of work and budget attached as exhibits.

Directors asked clarifying questions regarding the flat fee structure and the process for accessing optional services within the RGS agreement.

No public comment was received. A roll call vote was taken.

MOTION: Yasutake/Hunley to approve the four professional services agreements for FY 2027 as presented under item 6.6.
AYES: All present directors; voice vote.
NOES: None
ABSTAIN: None
ABSENT: Barbara Evoy; Commercial/Industrial Self-Supplied; Public Agency Self-Supplied; Sacramento Area Sewer District.

MOTION PASSED.

6.7 SASb Memorandum of Understanding Amendment
Recommendation: Approve and authorize the Executive Director to execute the Amendment No. 1 to the South American Subbasin GSP Implementation Memorandum of Understanding ("MOU").

Executive Director Harmon presented a proposed amendment to the South American Subbasin (SASb) Memorandum of Understanding to reflect the departure of Sloughhouse Resource Conservation District (SRCD) as a groundwater sustainability agency, effective December 2025. The amendment makes two changes: it removes SRCD from the list of MOU parties and adjusts cost-share percentages proportionally among the remaining members, with SCGA absorbing the largest share. Staff noted that a full MOU rewrite is anticipated but is being deferred pending finalization of the Omochumnee-Hartnell Water District annexation boundary. A JPA amendment related to SCGA's governance of the unmanaged area will be brought forward as a separate item at a future meeting.

No public comment was received.

MOTION: Oneto/Twilla to approve the amendment to the South American Subbasin Memorandum of Understanding.
AYES: All present directors; voice vote.
NOES: None
ABSTAIN: None
ABSENT: Commercial/Industrial Self-Supplied; Public Agency Self-Supplied; Sacramento Area Sewer District.

MOTION PASSED.

6.8 Financial Report April 2026
Recommendation: Receive and file financial report for the period ending April 30, 2026.

Tim Jones presented the financial report for the period ending April 30, 2026, representing ten months of the fiscal year. Revenues were at 92% of the annual budget, ahead of pace. Staff would be following up with Omochumne Hartnell Water District regarding an outstanding contribution prior to June 30.

Directors requested that future financial reports include a budget-to-actual ratio column, which staff confirmed would be added.

No public comment was received.

MOTION:	Trask/Twilla to receive and file the financial report for the period ending April 30, 2026.
AYES:	All present directors; voice vote.
NOES:	None
ABSTAIN:	None
ABSENT:	Commercial/Industrial Self-Supplied; Public Agency Self-Supplied; Sacramento Area Sewer District.

MOTION PASSED.

7. STAFF REPORTS

7.1 Executive Director Update (Oral)

Executive Director Harmon reported on her attendance at the SGMA Implementation Summit in Clovis, California, in early June, describing it as a valuable regional networking conference with a focus on agricultural water use and the statewide food security implications of groundwater restrictions under SGMA. She noted that the fee study RFP is currently out for response and that a contract is expected to be brought to the Board at the August 2026 meeting. The goal is to complete the fee study in time for the new fee structure to be implemented for the FY 2028 budget.

No public comment was received.

7.2 Water Bank Working Group Report (Oral)

Executive Director Harmon reported that the Water Bank Working Group met in early May and reviewed a list of outstanding accounting and policy questions. She and Bryan Thoreson of GEI Consultants are attending Regional Water Authority program committee meetings and tracking updates to the water accounting system. A short list of governance topics has been identified for inclusion in the next five-year strategic plan, including recharge project roles, domestic well owner protections, and the role of Harvest Water. The working group will meet less frequently going forward; it has not been formally disbanded but no near-term meetings are scheduled.

No public comment was received.

7.3 SASb GSA Update (Oral)

Executive Director Harmon noted that the SASb GSA update was substantially addressed under item 6.7. The remaining GSAs will sign the MOU amendment, and a JPA amendment will follow as the next step in formalizing SCGA's role as GSA over the unmanaged area.

No public comment was received.

8. DIRECTORS' REPORTS

Director Yasutake reported that the Folsom City Council approved the operating and capital budget for FY 2027, including SCGA fees and dues.

Director Ewart reported that the Sacramento City Council adopted the 2025 Urban Water Management Plan.

Director Oneto provided a Harvest Water update, noting that the program is awaiting approvals on the first on-farm connection reimbursement contract, that pipeline construction is approximately two months from completion, that water delivery is expected in spring 2027, and that no complete turnouts have been installed yet.

No public comment was received.

9. WRITTEN CORRESPONDENCE

The Board received a letter from SCGA to Sacramento Regional County Sanitation District (SRCSD), dated May 12, 2026.

10. CLOSED SESSION (None)

11. REPORT ON CLOSED SESSION (None)

12. FUTURE ITEMS

The County Drought Plan and Harvest Water Update.

13. MEETINGS AND EVENT CALENDAR

The Board received the meetings and event calendar, including the GRA Western Groundwater Conference in Palm Springs, September 28–30.

No public comment was received.

14. ADJOURN

The meeting was adjourned at 12:00 P.M

APPROVED BY:

______________________________ ____________________
B. Kamilos, Chair Date

ATTEST:

________________________________ ____________________
Denise Silva, Clerk of the Board Date

Sacramento Central Groundwater Authority

Board of Directors

AGENDA REPORT

MEETING DATE:	August 20, 2026
AGENDA ITEM:	6.1
SUBJECT:	Financial Report June 2026
RECOMMENDATION:	Receive and file financial report for the period ending June 30, 2026.

BACKGROUND:

Previously, financial services for the Sacramento Central Groundwater Authority (SCGA) were conducted by the County of Sacramento. As of July 1, 2025, the Authority has established its own banking and accounting structure, with funds now held at Five Star Bank.

DISCUSSION:

The SCGA prepares regular financial updates comparing the budget to actual revenues and expenditures, as well as account balances. This report covers the period ending June 30, 2026.

FISCAL IMPACT:

No impact from this action.

CEQA DETERMINATION:

Not applicable.

