



# **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**

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/9852677093>**

**Or Telephone: US: +1 669 900 6833**

**Meeting ID: 985 2677 7093**

**Passcode: 890214**

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**

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

- 2.1. Sacramento Regional Water Bank Update: Trevor Joseph, Regional Water Authority**  
**[Presentation included in packet](#)**

### **3. Administrative (None)**

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

### **4. Consent**

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

#### **4.1. Minutes of the April 2026 Regular Board Meeting**

[Minutes included in packet](#)

Recommendation: Approve minutes of the April 16, 2026 Board meeting.

#### **4.2. GSP 2027 Periodic Evaluation**

[Agenda report included in packet](#)

[SASb 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.

### **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. Work Plan and Budget FY 2027**

[Agenda report included in packet](#)

[SCGA Work Plan FY 2027](#)

[SCGA Budget FY 2027](#)

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

#### **6.2. Groundwater Fee FY 2027**

[Agenda report included in packet](#)

[Resolution 2026-03](#)

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.

#### **6.3. Board Travel Policy**

[Agenda report included in packet](#)  
[Resolution No. 2026-04](#)  
[Exhibit A – Board Travel and Expense Policy](#)

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

#### **6.4. Ethics Policy**

[Agenda report included in packet](#)  
[Resolution No. 2026-05](#)  
[Exhibit A – Ethics Policy](#)

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

#### **6.5. Conflict of Interest Code**

[Agenda report included in packet](#)  
[Resolution No. 2026-06](#)  
[Exhibit A – Conflict of Interest Code](#)

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

#### **6.6. Professional Services Agreements FY 2027**

[Agenda report included in packet](#)  
[Scope and Fee FY 2027 RGS](#)  
[Scope and Fee FY 2027 GEI](#)  
[Scope and Fee FY 2027 PKW](#)  
[Scope and Fee FY 2027 TTJ](#)

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.

#### **6.7. SASb Memorandum of Understanding Amendment**

[Agenda report included in packet](#)  
[SASb MOU Amendment 1](#)

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

**6.8. Financial Report April 2026**

[\*Agenda report included in packet\*](#)

[\*SCGA Financial Report April 30, 2026\*](#)

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

**7. Staff Reports**

7.1. General Manager Update (Oral)

7.2. Water Bank Working Group Report (Oral)

7.3. SASb GSA Update (Oral)

**8. Directors’ Reports**

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

**9. Written Correspondence**

*Letters, Emails*

9.1. Letter SCGA to SRCD 2026-05-12

**10. Closed Session (None)**

**11. Report on Closed Session (None)**

**12. Future Items**

- County Drought Plan
- Harvest Water Update

**13. Meetings and Event Calendar**

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

**14. Adjournment**

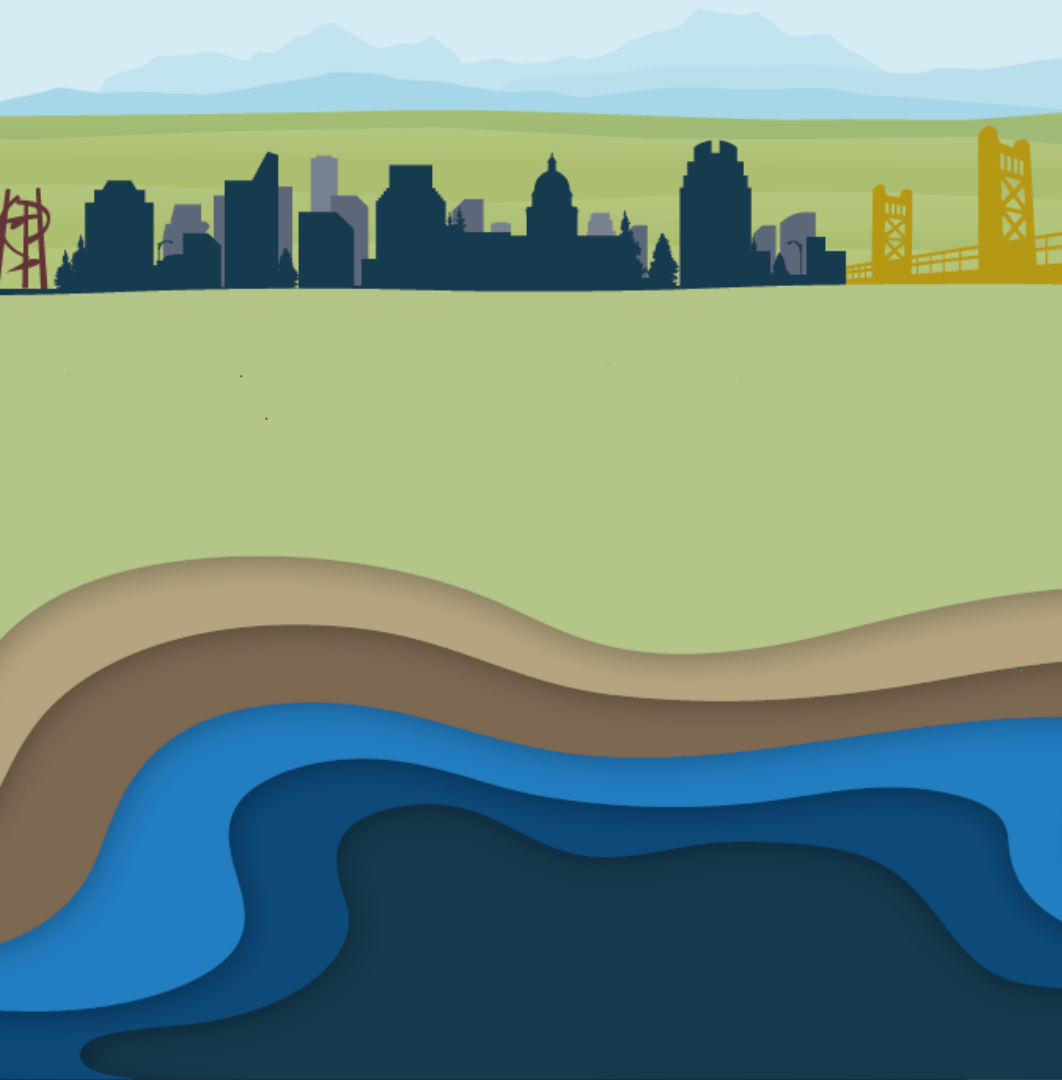
The next regular meeting of the Sacramento Central Groundwater Authority Board of Directors is scheduled for August 20, 2026.

**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 County Groundwater Authority Board Meeting

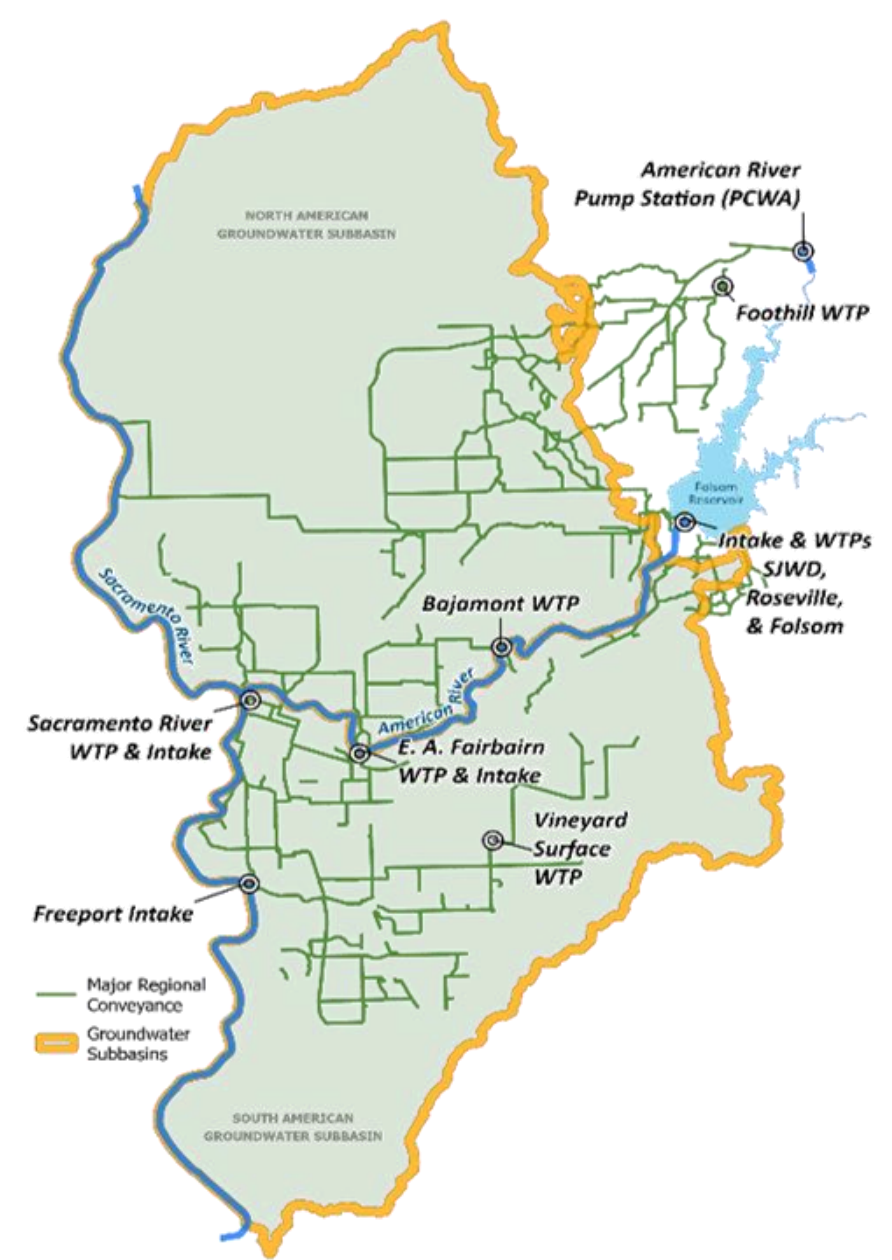
June 18, 2026

# Sacramento Regional Water Bank Background

Expand conjunctive use in the region to:

1. Improve long-term regional reliability and provide statewide water supply opportunities when possible; and
2. Support healthy ecosystem function on the lower American River.

- With existing infrastructure:
  - recharge up to 65,000-acre feet per year during wet periods
  - recover up to 55,000-acre feet per year during dry periods.
- Up to 35,000-acre feet per year of banked water supplies year may be transferred out of the basin.

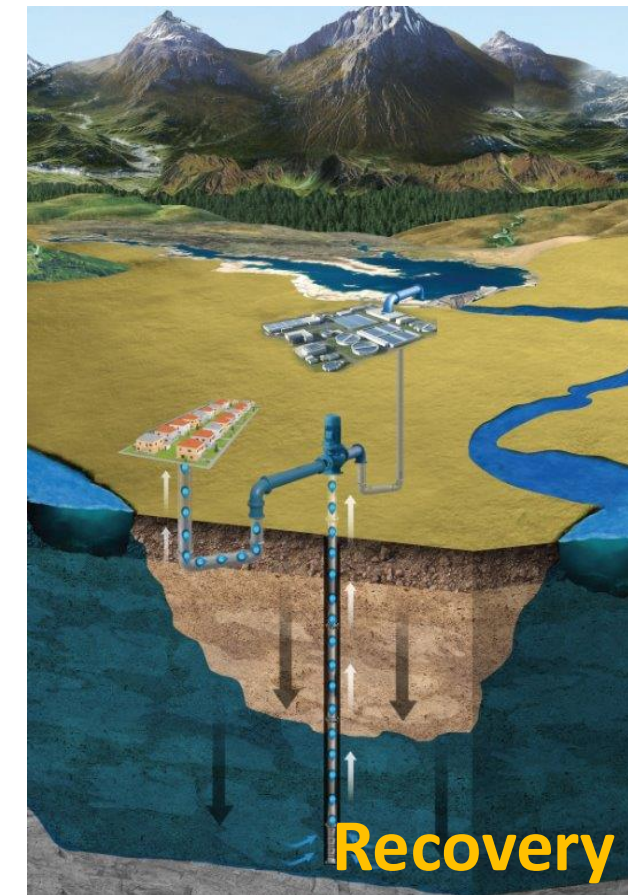
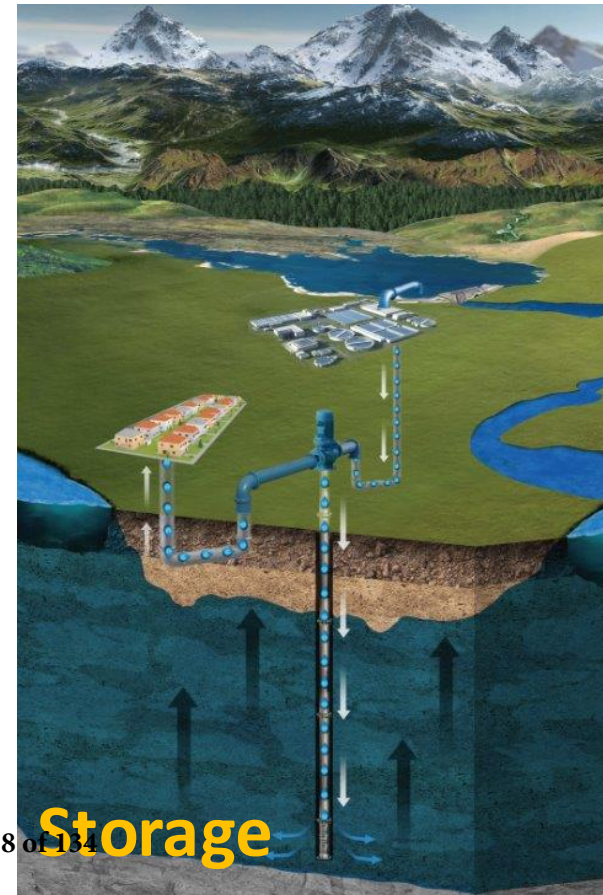


# Water Bank Objectives

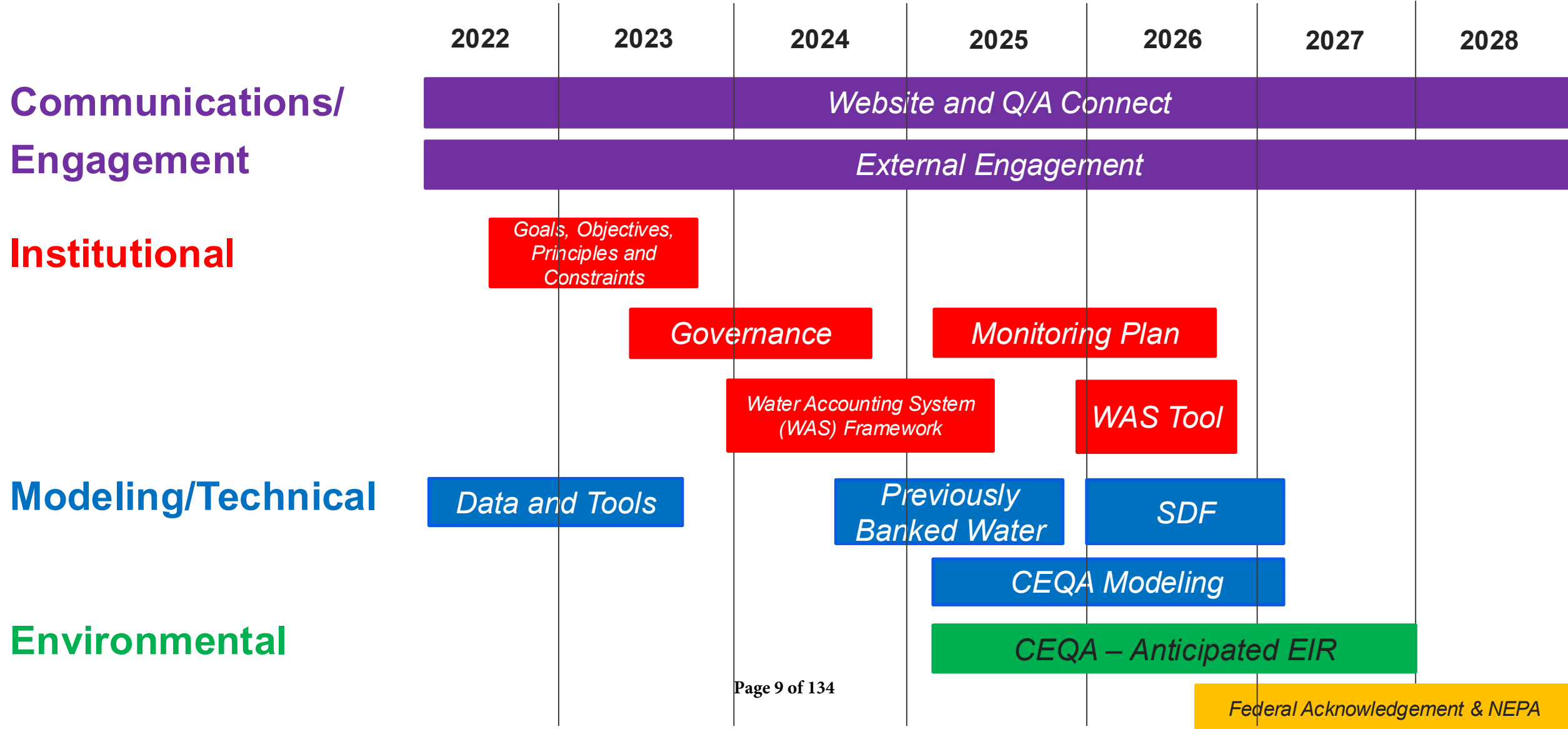
## Specific Objectives include:

- Water supply reliability
- Groundwater sustainability
- Regional/State water transfers
  - offsets agency costs and further incentivizes conjunctive use
- Supports Healthy Rivers & Landscapes Program
- Provides ecosystem benefits
- Contributes to delta outflow
- Provides pumping energy savings
- Advances regional water management

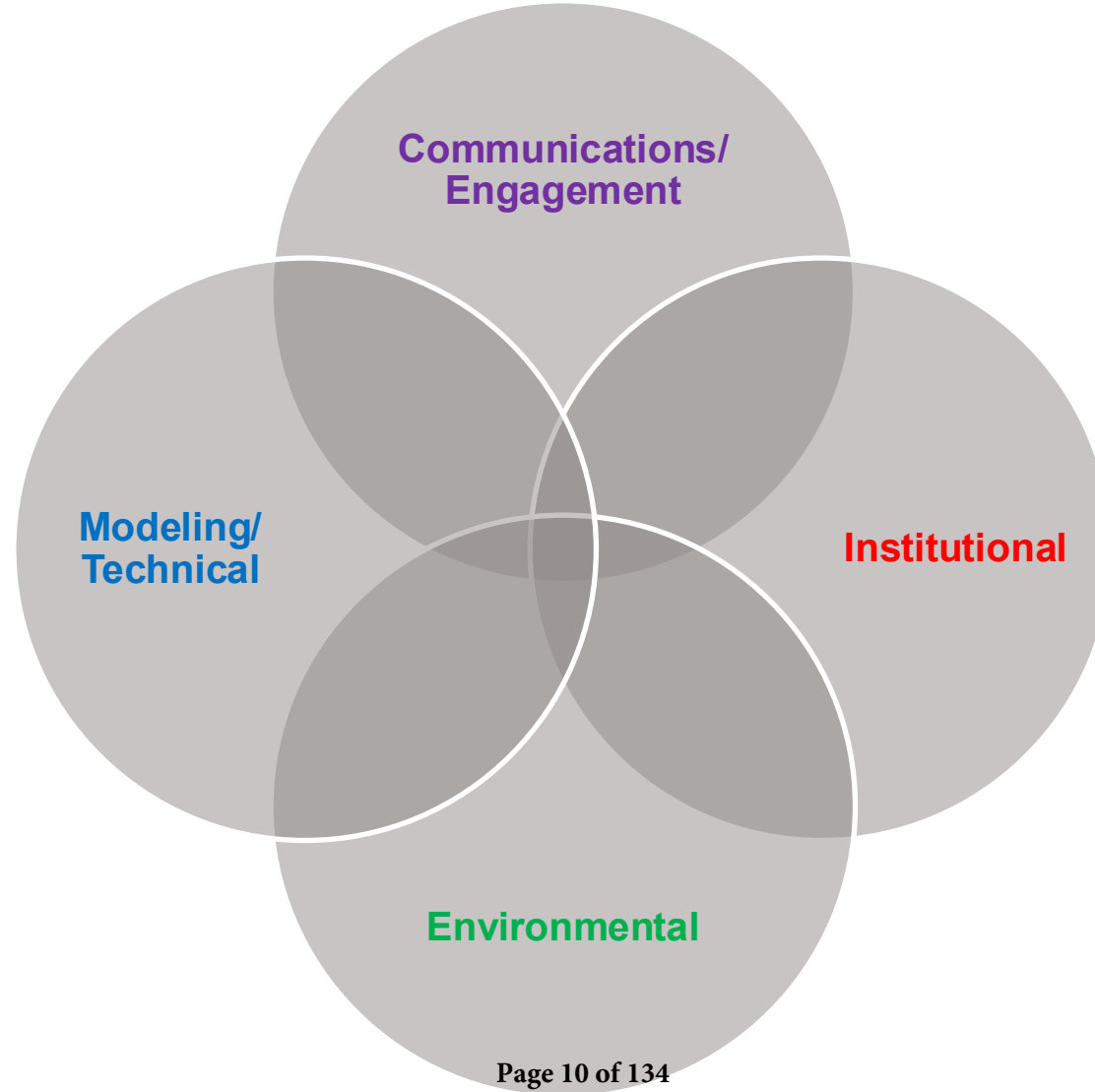
*Advances, modernizes, and institutionalizes existing regional conjunctive use activities*