ATTACHMENT(S):

SCGA Financial Report June 30, 2026

PREPARED BY:

Piret Harmon
Executive Director

SCGA Bi-Monthly Financial Report

Period Ending June 30, 2026

Budget to Actuals

(Full fiscal year)

FY 2026 (accrual basis)				
Description	**Adopted Budget**	**Actuals**	**Ratio Actual/Budget**	**Comment**
Revenues				
Member Contributions	$ 744,517	$ 744,517	100.00%	Good
Fee Assessment	$ 188,891	$ 197,039	104.31%	Good - $10k late payments from FY25
GSA Contributions	$ 164,920	$ 148,934	90.31%	Good. Sloughhouse reduced to $8.325 from $24,311
Grant Funding	$ -	$ -	0.00%	No grant funding
Interest/Other	$ 50,000	$ 64,005	128.01%	Good - favorable fund balance and interest rates
Total Revenues	**$ 1,148,329**	**$ 1,154,495**	**100.54%**	
Expenditures				
Management Services	$ 290,000	$ 251,764	86.82%	Non-director services less than expected
Technical Services	$ 934,600	$ 883,413	94.52%	GEI and County
Financial Services	$ 127,220	$ 100,443	78.95%	County, MGO, and TTJ - County services less than expected
Legal Services	$ 40,000	$ 41,244	103.11%	PKW
Insurance	$ 6,205	$ 3,792	61.11%	GSRMA
Other Operating	$ 16,000	$ 14,583	91.14%	Subscriptions, travel and well equipment
Total Expenditures	**$ 1,414,025**	**$ 1,295,239**	**91.60%**	
Net Increase (decrease)	$ (265,696)	$ (140,744)		
Beginning Fund Balance	$ 1,325,918	$ 1,315,287		Actual beginning fund balance per June 30, 2025 audited financial statements
Ending Fund Balance	**$ 1,060,222**	**$ 1,174,543**		
Fund Reserve	$ 282,805	$ 282,805		
Ending Fund Balance l	**$ 777,417**	**$ 891,738**		

Receivables

Total outstanding accounts receivable amount to $90,584:

$ 85,417 Omochumne Hartnell Water District
$ 5,167 Direct levy assessments

The above receivables have since been received. Nothing is outstanding.

Cash

The agency began in April with a cash balance of $1,565,749 and ended June with a cash balance of $1,307,845.

All funds are held at Five-Star Bank and receive a LAIF-equivalent interest rate except for $60,000 in operating funds that earn 1.25 percent interest. Total interest earned during May and June was $8,837. The current interest rate on investable funds (money market) is 3.840%.

Account Registers

The tables below show the transaction details in the operating and money market accounts during May and June 2026.

The operating and money market accounts work in conjunction with one another to maintain the desired $60,000 balance in the operating account. The bank automatically sweeps funds between accounts to maximize investment income.

1010 Cash Accounts: Operating - 5422				
Date	Memo	Payment	Deposit	Reconciliation Status
05/31/2026	Sweep from MM to DDA		500.00	Reconciled
05/31/2026	Fee assessment		74,106.26	Reconciled
05/31/2026	Sweep from MM to DDA		133,444.92	Reconciled
05/31/2026	Sweep from MM to DDA		10.80	Reconciled
05/31/2026	Streamline monthly subscription	500.00		Reconciled
05/31/2026	Sweep from DDA to MM	74,106.26		Reconciled
05/31/2026	QB monthly subscription	75.00		Reconciled
05/31/2026	GEI April technical services	94,666.52		Reconciled
05/31/2026	PKW April legal services	5,208.00		Reconciled
05/31/2026	RGS April management services	3,315.40		Reconciled
05/31/2026	RGS April management services	20,000.00		Reconciled
05/31/2026	TTJ April financial services	10,180.00		Reconciled
05/31/2026	Microsoft monthly subscription	10.80		Reconciled
06/30/2026	Sweep from MM to DDA		444.00	Reconciled
06/30/2026	Sweep from MM to DDA		500.00	Reconciled
06/30/2026	Sweep from MM to DDA		157,695.80	Reconciled
06/30/2026	Sweep from MM to DDA		75.00	Reconciled
06/30/2026	Sweep from MM to DDA		10.80	Reconciled
06/30/2026	UPS Store PO Box annual charge	444.00		Reconciled
06/30/2026	Streamline monthly subscription	500.00		Reconciled
06/30/2026	GEI May technical services	129,519.10		Reconciled
06/30/2026	RGS May management services	2,616.70		Reconciled
06/30/2026	RGS May management services	20,000.00		Reconciled
06/30/2026	TTJ May financial services	5,560.00		Reconciled
06/30/2026	QB monthly subscription	75.00		Reconciled
06/30/2026	Microsoft monthly subscription	10.80		Reconciled

1020 Cash Accounts: Money Market - 5430				
Date	Memo	Payment	Deposit	Reconciliation Status
05/31/2026	Sweep from MM to DDA	500.00		Reconciled
05/31/2026	Sweep from MM to DDA	133,444.92		Reconciled
05/31/2026	Sweep from MM to DDA	10.80		Reconciled
05/31/2026	Sweep from DDA to MM		74,106.26	Reconciled
05/31/2026	Northern Delta GSA fee		38,109.00	Reconciled
05/31/2026	May interest income		4,593.90	Reconciled
06/30/2026	Sloughhouse Resource Conservation District member dues		8,325.00	Reconciled
06/30/2026	Sweep from MM to DDA	444.00		Reconciled
06/30/2026	Sweep from MM to DDA	500.00		Reconciled
06/30/2026	Sweep from MM to DDA	157,695.80		Reconciled
06/30/2026	Sweep from MM to DDA	75.00		Reconciled
06/30/2026	Sweep from MM to DDA	10.80		Reconciled
06/30/2026	Interest income June		4,243.96	Reconciled

Sacramento Central Groundwater Authority

Board of Directors

AGENDA REPORT

MEETING DATE:	August 20, 2026
AGENDA ITEM:	6.2
SUBJECT:	Agreement for Comprehensive Fee Study
RECOMMENDATION:	Approve and authorize the Executive Director to execute agreement with Confluence Engineering Solutions for Comprehensive Fee Study in the amount not to exceed $135,599.