# Water Bank Project — Tasks/Activities

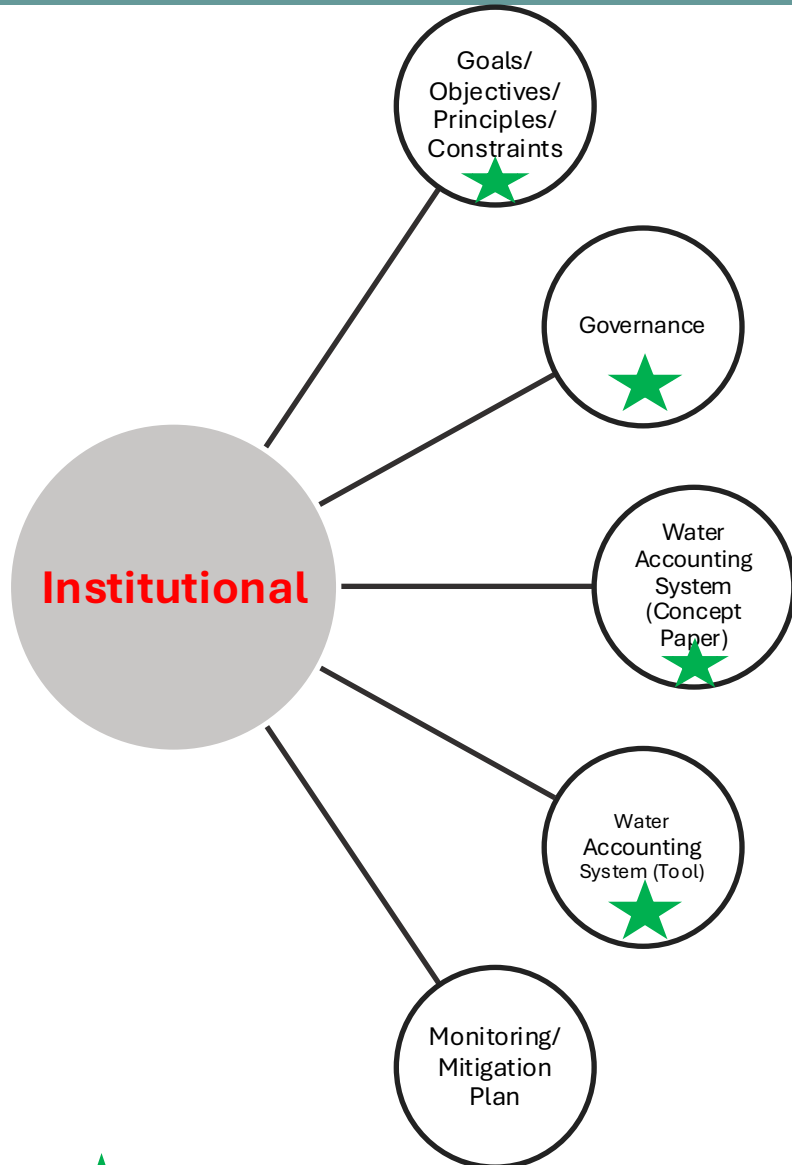


# Framework of Water Bank Tasks/Deliverables



## Institutional

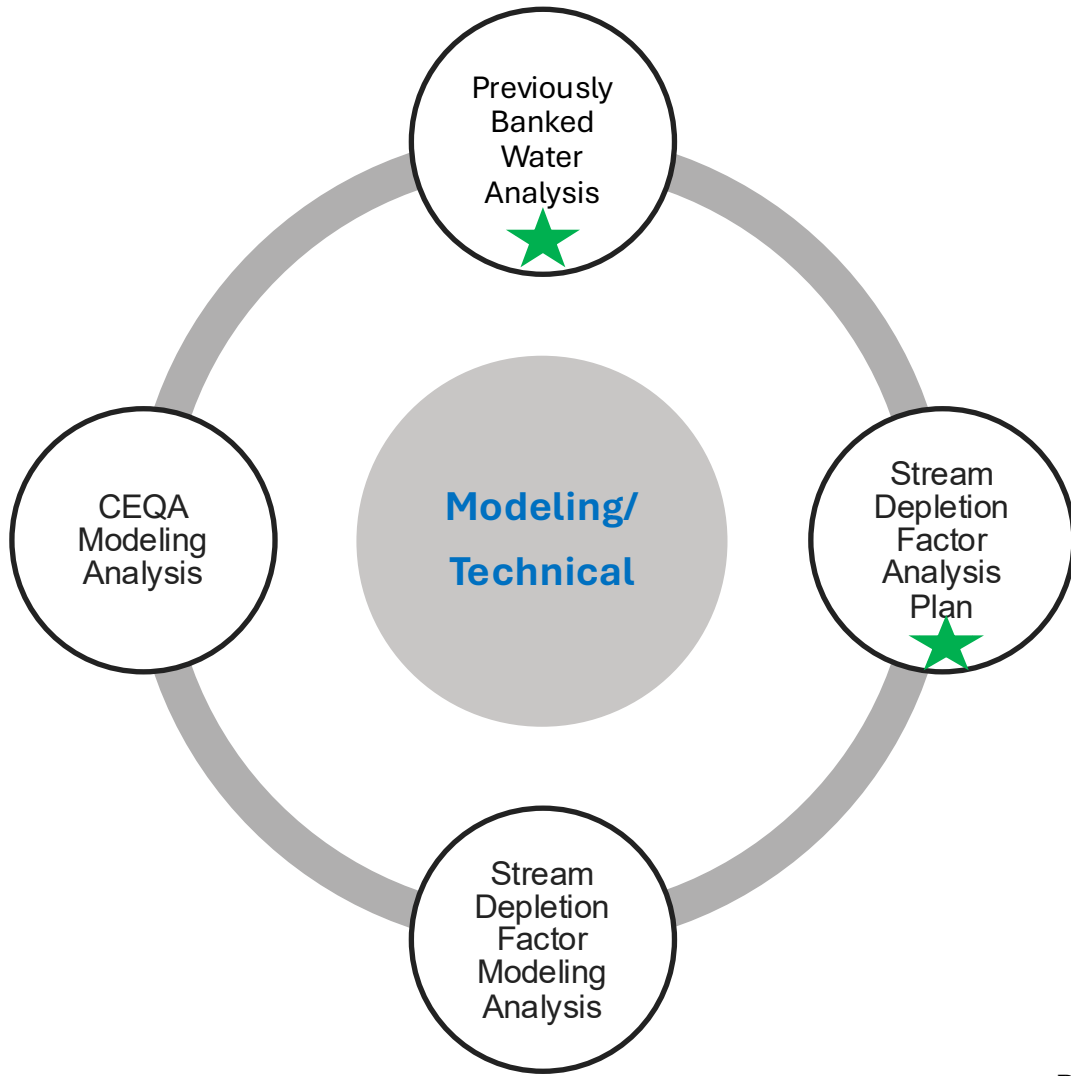
SCGA BOARD MEETING — June 18, 2026



★ - Denotes completed activity

Document	Function / Key Content	Role in Overall Framework
<b>Goals, Objectives, Principles &amp; Constraints (GOPC)</b>	Vision, guiding principles, constraints, success criteria	Sets policy direction and guardrails for all subsequent work
<b>Water Bank Governance Framework</b>	Roles, responsibilities, participation, decision-making	Establishes who does what and how decisions are made
<b>Water Accounting System (WAS) – Concept Paper and Tool</b>	Benchmark, in-lieu & direct recharge accounting, credit tracking	Provides the core technical accounting framework
<b>Monitoring Plan</b>	Groundwater levels, water quality, monitoring network	Provides data and verification for operations and SGMA compliance
<b>Mitigation Plan</b>	Investigation and response to potential impacts (e.g., well interference)	Ensures adaptive management and protection of users/resources

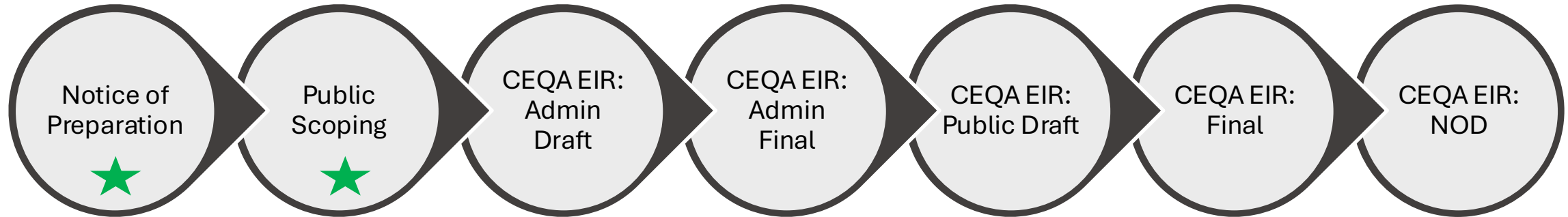
## Modeling/Technical



 - Denotes completed activity

Document	Function / Key Content	Role in Overall Framework
<b>Previously Banked Water (PBW) Technical Analysis</b>	Applies WAS to historical data to estimate banked volumes	Establishes starting balances and continuity
<b>SDF/SAF Analysis (Stream Depletion/Accretion Factor)</b>	Modeling-based estimation of stream depletion/accretion from banking operations	Demonstrates net effects on streams and interactions with CVP/SWP operations
<b>CEQA Modeling Analysis</b>	Supports completion of CEQA documentation through forecasting project operations	Provides analysis and verification supporting that the project will not cause significant environmental impacts

### Environmental



★ - Denotes completed activity

Document	Function / Key Content	Role in Overall Framework
<b>Environmental Impact Report (EIR)</b>	Impact analysis, alternatives, mitigation measures	Provides CEQA compliance and overall project defensibility

# Water Accounting System Framework

## Key Functions and Benefits of the Water Accounting System

**TRACKS** recharge, recovery, storage balances, and losses

**DEFINES** roles, responsibilities, and standardized processes

**FACILITATES** effective adaptive management

**ALIGNS** with adopted GSPs and SGMA requirements

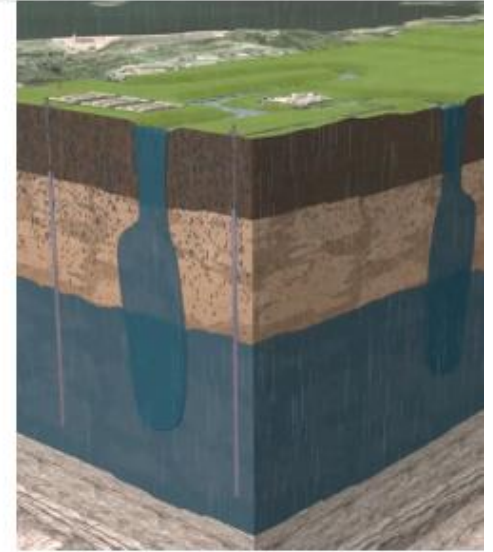
**PROVIDES** transparent, reliable records

**SUPPORTS** compliance with state and federal mandates

## Support for In-Lieu Recharge

In-lieu recharge requires accurate tracking to distinguish between normal water use and banked water, otherwise referred to as an operational baseline. In addition, the WAS defines:

- Recharge and recovery
- Leave-behind volumes and banking losses
- Forgone surface water
- Storage rights and accounting protocols



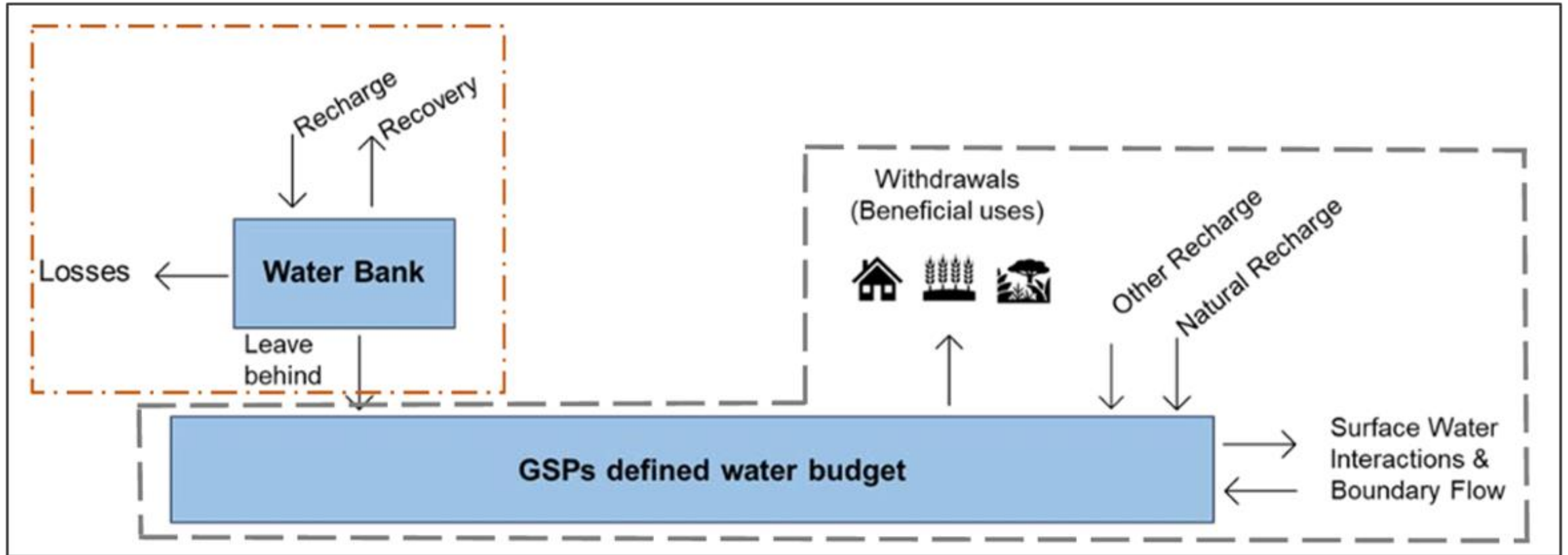
## SGMA Integration and Coordination with GSPs

The WAS aligns with local GSPs and supports SGMA compliance by incorporating:

- Operational baselines consistent with GSP water budgets
- Defined assumptions for recharge and loss
- Coordination with GSAs to optimize Water Banking operations
- An adaptive framework and dispute resolution process

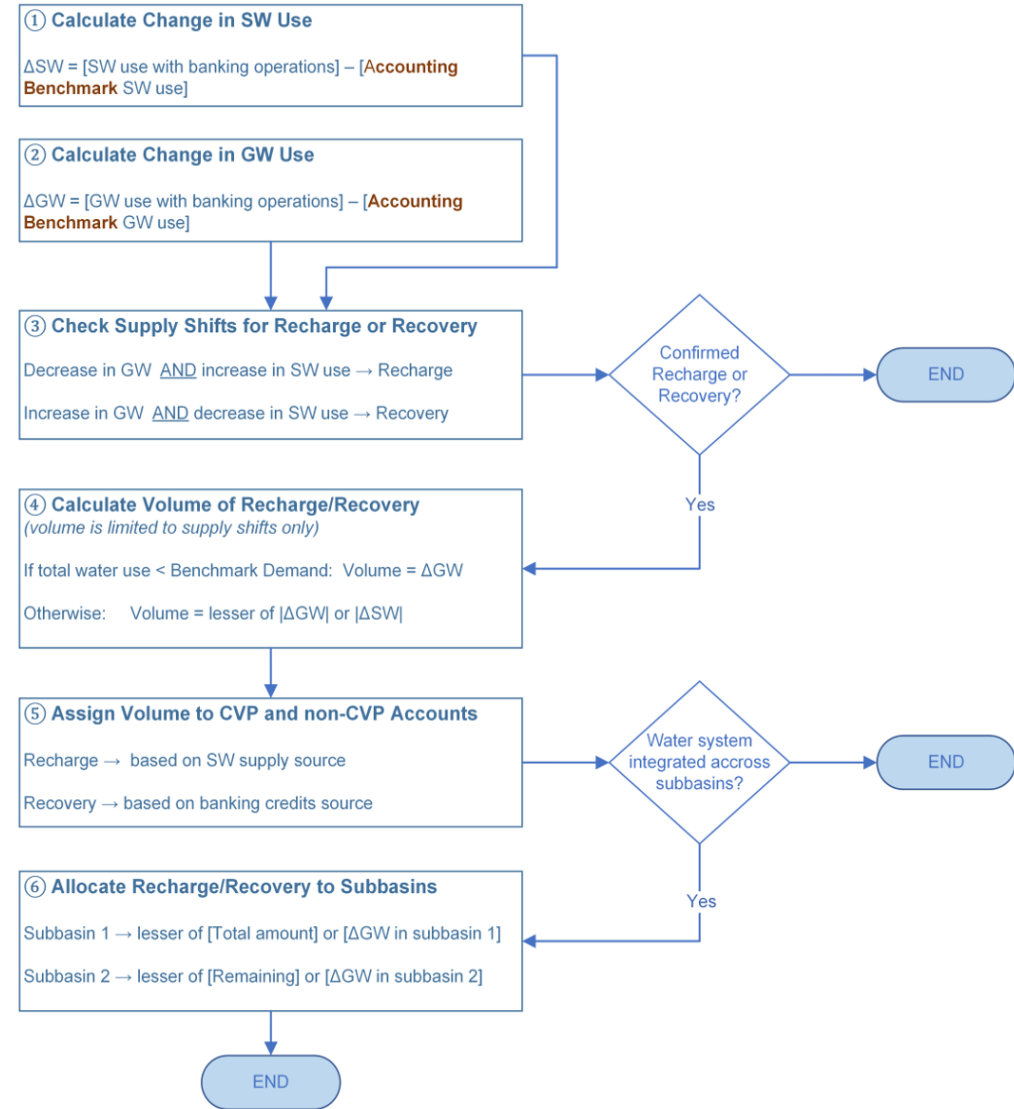
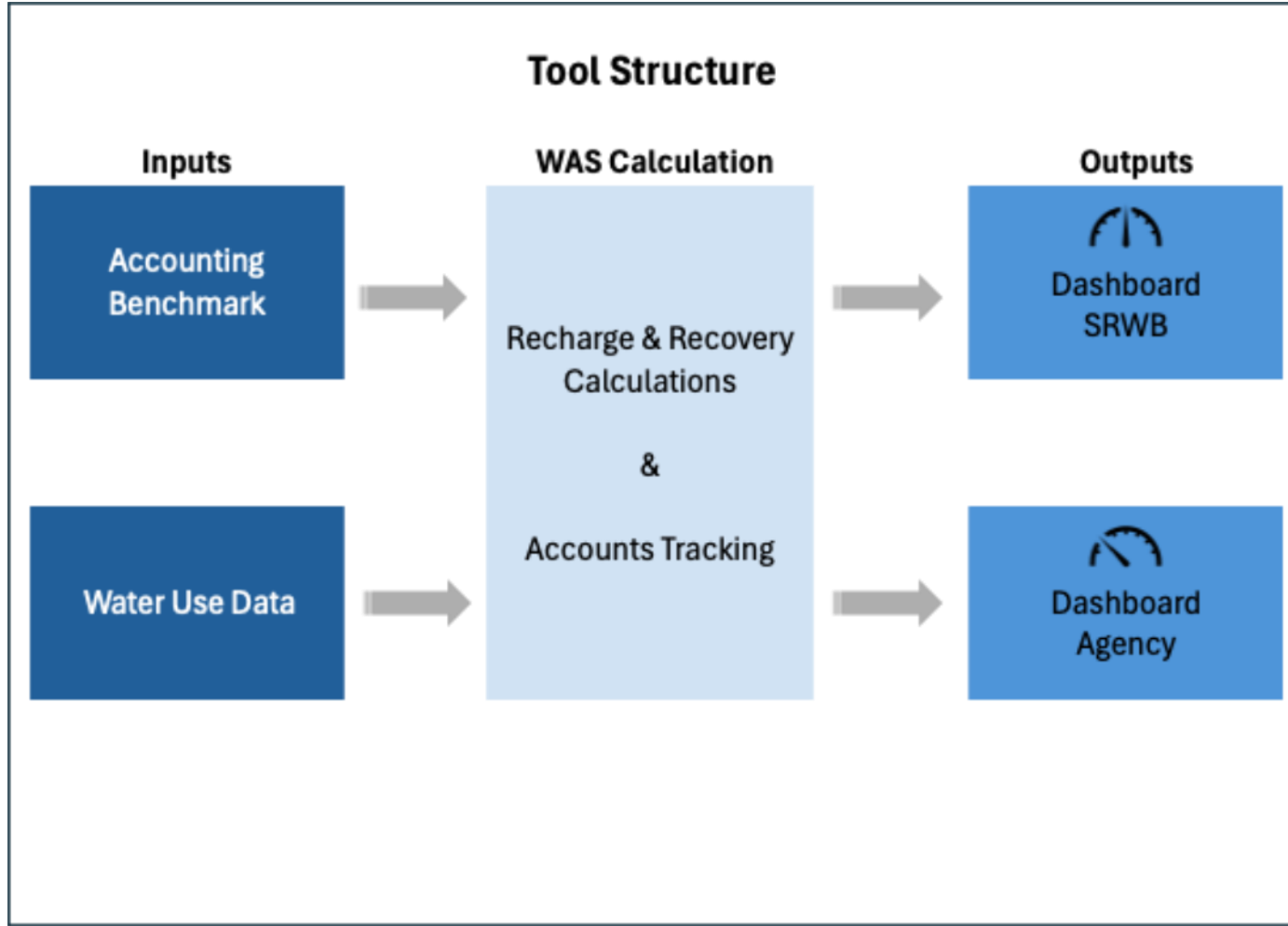
# Water Accounting System Framework (cont.)

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# Water Accounting System Implementation Tool

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# Water Accounting System Tool (cont.)

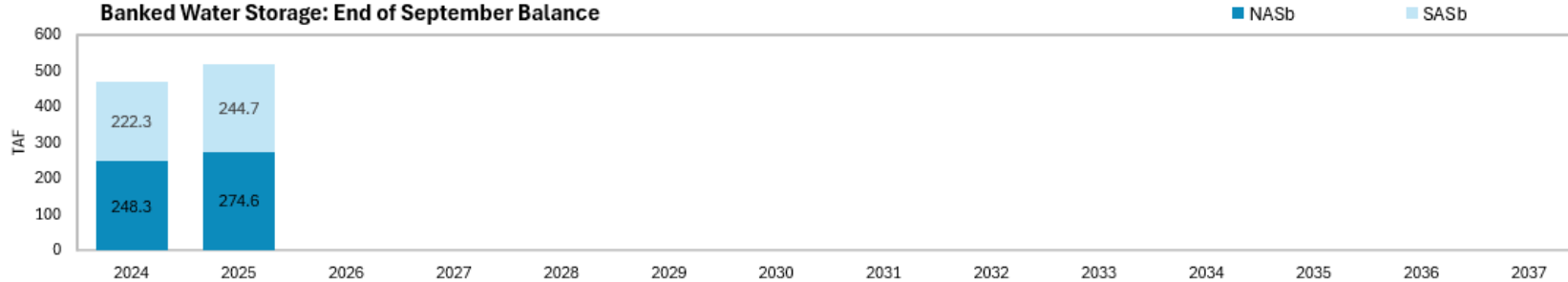
## Water Accounting System - Pilot

Water Bank Dashboard

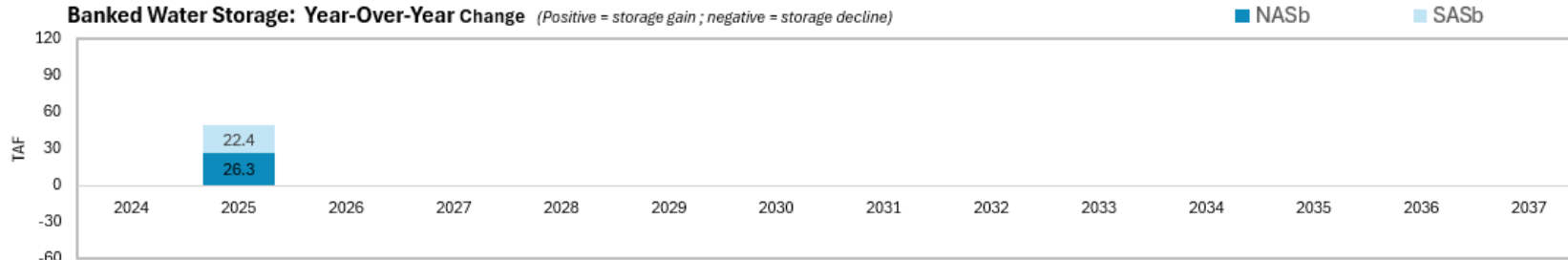


**SACRAMENTO REGIONAL WATER BANK**  
A Sustainable Storage and Recovery Program

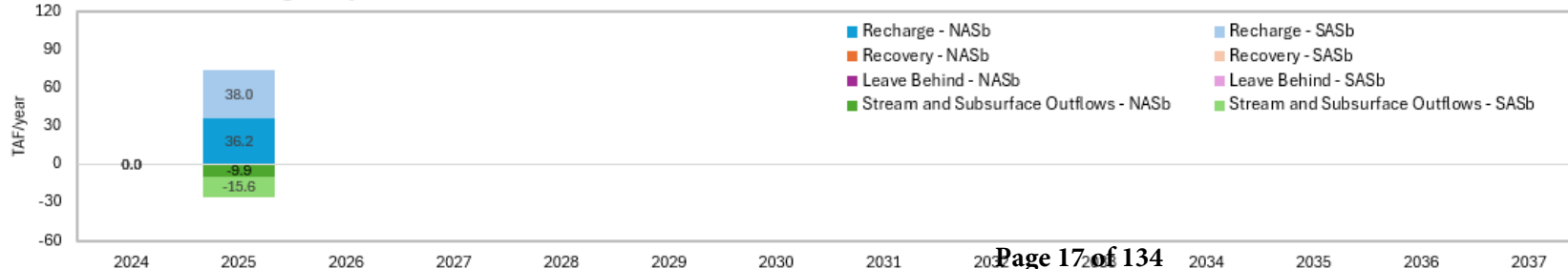
**Banked Water Storage: End of September Balance**



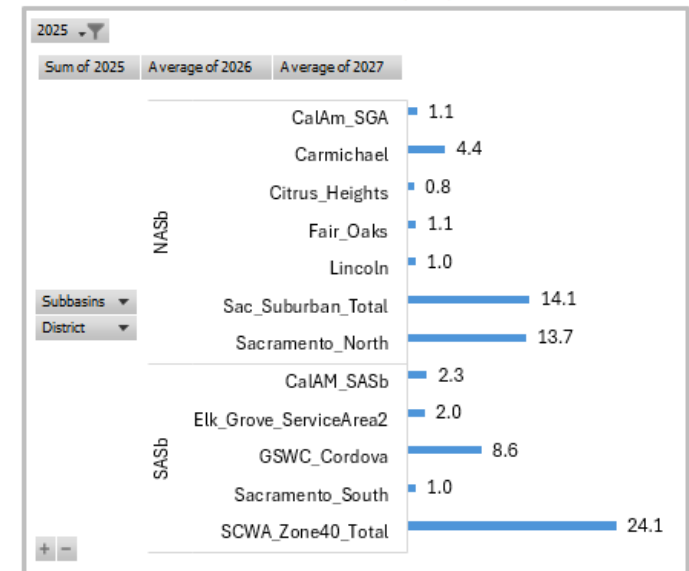
**Banked Water Storage: Year-Over-Year Change** (Positive = storage gain ; negative = storage decline)