BACKGROUND:

The Sacramento Central Groundwater Authority (SCGA) is a joint powers authority formed in 2006 that serves as a Groundwater Sustainability Agency (GSA) for a portion of the South American Subbasin (SASb) under the Sustainable Groundwater Management Act (SGMA). SCGA currently funds its operations through a combination of member contributions, cost-sharing arrangements with other GSAs in the subbasin, and a groundwater assessment fee. As SGMA implementation has evolved, this revenue structure has become increasingly complex, and the Authority determined that a comprehensive evaluation is needed to develop a funding approach that is simpler, more equitable, more transparent, and less administratively burdensome.

The RFP was issued on June 10, 2026, with proposals due July 3, 2026. The RFP sought a qualified firm to conduct a Comprehensive Fee Study to evaluate existing funding mechanisms, develop alternative fee methodologies, and recommend and design a funding approach that is equitable, transparent, and administratively efficient.

DISCUSSION:

Three firms submitted proposals in response to the RFP: Confluence Engineering Solutions, teamed with Larry Walker Associates (CES); Hansford Economic Consulting, teamed with Rollins PR and KSN (HEC); and Water Resources Economics, LLC (WRE). A selection team reviewed each proposal against the five weighted evaluation criteria stated in the RFP: qualifications and experience of the firm and assigned staff (15%); understanding of SGMA funding challenges and SCGA's needs (25%); approach and methodology (25%);

experience with similar engagements, with GSAs preferred (15%); and cost and overall value (20%).

All three firms are well-qualified groundwater rate and fee consultants with relevant California GSA experience, and the process was genuinely competitive. Following the review and interview, the Confluence Engineering Solutions / Larry Walker Associates team was ranked highest. CES scored strongest on the two most heavily weighted criteria — understanding of SCGA's needs and proposed approach and methodology.

Based on the evaluation, staff recommends that the Board approve and authorize the Executive Director to execute an agreement with Confluence Engineering Solutions. The scope and budget for the proposed work are provided as an attachment to this report.

Following execution of the agreement, staff suggest forming a Board Ad Hoc committee of three to five members to support the Executive Director and consultant during the fee study. The committee would provide initial input, help evaluate funding options, and assist with communication to the full Board. Final recommendations and decisions would remain with the full Board.

FISCAL IMPACT:

Total not to exceed cost for the proposed work is $135,599. Sufficient funds are included in the FY 2027 budget.

CEQA DETERMINATION:

Not applicable.

ATTACHMENT(S):

Scope and Budget Confluence Engineering Solutions

PREPARED BY:

Piret Harmon
Executive Director

Comprehensive Fee Study

Scope of Services

Task 1. Evaluation of Existing Funding Structure

Conduct a comprehensive evaluation of SCGA's current funding mechanisms — member contributions, inter-GSA cost sharing arrangements, and the groundwater assessment fee — assessing each for adequacy, stability, and equity across stakeholder groups.

Services may include:

- Review of existing fee structure documentation, including the 2021 Groundwater Fee Study, current budgets and financial records, and relevant Board direction and policy history.
- Examination of the existing cost allocation approach, user class definitions, and the assumptions used to estimate groundwater extraction where metering data are unavailable.
- Focused assessment of the inter-GSA cost sharing arrangement with the Sacramento County GSA, identified in the RFP as an unresolved equity concern.
- Initial legal review of Proposition 218 and Proposition 26 considerations in coordination with SCGA's legal counsel.
- Documentation of findings to provide the analytical foundation for the alternatives analysis in Task 2.

Task 2. Development of Alternative Funding Approaches

Identify and evaluate a range of fee methodologies suited to SCGA's circumstances, stakeholder composition, and data environment, spanning the full range identified in the RFP.

Services may include:

- Evaluation of parcel-based, volumetric (groundwater use-based), hybrid, and benefit-based fee methodologies.

- Assessment of each alternative for equity and proportionality, transparency, administrative feasibility and cost, and legal defensibility under Proposition 218 and Proposition 26.
- Analysis of cost allocation options across user classes based on benefit received or cost causation, drawing on available parcel, land use, assessor, and groundwater extraction data.
- Evaluation of the appropriate legal framework, including a side-by-side comparison of Proposition 218 and Proposition 26 (Water Code §§ 10730 and 10730.2) to support an informed Board decision.
- Development of preliminary rate scenarios in spreadsheet format and a technical memorandum documenting the evaluation and alternatives analysis.

Task 3. Stakeholder Engagement

Engage SCGA member agencies, other GSAs, and stakeholders throughout the project, bringing affected parties into the process early and providing meaningful opportunities for input.

Services may include:

- Early engagement to understand stakeholder priorities, concerns, and perspectives on the existing fee structure.
- Support for meetings with SCGA member agencies to solicit feedback and identify opportunities to improve equity and efficiency.
- Support for up to two (2) community meetings, with corresponding presentation materials, to broaden outreach beyond member agencies.
- Education-and-feedback engagement as the alternatives analysis and preliminary recommendation take shape.
- Documentation of stakeholder input and its incorporation into the fee design process.

Task 4. Recommended Funding Approach

Develop a recommendation identifying the fee methodology best suited to SCGA's circumstances, data environment, stakeholder composition, and legal framework, supported by clear technical and policy rationale.

Services may include:

- Recommendation of a preferred methodology that addresses the inter-GSA cost sharing equity concern, the Proposition 218 versus Proposition 26 determination, and SCGA's goals of simplification, transparency, and administrative burden reduction.
- Clear documentation of tradeoffs relative to the alternatives considered.
- Presentation of the recommendation to SCGA staff and legal counsel prior to Board consideration.
- Preparation of Board presentation materials communicating the technical and policy basis for the recommendation.

Task 5. Fee Design

Translate the recommended funding approach into a detailed fee structure that forms the basis of the Fee Study Report.

Services may include:

- Development of a detailed cost allocation framework consistent with the applicable legal standard (Proposition 26 or Proposition 218).
- Definition of user classes reflecting the composition of groundwater users within SCGA's service area.
- Rate calculations by user class drawing on the best available extraction, parcel, land use, and assessor data, with assumptions documented where extraction data must be estimated.
- Revenue projections and adequacy analysis against SCGA's projected budget, and a multi-year rate schedule.
- Iterative review of rate scenarios with SCGA staff and legal counsel, culminating in a Draft and Final Fee Study Report.

Task 6. Implementation Support

Provide implementation support to carry the recommended fee structure from Board adoption through placement on the tax roll and/or direct billing.

Services may include:

- Identification of all legal requirements and procedural steps for adoption under the applicable framework (Proposition 26, Proposition 218, or a combination of both).

- Preparation, if required, of draft Proposition 218-compliant mailed notices and/or ballots, and tabulation support for any noticing or balloting process.
- Preparation of draft resolutions supporting fee adoption and placement of charges on tax bills.
- An implementation roadmap identifying key milestones, deadlines, and responsible parties, developed with the FY 2028 revenue deadline (July 1, 2027) in view.
- Coordination with the Sacramento County Treasurer-Tax Collector and/or Auditor's Office for accurate and timely inclusion on the FY 2028 tax bills.

Task 7. Additional Services — Annual Rate/Fee Implementation Support (Optional)

Provide optional annual rate and fee implementation support following adoption of the new fee program. This task is an optional service and will be performed only if authorized by SCGA.

Services may include:

- Preparation and submission of annual levy roll data to the Sacramento County Treasurer-Tax Collector and/or Auditor's Office.
- Coordination with SCGA staff on changes to parcel data or fee amounts.
- Quality control review of parcel-level fee data prior to submission.
- Direct billing support for member agencies invoiced outside the tax roll.

Task 8. Reporting and Deliverables

Produce the key deliverables throughout the engagement, culminating in the Draft and Final Fee Study Report and supporting materials.

Services may include:

- Technical memorandum on the existing fee structure evaluation and alternative funding approaches (Tasks 1 and 2), including preliminary rate scenarios.
- Stakeholder engagement materials and meeting summaries, including summaries of up to two (2) community meetings (Task 3).
- Recommended funding approach and Board presentation materials (Task 4).
- Draft and Final Fee Study Report with supporting rate tables and presentation materials (Task 5).

- Implementation support materials, including required notices/ballots, draft resolutions, and the implementation roadmap (Task 6).

Fee Schedule

Task	Description	Hours	Amount
1	Evaluation of Existing Funding Structure	34	$8,832
2	Development of Alternative Funding Approaches	72	$19,241
3	Stakeholder Engagement	72	$18,909
4	Recommended Funding Approach	64	$16,950
5	Fee Design	86	$22,406
6	Implementation Support	62	$15,453
7	Annual Rate/Fee Implementation Support (Optional)	44	$11,361
8	Reporting and Deliverables	82	$20,445
	Total Labor	**516**	**$133,599**
	Direct Costs (incidentals)	**—**	**$2,000**
	Total Not-to-Exceed (NTE)		**$135,599**

Staff Billing Rates

Staff	Classification	Firm	Hourly Rate	Markup
Ryan Aston	Senior Water Resource Specialist	ConfluenceES	$225	0%
Dan Heimel, PE	Principal Engineer	ConfluenceES	$265	0%
Nate Page, PG, CHG	Senior Hydrogeologist	ConfluenceES	$245	0%

Olin Applegate	Senior Scientist II	LWA	$295	10%
Laura Foglia, PhD	Vice President	LWA	$349	10%
Andrew Calderwood, PhD	Project Engineer II-A	LWA	$253	10%

<u>Notes</u>

- Hourly rates are inclusive of all firm expenses except for direct costs.
- Larry Walker Associates (LWA) staff hours are subject to a 10% subcontractor markup, as noted in the billing rate table.
- Fees are billed on a time-and-materials basis and will not exceed the not-to-exceed (NTE) amounts shown. Where work is completed more efficiently than budgeted, actual charges will be lower.
- Task 7 (Annual Rate/Fee Implementation Support) is an optional service and will be performed only if authorized by SCGA.
- Direct costs include incidentals (travel, data, and other out-of-pocket costs) estimated at $2,000. Printing and mailing costs (e.g., Proposition 218 notices or ballots), if required, will be estimated once the legal framework and noticing requirements are determined.

Sacramento Central Groundwater Authority

Board of Directors

AGENDA REPORT

MEETING DATE:	August 20, 2026
AGENDA ITEM:	6.3
SUBJECT:	GSP 2027 Update
RECOMMENDATION:	Receive an informational update on the preparation, review, and anticipated approval and submittal process for the South American Subbasin 2027 Groundwater Sustainability Plan (GSP). No Board action is requested.

BACKGROUND:

The Sustainable Groundwater Management Act (SGMA) requires Groundwater Sustainability Agencies (GSAs) to evaluate an approved Groundwater Sustainability Plan at least every five years and submit a Periodic Evaluation to the California Department of Water Resources (DWR). The first Periodic Evaluation for the South American Subbasin is due January 27, 2027. As the Subbasin's Plan Manager, SCGA coordinates preparation and submittal in collaboration with the other GSAs.

The South American Subbasin GSP was jointly developed by the basin's GSAs, submitted to DWR in January 2022, and approved in July 2023. During preparation of the Periodic Evaluation, the technical team reviewed new data, groundwater conditions, implementation of projects and management actions, monitoring networks, and DWR's recommended corrective actions. Relevant information and revisions were incorporated into a clean, current version of the GSP referred to as the 2027 GSP Update.

DWR guidance distinguishes a Periodic Evaluation from a formal GSP Amendment. The GSAs determined through the Periodic Evaluation that the revisions incorporated into the 2027 GSP do not require a formal amendment or re-adoption under SGMA. Therefore, the statutory notice and public hearing procedures that apply to GSP Amendments are not triggered. SCGA has nevertheless provided a public review opportunity and intends to bring the final 2027 GSP to the Board for approval before submittal.

DISCUSSION:

Preparation and review began in late 2025 and have been coordinated among SCGA staff, the technical consultant team, partner GSA staff, and the South American Subbasin Executive Committee. The process has also included coordination with neighboring basins and public briefings on December 18, 2025, April 21, 2026, and June 23, 2026. The SCGA Board received the completed Periodic Evaluation on June

18, 2026 and directed staff to release the draft 2027 GSP. The draft GSP and appendices were subsequently posted on the SCGA website, and stakeholders were invited to provide feedback.