**Banked Water Storage: Deposits and Withdrawals** (Positive = storage gain ; negative = storage decline)



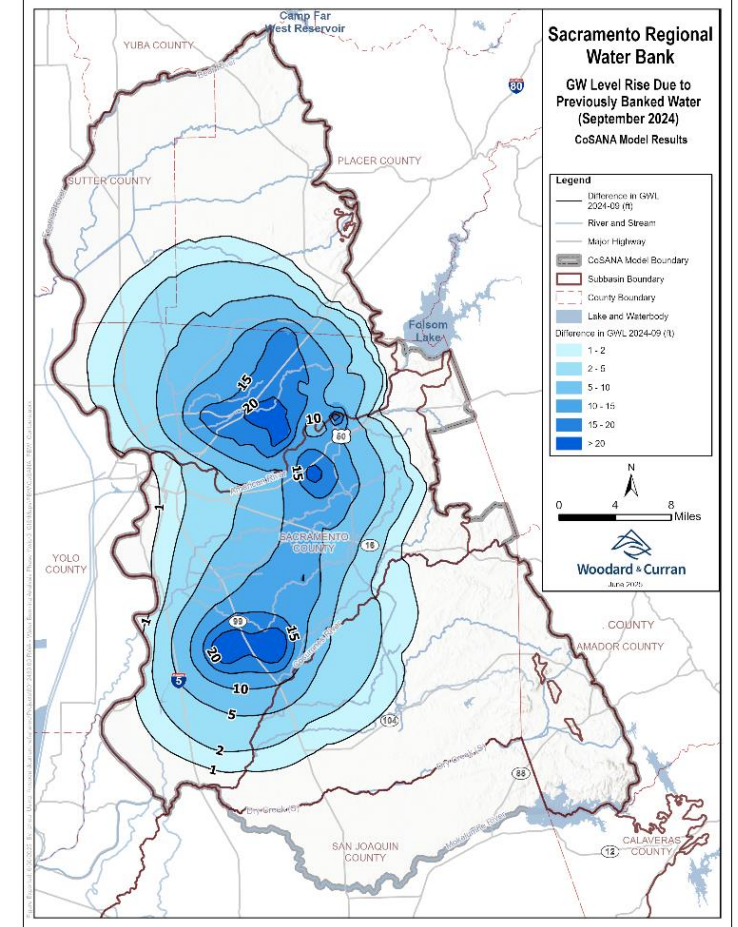
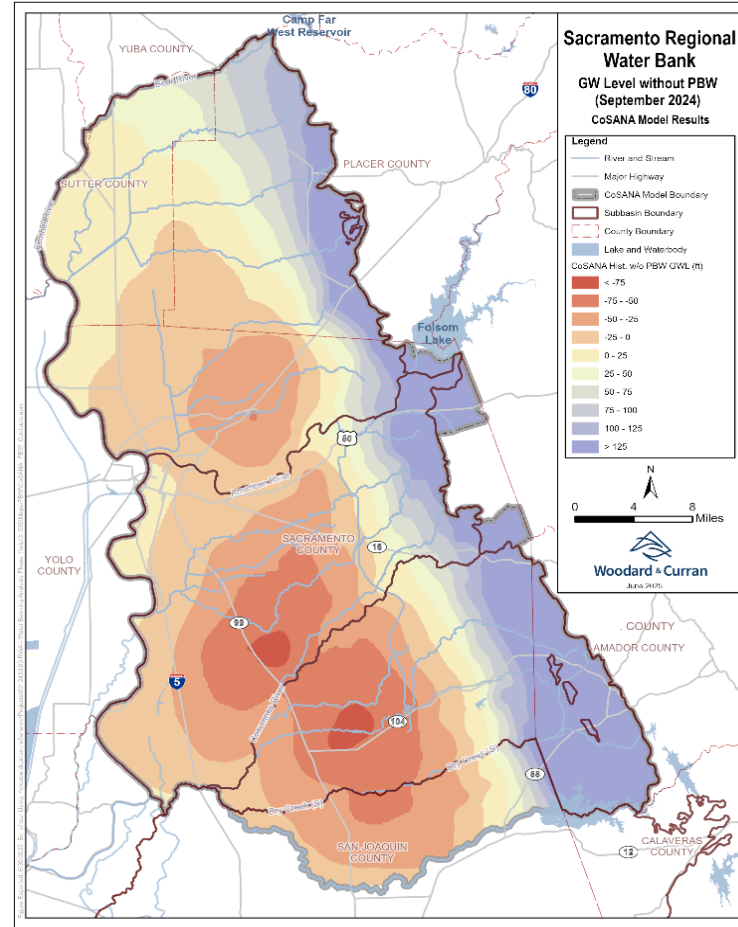
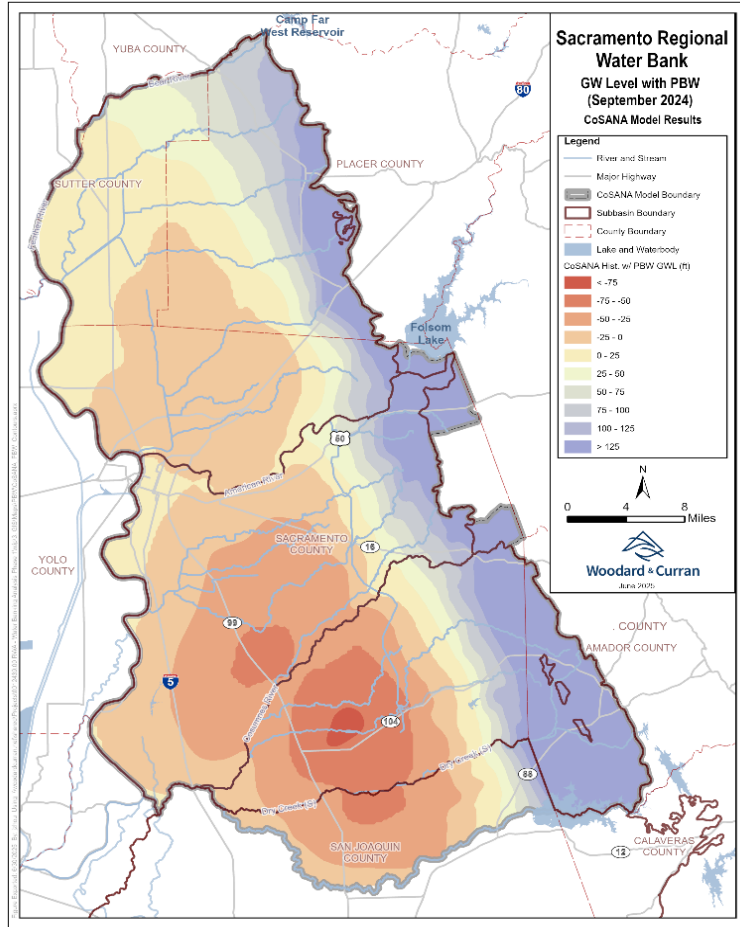
**2025 Recharge Volumes (TAF)**



# Groundwater Modeling of Previously Banked Water (PBW)

Groundwater level (GWL) contours at end of simulation period (Sep 2024)

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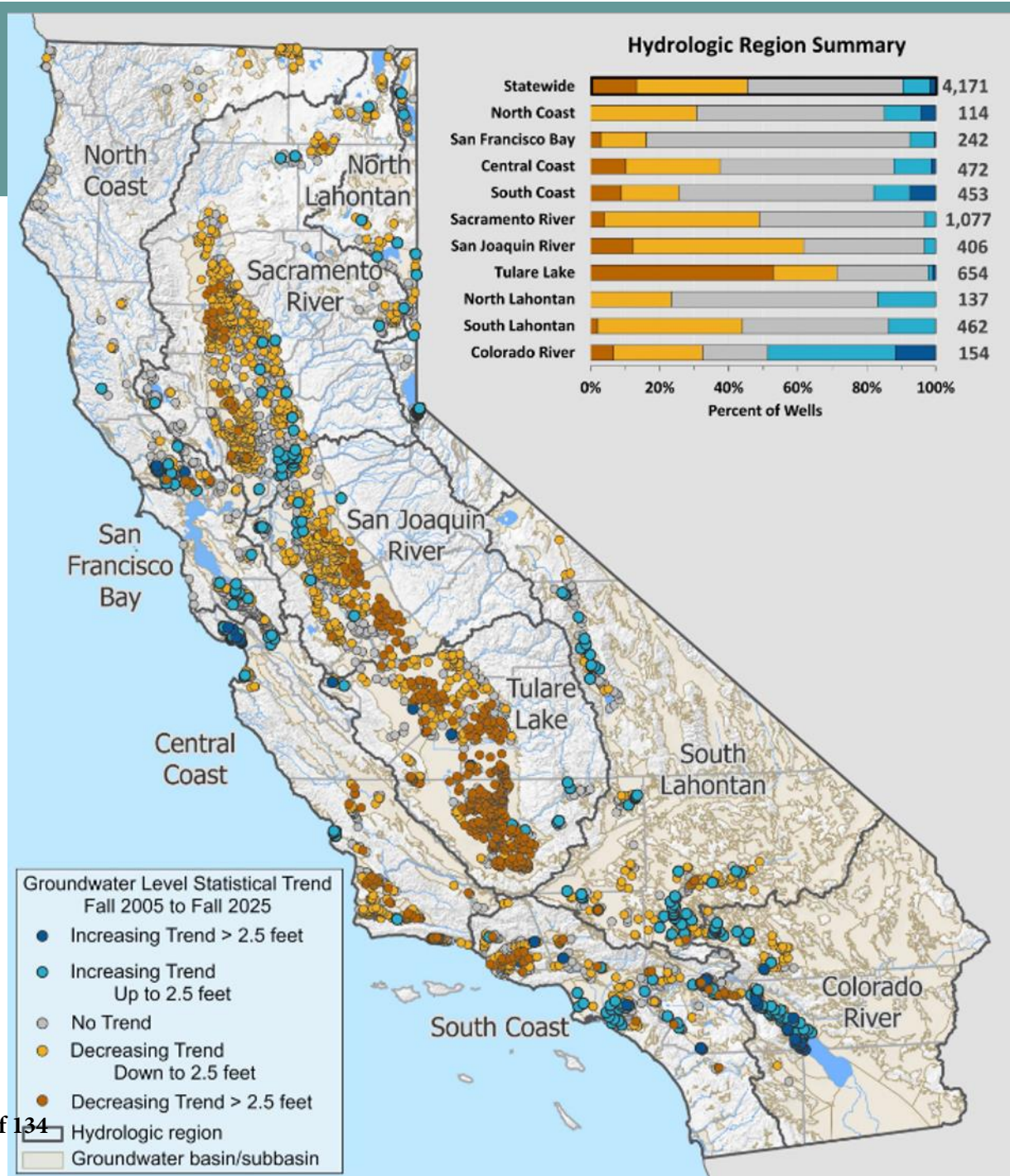
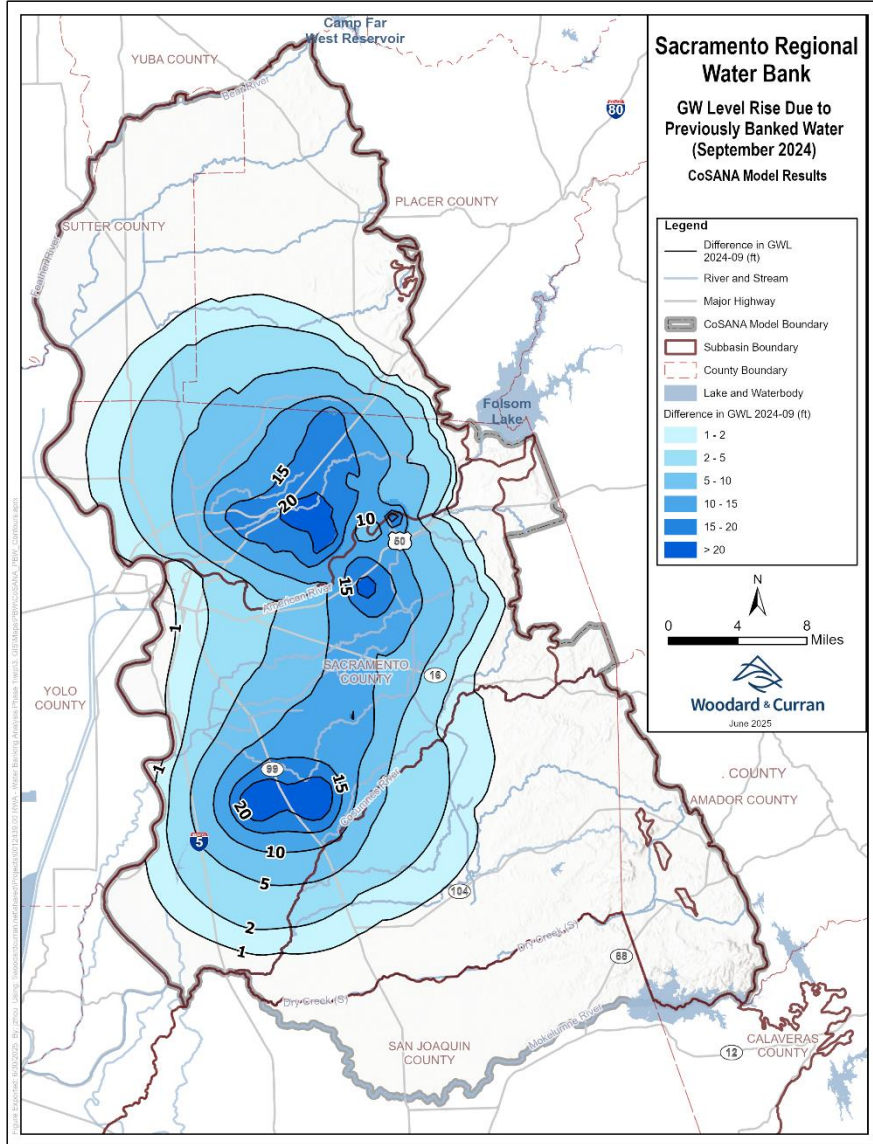
Scenario 1: Historical Conditions **with** PBW

Scenario 2: Historical Conditions **without** PBW

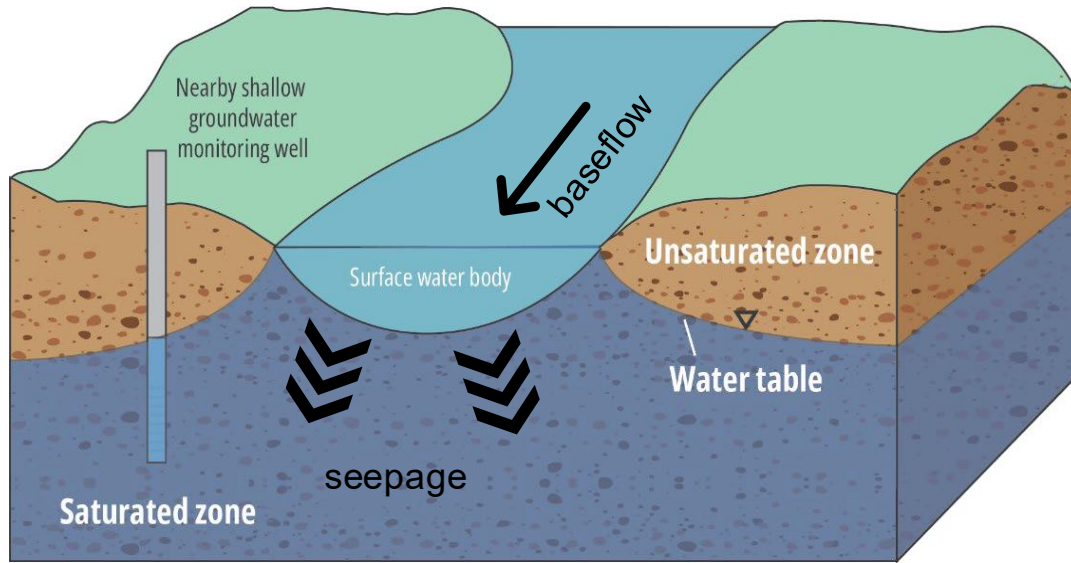
$\Delta$ GWL (Scenario 1 – Scenario 2)  
**Effect of PBW on GWL**

# PBW - higher groundwater levels & increased water storage

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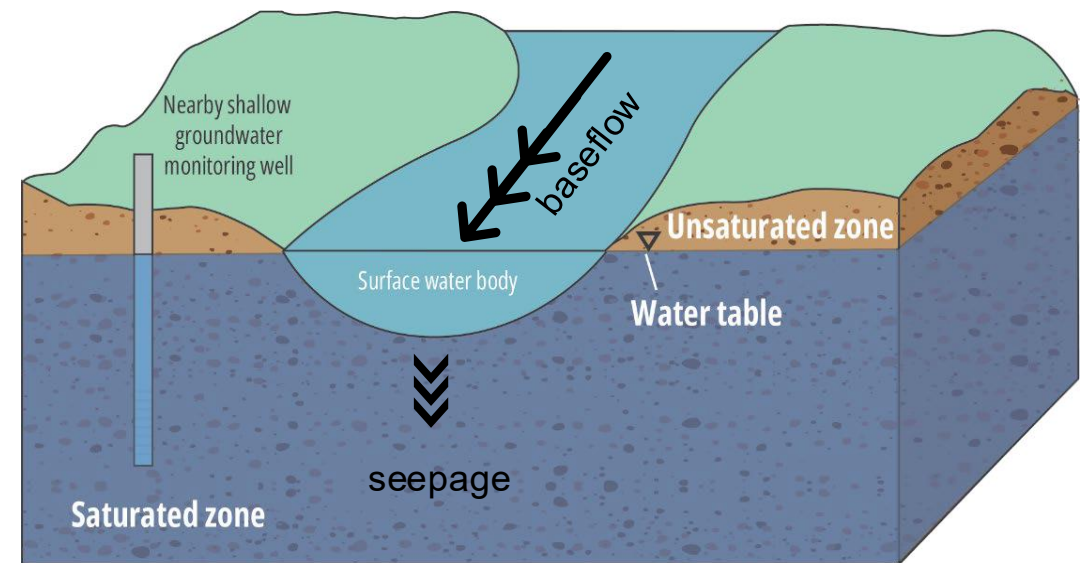


# Higher Groundwater Levels Affect Seepage Conditions with the Interconnected Streams



## Conditions without Previously Banked Water (PBW)

- Higher groundwater pumping
- Lower groundwater elevations
- More stream seepage
- Less baseflow in the streams



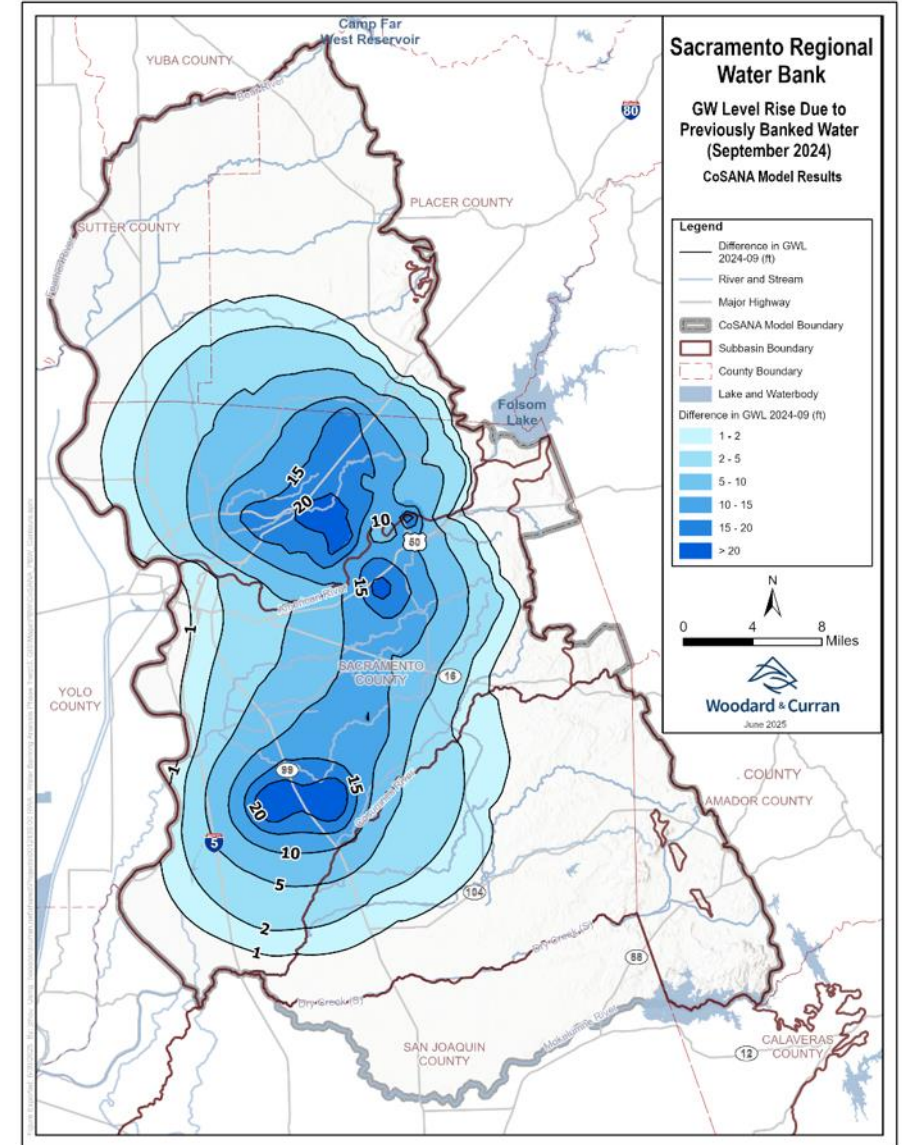
## Conditions with Previously Banked Water (PBW)

- Lower groundwater pumping
- Higher groundwater level
- Less stream seepage
- More baseflow in the streams

# SDF Analysis Plan

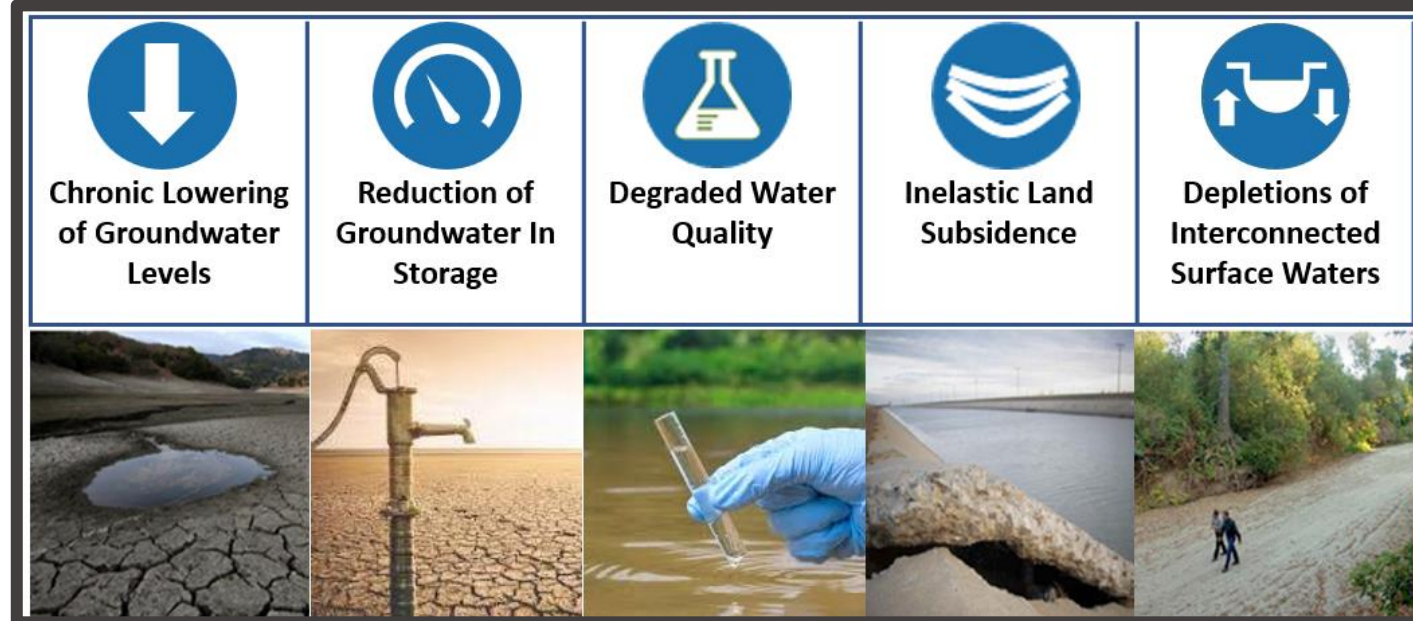
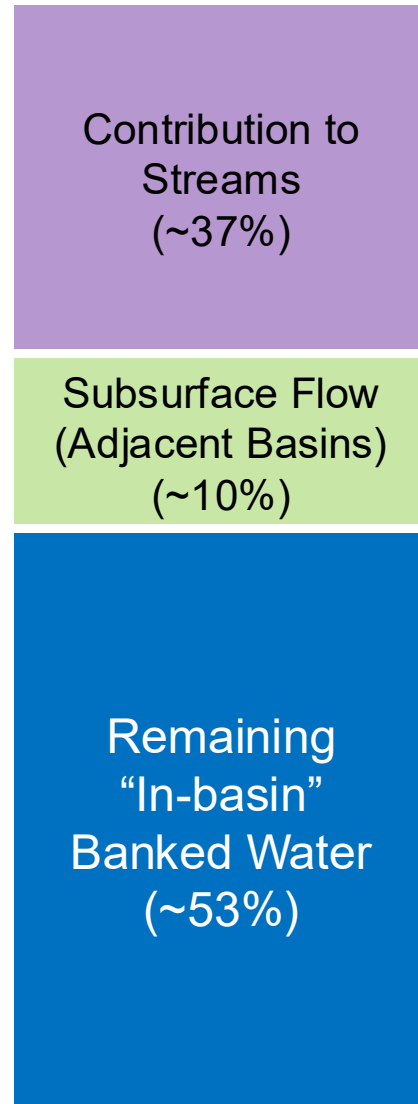
## Key Conclusions of using CoSANA Modeling

1. Banking operations demonstrate net contributions to American and Sacramento Rivers over decades of conjunctive use.
2. Recovery (pumping) will occur while groundwater levels remain above the without-banking conditions, meaning stream benefits continue during recovery.
3. Stream interaction from pumping is offset by broader regional benefits and managed through operational safeguards, monitoring, and CEQA mitigation measures.
4. The SAF approach provides a defensible basis for demonstrating these benefits to regulators.