Staff and the technical team are reviewing feedback, resolving comments, and completing quality-control edits and cross-checks between the GSP, appendices, and Periodic Evaluation. Final coordination with the partner GSAs will occur before the document is presented for approval. This work is intended to produce a consistent final record and does not reopen the sustainability framework established in the approved 2022 GSP.

At this meeting, staff are providing the Board with an opportunity to review the process, ask questions, and identify any procedural issues before a future approval item is scheduled. The Board is not being asked to approve the 2027 GSP at this meeting.

Following completion of comment review and final coordination, staff anticipates returning to the Board later in 2026 with the final 2027 GSP for approval and authorization to submit. As Plan Manager, SCGA will submit the Periodic Evaluation, the final 2027 GSP, and related materials through DWR's SGMA Portal by January 27, 2027.

FISCAL IMPACT:

No direct fiscal impact from this item.

CEQA DETERMINATION:

Not applicable.

ATTACHMENT(S):

Draft 2027 GSP Update and Appendices (link)

PREPARED BY:

Piret Harmon
Executive Director

Sacramento Central Groundwater Authority
Board of Directors

AGENDA REPORT

MEETING DATE: August 20, 2026

AGENDA ITEM: 6.4

SUBJECT: Board Strategic Planning and Governance Assessment

RECOMMENDATION: Receive information. No Board action is requested.

BACKGROUND:

The Sacramento Central Groundwater Authority (SCGA) was established in 2006 under a Joint Powers Agreement (JPA). The Authority's governing documents, Board composition, and committee structure therefore predate the enactment of the Sustainable Groundwater Management Act (SGMA) in 2014 and the responsibilities SCGA has assumed since becoming a Groundwater Sustainability Agency (GSA).

In the years since, SCGA's role and operating environment have changed substantially. The Authority adopted and is now implementing the South American Subbasin (SASb) Groundwater Sustainability Plan (GSP), transitioned to independent fiscal and operational management, and is preparing a comprehensive fee study to support long-term financial stability. Subbasin membership has also changed, including the withdrawal of the Sloughhouse Resource Conservation District effective December 17, 2025 and pending boundary and annexation changes affecting other parties, each of which carries implications for SCGA's governance documents and cost-sharing arrangements.

The FY 2027 Work Plan identified Board Strategic Planning as a distinct program element — setting SCGA's vision, priorities, and performance measures tied to SGMA and SASb sustainability — and paired it with governance tasks to review and amend the JPA and to revise the SASb GSP Implementation Memorandum of Understanding. The first step identified in the Work Plan was to define the strategic planning approach, including facilitation, schedule, and materials.

Consistent with that direction, the Executive Director has executed a professional services agreement with David M. Ceppos, Public Policy Mediation and Facilitation, to serve as the neutral, third-party facilitator for this work. The agreement runs through August 2027.

DISCUSSION:

The purpose of this item is to inform the Board that the strategic planning and governance assessment process is beginning, to explain why it is being undertaken now, and to describe what Directors can expect over the coming months. The detailed scope of work is not the subject of this report.

Why this work is necessary. Four conditions have converged:

- SCGA's foundational governing documents were written for a pre-SGMA agency and no longer align cleanly with the Authority's current mandate, membership, or obligations;
- Changes in Subbasin membership and representation require amendments to the JPA and the SASb MOU, and those amendments should follow from Board direction rather than precede it;
- The forthcoming fee study, FY 2028 budget, and long-term funding structure all depend on an agreed set of priorities against which to allocate limited resources; and
- Board membership and representation have turned over, making a shared, current understanding of SCGA's purpose, priorities, and decision-making practices valuable in its own right.

What to expect. The process will proceed in two broad stages. First, the facilitator will conduct confidential one-on-one interviews with Board members and alternates, the Executive Director, and SCGA's key technical consultants to assess current conditions and understand each member's goals and priorities for the Authority. Findings will be reported to the Board in aggregate and non-attributed form, so that individual comments are not identified. Second, the facilitator will design and lead a series of Board workshops addressing strategic direction and priorities, the timeline and critical path for achieving them alongside GSP requirements, and potential revisions to the JPA. Workshops will be agendized as standalone items and conducted in compliance with the Ralph M. Brown Act.

What is asked of Directors. Following this meeting, Mr. Ceppos will contact each Board member and alternate directly to schedule an interview. Interviews are expected to take approximately ninety minutes and will be conducted in person wherever practical. Candid participation is the single most important contribution Directors can make to the quality of the outcome; the confidentiality of individual responses is a condition of the facilitator's engagement.

Intended outcome. The process is expected to produce a set of Board-adopted strategic priorities and, where warranted, revised JPA language developed in concert with General Counsel. Staff intends to carry the resulting priorities and performance measures into the FY 2028 Work Plan and Budget.

FISCAL IMPACT:
The total contract cost estimate is $29,780. Funding for this work is included in the FY 2027 Budget. No additional appropriation is requested.

CEQA DETERMINATION:
Not applicable.

ATTACHMENT(S):
None.

PREPARED BY:
Piret Harmon
Executive Director

Sacramento Central Groundwater Authority

Board of Directors

STAFF REPORT

MEETING DATE: August 20, 2026

AGENDA ITEM: 7.3

SUBJECT: Fraud Risk Review FY 2026

DISCUSSION:

SCGA completed its FY 2026 annual fraud risk review as part of the Authority's financial oversight and internal control practices. Its purpose is to identify relevant fraud risks, evaluate current safeguards, and determine whether additional controls or remediation are warranted.

The review uses a risk-scoring matrix consistent with COSO 2013 Principle 8 and the AICPA SAS 145 framework. Twenty risks were considered across cash handling, payroll, procurement, travel and purchasing cards, financial reporting, cybersecurity, investments, conflicts of interest, claims, assets, records, and whistleblower response. Each applicable risk was evaluated for likelihood, impact, control effectiveness, and residual risk.

The review rated all 20 listed risks as Low residual risk. No risks were rated Moderate, High, or Critical, and no pressure, opportunity, or rationalization red flags were identified for FY 2026. The average residual risk score was 2.2, within the Low band of 1 to 5.

Staff identified no remediation items requiring Board attention at this time. Existing controls will remain in place, and the review will be repeated annually and retained with SCGA's audit working papers. This item is informational only; no Board action is requested.