# Banked Water Provides Multiple Benefits

- Ecosystem benefits
- Delta outflow
- Downstream
- Support Healthy Rivers & Landscapes
- Groundwater sustainability
- Water supply reliability



- Groundwater sustainability
- Water supply reliability
- Pumping energy savings
- Regional/State Water Transfers to offset Participating Agency costs and incentivize conjunctive use
- Support Healthy Rivers & Landscapes, American River Climate Adaptation Plan, etc.

# Federally Recognized Water Banks

SCGA BOARD MEETING — June 18, 2026



— BUREAU OF —  
RECLAMATION

## Groundwater Banking Guidelines for Central Valley Project Water

Effective Date: November 12, 2014  
Updated October 4, 2019

	Acknowledged Water Banks	Identifier Number
1	North Kern Water Storage District	05-WC-20-3256
2	Rosedale-Rio Bravo Water Storage District	05-WC-20-3257
3	Semitropic Water Storage District	05-WC-20-3258
4	Tulare Lake Basin Water Storage District	05-WC-20-3259
5	Cawelo Water District	05-WC-20-3260
6	Lakeside Irrigation District	05-WC-20-3261
7	Kaweah Delta Water Conservation District	05-WC-20-3266
8	Kern Water Bank Authority	18-WC-20-5263
9	Meyers Farms Family Trust	N/A
10	Pixley Water Bank Project	18-WC-20-5264
11	West Kern Water District Groundwater Bank	18-WC-20-5255

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Sacramento  
Regional  
Water Bank

## Federally Recognized Bank Provides Flexibility

**Recharge**  
(Banking)

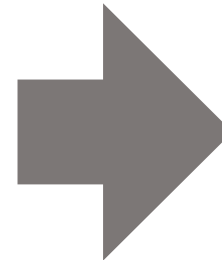


Removes administrative barriers by allowing banking outside contractor place of use.

**Recovery**  
(Extraction of Banked Water)



Streamlines process of transferring supplies to other CVP contractors.



### Desired Outcomes

- SRWB is acknowledged CVP water bank
- SRWB not a CVP facility
- Optimize use of excess flows (3f & 215) & CVP contract water
- SRWB operations tailored to avoid impacts to Folsom and CVP/SWP.
- No change to USBR water rights (consistent with authorized beneficial uses and places of use)

# Questions and Comments

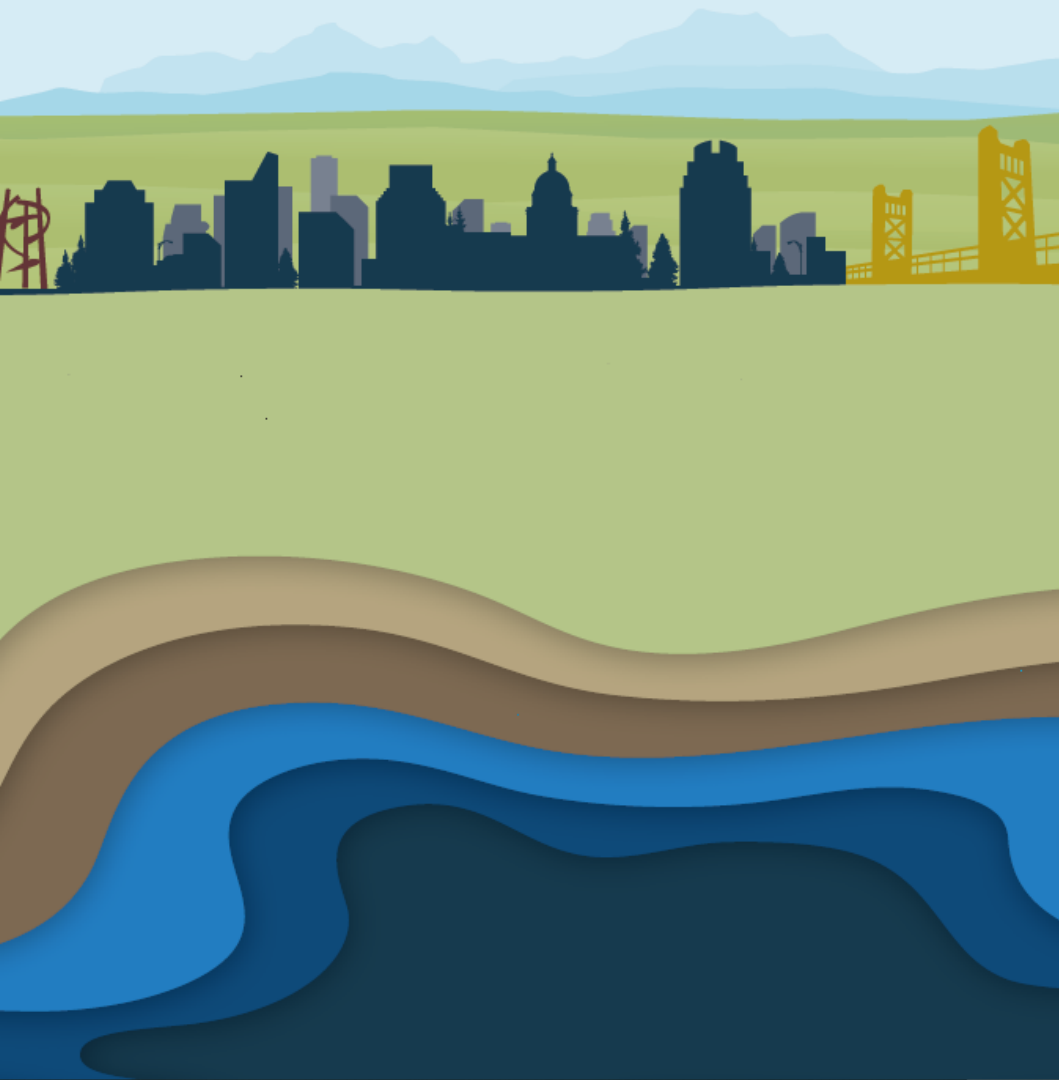
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SACRAMENTO REGIONAL  
**WATER BANK**



*A Sustainable Storage & Recovery Program*



**Thank You!**

**RWA**  
**Regional Water Authority**  
BUILDING ALLIANCES IN  
NORTHERN CALIFORNIA



## **Sacramento Central Groundwater Authority Board of Directors Regular Meeting**

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**April 16, 2026, 9:00 AM  
Rancho Cordova City Council Chambers  
2729 Prospect Park Drive  
Rancho Cordova, CA 95670**

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### **1. CONVENE**

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#### **1.1 Call to Order and Roll Call**

Chair Kamilos called the meeting to order at 9:04 A.M.

Directors present: Shoaib Ahrary (City of Elk Grove); Marcus Yasutake (City of Folsom); Kristine Courdy (City of Rancho Cordova); Brett Ewart (City of Sacramento); Chris Hunley (County of Sacramento); Bruce Kamilos (Elk Grove Water District); Ken Oneto (Agricultural Interests); David Trask (Agricultural Residential); Barbara Evoy (Conservation Landowners); Janet Grisanti (Public Agencies Self-Supplied); Evan Jacobs (California-American Water Company); Jose Ramirez (Sacramento Area Sewer District); Sean Twilla (Golden State Water Company).

Directors absent: Commercial/Industrial Self-Supplied.

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

#### **1.2 Pledge of Allegiance**

Chair Kamilos 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.

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2. PRESENTATIONS

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2.1 Omochumnee-Hartnell Water District (OHWD) Annexation Plan (Michael Wackman, Omochumnee-Hartnell Water District)

Mike Wakeman, General Manager of Omochumnee-Hartnell Water District, presented an update on the district’s proposed annexation area, the status of its Municipal Service Review with LAFCO, anticipated timeline, and coordination needed with SCGA and DWR regarding future GSA boundary and map changes.

Directors included parcel splits between GSAs, tax bill treatment for split parcels, agricultural representation, recharge opportunities, and anticipated budget implications if the annexation proceeds.

No public comment was received.

Item was informational only; no action taken.

2.2 Water Forum Update (Ashlee Casey, Water Forum)

Ashlee Casey, Executive Director of the Water Forum, presented an update on Water Forum 2050, including the five new program areas, the American River Climate Adaptation Program, regional groundwater storage priorities, dry-year response planning, and the schedule for final signatures by May 2026.

Directors asked questions regarding Bureau of Reclamation coordination, groundwater storage priorities, possible use of the Folsom South Canal, and Sacramento River diversion opportunities such as Freeport and RiverArc.

No public comment was received.

Item was informational only; no action taken.

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3. ADMINISTRATIVE (NONE)

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4. CONSENT

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4.1 Minutes of the Board February 2026 Regular Meeting  
Recommendation: Approve minutes of the February 11, 2026, Board of Directors meeting.

The Board considered approval of the February 11, 2026 regular meeting minutes. Following direction from the Clerk due to remote participation, a roll call vote was taken.

No public comment was received.

MOTION: Jacobs/Trask to approve the minutes of the February 11, 2026, Board of Directors meeting.  
AYES: Shoaib Ahrary; Marcus Yasutake; Kristine Courdy; Brett Ewart; Chris Hunley; Bruce Kamilos; Ken Oneto; David Trask; Barbara Evoy; Janet Grisanti; Evan Jacobs; Jose Ramirez; Sean Twilla.  
NOES: None  
ABSTAIN: None  
ABSENT: Commercial/Industrial Self-Supplied.

MOTION PASSED.

4.2 Annual Report for Water Year 2025  
Recommendation: Receive and file the South American Subbasin Annual Report for Water Year (WY) 2025.

The Board considered the recommendation to receive and file the South American Subbasin Annual Report for Water Year 2025, previously presented and discussed at the last meeting.

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

MOTION: Ahrary/Twilla to receive and file the South American Subbasin Annual Report for Water Year 2025.  
AYES: Shoaib Ahrary; Marcus Yasutake; Kristine Courdy; Brett Ewart; Chris Hunley; Bruce Kamilos; Ken Oneto; David Trask; Barbara Evoy; Janet Grisanti; Evan Jacobs; Jose Ramirez; Sean Twilla.  
NOES: None  
ABSTAIN: None  
ABSENT: Commercial/Industrial Self-Supplied.

MOTION PASSED.

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5. PUBLIC HEARINGS (NONE)

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6. BUSINESS

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6.1 Financial Policy  
Recommendation: Adopt Resolution 2026-02 establishing a Financial Policy.

Executive Director Harmon presented a proposed standalone Financial Policy to replace outdated fiscal provisions in the policy manual and to consolidate SCGA's financial governance practices. Tim Jones summarized the policy's updates related to roles and responsibilities, operating reserves, contracting authority, investments, grants

administration, procurement, and policy review cycles.

Directors discussed grant approval timing, reserve calculations based on revenues, budget transfer language, contract amendment thresholds, and wording clarity throughout the policy.

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

**MOTION:** Oneto/Trask to adopt Resolution 2026-02 establishing a Financial Policy, as amended to clarify that any amendment, extension, or renewal increasing a contract's total not-to-exceed amount above \$50,000 requires Board approval.

**AYES:** Shoaib Ahrary; Marcus Yasutake; Kristine Courdy; Brett Ewart; Chris Hunley; Bruce Kamilos; Ken Oneto; David Trask; Barbara Evoy; Janet Grisanti; Evan Jacobs; Jose Ramirez; Sean Twilla.

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Commercial/Industrial Self-Supplied.

**MOTION PASSED.**

## 6.2 Financial Report – February 2026

Recommendation: Receive and file financial report for the period ending February 28, 2026.

Tim Jones presented the financial report for the period ending February 28, 2026. He reported that revenues were trending well, interest income was likely to exceed the conservative estimate, expenditures were generally below budget, and fund balance remained strong.

Directors discussed outstanding GSA receivables, ACH payment practices, and preferred presentation of budget-to-actual information.

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

**MOTION:** Ahrary/Twilla to receive and file the financial report for the period ending February 28, 2026.

**AYES:** Shoaib Ahrary; Marcus Yasutake; Kristine Courdy; Brett Ewart; Chris Hunley; Bruce Kamilos; Ken Oneto; David Trask; Barbara Evoy; Janet Grisanti; Evan Jacobs; Jose Ramirez; Sean Twilla.

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Commercial/Industrial Self-Supplied.

**MOTION PASSED.**

6.3 Budget FY 2027 Draft  
Recommendation: Discuss and provide input.

Tim Jones presented the draft FY 2027 budget, describing it as a transition-year budget focused on redefining SCGA's role, revenue structure, and next-phase priorities following the initial SGMA implementation period. The draft budget reflected reduced revenues and expenditures, a proposed fee study, JPA update work, SASb MOU revisions, strategic planning, website and IT support, and communications funding.

Directors discussed revenue effects associated with the Omochumnee-Hartnell annexation, the importance of the fee study, long-term planning, communications funding, and future treatment of pumping averages in any fee structure analysis.

No public comment was received.

Item was informational only; no action taken.

6.4 GSP 2027 Periodic Evaluation  
Recommendation: Discuss and provide input.

Bryan Thoreson provided a status update on the South American Subbasin GSP 2027 Periodic Evaluation. He reported that no undesirable results had occurred to date, project and management actions remained on schedule, basin storage had increased relative to the start of SGMA implementation, and groundwater extractions remained below sustainable yield.

Directors discussed interconnected surface water guidance from DWR, adequacy of monitoring wells, possible use of domestic well monitoring near streams, climate considerations, coordination with neighboring basins, and the schedule for a draft report by the end of May.

No public comment was received.

Item was informational only; no action taken.

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7. STAFF REPORTS

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7.1 Executive Director Update (Oral)

Executive Director Harmon reported on an inquiry from County Water District regarding increased participation in SGMA, SCGA's participation in DWR Groundwater Awareness Week outreach, regional discussions regarding small-basin SGMA compliance burdens, and upcoming conferences and training opportunities including ACWA and the SGMA Implementation Summit.

No public comment was received.

## 7.2 Water Bank Working Group Report

Executive Director Harmon provided a high-level update on progress made with the Water Bank Working Group. She reported that many issue items had been clarified or resolved, while several operational and accounting topics remained under discussion with RWA and banking entities, including pre-banked water and rules governing withdrawals.

Director Evoy requested that the working group reconvene soon to review the remaining issues in more detail.

No public comment was received.

## 7.3 Ad Hoc Committee Report (Oral)

Executive Director Harmon reported that JPA amendment work had largely been paused pending the Omochumnee-Hartnell annexation process, but noted that future facilitated discussions may be helpful as the Board considers SCGA's long-term identity, governance, and organizational structure. She also noted that policy updates are continuing.

No public comment was received.

## 7.4 SASb GSA Update (Oral)

Executive Director Harmon reported that DWR facilitation support services through Stantec had been extended through April 30, 2027. She also described transition work related to SASb stakeholder communications, website coordination, preparation of a side letter to the SASb MOU, and continued efforts to address an unpaid invoice associated with Sloughhouse Resource Conservation District.

No public comment was received.

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## 8. DIRECTORS' REPORTS

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Director Trask thanked Executive Director Harmon for her engagement with the Domestic Well Advisory Committee and her proactive efforts to address the concerns of domestic well owners and rural residents. No additional reports were provided.

Chair Kamilos reported that he would be absent from the June 18, 2026 meeting and that Vice Chair Ahrary would chair that meeting, with Travis Franklin serving as the approved alternate for Elk Grove Water District. Director Trask commended Executive Director Harmon for the quality of her work and support to the agency. Director Hunley reported that the Sacramento Office of Emergency Services Disaster Council would consider the drought resiliency plan on May 20, 2026, and that a "State of the

Groundwater Basins” meeting would be held on May 21, 2026, with in-person and online attendance options. No further director reports were provided.

No public comment was received.

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9. WRITTEN CORRESPONDENCE

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None.

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10. CLOSED SESSION (None)

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11. REPORT ON CLOSED SESSION (None)

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12. FUTURE ITEMS

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The County Drought Plan and Harvest Water Update.

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13. MEETINGS AND EVENT CALENDAR

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The Board received the meetings and event calendar, including the ACWA Spring Conference in Sacramento, May 5-7; SGMA Implementation Summit in Clovis, June 2-4; and GRA Western Groundwater Conference in Palm Springs, September 28-30

No public comment was received.

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14. ADJOURN

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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:** June 18, 2026

**AGENDA ITEM:** 4.2

**SUBJECT:** 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.

**BACKGROUND:**

The Sustainable Groundwater Management Act (SGMA) requires Groundwater Sustainability Agencies (GSAs) to prepare and submit a periodic evaluation of their Groundwater Sustainability Plans (GSPs) at least every five years. The first Periodic Evaluation for the South American Subbasin is due to the California Department of Water Resources (DWR) by January 27, 2027.

As the GSA and Plan Manager for the South American Subbasin, the Sacramento Central Groundwater Authority (SCGA) is responsible for coordinating preparation of the 2027 Periodic Evaluation in collaboration with the other GSAs in the basin. The Periodic Evaluation assesses whether the GSP remains effective in achieving the basin's sustainability goal and evaluates groundwater conditions, implementation of projects and management actions, monitoring networks, new information, and changes in basin conditions since adoption of the GSP in 2022.

SCGA initiated the Periodic Evaluation process in late 2025 and has conducted extensive outreach and coordination throughout the process. The effort has included coordination with partner GSAs, discussions with neighboring basins, presentations to the SASb Executive Committee, and two public workshops. On April 16, 2026, the Board received a progress update and provided input on the draft evaluation.

**DISCUSSION:**

The 2027 Periodic Evaluation concludes that the South American Subbasin continues to make progress toward achieving sustainability and that no undesirable results have occurred since adoption of the GSP. Groundwater conditions remain consistent with the Sustainable Management Criteria established in the GSP,

projects and management actions are being implemented on schedule, and the monitoring network continues to meet DWR Best Management Practice recommendations. The evaluation also incorporates new technical information, groundwater monitoring data, land use information, and implementation experience developed since the GSP was adopted.

As part of the Periodic Evaluation process, SCGA and its consultants compiled and evaluated new information relevant to groundwater management in the South American Subbasin. This information includes hydrogeologic studies, groundwater recharge evaluations, domestic well analyses, updated monitoring data, and implementation results from the first several years of GSP implementation.

Based on the findings of the Periodic Evaluation and incorporation of new information, SCGA has prepared a draft 2027 GSP update. The 2027 GSP is intended to improve and update the existing GSP while maintaining the sustainability framework and management approach adopted by the basin's GSAs. Unlike a GSP Amendment, neither a Periodic Evaluation nor a GSP Update requires a formal public review process under SGMA.

However, in the interest of transparency and stakeholder engagement, staff recommend making the draft 2027 GSP update available on the SCGA website following this meeting and inviting stakeholder feedback before the Board considers approval of the updated GSP later in 2026. Any comments received will be reviewed and considered during preparation of the final document presented to the Board.

**FISCAL IMPACT:**

No direct impact from this action.

**CEQA DETERMINATION:**

Not applicable.

**ATTACHMENT(S):**

GSP 2027 Periodic Evaluation ([link](#))

**PREPARED BY:**

Piret Harmon  
Executive Director

Bryan Thoreson  
Technical Consultant

**Sacramento Central Groundwater Authority**  
**Board of Directors**

**AGENDA REPORT**

**MEETING DATE:** June 18, 2026

**AGENDA ITEM:** 6.1

**SUBJECT:** Work Plan and Budget FY 2027

**RECOMMENDATION:** 1) Approve the fiscal year (FY) 2027 Work Plan; 2) Adopt the FY 2027 Budget.

**BACKGROUND:**

The Sacramento Central Groundwater Authority (SCGA) annually adopts a work plan and budget to guide implementation of the Groundwater Sustainability Plan (GSP) and agency operations.

During the April 16, 2026 Board meeting, staff presented draft FY 2027 Work Plan and Budget documents for Board discussion and input. The Board provided direction regarding priorities, funding assumptions, and expenditure levels to be reflected in the proposed final documents.

The FY 2027 Work Plan identifies the major activities and priorities anticipated for the upcoming fiscal year, including SGMA compliance activities, completion of the South American Subbasin GSP Periodic Evaluation, governance and policy updates, coordination with partner GSAs and regional agencies, and advancement of a comprehensive fee study.

Based on Board input received at the April meeting and additional refinements by staff, the FY 2027 Budget has also been updated and is now presented for formal consideration and adoption together with the FY 2027 Work Plan.

**DISCUSSION:**

The proposed FY 2027 Work Plan and Budget are intended to provide a coordinated framework for SCGA activities during FY 2027 and align organizational priorities with available financial resources.

The FY 2027 Work Plan focuses on maintaining compliance with SGMA requirements while also advancing several organizational and governance initiatives anticipated to position SCGA for long-term operational and financial stability.

Major work plan elements include:

- Completion of the South American Subbasin GSP Periodic Evaluation;
- Governance and policy updates, including JPA and MOU amendments;
- Development of a comprehensive fee study;
- Continued coordination with partner GSAs, land use agencies, and regional water organizations; and
- Ongoing administrative, financial, and operational support activities associated with SCGA's transition to independent fiscal and operational management.

Since the April 16, 2026, draft budget presentation, the proposed FY 2027 Budget has been revised to reflect updated assumptions and anticipated workload requirements. Total FY 2027 expenditures increased from \$1,088,600 to \$1,160,600, while projected revenues remain unchanged.

The expenditure increase primarily reflects refinement of anticipated staffing, technical support, and program implementation needs associated with the activities identified in the proposed FY 2027 Work Plan.

The proposed budget maintains existing revenue assumptions and continues to rely on a combination of member contributions, cost-sharing arrangements, and groundwater assessment fee revenues.

Staff anticipates FY 2027 will continue to serve as a transition and planning year focused on refining SCGA's governance, funding structure, and long-term organizational framework while maintaining compliance with SGMA requirements and supporting regional groundwater coordination.

**FISCAL IMPACT:**

Total FY 2027 expenditures are \$1,160,600, which is proposed to be funded through member agency contributions, South American Subbasin MOU cost-sharing, groundwater assessments and carryover fund balance from FY 2026.

**CEQA DETERMINATION:**

Not applicable.