ATTACHMENT(S):

Annual Fraud Risk Review Matrix FY 2026

PREPARED BY:

Piret Harmon Executive Director	Timothy Jones Financial Consultant

ANNUAL FRAUD RISK REVIEW MATRIX

Entity & Review Information	
Agency Name:	Sacramento Central Groundwater Authority (SCGA)
Fiscal Year Under Review:	FY 2026
Review Period:	July 1, 2025 - June 30, 2026
Date of Review:	27-Jul-26
Prepared By:	Timothy Jones, Fiscal Consultant
Reviewed By:	Piret Harmon, Executive Director

Purpose

This matrix supports the annual fraud risk assessment as required by GASB and consistent with COSO 2013 Principle 8 (assess fraud risk) and the AICPA SAS 145 framework. It is intended for use by the Executive Director, Finance Officer, and the Board of Directors to identify fraud risks, evaluate existing controls, score residual risk, and assign owners for remediation.

How to Use This Workbook

1. Review the Risk Scoring Key tab to align on rating definitions before scoring.
2. Complete the Risk Register tab. Score each risk for Likelihood (1-5) and Impact (1-5). Inherent and Residual scores calculate automatically.
3. Document existing controls and rate Control Effectiveness (1-5, where 5 = strong).
4. Assign an Owner and Target Remediation Date for any risk with Residual Score >= 12 or Control Effectiveness <= 2.
5. Use the Fraud Triangle Indicators tab to document red flags observed during the year.
6. Summarize results on the Heat Map and Action Plan tabs and present to the Board / Audit Committee.
7. Retain this workbook with the audit working papers for at least 7 years.

Workbook Contents	
1. Cover	Entity info, purpose, and instructions (this tab).
2. Scoring Key	Definitions for Likelihood, Impact, and Control Effectiveness ratings.
3. Risk Register	Full inventory of fraud risks, scored and assigned to owners.
4. Fraud Triangle	Documentation of pressure, opportunity, and rationalization indicators observed.
5. Action Plan	Remediation tracker for all risks requiring action.

RISK SCORING KEY

Likelihood (probability the fraud risk will occur in the fiscal year)		
Score	**Rating**	**Description**
1	Rare	Could occur only in exceptional circumstances (no known history; strong controls).
2	Unlikely	Could occur but not expected (limited history industry-wide).
3	Possible	Might occur at some point (some history in similar agencies).
4	Likely	Will probably occur in most circumstances (recurring industry issue).
5	Almost Certain	Expected to occur (known incidents; weak or absent controls).

Impact (financial, operational, and reputational consequences)		
Score	**Rating**	**Description**
1	Insignificant	Loss < $5,000; no operational disruption; no media or member-agency attention.
2	Minor	Loss $5,000-$25,000; minor disruption; resolved internally.
3	Moderate	Loss $25,000-$100,000; reportable to Board; possible local media coverage.
4	Major	Loss $100,000-$500,000; member-agency confidence affected; regulatory inquiry possible.
5	Catastrophic	Loss > $500,000; JPA viability threatened; State Controller, FPPC, or DA involvement.

Control Effectiveness (strength of existing mitigating controls)		
Score	**Rating**	**Description**
1	None / Ineffective	No control exists, or control is documented but not operating.
2	Weak	Control exists but has significant gaps; rarely tested.
3	Adequate	Control operating but not consistently documented or independently verified.
4	Strong	Control operating consistently; periodic independent testing.
5	Robust	Multiple layered controls; continuous monitoring; recent independent audit.

Residual Risk Bands (Inherent Score x (6 - Control Effectiveness) / 5)		
Score Range	**Rating**	**Required Action**
1 - 5	**Low**	Monitor; no immediate action required.
6 - 11	**Moderate**	Document; review at next assessment cycle.
12 - 17	**High**	Remediation plan required; report to Executive Director.
18 - 25	**Critical**	Immediate action; report to Board / Audit Committee at next meeting.

FRAUD RISK REGISTER

Score each risk based on the Scoring Key tab. Inherent Score, Residual Score, and Residual Rating calculate automatically. Risks with Residual Score >= 12 require a remediation plan.

Risk ID	Risk Category	Fraud Risk / Scheme	Description / How It Could Occur	Existing Controls	Likelihood (1-5)	Impact (1-5)	Inherent Score	Control Effectiveness (1-5)	Residual Score	Residual Rating
FR-001	Cash Receipts	Skimming of member-agency contributions or program fees	Cashier or finance staff intercepts incoming checks or wires before they are recorded in the GL, particularly contributions from member agencies arriving outside normal billing cycles.	Mail opened by non-finance staff; all receipts are received electronially directly to bank accounts, ; monthly bank reconciliations by someone other than the depositor.	2	2	4	4	2	Low
FR-002	Cash Disbursements	Fictitious or shell vendor scheme	Finance staff with vendor master file access creates a fictitious vendor and submits invoices for services never rendered, often using a P.O. Box or look-alike name.	Vendor add/change requires Executive Director approval; W-9 required; periodic vendor master file review; address verification against employee addresses.	2	3	6	4	2	Low
FR-003	Cash Disbursements	Duplicate or altered invoice payments	A vendor (or insider) submits the same invoice twice, or an insider alters invoice amount before payment.	Second approver required on all payments. Each payment is supported by an invoice or batch of invoices. Bi-monthly financial reports include bank register for full Board review.	2	2	4	4	2	Low
FR-004	Cash Disbursements	Unauthorized electronic funds transfer / ACH fraud	Compromised email credentials used to redirect ACH payments to fraudulent accounts (business email compromise).	Dual control on ACH release; callback verification for any banking change request; ACH Positive Pay / debit block; MFA on banking and email.	2	3	6	4	2	Low
FR-005	Payroll	Ghost employee on payroll	Terminated employee is not removed, or a fictitious employee is added by someone with both HR and payroll access.	HR and payroll segregated; termination checklist signed by ED; quarterly payroll register reviewed by ED against active roster.	0	0	0	0	0	Low
FR-006	Payroll	Falsified timesheets or overtime	Non-exempt employee inflates hours or claims overtime not worked; supervisor approves without review.	Supervisor approval of timesheets; biometric or system-logged time capture; periodic comparison to building access logs.	0	0	0	0	0	Low
FR-007	Procurement	Bid rigging or collusion with vendor	Executive Director/Board member steers contracts to a preferred vendor in exchange for kickbacks, splits purchases to avoid bid thresholds, or shares competitor bid information.	Written purchasing policy; conflict-of-interest disclosures (Form 700); bids over policy threshold reviewed by full Board; sole-source justifications documented.	2	3	6	3	4	Low
FR-008	Procurement	Purchase splitting to evade approval thresholds	Multiple smaller payments are issued to the same vendor within a short window to stay under the bid or board-approval threshold.	Typically, only one AP batch is processed per month. Invoice payments not split. Each payment is presented to the Board via the check register bi-monthly during the normal public meetings.	2	2	4	4	2	Low
FR-009	Credit Cards / P-Cards	Personal use of agency credit cards or P-cards	Cardholder uses agency card for personal purchases and either fails to reimburse or disguises the charge as a business expense.	Bi-monthly report to the Board with itemized charges, minimal charges to card - mostly recurring charges for SAAS services…	2	2	4	3	2	Low
FR-010	Travel & Expense	Inflated or fictitious expense reimbursements	Employee submits personal expenses, duplicate receipts, or mileage for trips not taken.	Receipts required for all reimbursements; approval required by Board member; per diem per state/federal guidelines.	3	2	6	4	2	Low
FR-011	Financial Reporting	Manipulation of financial statements or fund balances	Journal entries posted near year-end to shift expenses between funds, smooth results, or hide overruns from member agencies and the Board.	All entries in the accounting system are reviewed by the full Board every two months. Independent annual audit; monthly financial review by Executive Director.	1	3	3	3	2	Low