**ATTACHMENT(S):**

SCGA Work Plan FY 2027  
SCGA Budget FY 2027

**PREPARED BY:**

Piret Harmon  
Executive Director

**Sacramento Central Groundwater Authority  
FY 2027 Workplan**

Program Area	Objective	Task #	Task Description
SGMA Compliance and Basin Planning	Complete PE and GSP Amendment (if necessary) and maintain SGMA compliance	1.1	Prepare and publish draft GSP Periodic Evaluation (PE) and GSP 2027 Revision or Amendment
		1.2	Conduct PE outreach/workshops; coordinate with SASb GSAs and stakeholders; compile comments and responses.
		1.3	Submit to DWR Board approved PE by January 27, 2027.
		1.4	Prepare SASb 2027-2032 SGMA compliance strategy based on findings of 2027 PE and ISW Guidelines
		1.5	Coordinate monitoring data collection (monitoring network, data QA/QC, integration with projects).
		1.6	Prepare WY 2026 Annual Report; coordinate early with SASb GSAs and external projects to ensure needed data and accounting are available; submit to DWR.
Board Strategic Planning	Set SCGA's vision, priorities, and performance measures tied to SGMA and SASb sustainability.	2.1	Define strategic planning approach (facilitation, schedule, pre-read materials).
		2.2	Conduct Board workshop(s); draft strategic plan (vision, priorities, decision principles).
		2.3	Approve strategic plan and performance measures; integrate into FY 2028 work plan and budget.
Governance and Legal	Update governance documents to reflect independent structure of SCGA operations and changing SASb membership.	3.1	Conduct review and prepare edits for SCGA JPA Amendment: member agency approvals, execution, posting, implementation actions.
		3.2	Implement JPA governance changes if needed.
		3.3	Revise SASb GSP Implementation MOU to reflect: Sloughhouse withdrawal; OHWD annexation/boundary changes; committee/cost share updates.
		3.4	Update operating practices of the Executive Committee/GM Committee: annual schedule, decision records, and documentation templates.
Funding and Finance	Develop an equitable, implementable funding strategy for SCGA's long-term SGMA responsibilities.	4.1	Procure/execute fee study consultant support
		4.2	Develop funding options and equity analysis; stakeholder/Board check-in.
		4.3	Prepare draft fee study and implementation pathways (timing, legal steps, notices).
		4.3	Finalize fee study; Board direction on preferred approach and implementation timeline.
		4.4	Implement fees for FY 2028; outreach, potential regulatory requirements, Board adoption

**Sacramento Central Groundwater Authority  
FY 2027 Workplan**

Program Area	Objective	Task #	Task Description
Policy and Administration	Adopt a modern and relevant set of policies to strengthen core operating and administrative systems.	5.1	Complete drafting revised/new policies
		5.2	Approve and publish updated policies.
		5.3	Implement policies (templates, review calendar).
		5.4	Continue records management + SharePoint build-out (structure, naming conventions, permissions)
		5.5	Conduct annual financial audit
		5.6	Prepare and approve FY 2028 budget
Coordination & Engagement	Improve transparency and predictable engagement; strengthen online presence and stakeholder participation.	6.1	Develop communications and outreach strategy (audiences, cadence, channels, key messages).
		6.2	Website content updates (documents hub, PE materials, governance docs, FAQs).
		6.3	PE outreach execution (posting, meeting notices, summaries, feedback tracking).
		6.4	Evaluate and refine Domestic Well Advisory Group (DWAG) structure and purpose; clarify membership expectations, deliverables, and how DWAG informs SGMA implementation and reporting.
		6.5	Evaluate and strengthen collaboration structure with other SASb GSAs (coordination protocols, meeting cadence, shared calendar, decision pathway) and support Executive Committee/GM coordination.
		6.6	Regional coordination: strengthen working relationships and information sharing with land use agencies (counties/cities), Regional Water Authority, Sacramento Groundwater Authority, and Water Forum to align planning assumptions and projects with SASb sustainability.
Projects & Programs	Ensure regional projects align with SASb sustainability goals	7.1	Sacramento Regional Water Bank: maintain active participation and coordinate with RWA. Track key implementation questions (PBW, monitoring protocols, GSA authority and responsibilities, reporting sufficiency).
		7.2	Sacramento Regional Water Bank: develop a strategy for appropriate oversight of banking activities in SASb .
		7.3	Harvest Water: coordinate with implementing agencies; track milestones and operational assumptions; document implications for SASb sustainability, monitoring, and accounting; elevate issues needing alignment across SASb GSAs.
		7.4	Prepare and present annual alignment report/briefing summarizing Water Bank and Harvest Water coordination, issues, and SGMA consistency (for Board and annual reporting support).



SACRAMENTO CENTRAL  
GROUNDWATER AUTHORITY

**FISCAL YEAR 2027  
FINAL BUDGET**

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SACRAMENTO CENTRAL  
GROUNDWATER AUTHORITY

**FISCAL YEAR 2027  
FINAL BUDGET**

# LETTER OF TRANSMITTAL

June 18, 2026

I am pleased to submit the Fiscal Year 2026–2027 (FY 2027) Budget for the Sacramento Central Groundwater Authority (SCGA) for your review and consideration. The budget is presented for adoption prior to the start of the fiscal year and is balanced, with projected revenues and available fund balance sufficient to meet anticipated expenditures.

The FY 2027 budget reflects an important transition for the SCGA. We have completed the first phase of the Sustainable Groundwater Management Act (SGMA) implementation and are preparing for the next stage of long-term groundwater management.

This year's budget differs from prior years. Rather than focusing on new programs or projects, FY 2027 is centered on redefining responsibilities, objectives and revenue sources. Key activities include amending the Joint Powers Agreement, revising the South American Subbasin Memorandum of Understanding, commissioning a comprehensive fee study, and conducting a Board strategic planning process to define priorities for the next three to five years. These efforts will clarify SCGA's authorities, role, and financial capacity and will provide the framework needed for future implementation decisions.

Because these foundational actions will determine both the scope of the SCGA's future activities and the revenue available to support them, the budget does not include a multi-year financial forecast. A long-term financial plan would not be reliable until the Board establishes the SCGA's governance and funding structure. Following completion of this work, staff anticipate presenting an implementation-phase budget beginning in FY 2028 that will include multi-year projections and program-level priorities.

In addition to these planning efforts, SCGA will continue to carry out its ongoing responsibilities under SGMA, including required reporting, coordination with partner Groundwater Sustainability Agencies within the South American Subbasin, and communication with stakeholders and the public.

This budget is intended to provide the Board with the resources needed to make informed policy decisions before committing the SCGA to long-term financial obligations. The approach ensures that future groundwater management actions are guided by clear direction, equitable funding, and coordinated regional management.

I would like to thank the Board and our partner agencies for their continued guidance and collaboration. Staff look forward to discussing the proposed budget with you and receiving your direction.

Respectfully submitted,



**Piret Harmon**  
Executive Director  
Sacramento Central Groundwater Authority

# 1

## **BUDGET INTRODUCTION AND EXECUTIVE SUMMARY**

# 1 BUDGET INTRODUCTION AND EXECUTIVE SUMMARY

## BUDGET IMPROVEMENTS FOR FY 2027

For FY 2027, the SCGA continued improving and expanding budget content pursuant to excellence in financial planning, fiscal integrity, and transparency. In addition, this budget incorporates many of the best practices established by the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Awards Program. The GFOA program was established in 1984 to encourage and assist local and State governments in preparing budget documents of the very highest quality that reflect the guidelines established by the National Advisory Council on State and local Budgeting. Budgets meeting all GFOA criteria excel as a policy document, financial plan, operating guide, and communication tool.

The following improvements are a subset of the overall improvements:

- Added a new section that includes recently updated, Board approved, financial and records management policies;
- Expanded the discussion around current initiatives; and
- Enhanced the description and methods for developing estimates for each revenue source.

## BUDGET OVERVIEW

The SCGA receives funding from multiple sources; member contributions, SASb MOU Cost Share contributions, assessment fees, State grants, and interest income.

The final budget contains three years of data – prior year actual amounts identified as “FY 24/25 Actual,” current year amounts identified as “FY 25/26 Estimate”, and the budget year amounts, reported as “FY 26/27 Proposed.” The FY 25/26 Estimate is based on roughly nine months of actual accounting data (modified accrual basis), while the remainder of the fiscal year is based on estimates.

Total budgeted revenues for FY 2027 are expected to be \$1 million, a decrease of \$140,000 from the prior year. Expenditures for FY 26/27 are budgeted to be \$1.16 million, a decrease of \$253,000 from the prior year. Please see the Budget and Work Plan section of this document for more information regarding the proposed changes.

CONSOLIDATED BUDGET - GENERAL FUND\*

Description	FY 24/25 Actuals	FY 25/26 Budget	FY 25/26 Estimate	FY 26/27 Proposed	Change from FY 25/26	Change in Percent
<b>Revenues</b>						
Member Contributions	\$ 744,977	\$ 744,517	\$ 744,517	\$ 726,739	\$ (17,778)	-2.4%
SASb MOU Cost Share	\$ 48,348	\$ 164,920	\$ 152,765	\$ 43,274	\$ (121,646)	-73.8%
Assessment	\$ 186,263	\$ 188,891	\$ 192,300	\$ 185,000	\$ (3,891)	-2.1%
Interest	\$ 66,911	\$ 50,000	\$ 56,000	\$ 50,000	\$ -	0.0%
<b>Total Revenues</b>	<b>\$ 1,046,499</b>	<b>\$ 1,148,328</b>	<b>\$ 1,145,582</b>	<b>\$ 1,005,013</b>	<b>\$ (143,315)</b>	<b>-12.5%</b>
<b>Expenditures</b>						
Technical Services	\$ 872,633	\$ 934,600	\$ 800,000	\$ 403,000	\$ (531,600)	-56.9%
Administrative Services	\$ 1,144	\$ 290,000	\$ 269,000	\$ 300,000	\$ 10,000	3.4%
Financial Services	\$ 18,169	\$ 127,220	\$ 100,000	\$ 119,400	\$ (7,820)	-6.1%
Legal Services	\$ 31,188	\$ 40,000	\$ 50,000	\$ 60,000	\$ 20,000	50.0%
IT Services	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000	100.0%
Communication Services	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	100.0%
Other Professional Services	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	100.0%
Fee Study	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000	100.0%
Monitoring Equipment	\$ -	\$ 16,000	\$ 8,635	\$ 22,000	\$ 6,000	37.5%
Insurance	\$ 10,692	\$ 6,205	\$ 3,792	\$ 5,200	\$ (1,005)	-16.2%
Travel and Training	\$ -	\$ -	\$ 3,000	\$ 6,000	\$ 6,000	100.0%
Dues and Subscriptions	\$ -	\$ -	\$ 2,000	\$ -	\$ -	100.0%
Miscellaneous	\$ 299	\$ -	\$ -	\$ 3,000	\$ 3,000	100.0%
<b>Total Expenditures</b>	<b>\$ 934,125</b>	<b>\$ 1,414,025</b>	<b>\$ 1,236,427</b>	<b>\$ 1,160,600</b>	<b>\$ (253,425)</b>	<b>-17.9%</b>
Net Increase (decrease) in Fund Balance	\$ 112,374	\$ (265,697)	\$ (90,845)	\$ (155,587)	\$ 110,110	
<b>Beginning Fund Balance</b>	<b>\$ 1,202,912</b>	<b>\$ 1,315,286</b>	<b>\$ 1,315,286</b>	<b>\$ 1,224,441</b>		
<b>Ending Fund Balance</b>	<b>\$ 1,315,286</b>	<b>\$ 1,049,589</b>	<b>\$ 1,224,441</b>	<b>\$ 1,068,854</b>	<b>\$ 19,265</b>	
<b>Operating Reserve</b>	<b>\$ -</b>	<b>\$ 287,082</b>		<b>\$ 251,253</b>		
Ending Fund Balance Less Reserve	\$ -	\$ 762,507		\$ 817,601		








\* The SCGA reports a single fund - the General Fund

STRATEGIC PLANNING OBJECTIVES AND STRATEGIES

The SCGA’s mission is to manage, protect and sustain the groundwater resources of the basin in Sacramento County, south of the American River, consistent with the Water Forum Agreement and the Sustainable Groundwater Management Act (SGMA) for the benefit of water users within the basin, and to coordinate with other management entities and activities through the region.

To achieve its goals and objectives, the SCGA has identified the following seven areas to focus its efforts on:

## FOCUS AREAS

-  SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) COMPLIANCE AND BASIN PLANNING;
-  GOVERNANCE AND LEGAL;
-  POLICY AND ADMINISTRATION;
-  FUNDING AND FINANCE;
-  BOARD STRATEGIC PLANNING;
-  PUBLIC ENGAGEMENT AND TRANSPARENCY; AND
-  PROJECTS AND PROGRAMS.

## SGMA COMPLIANCE AND BASIN PLANNING

The SCGA is currently developing its Groundwater Sustainability Plan (GSP) Periodic Evaluation. This effort is undertaken at least every five years after the plan is initially adopted, to determine if the basin is on track to reach sustainability, that the models and assumptions are still valid, to identify new problems, and management actions needed to address them.

Since this is the first such periodic evaluation since inception of the SGMA, the effort will determine if the original assumptions were too optimistic, how much groundwater pumping must be reduced/changed, and whether the basin needs any major plan revisions. The effort is being performed by a contractor who expects the update to be completed in the spring of 2027.

## GOVERNANCE AND LEGAL

The Joint Powers Authority Agreement (JPA) has been in effect since 2006 when SCGA was created. Since then, it has been amended three times with only minor revisions. However, this year the agreement is undergoing a comprehensive update to reflect changing membership in the GSA and its boundaries, as well as to better align it with current legal and program requirements.

As part of this effort, SCGA will revise the SASb GSP implementation MOU to reflect the changes in membership. Sloughouse Resource Conservation District is withdrawing from the GSA and the Omochumne-Hartnell Water District is being annexed and changing its boundaries.

## POLICY AND ADMINISTRATION

In 2006 when the SCGA was created, an MOU was executed with the County of Sacramento to provide a broad spectrum of fiscal and administrative services since the SCGA does not have any employees. That arrangement was in place through June 2025. However, in July 2025 the SCGA discontinued using County services and became organizationally/administratively independent. As a result, a new set of policies and procedures were necessary to establish a framework to ensure legal and fiscal compliance.

Since this is a significant undertaking, the project has been broken down into subtasks. In FY 2025-26, new fiscal and records management policies were approved by the Board. However, the effort will continue through FY 2027 as the agency continues updating the following policies:

- Rules of procedures;
- Board of Directors;
- Officers and employees;
- Assessments, fees, and charges;
- Dispute resolution;
- Conflict of interest; and
- Ethics;

This is an ongoing effort to ensure that the SCGA is fully compliant with all fiscal, legal, and regulatory requirements.

## FUNDING AND FINANCE

The SGMA assigns GSA's many core statutory responsibilities. To fund them, the agency needs to develop an equitable, long-term funding mechanism to ensure full compliance. Although the initial GSP has been completed, there are many ongoing responsibilities which consist of the following:

- Achieve and maintain groundwater sustainability;
- Monitor groundwater conditions;
- Prepare annual reports;
- Periodically evaluate and update the GSP;
- Regulate and manage groundwater use;
- Coordinate with other agencies and GSAs; and
- Public engagement and transparency

SCGA has a workplan in place that is regularly updated to ensure that the necessary funding and resources are in place to fully comply with its responsibilities in a timely manner.

## BOARD STRATEGIC PLANNING

The Board will focus its strategic priorities in the budget year and beyond by advancing long-term groundwater sustainability while maintaining strong governance, financial stability, and stakeholder engagement. It will also support projects and management actions that protect groundwater levels, improve recharge opportunities, strengthen monitoring and data collection, and ensure progress toward avoiding undesirable results. Furthermore, the Board will emphasize sound fiscal planning to sustain operations, leverage state and federal funding opportunities, and invest in strategic infrastructure and science needed to manage the basin effectively.

Through proactive communication and stakeholder engagement, the Board aims to build long-term public trust while ensuring that groundwater resources remain reliable and resilient for communities, agriculture, and ecosystems across the basin.

## PUBLIC ENGAGEMENT AND TRANSPARENCY

SCGA is committed to providing meaningful opportunities for stakeholders and the public to participate in groundwater management decisions. This includes conducting open and accessible board meetings, maintaining publicly available groundwater data and reports, and actively engaging groundwater users, local governments, environmental interests, and community members in discussions regarding basin conditions, management actions, and long-term sustainability goals. This commitment to transparency and engagement ensures that groundwater management actions reflect community input while remaining aligned with regulatory expectations and oversight from agencies such as the California Department of Water Resources.

## PROJECTS AND PROGRAMS

To ensure that regional water supply and groundwater projects align with the SASb framework and long-term sustainability goals, projects will be coordinated with the GSP and sustainability indicators established under the SGMA. This includes early consultation with the relevant GSAs, assessing whether proposed projects improve groundwater recharge, reduce pumping impacts, and confirming that project operations are consistent with basin modeling, monitoring networks, and management actions. Regional collaboration, transparent data sharing, and periodic review with oversight agencies such as the California Department of Water Resources help ensure that investments support the SASb strategy while advancing measurable progress toward long-term groundwater sustainability across the basin.

## FACTORS AFFECTING FINANCIAL CONDITION

A strategic approach to long-term planning is vital in navigating the financial landscape where an agency's revenue hinges on effective collaboration with member agencies and GSAs. Forecasting budgets with scenario analysis, establishing reserve funds, managing costs effectively, maintaining a varied revenue portfolio, advocating for funding support, having contingency plans, and continuously adapting strategies to handle financial fluctuations is a key objective of SCGA.

Numerous factors impact SCGA's financial condition. Although member agencies, SASb MOU Cost Share, and assessments provide a stable revenue base, the following factors are, in part, among the challenges on the horizon.



### AUTHORITY BOUNDARY CHANGES

*Omochumne Hartnell Water District is pursuing annexation of a portion of the current SCGA area in southwestern Sacramento County. This change is slated to begin in FY 2027, resulting in decreased contributions to SCGA;*



### DEPARTURE OF THE SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT FROM THE GSA

*the agency will no longer contribute to the SASb MOU Cost Share;*



### LACK OF ESCALATION OF PARCEL AND GROUNDWATER FEE

*Although the fee study completed in 2021 projected annual inflationary increases in the fee amount, the Board has approved holding the fee constant at the initial level;*



### POLICY AND REGULATORY CHANGES

*Changes in government policies, regulations, or legislative priorities may increase implementation, compliance, and litigation costs;*



### GRANT AVAILABILITY AND COMPETITION

*The availability of discretionary grants and the level of competition for those grants, especially if state or federal funding support is necessary, can directly influence the Agency's ability to secure funding. Changes in government and regional priorities, budget allocations, and the number of applicants competing for grants can all affect grant success rates;*



### ECONOMIC CONDITIONS

*Restrictions on groundwater usage can impact agriculture, and other industries, potentially reducing local economic activity. Additionally, governments may reduce discretionary spending during economic downturns, leading to decreased funding; and*



### PUBLIC SUPPORT AND ADVOCACY

*Public support, community engagement, and advocacy efforts influence funding decisions.*

The SCGA continues to monitor national, regional, and local trends as it carries out its mission to effectively manage SASb groundwater resources. This endeavor will continue to require strategic collaboration with stakeholders and the public. The Board and staff remain committed to protecting regional groundwater assets.

# 2

## BUDGET AND WORK PLAN

# 2 BUDGET AND WORK PLAN

## HOW THE BUDGET IS ORGANIZED

This budget is structured to serve as a comprehensive financial, operational, and strategic planning tool for the Sacramento Central Groundwater Authority (SCGA). It begins with a Letter of Transmittal and Budget Introduction and Executive Summary that outlines the agency’s priorities, funding context, and overall fiscal outlook for FY 2027. The main body includes detailed sections on revenue and expenditure categories, strategic goals, fiscal policies, and organizational structure.

## WHO USES THIS BUDGET

The budget is intended for use by a wide range of audiences:



### GOVERNING BOARD MEMBERS

use it to set priorities, authorize spending, and monitor progress;



### SCGA STAFF

use it to guide daily operations, manage consultant contracts, and ensure compliance with grant and policy requirements; and



### MEMBER AGENCIES, FUNDING PARTNERS, AND THE PUBLIC

use it to understand how public resources are being invested, and what milestones are being pursued.

## HOW TO INTERPRET THE BUDGET

The budget is both a narrative and a financial document. Narrative sections provide the context, strategy, and policy framework for each area of spending, while the accompanying financial tables show actual, estimated, and proposed figures over a multi-year horizon. Together, they illustrate not only how much the SCGA plans to spend, but why those expenditures are necessary, how they align with funding sources, and how they contribute to the agency’s strategic goals. Readers are encouraged to review the narrative and financial information together to gain a full understanding of the agency’s priorities, constraints, and delivery approach.

## FY 2027 BUDGET

The SCGA reports a single fund – the General Fund. The General Fund supports the agency’s operating activities and project costs such as the GSP Periodic Evaluation. The following table provides three years of fiscal information – actual amounts for FY 24/25, estimated amounts for FY 25/26, and proposed amounts for the budget year FY 26/27.

### CONSOLIDATED BUDGET - GENERAL FUND\*

Description	FY 24/25 Actuals	FY 25/26 Budget	FY 25/26 Estimate	FY 26/27 Proposed	Change from FY 25/26	Change in Percent
<b>Revenues</b>						
Member Contributions	\$ 744,977	\$ 744,517	\$ 744,517	\$ 726,739	\$ (17,778)	-2.4%
SASb MOU Cost Share	\$ 48,348	\$ 164,920	\$ 152,765	\$ 43,274	\$ (121,646)	-73.8%
Assessment	\$ 186,263	\$ 188,891	\$ 192,300	\$ 185,000	\$ (3,891)	-2.1%
Interest	\$ 66,911	\$ 50,000	\$ 56,000	\$ 50,000	\$ -	0.0%
<b>Total Revenues</b>	<b>\$ 1,046,499</b>	<b>\$ 1,148,328</b>	<b>\$ 1,145,582</b>	<b>\$ 1,005,013</b>	<b>\$ (143,315)</b>	<b>-12.5%</b>
<b>Expenditures</b>						
Technical Services	\$ 872,633	\$ 934,600	\$ 800,000	\$ 403,000	\$ (531,600)	-56.9%
Administrative Services	\$ 1,144	\$ 290,000	\$ 269,000	\$ 300,000	\$ 10,000	3.4%
Financial Services	\$ 18,169	\$ 127,220	\$ 100,000	\$ 119,400	\$ (7,820)	-6.1%
Legal Services	\$ 31,188	\$ 40,000	\$ 50,000	\$ 60,000	\$ 20,000	50.0%
IT Services	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000	100.0%
Communication Services	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	100.0%
Other Professional Services	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	100.0%
Fee Study	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000	100.0%
Monitoring Equipment	\$ -	\$ 16,000	\$ 8,635	\$ 22,000	\$ 6,000	37.5%
Insurance	\$ 10,692	\$ 6,205	\$ 3,792	\$ 5,200	\$ (1,005)	-16.2%
Travel and Training	\$ -	\$ -	\$ 3,000	\$ 6,000	\$ 6,000	100.0%
Dues and Subscriptions	\$ -	\$ -	\$ 2,000	\$ -	\$ -	100.0%
Miscellaneous	\$ 299	\$ -	\$ -	\$ 3,000	\$ 3,000	100.0%
<b>Total Expenditures</b>	<b>\$ 934,125</b>	<b>\$ 1,414,025</b>	<b>\$ 1,236,427</b>	<b>\$ 1,160,600</b>	<b>\$ (253,425)</b>	<b>-17.9%</b>
Net Increase (decrease) in Fund Balance	\$ 112,374	\$ (265,697)	\$ (90,845)	\$ (155,587)	\$ 110,110	
<b>Beginning Fund Balance</b>	<b>\$ 1,202,912</b>	<b>\$ 1,315,286</b>	<b>\$ 1,315,286</b>	<b>\$ 1,224,441</b>		
<b>Ending Fund Balance</b>	<b>\$ 1,315,286</b>	<b>\$ 1,049,589</b>	<b>\$ 1,224,441</b>	<b>\$ 1,068,854</b>	<b>\$ 19,265</b>	
<b>Operating Reserve</b>	<b>\$ -</b>	<b>\$ 287,082</b>		<b>\$ 251,253</b>		
Ending Fund Balance Less Reserve	\$ -	\$ 762,507		\$ 817,601		

\* The SCGA reports a single fund - the General Fund

The budget takes into consideration all anticipated operating costs for FY 2027 including an assessment fee study with an expected periodic cost of \$150,000. All assumptions in this budget are based on regional priorities, compliance requirements, and any known internal and external constraints. The process is dynamic in nature, requiring continuous monitoring throughout the year.

Operating and project costs are based, in part, on prior year baseline information that has been updated to reflect expectations in the budget year – FY 2027. Authority staff monitor the budget throughout the year to ensure that spending is within the adopted amounts and that revenues are trending as expected.

Overall, the SCGA is expecting revenues of \$1 million in the budget year versus \$1.15 million in the current year – a 12.5% decrease. The primary cause is that the SASb MOU Cost Share total was reduced to \$195,000 in FY 2027 from \$657,050 in the prior year. Since SCGA incurs almost 78% of the total cost, the other members contribute the remainder. Therefore, their fair share of the budget year's estimate is much lower. In addition, Sloughhouse Resource Conservation District (SRCD) left the GSA in FY 25/26 eliminating its contribution to the SASb MOU Cost Share. Therefore, offsetting the decrease, SRCD's 3.7% contribution was equitably shared by each of the other members.

Most of SCGA's revenue is received early in the fiscal year – in particular member contributions. The SASb MOU Cost Share contributions are due mid-year and the assessment installments, which are billed and collected by the County of Sacramento, are due in January and May. Each of the estimates for the primary revenue sources is developed by staff and adopted through Board or Executive Committee resolutions prior to June. Member Contributions are billed in July and payments are normally received by the end of the first quarter of the fiscal year.

Current year and budget year Member Contributions and Assessment are expected to remain about the same – \$21,000 (-4.5%) decrease. Interest income is expected to be unchanged.

Total budgeted expenditures are projected to decrease 18% to a total of \$1.16 million in FY 2027 compared to total budgeted expenditures of \$1.41 million in FY 25/26. Actual expenditures are estimated at \$1.24 million for FY 25/26. The variances are as follows:

- **Technical Services** - Expected to decrease by \$531,000 (-56.9%), most of the costs were to complete the GSP Periodic Evaluation, budgeted at \$512,000 in FY 25/26, which were incurred in the prior year.
- **IT Services** - New for the budget year.
- **Communication Services** - New for the budget year.
- **Other Professional Services** - New for the budget year
- **Fee Study** - This is a periodic cost to update the assessment fee study which supports the fees charged to well owners in the SASb. The last update was completed in 2021.
- **Travel and Training** - Staff and Board members are encouraged to participate in trainings, workshops, and professional forums to maintain regulatory compliance, stay current with groundwater management practices, and support effective governance.

The budgeted ending fund balance is expected to increase by \$19,000 to \$1.06 million over the prior year budgeted ending fund balance.

## EXPLANATION OF REVENUE SOURCES

In September 2014, Governor Brown signed legislation known as the Sustainable Groundwater Management Act (SGMA) requiring medium and high priority groundwater basins to be sustainably managed by local agencies called Groundwater Sustainability Agencies (GSAs). In 2016, SCGA became the official GSA for its designated area within the South American Groundwater Subbasin (SASb). Sustainability is achieved through the development and implementation of a Groundwater Sustainability Plan (GSP). Early in the program, the SCGA applied for grants to cover most of the costs of developing the GSP. However, the costs of staffing the GSA, administration of the GSP, operations, and long-term monitoring, assessment, and reporting required additional funding to meet the State of California Department of Water Resources (DWR) compliance requirements and carry out related groundwater management actions. The costs associated with the unfunded law are as follows:

- Maintaining a Groundwater Database Management System;
- Monitoring and improving the monitoring network;
- Annual reporting;
- Response to Department of Water Resources review;
- Evaluation and assessment of the GSP on five-year intervals;
- Filling data gaps and improving the groundwater model;
- Overseeing and coordinating projects;
- Public outreach; and
- GSA administration.

## REVENUE SOURCES



To fund these costs, the SCGA relies on revenue from multiple sources:

- Member contributions;
- SASb MOU Cost Share contributions;
- Annual assessments for well owners;
- State grants; and
- Interest income

### MEMBER CONTRIBUTIONS



Member contributions are remitted by the six municipal water suppliers that hold seats on the Board of Directors. Members are charged a rate per customer connection and a rate per acre-foot of groundwater extracted. The rate is comparable to that charged to landowners outside of the service area of the member agencies.

Below are the most recent calculations:

### MEMBER CONTRIBUTIONS FY 2027

	Pumping - Acre Feet*	Rate	
SCWA	10,901	\$3.44	\$37,501
Cal-Am	16,733	\$3.44	\$57,560
GSWC	8,082	\$3.44	\$27,802
EGWD	4,160	\$3.44	\$14,312
City of Sac	1,400	\$3.44	\$4,816
<b>Total</b>	<b>41,276</b>	<b>\$3.44</b>	<b>\$141,992</b>

\* Three-year average

	Number of Connections	Rate	
SCWA	62,186	\$2.51	\$156,087
Cal-Am	36,218	\$2.51	\$90,907
GSWC	15,534	\$2.51	\$38,990
EGWD	13,258	\$2.51	\$33,278
City of Sac	96,086	\$2.51	\$241,176
Folsom	9,685	\$2.51	\$24,309
<b>Total</b>	<b>232,967</b>		<b>\$584,747</b>

SCWA	\$193,588
Cal-Am	\$148,468
GSWC	\$66,792
EGWD	\$47,589
City of Sac	\$245,992
Folsom	\$24,309
<b>Total</b>	<b>\$726,739</b>

### SASB MOU COST SHARE CONTRIBUTIONS



Regional Groundwater Sustainability Agencies (GSAs) entered into a memorandum of understanding (MOU) to coordinate management and share costs of SGMA implementation in the South American Subbasin SASb. The Sacramento Central Groundwater Authority serves as the administrator for the SASb. Annually, the GSA managers develop a budget for the shared costs of SASb management, which is then approved by the Subbasin Executive Committee.

### SASB MOU COST SHARE

Sac County	5,257.59
OHWD	26,287.95
NDGSA+ RD551	11,728.47
SCGA	151,725.99
<b>Total</b>	<b>195,000.00</b>

## SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) FEES



In June 2017, the SCGA Board began hearings to discuss a process for equitably assessing and collecting fees from all beneficiaries of sustainable management of the SASb. In April 2021, the Board approved a draft Groundwater Fee Study and authorized staff to mail notification to affected parcel owners, consistent with the election process of Proposition 218. In June of 2021, the Board adopted the fee study. Annually, the Board adopts the assessment fee for the budget year.

The fee includes a per parcel charge as well as a charge for each acre of groundwater extracted. The groundwater use on larger agricultural parcels is estimated based on crop types and climate data. For rural residential parcels and other unirrigated lands, a standard two-acre-foot groundwater charge is assessed. Residential parcels served by water systems that are not represented by the SCGA Board are assessed for one acre-foot of groundwater use. In FY 2027, approximately 8,900 parcels will be assessed a fee on their Sacramento County property tax bill.

## STATE GRANTS



Periodically, the SCGA applies for State grants that align with its priorities in terms of eligible projects and their respective timing. The grants are administered by the California Department of Water Resources. The SCGA does not plan on applying for any State grants in FY 2027 nor does it have any remaining funding for grants awarded in prior years.

## INTEREST



The SCGA's investable cash balance fluctuates year by year as do interest rates. Interest income is generally immaterial to the overall revenue stream. However, cash balances over the last several years have been higher than usual and interest rates have stabilized at 3.5-4% over the last two years leading to increased interest income.

## EXPLANATION OF EXPENDITURE CATEGORIES

The SCGA is supported by consultants who perform all administrative, operational, technical, and fiscal services. The consultants are retained through a competitive procurement process.

### TECHNICAL SERVICES

This category reflects expenditures for specialized services, generally engineering and hydrogeology, obtained via contract to support rate studies, modeling, and Groundwater Sustainability Plan (GSP) Periodic Evaluation.

### MANAGEMENT SERVICES

This category consists primarily of the contract for the Executive Director but may include other services such as records management, Board support, website maintenance, and other organizational needs.

### FINANCIAL SERVICES

This category includes the annual financial audit, accounting and treasury services, and ad hoc financial reporting and compliance.

### LEGAL SERVICES

Legal counsel provides direction regarding policies, contracts, and holding public meetings.

### IT SERVICES

Website support, IT support for hardware, software, and cyber security.

### COMMUNICATION SERVICES

Stakeholder outreach, public engagement and transparency efforts, including website content, outreach materials, and communications needed to increase awareness around SCGA objectives and activities.

### MONITORING EQUIPMENT

Transducer and telemetry equipment and installation to improve data collection.

### INSURANCE

The SCGA carries general liability, cyber liability, and crime insurance through Golden State Risk Management Authority.

### OTHER PROFESSIONAL SERVICES

Support for activities to review and consider changes to governance, organizational structure and associated documents.

### TRAVEL AND TRAINING

Staff and Board members are encouraged to participate in trainings, workshops, and professional forums to maintain regulatory compliance, stay current with groundwater management practices, and support effective governance.

### DUES AND SUBSCRIPTIONS

Primarily Microsoft Sharepoint and QuickBooks monthly and annual fees.

### MISCELLANEOUS

Office and administrative supplies

## FEE STUDY

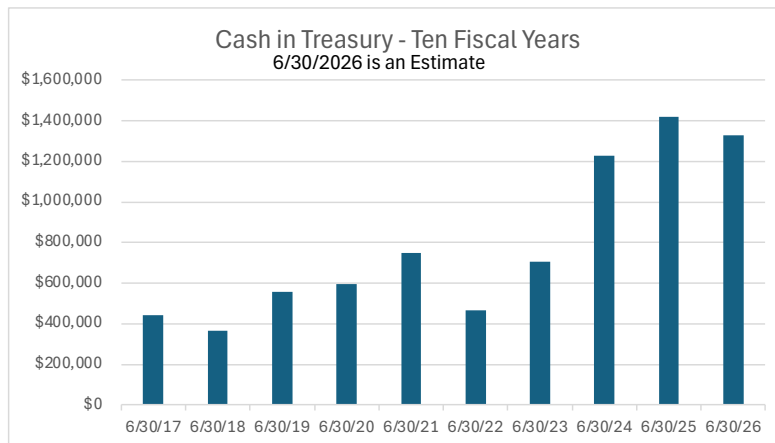
A comprehensive evaluation and update of SCGA's funding structure, including existing revenue sources such as assessments, member contributions, and cost-share agreements. The study will assess the adequacy, equity, and legal defensibility of current funding mechanisms, while identifying opportunities to streamline revenue collection, improve administrative efficiency, and increase transparency for stakeholders. The outcome will be an implementable funding framework aligned with SCGA's ongoing SGMA responsibilities and long-term financial sustainability.

## WORK PLAN

The SCGA's Work Plan for FY 2027 includes completing the transition to an independent organization. The Board directed staff to plan for a comprehensive evaluation and update of the Joint Powers Agreement and all Authority policies, which will be undertaken in the coming fiscal year.

## CASH BALANCES

The following graph shows the SCGA's cash balances over a 10-year period. The agency carefully monitors cash inflows and outflows to ensure adequate cash is on hand to meet operating expenditures. Some of the revenue comes in later in the fiscal year, so the agency needs to maintain \$300,000 to \$400,000 in cash to ensure that funds are available to pay invoices as they come due. As the graph shows, cash balances vary from year but have trended higher more recently. The higher balance was necessary to cover the cost of the GSP periodic update, estimated at about \$512,000. The cash balance is expected to decrease slightly by the end of the current year.



# 3

## BUDGET PROCESS

# 3 BUDGET PROCESS

## BUDGET DEVELOPMENT PROCESS

Budget development begins in February after the prior year’s audited annual financial statements are completed. The ending fund balances from the preceding year serve as the beginning balances for the current year. Using this information as a starting point, staff develop expectations for revenues and expenditures for the remainder of the current fiscal year.

At the beginning of the budget process, staff will determine how much potential funding is available in the budget year. This effort is central to determining cash flows for the budget year and is based, in part, on Board adopted contribution rates and fees.

Once the revenues for the budget year have been established, staff begin aligning expenditures with the available resources and their respective expenditure requirements. The expenditure baseline consists of consulting services, audit and other fiscal services, and overhead. SCGA executes multi-year contracts with many of its consultants who provide technical, operational, and administrative services. As such, staff work with each vendor to determine priority tasks so that the costs of those tasks can be incorporated into the budget.

The budget process is fluid. Staff continually monitor regional factors with potential implications to the Agency and Program. Pursuing funding is a strategic effort that, when successful, often requires timely planning to ensure the funds are spent according to law or contractual requirements.

During the budget hearing in April, the Board or members of the public may ask questions, make comments, or provide direction to staff. If any substantive budget revisions are required in response to comments, they will be incorporated into the final budget which will be presented to the Board in June for its consideration and adoption.

If there are material changes to the budget after its adoption, the Executive Director will confer with the finance team to determine if budget amendments are needed. As necessary, the adopted budget will be amended accordingly and presented to the Board for consideration and adoption.

Over the longer term, if Board direction leads to significant new projects or responsibilities, staff will work to identify financial resources to fund the increased workload. Staff monitors grant opportunities to offset the cost of existing or new initiatives.

## BUDGET CALENDAR



### FEBRUARY

Staff begin developing estimates for revenue and expenditures for the remainder of the current year based on actual year-to-date information. Staff also begin developing expenditure projections for the budget year and 5-year financing plan.



### MARCH

Staff work with the Treasurer to finalize the draft budget.



### APRIL/MAY

Executive Director/Treasurer present draft budget to Board. Comments and desired changes are noted.



### MAY

Prepare Final Budget and staff report. Incorporate recommended changes from April meeting. Updated revenue projections are provided by the Executive Director.



### JUNE

Executive Director/Treasurer present Final Budget with a staff report and resolution to the Board for adoption.



### SUBSEQUENT TO JUNE

Executive Director/Treasurer present Final Budget with a staff report and resolution to the Board for adoption.

## BASIS OF BUDGETING

All budgetary information is reported using the modified accrual basis of accounting like the fund financial statements found in the audited financial statements. This method recognizes revenue when it becomes measurable and available, while expenditures are recognized when the obligation to pay them is incurred. The SCGA's cut off for financial reporting purposes is 90 days after the fiscal year ends – September 30.

# 4

## FINANCIAL POLICIES

# 4 FINANCIAL POLICIES

## BOARD OF DIRECTORS

The Board provides fiscal oversight and establishes the Authority’s financial direction. Primary responsibilities include:

- Adopting and amending financial policies
- Approving the annual operating budget
- Establishing fees and assessments
- Approving contracts exceeding \$50,000
- Approving grant applications requiring a cash match
- Authorizing the use of reserves
- Reviewing periodic financial reports

Through these actions, the Board ensures that SCGA maintains sound fiscal practices and long-term financial sustainability.

## EXECUTIVE DIRECTOR

The Executive Director is responsible for implementing the Board’s financial policies and managing the Authority’s day-to-day fiscal operations. Responsibilities include:

- Preparing and presenting the annual operating budget
- Overseeing financial administration and internal controls
- Executing contracts within delegated authority
- Pursuing grant opportunities consistent with Board priorities
- Monitoring financial performance and operational efficiency
- Providing financial reports and analysis to the Board

## TREASURER

The Treasurer oversees the Authority's investment program and ensures compliance with applicable investment laws. Responsibilities include:

- Investing available cash in accordance with policy and California law
- Monitoring investment performance and risk
- Maintaining a list of approved financial institutions
- Ensuring appropriate financial disclosures and internal controls

## BUDGETING AND FINANCIAL PLANNING

The annual operating budget serves as the Authority's primary financial planning document and supports implementation of the Board-approved work plan.

The budget presents anticipated revenues, expenditures, and available fund balances for the fiscal year. SCGA operates on a fiscal year beginning July 1 and ending June 30.

### KEY BUDGETING PRINCIPLES



- Total expenditures may not exceed projected revenues plus available unrestricted fund balance.
- Budget development begins following completion of the prior year's audited financial statements.
- Revenue estimates are based on member contributions, assessments, grants, and other available funding sources.
- Expenditures are aligned with available resources and operational priorities.

## REVENUE AND EXPENDITURE MANAGEMENT

The Board reviews the proposed budget during a public meeting and adopts the final budget prior to the beginning of the fiscal year. If significant changes occur during the fiscal year, budget amendments may be presented to the Board for approval.

SCGA also evaluates longer-term funding needs and monitors grant opportunities to support future projects and program requirements.

SCGA maintains funding mechanisms designed to provide reliable and equitable revenue streams necessary to support its operations and groundwater sustainability initiatives.

Revenue projections are developed using conservative assumptions and analysis of historical trends, economic conditions, and anticipated funding changes. The Authority will pursue collection of overdue fees and assessments consistent with applicable law.

Expenditures are managed to ensure fiscal stability and efficient operations. Spending priorities focus on core program functions, technical consulting services, administrative support, and compliance with groundwater sustainability responsibilities.

If projected expenditures exceed available revenues, corrective actions may include reducing expenditures, adjusting revenues, or utilizing reserves with Board approval.

## FUND BALANCE AND RESERVE

Maintaining adequate reserves is essential for financial stability and risk management. SCGA seeks to maintain an operating reserve equal to at least three months of projected operating revenues. The reserve provides financial protection against revenue shortfalls, unexpected expenditures, or economic fluctuations.

Operating reserves may be used for emergencies or non-recurring expenditures when approved by the Board. If reserves fall below the target level, a plan should be developed to restore them over time.

## GRANTS MANAGEMENT

Grant funding is an important tool for supporting regional groundwater sustainability projects and reducing financial impacts on local agencies and stakeholders. SCGA may pursue federal, state, or local grants that align with Board priorities and program objectives.

Before applying for grant funding, staff evaluate:

- Alignment with Board priorities
- Financial impacts on the Authority
- Required matching funds
- Potential long-term operational obligations

The Executive Director must obtain Board approval before submitting grant applications, particularly when cash matching funds are required. Staff provide periodic updates regarding the status and effectiveness of grant-funded programs.

## FISCAL MONITORING AND FINANCIAL REPORTING

Ongoing financial monitoring supports transparency, accountability, and informed decision-making by the Board.

Staff prepare periodic financial reports that include:

- Comparisons of actual revenues and expenditures to the adopted budget
- Current fund balance status
- Analysis of financial trends
- Identification of potential financial risks

SCGA also prepares long-range financial forecasts, typically covering a five-year period. These forecasts help identify economic trends, funding risks, and emerging program needs that may influence future budgets.

## ACCOUNTING, AUDITING, AND INTERNAL CONTROLS

SCGA maintains accounting practices and financial reporting systems consistent with Generally Accepted Accounting Principles (GAAP) and other professional standards applicable to public agencies.

The Authority prepares annual audited financial statements, which provide independent verification of financial accuracy and compliance with applicable standards.

Internal control systems are maintained to safeguard assets, ensure accurate financial records, and reduce the risk of fraud or misuse of funds.

### INTERNAL CONTROL SYSTEM ELEMENTS



- Proper authorization of financial transactions
- Separation of duties
- Accurate financial recordkeeping
- Independent review and auditing

These controls help ensure the integrity of SCGA's financial management practices.

## INVESTMENT MANAGEMENT

Public funds are invested in accordance with California Government Code requirements to ensure prudent financial management.

The investment program is guided by four primary objectives, in order of priority:

1. **Safety** – Preservation of principal
2. **Liquidity** – Ability to meet operational cash needs
3. **Diversification** – Managing risk through a balanced portfolio
4. **Yield** – Achieving a reasonable return consistent with safety and liquidity

Authorized investments include U.S. Treasury securities, federal agency securities, the California Local Agency Investment Fund (LAIF), certificates of deposit, and qualified money market funds. Investments generally may not exceed a five-year maturity limit, and portfolio diversification limits are applied to reduce risk.

The Treasurer is responsible for managing the investment portfolio and ensuring compliance with all applicable laws and policy requirements.

## PROCUREMENT AND CONTRACTING

SCGA procures professional services, equipment, and supplies necessary to carry out its programs and operations.

Professional services are selected based on qualifications, expertise, and ability to perform the required work rather than lowest cost alone.

Contracting authority is structured as follows:

- Contracts up to \$50,000: May be executed by the Executive Director if funds are available in the approved budget.
- Contracts exceeding \$50,000: Require written proposals and approval by the Board.

Contract amendments, renewals, or extensions above this threshold must also be approved by the Board.

## POLICY REVIEW

The Financial Policy is periodically reviewed to ensure it remains current and effective. The Board generally reviews the policy every three years or as needed and may adopt revisions to reflect changes in law, financial conditions, or organizational needs.

# 5

## RECORDS RETENTION POLICIES

# 5 RECORDS RETENTION POLICIES

## LEGAL AUTHORITY AND POLICY FRAMEWORK

The Records Management Policy is implemented consistent with California laws governing public records and local agency record retention. Key legal authorities include:

- The California Public Records Act, which governs public access to agency records
- California Government Code provisions addressing retention and destruction of local agency records
- Applicable state laws related to the creation, preservation, and accessibility of public records
- The SCGA Joint Powers Agreement and other governance documents

## ROLES AND RESPONSIBILITIES

Effective records management requires coordinated responsibilities among the Board, Executive Director, and staff.

### BOARD OF DIRECTORS

The Board of Directors establishes the Authority’s records management framework by:

- Adopting the Records Management Policy
- Approving amendments to the policy or retention schedule
- Authorizing destruction of records when required by law
- Ensuring the Authority maintains transparency and legal compliance in records management

The Board’s oversight ensures that the Authority’s records practices support accountability and public trust.

## EXECUTIVE DIRECTOR

The Executive Director is responsible for administering the records management program and ensuring implementation of the policy. Responsibilities include:

- Overseeing compliance with records management requirements
- Ensuring records are properly classified and maintained
- Supervising implementation of the retention schedule
- Coordinating responses to Public Records Act requests
- Recommending policy updates when needed

The Executive Director may designate staff or consultants to assist in carrying out records management functions.

## STAFF AND CONSULTANTS

Staff and consultants responsible for records must:

- Follow the requirements of the Records Management Policy
- Maintain records accurately and securely
- Protect confidential or sensitive information
- Comply with retention schedules and disposition procedures

Proper adherence to these responsibilities helps maintain reliable documentation of the Authority's operations.

## RECORDS CLASSIFICATION AND ORGANIZATION

SCGA records are organized according to record categories or "record series," which group records based on their function, purpose, or subject matter. Examples may include:

- Administrative and governance records
- Financial and accounting records
- Legal and contractual records
- Personnel records
- Technical and groundwater management records
- Grant and project records

Each record series has an associated retention period established in the Records Retention Schedule. SCGA's retention periods reflect legal requirements, operational needs, and historical value.

## RECORDS STORAGE AND PROTECTION

SCGA maintains records in both physical and electronic formats. The policy requires that all records be stored in a manner that ensures:

- Accessibility for authorized personnel
- Protection from loss, damage, or unauthorized access
- Compliance with legal and regulatory requirements

Electronic records must be maintained using reliable systems that protect data integrity and ensure long-term accessibility. Where appropriate, electronic records may serve as the official record copy.

## RECORDS RETENTION

The Records Retention Schedule establishes the length of time that each category of records must be maintained before they may be archived or destroyed.

Retention periods are designed to ensure that records remain available:

- For legal and regulatory compliance
- To support financial audits and administrative review
- To document agency decisions and operations
- To preserve historically significant information

Some records are retained permanently due to their legal, operational, or historical significance. Examples often include governing board actions, major agreements, and key policy documents.

## RECORDS DESTRUCTION AND DISPOSITION

Records may be destroyed when their retention period has expired and they are no longer required for administrative, legal, or operational purposes.

Destruction must occur in accordance with applicable law and only after confirmation that:

- The required retention period has been met
- The records are not subject to litigation, audit, or investigation
- The records are not subject to a pending Public Records Act request

When required by law, the destruction of records must be authorized by the Board of Directors. Records containing confidential or sensitive information must be destroyed in a secure manner to prevent unauthorized disclosure.

## PUBLIC ACCESS AND TRANSPARENCY

SCGA is committed to transparency and public accountability in accordance with the California Public Records Act.

The Authority will provide public access to records upon request unless the records are exempt from disclosure under applicable law. Requests for records are processed in accordance with statutory timelines and procedures.

Maintaining well-organized records systems improves the Authority's ability to respond efficiently to public information requests and supports public trust in agency operations.

## ELECTRONIC RECORDS AND MODERN RECORDKEEPING

As government operations increasingly rely on digital systems, SCGA recognizes the importance of effective electronic records management.

Electronic records must be:

- Maintained in reliable systems
- Protected from unauthorized modification or deletion
- Accessible throughout the required retention period

Where feasible, electronic storage may reduce physical storage needs and improve efficiency in records retrieval and management.

## POLICY ADMINISTRATION AND REVIEW

The Records Management Policy is reviewed periodically to ensure that it remains consistent with current laws, technology, and organizational practices.

Updates to the policy or retention schedule may be recommended by staff and adopted by the Board of Directors as needed.

Regular review helps ensure that SCGA's records management practices remain effective, compliant, and responsive to the Authority's operational needs.