Risk ID	Risk Category	Fraud Risk / Scheme	Description / How It Could Occur	Existing Controls	Likelihood (1-5)	Impact (1-5)	Inherent Score	Control Effectiveness (1-5)	Residual Score	Residual Rating
FR-012	Financial Reporting	Misuse of restricted grant or pass-through funds	Grant or pass-through revenue is spent on unallowable costs or used to cover general operating shortfalls.	Separate fund accounting; grant compliance checklist; Single Audit (if > $1 million federal); grant reports reviewed by ED before submission. Currently, no grants or pass-through funding is reported.	1	2	2	4	1	Low
FR-013	IT & Cyber	Ransomware or data extortion event	Threat actor encrypts JPA financial systems and demands payment; potential exposure of member-agency or claimant data.	Cloud based backups maintained by MicroSoft and QuickBooks. Endpoint detection; MFA; cyber liability insurance; security awareness training, IT security health report received monthly. Full service IT management company under contract to	2	3	6	3	4	Low
FR-014	IT & Cyber	Unauthorized access to financial system / improper user access	Terminated employee retains login; or active user has incompatible duties (e.g., AP entry + check printing).	User access removed within 24 hours of termination; segregation-of-duties matrix maintained.	2	3	6	3	4	Low
FR-015	Investments / Treasury	Unauthorized or non-compliant investments	Treasurer invests outside the Board-adopted investment policy or California Government Code 53600 et seq.	Investment policy consistent with California Government Code Board adopted; bi-monthly investment report to Board; investments held at qualified custodian indexed to the LAIF rate and fully liquid and collateralized.	2	3	6	4	2	Low
FR-016	Conflicts of Interest	Undisclosed conflict of interest by Board member or staff	Designated employee or Board member fails to file Form 700 or participates in a decision affecting a financial interest, in violation of the Political Reform Act.	Annual Form 700 filings tracked; conflict-of-interest code adopted and on file with FPPC; recusal protocol at Board meetings; AB 1234 ethics training.	2	4	8	3	5	Low
FR-017	Claims (Risk Pool JPAs)	Fraudulent or inflated claims payments	Claims adjuster colludes with claimant or attorney to approve inflated settlement; or duplicate claim payments.	Claims authority limits; second reviewer above threshold; claims audit annually; SIU referral for suspected fraud.	2	3	6	4	2	Low
FR-018	Asset Misappropriation	Theft of physical assets or inventory	Laptops, equipment, or supplies removed without authorization; fixed-asset register not reconciled.	The Authority does not own any fixed-asset inventory.	1	1	1	4	0	Low
FR-019	Records & Public Trust	Records destruction to conceal fraud	Originals destroyed before retention period to obscure an underlying scheme; or backup tampering.	Records retention schedule adopted by Board; backups stored on cloud=based software supported by MicroSoft.	2	3	6	3	4	Low
FR-020	Whistleblower / Tone	Failure to act on a fraud tip or retaliation against reporter	Tip received but not investigated; or reporter faces retaliation, deterring future reports (violation of Labor Code 1102.5).	Any reported fraud tip is brought to the Board for discussion and recommended action.	1	2	2	3	1	Low

SUMMARY	Avg L	Avg I	Avg Inherent	Avg CE	Avg Residual
	1.7	2.3	4.3	3.2	2.2

Count by Residual Rating	Critical	High	Moderate	Low
	0	0	0	20

FRAUD TRIANGLE - RED FLAG INDICATORS

For each indicator, mark Yes / No / Unknown based on observations during the fiscal year. Document any 'Yes' response in the Notes column and consider in the Risk Register.

Pressure / Incentive

Category	Indicator	Observed?	Notes
Pressure / Incentive	Member-agency budget cuts placing financial strain on JPA staff.	No	Although some member agencies may be experiencing budget cuts, there has not been any direct impact on the JPA.
Pressure / Incentive	Personal financial difficulties known about a key finance employee.	No	None known.
Pressure / Incentive	Performance bonuses or contract renewals tied to financial metrics.	No	None known.
Pressure / Incentive	Significant unfunded pension or OPEB liabilities creating reporting pressure.	No	The JPA does not have any empolyees and does not report any pension related liabilities.
Pressure / Incentive	Cost-recovery model where shortfalls fall on individual program managers.	No	Not applicable.