# 6

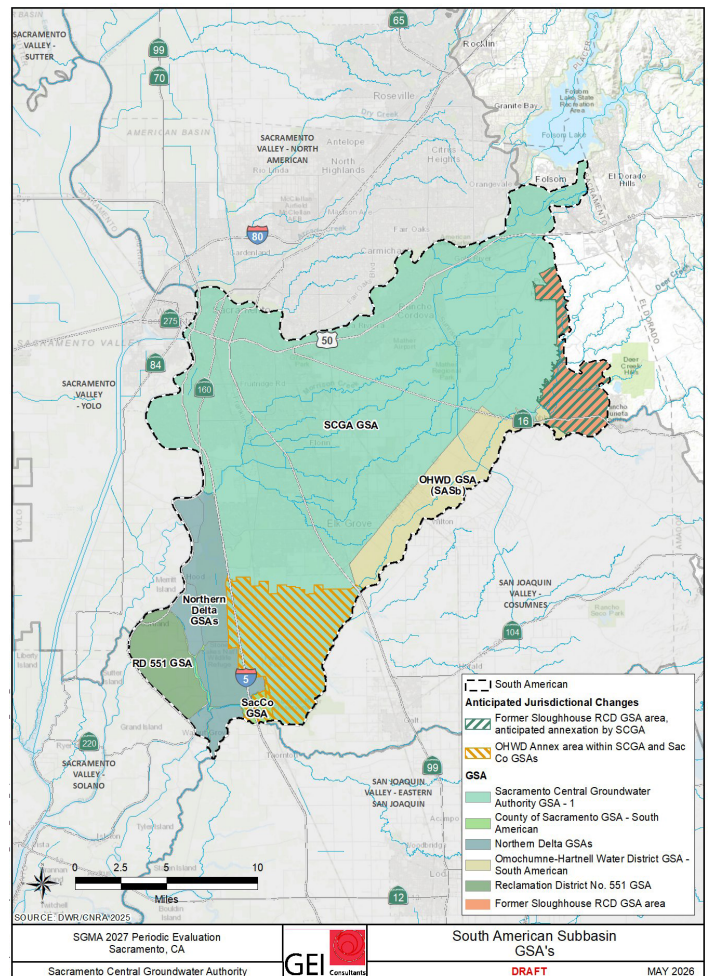
## AUTHORITY OVERVIEW

# 6 AUTHORITY OVERVIEW

## AUTHORITY BACKGROUND

In August 2006, the Sacramento Central Groundwater Authority (Authority) was established pursuant to the Joint Exercise of Powers Act (California Government Code Section commencing with Section 6500) by agreement of the County of Sacramento, the City of Rancho Cordova, the City of Folsom, the City of Elk Grove, and the City of Sacramento. Its purpose is to regulate groundwater by a collaborative process composed of stakeholders in a portion of the South American Subbasin and to develop and implement a Groundwater Sustainability Plan (GSP) to promote the sustainable use of groundwater resources for uses in the public interest and for the common benefit of all water users within the County of Sacramento.

The boundaries of the SCGA encompass the portion of the Sacramento Valley South American Subbasin (Basin 5-21.65) bounded on the north by the American River; bounded on the south by the Consumnes River to the intersection with State Highway 99, Grant Line Road to the intersection with Jackson Highway, and the southern boundary of Keifer Landfill; on the west by the Sacramento River and Interstate 5, and on the east by the Sacramento County Urban Services Boundary.



## GOVERNING BODY

The Governing Body of the SCGA consists of 14 members representing the following interests:



SEVEN MEMBERS  
(ONE FROM EACH AGENCY)

One (1) elected member of the governing body, or designee thereof, of each of the following public agencies:

- The County of Sacramento
- The City of Elk Grove
- The City of Folsom
- The City of Rancho Cordova
- The City of Sacramento
- The Sacramento Area Sewer District
- The Florin Resource Conservation District/  
Elk Grove Water District



TWO MEMBERS  
(ONE FROM EACH COMPANY)

One member of the governing body, or designee thereof, of each of the following private water purveyors or investor-owned utilities:

- The California American Water Company
- The Golden State Water Company



One representative of the agricultural interests within the boundaries of the SCGA



One representative of the agricultural-residential groundwater users within the boundaries of the SCGA



One representative of the commercial/industrial self-supplied groundwater users within the boundaries of the SCGA



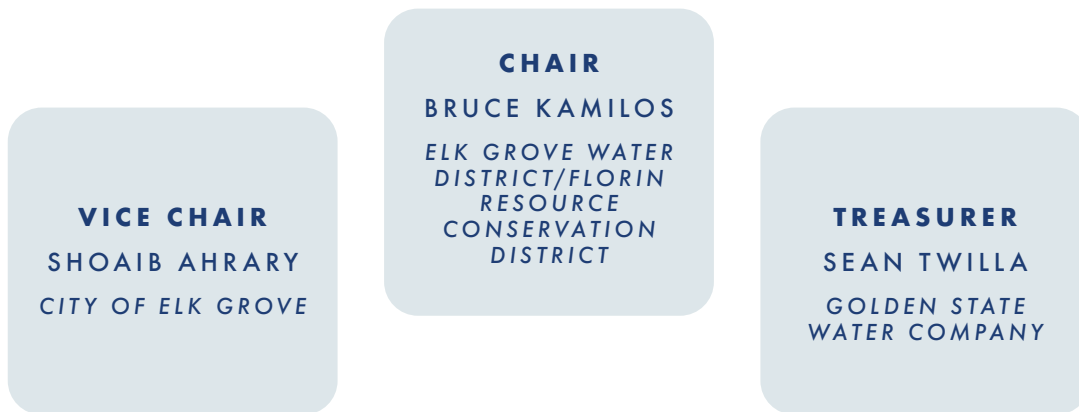
One representative of the conservation landowners within the boundaries of the SCGA



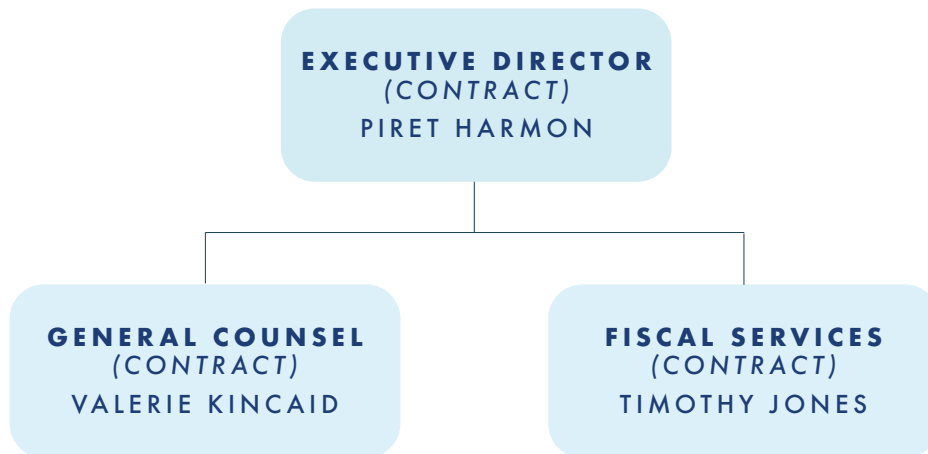
One representative of the public agencies that are self-supplied groundwater users within the boundaries of the SCGA

## AUTHORITY ORGANIZATIONAL CHART

### GOVERNING BOARD



### AUTHORITY STAFF



# 7

## GLOSSARY

# 7 GLOSSARY

## A

- **Adopted Budget** – approved annual budget establishing the legal authority to spend in specific accounts.
- **Audit** – systematic collection of sufficient and competent evidential matter needed to attest to the fairness of management’s assertions in the financial statements, or to evaluate whether management has efficiently and effectively carried out its responsibilities.

## B

- **Balanced Budget** – refers to a budget in which beginning fund balance and revenues are greater than or equal to the total appropriations and fund transfers.
- **Beginning/ending Fund Balance** – total accumulation of resources available in a fund from the prior/current year after payment of the prior/current year’s expenditures. Not necessarily cash on hand.
- **Board** – the Governing Board of the Sacramento Central Groundwater Authority
- **Budget** – plan of financial operation consisting of proposed/approved appropriations for specified purposes and the proposed/approved means of financing them.
- **Budget Calendar** – schedule of key dates and milestones that a government follows in the preparation and adoption of its budget.

## E

- **Expenditures** – authorized spending such as employee salaries and benefits, professional services, and capital construction costs.

## F

- **Final Budget** – presented during the June Board meeting and adopted if there are not any material changes needed.
- **Fiscal Year** – the SCGA’s fiscal year is July 1 through June 30.
- **Fund** – group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The SCGA reports only one fund – the General Fund.
- **Fund Balance** – total amount remaining after current appropriations and other financing uses are subtracted from the sum of the beginning fund balance, revenues, and other financing sources.

**G**

- **General Fund** – fund used to administer the GSA. The SCGA reports only this fund.

**M**

- **Modified accrual basis of accounting** – recognizes revenue when it becomes measurable and available, while expenditures are recognized when the obligation to pay them is incurred.

**R**

- **Reserve** – portion of a fund’s balance that is available for appropriation but has been reserved for economic uncertainties.
- **Resolution** – written motion adopted by the Governing Board.
- **Revenues** – income received from various sources including intergovernmental taxes and fees, grants, and other contributions.

**S**

- **SASb** – South American Subbasin
- **SCGA** – Sacramento Central Groundwater Authority
- **SGMA** – Sustainable Groundwater Management Act



**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

## Sacramento Central Groundwater Authority

### Board of Directors

#### AGENDA REPORT

<b>MEETING DATE:</b>	June 18, 2026
<b>AGENDA ITEM:</b>	6.2
<b>SUBJECT:</b>	Groundwater Fee FY 2027
<b>RECOMMENDATION:</b>	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.

#### **BACKGROUND:**

The Sacramento Central Groundwater Authority (SCGA) serves as a Groundwater Sustainability Agency under the Sustainable Groundwater Management Act (SGMA) for a portion of the South American Subbasin.

In June 2021, following completion of Proposition 218 protest proceeding and public hearing process, the SCGA Board of Directors (Board) adopted groundwater fees based on the SCGA Groundwater Fee Study. The adopted fee structure established a hybrid funding approach consisting of:

- a parcel-based fee applicable to all benefited parcels; and
- a groundwater use fee applicable to groundwater users.

The Groundwater Fee Study was developed to establish cost-based, equitable, and proportional fees to support implementation of SGMA, groundwater sustainability planning, monitoring, administration, and related groundwater management activities.

The approved Proposition 218 fee structure established maximum allowable fee levels, while also allowing the Board to annually approve fees at lower amounts based on budgetary needs.

For FY 2026, the Board approved fees of \$2.51 per parcel and \$3.44 per acre-foot of groundwater use.

**DISCUSSION:**

The proposed FY 2027 groundwater fees are intended to support implementation of the FY 2027 SCGA Work Plan and Budget, including SGMA compliance activities, regional coordination, governance and policy updates, technical support, and administrative operations.

Based on the proposed FY 2027 Budget, staff are recommending maintaining groundwater fees at the same levels adopted for FY 2026:

- \$2.51 per parcel; and
- \$3.44 per acre-foot of groundwater use.

The proposed fees remain below the maximum fee levels identified in the Groundwater Fee Study and are anticipated to generate sufficient revenues, together with other funding sources, to support FY 2027 activities.

If approved, the fees will become effective July 1, 2026. Fees applicable through the property tax roll will be submitted to the Sacramento County Treasurer-Tax Collector in accordance with applicable deadlines and procedures.

**FISCAL IMPACT:**

The proposed groundwater fees are included as a revenue source in the FY 2027 SCGA Budget.

**CEQA DETERMINATION:**

Not applicable.

**ATTACHMENT(S):**

Resolution 2026-03

**PREPARED BY:**

Piret Harmon  
Executive Director

**RESOLUTION NO. 2026-03**

**OF THE BOARD OF DIRECTORS OF THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY  
SETTING GROUNDWATER FEES FOR FY 2027**

WHEREAS:

- 1) The Sacramento Central Groundwater Authority (“SCGA”) was formed in 2006 as a Joint Powers Authority to support regional groundwater management within the South American Subbasin; and
- 2) In 2016, SCGA elected to become a Groundwater Sustainability Agency pursuant to the Sustainable Groundwater Management Act for a portion of the South American Subbasin; and
- 3) Pursuant to Water Code section 10730 and Article 2 of the SCGA Rules of Procedure, Assessments, Fees, and Charges, SCGA is authorized to establish fees to support SGMA activities, Department of Water Resources compliance mandates, and costs for services provided within its boundary; and
- 4) In June 2021, following completion of Proposition 218 protest proceeding, the SCGA Board of Directors adopted groundwater fees based on the SCGA Groundwater Fee Study; and
- 5) The SCGA Groundwater Fee Study established a framework for annual groundwater fees consisting of a parcel fee and a groundwater use fee to support implementation of SGMA and related groundwater management activities; and
- 6) Based on the adopted fiscal year (“FY”) 2027 Budget, the Board has determined that groundwater fees for FY 2027 should be established at levels below the maximum amounts identified in the Groundwater Fee Study; and
- 7) Upon adoption of this Resolution, the FY 2027 groundwater fees will become effective on July 1, 2026, and will be recovered on a parcel’s property tax statement through the Sacramento County Treasurer-Tax Collector or through direct billing, as applicable.

THEREFORE, BE IT RESOLVED, by the Sacramento Central Groundwater Authority Board of Directors that:

1. Effective July 1, 2026, the parcel fee is established in the amount of \$2.51 per parcel.
2. Effective July 1, 2026, the groundwater use fee is established in the amount of \$3.44 per acre-foot of groundwater use.
3. SCGA staff are hereby authorized and directed to take such other and further actions as may be necessary or appropriate to implement the intent and purpose of this Resolution.

Passed and adopted this 18<sup>th</sup> day of June 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Bruce Kamilos, Chair

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Denise Silva  
Clerk of the Board of Directors  
Sacramento Central Groundwater Authority  
County of Sacramento, State of California

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

\_\_\_\_\_  
Valerie Kincaid  
Legal Counsel  
Sacramento Central Groundwater Authority

\_\_\_\_\_  
Date

## Sacramento Central Groundwater Authority

### Board of Directors

#### AGENDA REPORT

**MEETING DATE:** June 18, 2026

**AGENDA ITEM:** 6.3

**SUBJECT:** Board Travel Policy

**RECOMMENDATION:** Adopt Resolution 2026-04 establishing the Board Travel and Expense Policy.

#### **BACKGROUND:**

The Sacramento Central Groundwater Authority (SCGA) Board of Directors periodically attends conferences, training programs, meetings, and other events related to groundwater management, governance, and public agency operations. Participation in these activities supports informed decision-making, professional development, and effective representation of SCGA in regional and statewide discussions.

SCGA currently does not have a standalone policy governing Board travel and expense reimbursement. Establishing a Board Travel and Expense Policy will provide clear and consistent guidance regarding authorization of travel, reimbursement of eligible expenses, documentation requirements, and administrative procedures.

#### **DISCUSSION:**

The proposed policy establishes standards for reimbursement of travel-related expenses incurred by Board members and Alternate Board members while conducting official SCGA business.

The policy is intended to ensure prudent use of public funds while supporting Board participation in activities that further SCGA's mission and responsibilities. The policy also promotes transparency and consistency in the administration of travel-related expenditures.

If approved, the Board Travel and Expense Policy will become part of SCGA's policy framework and will be administered by the Executive Director.

**FISCAL IMPACT:**

No fiscal impact.

**CEQA DETERMINATION:**

Not applicable.

**ATTACHMENT(S):**

Resolution No. 2026-04

Exhibit A – Board Travel and Expense Policy

**PREPARED BY:**

Piret Harmon

Executive Director

**RESOLUTION NO. 2026-04**

**OF THE BOARD OF DIRECTORS OF THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY  
ESTABLISHING THE BOARD TRAVEL AND EXPENSE POLICY**

WHEREAS:

- 1) The Sacramento Central Groundwater Authority (“SCGA”) Board of Directors recognizes the importance of Board member participation in conferences, meetings, trainings, and other activities related to official SCGA business; and
- 2) SCGA desires to establish clear and consistent guidelines regarding authorization and reimbursement of travel and related expenses incurred by Board members in the conduct of official SCGA business; and
- 3) The proposed Board Travel and Expense Policy is intended to promote prudent use of public funds, accountability, transparency, and compliance with applicable laws and regulations; and
- 4) The proposed Policy establishes standards for authorization of travel, reimbursement of eligible expenses, documentation requirements, and related administrative procedures.

THEREFORE, BE IT RESOLVED, by the Sacramento Central Groundwater Authority Board of Directors that:

1. The Board Travel and Expense Policy is approved as set forth in Exhibit A, attached hereto.
2. The Executive Director is authorized to administer the Policy and implement administrative procedures consistent with the Policy.
3. This Resolution shall take effect immediately upon adoption.

Passed and adopted this 18<sup>th</sup> day of June 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Bruce Kamilos, Chair

\_\_\_\_\_  
Date

ATTEST:

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Denise Silva  
Clerk of the Board of Directors  
Sacramento Central Groundwater Authority  
County of Sacramento, State of California

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Date

APPROVED AS TO FORM:

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Valerie Kincaid  
Legal Counsel  
Sacramento Central Groundwater Authority

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Date

Exhibit A: Ethics Policy

# **SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

## **Board Travel and Expense Policy**

### **1. Purpose**

The purpose of this Policy is to establish guidelines for authorization and reimbursement of travel and related expenses incurred by members of the Sacramento Central Groundwater Authority (SCGA) Board of Directors in the conduct of official SCGA business.

This Policy is intended to:

- Ensure that public funds are used in a prudent and responsible manner;
- Provide clear and consistent guidance for reimbursable expenses; and
- Support Board participation in activities that advance SCGA's mission and responsibilities.

### **2. Applicability**

This Policy applies to SCGA Board members and Alternate Board members, when acting in an official capacity, who are not employed by another public agency or privately owned water utility.

### **3. Authorization**

#### 3.1 General

SCGA will pay for or reimburse travel-related expenses only when:

- The travel is for official SCGA business;
- The travel has been authorized by the Executive Director; and
- Funds have been appropriated in the adopted budget.

#### 3.2 Authorization Process

Board member interested in attending conferences or planning to undertake other travel for official SCGA business shall submit a request to the Executive Director prior to incurring any costs. The Executive Director shall respond to the request within a reasonable time allowing sufficient time for Board member planning.

#### 3.3 Board Determination

If a situation arises that is not addressed in this Policy, the Board of Directors may make a determination regarding eligibility and reimbursement.

### **4. Eligible Expenses**

#### 4.1 Meal and Incidental Expenses

Meal and incidental expenses shall be reimbursed on a per diem basis using the rates established annually by the Internal Revenue Service (IRS).

- Per diem reimbursement applies only when travel requires an overnight stay;
- Meals included in conference or event registration fees are not reimbursable.

#### 4.2 Lodging

Lodging expenses shall be reimbursed based on actual costs, provided such costs are reasonable.

- For conferences or organized events, reimbursement shall not exceed the published group rate;
- If no group rate is available, reimbursement shall be limited to comparable lodging at reasonable rates.

#### 4.3 Transportation

Transportation expenses shall be reimbursed based on actual costs, except:

- Use of a personal vehicle shall be reimbursed at the IRS mileage rate in effect at the time of travel.
- The most reasonable and cost-effective method of transportation shall be used, considering both cost and time.
- If a more expensive option is selected for personal convenience, the additional cost shall not be reimbursed.

#### 4.4 Registration Fees and Miscellaneous Expenses

Registration fees and necessary incidental expenses, including parking, tolls, and similar costs, shall be reimbursed based on actual costs.

#### 4.5 Receipts

Itemized receipts are required for all reimbursable expenses based on actual costs. The receipts shall include:

- A description of each cost incurred, item by item;
- The amount of the expenditure;
- The date and place of the expenditure; and
- The business purpose of the expenditure.

#### 4.6 Non-Reimbursable Expenses

The following expenses are not reimbursable:

- Expenses for spouses, family members, or guests;
- Personal or discretionary expenses not related to SCGA business.
- Alcohol.

#### 4.7 Advance Payment

Upon request, SCGA may provide advance payment for approved travel-related expenses, subject to administrative procedures.

### 5. General Standards

5.1 Reasonableness

All expenses must be reasonable, necessary, and directly related to SCGA business.

5.2 Compliance with Law

Reimbursements shall comply with applicable provisions of the California Government Code, including requirements related to public disclosure of reimbursements.

5.3 Accountability and Transparency

All reimbursements shall be documented and processed in accordance with SCGA financial procedures to ensure transparency and accountability.

**6. Reporting**

Board members shall submit expense claims in a timely manner following completion of travel, including all required documentation. SCGA shall report reimbursements as required by law.

**7. Policy Administration and Review**

The Executive Director shall administer this Policy. The Policy shall be reviewed periodically and updated as necessary to reflect changes in IRS rates, legal requirements, or SCGA practices.

**Policy Information and Version History**

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<b>Policy Title</b>	Board Travel Policy
<b>Approved By</b>	SCGA Board of Directors
<b>Resolution No.</b>	
<b>Effective Date</b>	
<b>Review Cycle</b>	Every three years or as needed
<b>Replaces</b>	n/a

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**Version History**

<b>Version</b>	<b>Date</b>	<b>Summary of Changes</b>
1.0		Initial adoption of Board Travel Policy

## Sacramento Central Groundwater Authority

### Board of Directors

#### AGENDA REPORT

**MEETING DATE:** June 18, 2026

**AGENDA ITEM:** 6.4

**SUBJECT:** Ethics Policy

**RECOMMENDATION:** Adopt Resolution 2026-05 approving the updated Ethics Policy.

#### **BACKGROUND:**

The Sacramento Central Groundwater Authority (SCGA) is committed to maintaining high standards of ethical conduct and transparent governance. SCGA previously adopted an ethics policy as Policy 100.3 in its policy manual. The Board has determined that updates are appropriate to provide a clearer and more contemporary framework for ethical conduct by Board members, staff, consultants, and other representatives.

#### **DISCUSSION:**

The Ethics Policy establishes clear expectations for ethical conduct by SCGA Board of Directors, officers, staff, consultants, committee members, and other representatives acting in an official SCGA capacity. The policy is intended to promote integrity, accountability, public trust, and transparent governance in carrying out SCGA responsibilities.

The policy addresses ethical standards, conflicts of interest, use of public resources, conduct of meetings and decision-making, communications, gifts and financial influence, confidential information, reporting and enforcement, training and acknowledgment, and policy administration and review.

The policy is written at a policy level and is intended to align with applicable legal requirements without restating detailed statutory thresholds, deadlines, or other regulatory specifics that may change over time.

Following Board approval, the Ethics Policy will replace Policy 100.3 and will become part of the SCGA policy framework going forward.

**FISCAL IMPACT:**

No fiscal impact.

**CEQA DETERMINATION:**

Not applicable.

**ATTACHMENT(S):**

Resolution No. 2026-05  
Exhibit A – Ethics Policy

**PREPARED BY:**

Denise Silva  
Advisor

**RESOLUTION NO. 2026-05**

**OF THE BOARD OF DIRECTORS OF THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY  
APPROVING THE UPDATED ETHICS POLICY**

WHEREAS:

- 1) The Sacramento Central Groundwater Authority ("SCGA") is a public agency formed to carry out groundwater sustainability and related governance responsibilities;
- 2) SCGA is committed to maintaining high standards of ethical conduct, transparency, and accountability in carrying out its responsibilities;
- 3) SCGA previously adopted an ethics policy as Policy 100.3 and now desires to update and replace that policy with a clearer and more contemporary framework for ethical conduct;
- 4) The Ethics Policy establishes expectations for ethical conduct by SCGA Board of Directors, officers, staff, consultants, committee members, and other representatives acting in an official SCGA capacity.

THEREFORE, BE IT RESOLVED, by the Sacramento Central Groundwater Authority Board of Directors that:

1. The Ethics Policy is approved as set forth in Exhibit A, attached hereto.
2. The Ethics Policy replaces and supersedes Policy 100.3.
3. This Resolution shall take effect immediately upon adoption.

Passed and adopted this 18<sup>th</sup> day of June 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Bruce Kamilos, Chair

\_\_\_\_\_  
Date

ATTEST:

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Denise Silva  
Clerk of the Board of Directors  
Sacramento Central Groundwater Authority  
County of Sacramento, State of California

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Date

APPROVED AS TO FORM:

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Valerie Kincaid  
Legal Counsel  
Sacramento Central Groundwater Authority

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Date

Exhibit A: Ethics Policy

# **SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

## **Ethics Policy**

### **1. Purpose**

The purpose of this Ethics Policy is to establish clear expectations for ethical conduct by the Sacramento Central Groundwater Authority (SCGA) Board of Directors, officers, staff, and consultants.

This Policy is intended to:

- Promote integrity, accountability, and public trust;
- Ensure compliance with applicable laws governing public officials and agencies;
- Provide guidance for ethical decision-making; and
- Support transparent and fair governance in carrying out SCGA's responsibilities.

### **2. Rules and Guidance**

This Policy is adopted pursuant to, and shall be interpreted consistently with:

- The SCGA Joint Powers Agreement and Board-adopted governance documents;
- The California Political Reform Act (Government Code § 81000 et seq.);
- Conflict of Interest Code requirements (2 CCR § 18730);
- The Ralph M. Brown Act (Government Code § 54950 et seq.);
- Applicable provisions of the California Government Code relating to ethics, transparency, and public service; and
- Other applicable federal, state, and local laws.

If any provision of this Policy conflicts with mandatory legal requirements, such legal requirements shall control.