Opportunity

Category	Indicator	Observed?	Notes
Opportunity	Same employee handles cash receipts, deposits, and reconciliation.	No	The agency does not accept any cash. All deposits are received electronically and reconciled by the fiscal consutlant.
Opportunity	Vendor master file can be edited by the same person who approves invoices.	No	The vendor master file is not accessible by anyone approving invoices.
Opportunity	Bank statements opened and reconciled by check-signer.	No	Bank statements reconciled by fiscal consultant, reviewed and approved by the Executive Director. Checks/ACH are approved by the Board Chair.
Opportunity	No annual mandatory vacation policy for finance staff.	No	Finance staff is a contractor who works part time to support the agency. No vacation policy is needed/required.
Opportunity	Audit committee or finance committee not active or meets less than quarterly.	No	The fiscal consutlant prepares a bi-monthly financial report which is reviewed by the Treasurer and Executive Director. The report is presented by the fiscal consultant during each public meeting.
Opportunity	External audit firm has been engaged for more than 5 consecutive years without partner rotation.	No	MGO was the auditor through FY25. The Board has engaged Richardson and Company for the FY26 financial audit.
Opportunity	Override of controls by Executive Director or Finance Officer is possible without secondary review.	No	There is a clear separation of duties between the Executive Director and finance officer. Fully transparent financial reports are presented to the full Board during its bi-monthly public meetings.

Rationalization / Attitude

Category	Indicator	Observed?	Notes
Rationalization / Attitude	Tone at the top is dismissive of internal controls or audit findings.	No	Board member are fully engaged in the JPA's finances to ensure that processes, controls are adhered to and that finance members are accountable for financial reporting.
Rationalization / Attitude	History of overriding policies for 'efficiency' or 'just this once' exceptions.	No	None known.
Rationalization / Attitude	Employee complaints about being underpaid or unfairly treated.	No	No employees, all functions performed by well paid contractors.
Rationalization / Attitude	Belief that JPA funds are 'not really public money' or belong to member agencies.	No	The Board and consultants take the finance functions seriously and held to a high standard.
Rationalization / Attitude	Recent turnover or conflict in senior management.	No	No conflict in senior management. Contractors are stable.
Rationalization / Attitude	No code of ethics or conduct, or code not communicated annually.	No	None known.

Sacramento Central Groundwater Authority
Board of Directors

STAFF REPORT

MEETING DATE: August 20, 2026

AGENDA ITEM: 7.4

SUBJECT: SCGA Board Onboarding Resources

DISCUSSION:

In May 2026, DWR released GSA Onboarding Resources to help groundwater sustainability agencies orient new board members and staff to agency governance, Groundwater Sustainability Plan (GSP) implementation, and key Sustainable Groundwater Management Act (SGMA) requirements.

The package includes an Onboarding Checklist and a two-part Handbook Template. The Checklist inventories governance, policy, financial, and GSP-related documents and allows an agency to track document status and onboarding review. Section I is designed for GSA-specific customization. Section II provides statewide SGMA background, regulatory information, agency roles, reporting requirements, and links to technical and planning assistance. DWR encourages agencies to tailor the resources and maintain them as living documents.

After reviewing the DWR GSA Onboarding Resources, I believe their primary value to SCGA is not simply the templates themselves, but the framework they provide for organizing and preserving agency knowledge. Their primary value is structural: the Checklist corresponds closely with materials SCGA already maintains or is developing, including the JPA and related agreements, bylaws, governance policies, financial documents, the GSP and coordination agreement, annual reports, periodic evaluations, project and management action information, communication resources, and DWR determinations.

SCGA also has a strong governance and administrative foundation through its website, meeting archives, committee information, Board procedures, records retention work, and recent JPA and policy updates. Organizing these resources would improve consistency for new Board members, alternates, staff, and future contractors while reducing reliance on informal knowledge transfer.

Rather than posting the DWR templates as-is or immediately developing the entire handbook, a phased approach would allow SCGA to confirm its needs and the appropriate scope before substantial development begins. The more technical portions of Section I—including basin conditions, monitoring, GSP implementation, projects and management actions, and sustainable management criteria—would require input and review from the Executive Director and SCGA's technical team. Section II can remain an unchanged companion reference.

The proposed approach is to:

1. Complete an initial SCGA-specific version of the DWR Onboarding Checklist.

2. Map existing SCGA documents and website resources to the Checklist and identify gaps.

3. Confirm the intended audience and determine whether separate Board and staff resources are needed.

4. Develop a concise Board Member and Alternate Onboarding Guide as the first deliverable.

5. Assign responsibility for technical review and establish a process for periodic updates.

This approach would build upon SCGA's existing governance and records work into a practical, maintainable resource with continuing value while allowing any broader handbook to be developed in proportion to SCGA's identified needs.

ATTACHMENT(S):

DWR GSA Onboarding Resources (link)
Presentation SCGA Board Onboarding Resources

PREPARED BY:

Denise Silva
RGS Advisor

SCGA Board Onboarding Resources

Building on SCGA's existing governance foundation + DWR's Onboarding Framework

- **DWR resources**
  Checklist + customizable handbook
- **Why it matters**
  Preserve institutional knowledge
- **Who it supports**
  Board Members & Alternates
- **Long-term value**
  Continuity through transitions

FROM STATEWIDE FRAMEWORK TO LOCAL PRACTICE

DWR onboarding framework

↓

SCGA governance and GSP resources

↓

Board & Alternate onboarding guide

A Phased, Maintainable Approach

Start with stable information; coordinate technical and governance-sensitive content through review.

1. Document inventory
↓
2. Resource map & gap assessment
↓
3. Board & Alternate guide
↓
4. Technical & governance review
↓
5. Annual updates

BUILDING UPON EXISTING SCGA RESOURCES

- JPA & governance policies
- Records management
- Website & meeting archives
- GSP documentation & reports

First Deliverable: Board Member & Alternate Guide

A concise, practical orientation resource linked to SCGA's authoritative records.

SCGA Board Member & Alternate Guide

- Purpose, governance & responsibilities
- Meetings, ethics & compliance
- Calendar, contacts & key documents
- SGMA & GSP resources

WHAT THIS ENABLES

✓ **Faster onboarding**
New members locate resources quickly.

✓ **Consistent governance**
Roles and core documents are introduced consistently.

✓ **Knowledge transfer**
Key information remains accessible through transitions.

Initial guide first; additional resources may follow as needs are identified.