### **3. Applicability**

This Policy applies to:

- Members of the Board of Directors;
- Officers of the Authority;
- Staff and contract personnel acting on behalf of SCGA; and
- Committee members and other representatives acting in an official SCGA capacity.

### **4. Ethical Standards**

#### **4.1 Public Trust and Integrity**

Individuals subject to this Policy shall act in a manner that:

- Upholds the public trust;
- Places the interests of the public and SCGA above personal or private interests; and
- Demonstrates honesty, fairness, and integrity in all actions.

## 4.2 Compliance with Law

All individuals shall comply with applicable laws governing:

- Conflicts of interest;
- Financial disclosures;
- Open meetings and public records; and
- Use of public resources.

## 5. Conflicts of Interest

### 5.1 General

SCGA has adopted a Conflict of Interest Code, pursuant to the Political Reform Act, the Government Code, and the guidance of the Fair Political Practices Commission. The Conflict of Interest Code includes guidance on reporting and avoiding unlawful relationships and conflicts. Individuals shall comply with the SCGA Conflict of Interest Code and further avoid situations in which personal, financial, or other interests conflict, or appear to conflict, with the interests of SCGA.

All individuals have the responsibility to be informed and uphold the laws applicable to their respective positions. If there are questions regarding the rules or limitations, individuals are encouraged to request guidance from the Executive Director and/or SCGA counsel.

### 5.2 Disclosure

Potential conflicts of interest must be disclosed in accordance with applicable law and SCGA's Conflict of Interest Code.

### 5.3 Recusal

Individuals shall not participate in decisions in which they have a disqualifying conflict of interest and shall comply with all legal requirements regarding recusal.

## 6. Use of Public Resources

Public resources, including funds, equipment, facilities, and staff time, shall be used only for authorized SCGA purposes. Use of SCGA resources for personal, political, or other non-official purposes is prohibited except as allowed by law.

## 7. Conduct of Meetings and Decision-Making

### 7.1 Open and Transparent Governance

All actions shall be conducted in compliance with the Brown Act, ensuring that:

- Decisions are made openly and transparently;
- Public participation is encouraged; and
- Information is accessible to stakeholders.

## 7.2 Respectful Conduct

Board members and participants shall:

- Treat one another, staff, and the public with respect;
- Encourage open and constructive dialogue; and
- Avoid disruptive or inappropriate behavior.

## 8. Communications

### 8.1 Role Clarity

Board members shall:

- Respect the distinction between governance and management;
- Direct operational inquiries through the Executive Director; and
- Avoid directing staff outside established channels.

### 8.2 Representation of SCGA

Individuals shall clearly distinguish between:

- Personal opinions; and
- Official positions of SCGA.

Only authorized individuals may speak on behalf of SCGA in an official capacity.

## 9. Gifts and Financial Influence

Individuals shall comply with all applicable laws and regulations governing:

- Acceptance of gifts;
- Reporting requirements; and
- Prohibited financial interests.

No individual shall accept gifts or benefits that could reasonably be perceived to influence decision-making.

## 10. Confidential Information

Confidential or non-public information obtained through SCGA service shall not be:

- Used for personal gain; or
- Disclosed without proper authorization.

## 11. Reporting and Enforcement

### 11.1 Reporting Concerns

Suspected violations of this Policy may be reported to:

- The Executive Director;
- Legal Counsel; or
- The Board Chair, as appropriate.

### 11.2 Review and Action

Reported concerns shall be reviewed and addressed in a manner consistent with applicable law and due process.

The Board has the discretion to take appropriate action in response to violations, including:

- Censure or other formal action;
- Referral to appropriate authorities; or
- Other remedies as allowed by law.

## 12. Training and Acknowledgment

Board members shall complete required ethics training in accordance with California law, including Government Code 53234 (AB 1234). SCGA may require periodic acknowledgment of this Policy.

## 13. Policy Administration and Review

The Executive Director shall administer this Policy. The Policy shall be reviewed periodically and updated as necessary to reflect changes in law, best practices, or organizational needs.

### Policy Information and Version History

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<b>Policy Title</b>	Ethics Policy
<b>Approved By</b>	SCGA Board of Directors
<b>Resolution No.</b>	
<b>Effective Date</b>	
<b>Review Cycle</b>	Every three years or as needed
<b>Replaces</b>	Policy 100.3

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### Version History

Version	Date	Summary of Changes
2.0		Replaces Policy 100.3

## Sacramento Central Groundwater Authority

### Board of Directors

#### AGENDA REPORT

**MEETING DATE:** June 18, 2026

**AGENDA ITEM:** 6.5

**SUBJECT:** Conflict of Interest Code

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

#### **BACKGROUND:**

The Political Reform Act requires state and local government agencies to adopt and maintain conflict of interest codes. SCGA's existing Policies and Procedures Manual incorporates the Fair Political Practices Commission's model conflict of interest code under 2 California Code of Regulations section 18730, but the code has not been updated to reflect SCGA's current organizational structure and filing requirements.

The Fair Political Practices Commission has advised that SCGA is a single-county local agency because SCGA does not own real property outside Sacramento County and does not exercise authority outside Sacramento County. As a result, the Sacramento County Board of Supervisors, rather than the Fair Political Practices Commission, is the code-reviewing body for SCGA's Conflict of Interest Code.

The amended code is intended to update SCGA's Conflict of Interest provisions to reflect current agency roles, current disclosure obligations, and current filing procedures.

#### **DISCUSSION:**

The amended Conflict of Interest Code incorporates the Fair Political Practices Commission's standard regulation at 2 California Code of Regulations section 18730 by reference and updates the positions and disclosure categories applicable to SCGA.

Following Board approval, the amended code will be submitted to the Sacramento County Board of Supervisors for review and approval as the code-reviewing body.

**FISCAL IMPACT:**

No fiscal impact.

**CEQA DETERMINATION:**

Not applicable.

**ATTACHMENT(S):**

Resolution No. 2026-06  
Exhibit A – Conflict of Interest Code

**PREPARED BY:**

Denise Silva  
Advisor

**RESOLUTION NO. 2026-06**

**OF THE BOARD OF DIRECTORS OF THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY  
APPROVING THE AMENDED CONFLICT OF INTEREST CODE**

**WHEREAS:**

- 1) The Sacramento Central Groundwater Authority ("SCGA") is a public agency formed to carry out groundwater sustainability and related governance responsibilities;
- 2) The Political Reform Act (Government Code section 81000 et seq.) requires local government agencies to adopt and maintain conflict of interest codes, and the Fair Political Practices Commission has adopted a standard conflict of interest code regulation at 2 California Code of Regulations section 18730 that may be incorporated by reference into a local agency conflict of interest code;
- 3) SCGA previously incorporated the Fair Political Practices Commission model conflict of interest code into its Policies and Procedures Manual, and the Board of Directors now desires to amend the Conflict of Interest Code to reflect SCGA's current organizational structure, designated positions, and filing requirements;
- 4) The Fair Political Practices Commission has advised that SCGA is a single-county local agency because SCGA does not own real property outside Sacramento County and does not exercise authority outside Sacramento County, and therefore the County of Sacramento Board of Supervisors is the code-reviewing body for SCGA's Conflict of Interest Code;
- 5) The amended Conflict of Interest Code identifies the SCGA officials and designated positions subject to Statement of Economic Interests filing requirements and establishes disclosure categories tailored to SCGA's operations.

**THEREFORE, BE IT RESOLVED, by the Sacramento Central Groundwater Authority Board of Directors that:**

1. The amended Conflict of Interest Code is approved as set forth in Exhibit A, attached hereto.
2. The Executive Director is authorized and directed to submit the amended Conflict of Interest Code to the County of Sacramento Board of Supervisors for review and approval as the code-reviewing body.
3. Upon approval by the County of Sacramento Board of Supervisors, the amended Conflict of Interest Code shall supersede any prior conflict of interest code previously adopted by SCGA.

Passed and adopted this 18<sup>th</sup> day of June, 2026 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Bruce Kamilos, Chair

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Denise Silva  
Clerk of the Board of Directors  
Sacramento Central Groundwater Authority  
County of Sacramento, State of California

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

\_\_\_\_\_  
Valerie Kincaid  
Legal Counsel  
Sacramento Central Groundwater Authority

\_\_\_\_\_  
Date

Exhibit A: Amended Conflict of Interest Code

**CONFLICT OF INTEREST CODE**  
**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

The Political Reform Act (Government Code section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, together with the attached Appendices designating positions and establishing disclosure categories, are hereby incorporated by reference and, along with this cover document, shall constitute the Conflict of Interest Code of the Sacramento Central Groundwater Authority (SCGA).

Individuals holding designated positions under this Code shall file Statements of Economic Interests (Form 700) with SCGA's filing officer, who shall ensure that the statements are retained and forwarded as required by law. Individuals in positions listed under "Officials Who Manage Public Investments" file Statements of Economic Interests electronically with the Fair Political Practices Commission, which serves as the filing officer for those positions pursuant to Government Code section 87200.5. All statements must be made available for public inspection and reproduction under Government Code section 81008.

For purposes of this Code, the jurisdiction of SCGA means the geographic area within the boundaries of the SCGA as defined in its Joint Powers Agreement.

Designated positions must disclose reportable interests in the categories assigned to them in Appendix A, using the definitions and requirements of Government Code section 82000 et seq. and 2 CCR section 18730.

The Conflict of Interest Code shall be reviewed and updated, if necessary, in even-numbered years, consistent with Government Code section 87306.5.

### **Appendix A – Designated Positions**

Designated positions are those positions within SCGA that make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

Designated Position	Disclosure Category
Board Members	1, 2, 3
Executive Director	1, 2, 3
General Counsel	1, 2, 3
Finance Manager	1, 2, 3

### **Appendix B – Disclosure Categories**

#### **Category 1 – Authority Vendors, Service Providers, and Contractors**

Investments and business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments), if the business entity or source:

1. Provides leased facilities, products, equipment, vehicles, machinery, or services (including training, consulting, engineering, environmental, legal, financial, or technical services) of the type utilized by SCGA.

#### **Category 2 – Grants, Funding, and Claims**

Investments and business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments), if the business entity or source:

1. Is of the type to receive grants, contracts, or other funding from or through SCGA; or
2. Has, during the reporting period, filed a claim or has a claim pending before SCGA.

### **Category 3 – Real Property and Water-Related Interests**

1. Real property located within the jurisdiction of SCGA or within two miles of property owned, leased, or used by SCGA.
2. Water rights, groundwater extraction rights, or water supply interests within the Central Basin or in areas where SCGA exercises programs or projects.

## Sacramento Central Groundwater Authority

### Board of Directors

#### AGENDA REPORT

- MEETING DATE:** June 18, 2026
- AGENDA ITEM:** 6.6
- SUBJECT:** 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.

**BACKGROUND:**

The Sacramento Central Groundwater Authority (SCGA) relies on contracted professional services to support implementation of the Sustainable Groundwater Management Act (SGMA), administration of the South American Subbasin Groundwater Sustainability Plan (GSP), agency governance, financial management, legal compliance, and day-to-day operations.

Since July 2025, Regional Government Services (RGS) has provided executive management and administrative staffing services to SCGA, including assignment of Piret Harmon as Executive Director. Prior to that time, RGS was selected through a competitive recruitment process conducted by the Board. RGS provides executive leadership, Board and committee support, interagency coordination, stakeholder engagement, budget development, consultant oversight, and administrative services necessary for SCGA operations.

GEI Consultants, Inc. (GEI), together with its subcontractors Larry Walker Associates and Woodard & Curran, has provided technical consulting services in support of SGMA implementation, groundwater monitoring, annual reporting, and Groundwater Sustainability Plan development and maintenance. GEI serves as SCGA's primary technical consultant and supports compliance with SGMA requirements and coordination among the South American Subbasin Groundwater Sustainability Agencies.

Paris Kincaid Wasiewski serves as SCGA's General Counsel and provides legal advice related to SGMA implementation, governance, Brown Act compliance, Public Records Act requirements, contracts, and agency operations.

TTJ Consulting has provided financial administration and accounting services to SCGA, including accounts payable and receivable processing, financial reporting, audit support, budget development, and financial review of agency policies and agreements. As part of the FY 2027 work plan, SCGA intends to evaluate transitioning certain financial support services to RGS. TTJ's scope of work includes transition support activities to facilitate an orderly transfer of responsibilities, should the Board elect to proceed.

#### **DISCUSSION:**

The proposed FY 2027 professional services agreements provide the core staffing and technical resources necessary to implement the SCGA FY 2027 Work Plan and maintain compliance with SGMA requirements.

The RGS agreement provides executive and administrative staffing services, including management of Board and committee activities, consultant oversight, stakeholder coordination, budget and fee development, and implementation of the South American Subbasin GSP. Additional services may include records management, financial services support, website and information technology coordination, and governance support.

The GEI agreement provides technical consulting services necessary for SGMA implementation, including completion of the South American Subbasin Periodic

Evaluation, preparation of the Water Year 2026 Annual Report, groundwater monitoring, data management, technical analyses, support for Regional Water Bank activities, and technical assistance related to groundwater fee determinations. A significant component of the FY 2027 scope is preparation of the required five-year Periodic Evaluation and any resulting GSP revisions or amendments. The PKW agreement provides ongoing legal counsel services to support Board operations, regulatory compliance, contract review, governance matters, fee-related activities, and other legal needs of the Authority.

The TTJ agreement provides accounting, financial reporting, audit support, budget preparation, and other financial consulting services. The scope also includes documentation of financial procedures and support for a potential transition of financial administration services to RGS during FY 2027.

Together, these agreements establish the professional services team necessary to support SCGA operations, maintain regulatory compliance, complete required SGMA deliverables, and implement the FY 2027 Work Plan.

**FISCAL IMPACT:**

The total FY 2027 not-to-exceed amount for the four agreements is \$843,360. Sufficient funding for these agreements is included in the FY 2027 Budget.

**CEQA DETERMINATION:**

Not applicable.

**ATTACHMENT(S):**

Scope and Fee FY 2027 RGS  
Scope and Fee FY 2027 GEI  
Scope and Fee FY 2027 PKW  
Scope and Fee FY 2027 TTJ

**PREPARED BY:**

Piret Harmon  
Executive Director

Regional Government Services Authority  
Sacramento Central Groundwater Authority (SCGA)  
July 1, 2026 – June 30, 2027

**Executive and Administrative Staffing Services**

Scope of Services

Services to be performed include, but are not limited to:

1. Oversee implementation of the South American Subbasin Groundwater Sustainability Plan.
2. Coordinate with partner Groundwater Sustainability Agencies on SGMA compliance activities.
3. Plan for and conduct regular and special Board meetings and committee meetings.
4. Coordinate administrative, financial, and operational activities.
5. Oversee consultant contracts and technical service providers.
6. Develop annual work plans, budgets, fee recommendations, and financial forecasts.
7. Coordinate stakeholder engagement and interagency activities.
8. Provide policy, legislative, and regulatory updates to the Board.
9. Support groundwater monitoring, annual reporting, and periodic evaluation activities.
10. Perform additional services as directed by the Board or Board Chair related to SCGA operations and governance.

Additional transitional or special project services may include:

- Records management;
- Financial services support;
- Website and IT coordination;
- Governance and organizational support; and
- Other related activities authorized by the Board Chair.

Key Personnel

The following key personnel are anticipated to be assigned to this engagement on behalf of Contractor:

- Executive Director: Piret Harmon (or successor approved by the Board Chair)
- Board Clerk/Administrative Support: (assigned by Contractor in consultation with the Executive Director)
- Additional individuals as necessary, subject to SCGA's approval as required

Contractor commits to maintaining continuity of key personnel to the extent practicable throughout the term of this Agreement.

SCGA Responsibilities

- Designate the Board Chairperson or designee as the primary point of contact for direction under this Agreement
- Provide timely access to records, information, and staff necessary for Contractor to perform Executive Director duties
- Review and act upon recommendations and reports in a timely manner
- Process approved invoices within the payment timeframes described in this Agreement

Schedule

Services shall be provided on an ongoing basis. Regular Board meetings, committee meetings, SGMA reporting deadlines, annual budget preparation, fee activities, and other recurring operational functions shall be performed in accordance with Board direction and applicable regulatory deadlines.

Fee Schedule

Total compensation will not exceed \$300,000 without prior Board approval and written amendment. SCGA shall pay Contractor a fixed monthly fee of \$21,000 for the services labeled 1-10 above.

Contractor shall invoice SCGA on a monthly basis as follows:

- (i) a fixed monthly fee for Services to be performed during the applicable month (“Monthly Fee”);
- (ii) fees for any additional services performed in excess of those included in the Monthly Fee (“Additional Services”), invoiced in arrears.

Each invoice shall include reasonable supporting detail, including a summary of hours expended for Additional Services during the applicable billing period.

Additional Services shall be authorized by the Board Chair in writing, subject to a total not-to-exceed amount of \$48,000.

The following hourly rates shall apply for Additional Services during FY 2027:

Agency Executive	\$229
Strategic Services Consultant	\$197
Senior Advisor	\$166
Advisor	\$141
Technical Specialist	\$125
Administrative Specialist	\$111

SCGA shall reimburse Contractor for reasonable and necessary direct expenses incurred in connection with this Agreement, including mileage, tolls, postage, document binding, filing fees, and commercial printing, without markup. Any single reimbursable expense exceeding \$1,000 requires prior written approval by the Board Chair.

GEI Consultants  
Sacramento Central Groundwater Authority (SCGA)  
July 1, 2026 – June 30, 2027

**Technical Services**

Scope of Services

GEI Consultants, Inc. (Contractor) shall provide technical consulting services in support of Groundwater Sustainability Plan (GSP) implementation, 2027 Periodic Evaluation, monitoring, and SCGA operations, as described below.

**1. GSP 2027 Periodic Evaluation and 2027 GSP Revision/Amendment (Task 1.0)**

Contractor shall lead the 2027 Periodic Evaluation and revision/amendment of the SASb 2027 GSP in coordination with its subcontractors (Larry Walker Associates and Woodard & Curran), including:

- Minor revisions to 2027 Periodic Evaluation and 2027 GSP
- Support GSA Manager and Executive Committee meetings with 2027 Periodic Evaluation and 2027 GSP outreach
- Upload 2027 Periodic Evaluation and 2027 GSP to SGMA Portal
- Scope for compliance with ISW guidance

**2. Annual SGMA Implementation (Task 2.0)**

Contractor shall support ongoing SGMA compliance for the SASb, including:

- Preparation and submittal of the Water Year 2026 Annual Report, including compilation of hydrologic and water use data, evaluation of water level and water quality monitoring results, updates to the PMA module, and conducting modeling runs to evaluate the annual water budget
- Evaluation of progress on Projects and Management Actions
- Outreach and coordination among the five GSAs under the SASb Memorandum of Understanding (MOU)

**3. Semi-Annual Groundwater Level Monitoring (Task 3.0)**

Contractor shall conduct semi-annual groundwater level monitoring services within the SCGA boundary, including:

- Preparation and fieldwork to measure groundwater levels in SCGA wells in April and October
- Coordination with other monitoring entities in the SASb (including CSUS and Aerojet)
- Entry of data into the data management system (DMS), quality control review of groundwater level data entered into the DMS and upload to DWR systems
- Maintenance and update of the data management system
- Development of presentations on groundwater level monitoring results for the SCGA Board

**4. SCGA Staffing Support and Fee Study Support (Task 4.0)**

Contractor shall provide technical staffing support to SCGA, including:

- General technical support including analysis of technical issues and developing presentations to the Board and other organizations
- Support for Regional Water Bank development and evaluation of projects in the SCGA area,
  - Obtain GW pumping and surface water diversion volumes to monitor water bank project and, if needed, provide to model consultant for annual report water budget
- Tracking legislation, coordination with the Water Forum, Delta conveyance issues, and other matters as identified by the Board or Executive Director
- Fee determination support including annual evaluation of parcel map changes, land and water use, and member agency pumping to determine allocation of annual parcel and groundwater fees and coordination with the County Auditor and Assessor for fee collection

### Approach and Phasing

Contractor's work will generally be organized into the following phases:

#### Planning and Coordination (July–September 2026)

Contractor shall confirm the work plan, schedule, and responsibilities with SCGA and SASb partner GSAs; refine GSP evaluation tasks based on DWR guidance and regional needs; confirm monitoring schedules; and coordinate with other GSAs and agencies on data sharing and regional efforts.

#### Technical Analyses and Monitoring (Throughout FY 2026–2027)

Contractor shall perform technical analyses for GSP periodic evaluation and annual report preparation, maintain and update the data management system, conduct semi-annual groundwater level monitoring in October 2026 and April 2027, and support ongoing SGMA compliance tasks including stakeholder coordination and Board presentations.

#### Reporting and Board Support (Winter–Spring 2027)

Contractor shall finalize 2027 Periodic Evaluation and 2027 GSP as needed for submittal to DWR by January 2027, prepare and submit the Water Year 2026 Annual Report to DWR by April 1, 2027 (or current regulatory deadline), and present key findings and recommendations to the SCGA Board as requested.

### Key Personnel

The following key personnel are anticipated to be assigned to this engagement on behalf of Contractor:

- Principal-in-Charge / Technical Lead: Bryan Thoreson
- Senior Technical Staff and Project Managers: GEI Consultants, Larry Walker Associates (LWA), and Woodard & Curran (W&C) senior staff
- Mid-level and junior technical staff as needed to support all tasks

Contractor commits to maintaining continuity of key personnel to the extent practicable throughout the term of this Agreement. Any change to the Principal-in-Charge or Technical Lead shall be communicated to SCGA in advance and is subject to SCGA approval.

### SCGA Responsibilities

- Provide timely access to relevant records, data, and prior GSP and annual report materials needed to perform the services
- Coordinate with SASb GSAs and regional partners on meeting schedules, review timelines, and data sharing protocols
- Designate staff to serve as primary points of contact for day-to-day coordination with Contractor
- Review draft work products (including GSP evaluation sections, annual report, monitoring summaries, and Board materials) and provide consolidated comments in a timely manner to meet regulatory deadlines
- Provide direction on policy matters and priority issues requiring Board action or stakeholder engagement

### Deliverables

1. Final GSP 2027 Periodic Evaluation and revision/amendment sections for the South American Subbasin for SCGA review and submittal to DWR
2. Draft and Final WY 2026 Annual Report for the South American Subbasin for SCGA review and DWR submittal
3. Semi-annual groundwater level monitoring data, compiled and entered into the DMS and DWR databases
4. Technical memoranda, presentations, and summaries supporting SCGA Board meetings and stakeholder engagement activities
5. Fee determination analysis and supporting documentation for coordination with County Auditor and Assessor
6. Other technical work products reasonably necessary to perform the services described in this Exhibit

Schedule

Activity	Timing
Confirm work plan, roles, and schedule for FY 2027	July–August 2026
2027 GSP Periodic Evaluation and 2027 GSP	July 2026 – January 2027
Semi-annual groundwater level monitoring	October 2026 and April 2027
WY 2026 Annual Report – data compilation and analysis	Fall 2026 – Winter 2027
Draft WY 2026 Annual Report to SCGA for review	By March 1, 2027
Final WY 2026 Annual Report submitted to DWR	By April 1, 2027
Ongoing authority staffing and technical support	Throughout FY 2026–2027
2027 GSP Periodic Evaluation and 2027 GSP to DWR	By January 2027

The above schedule assumes:

- DWR deadlines for GSP Periodic Evaluation (January 2027) and Annual Report (April 2027) remain as currently established
- SCGA and SASb GSAs provide timely review and approval of draft work products to meet regulatory deadlines
- Coordination with regional partners (other GSAs, monitoring entities, stakeholders) proceeds on schedule
- SCGA Board meeting calendars and availability of staff for coordination remain relatively consistent

SCGA requires adjustments to the schedule due to regulatory changes, operational needs, or Board calendars, Contractor shall work cooperatively to accommodate reasonable changes. Material changes to the schedule that affect scope, deliverables, or cost shall be documented through written correspondence or an amendment to this Agreement.

Fee Schedule

Contractor shall be compensated on a time-and-materials basis, not to exceed \$403,000 allocated approximately as follows:

Task	Description	Amount
1.0	GSP 2027 Periodic Evaluation and 2027 GSP Revision/Amendment	\$90,000
2.0	Annual SGMA implementation	\$110,000
3.0	Semi-Annual Groundwater Level Monitoring	\$53,000
4.0	Authority Staffing and Support and Rate Study Support	\$150,000
Total		\$403,000

Paris Kincaid Wasiewski  
Sacramento Central Groundwater Authority (SCGA)  
July 1, 2026 – June 30, 2027

**General Counsel Services**

Scope of Services

Services may include, but are not limited to:

1. Attendance at regular and special Board meetings and committee meetings.
2. Review of agenda packets, resolutions, agreements, policies, and related materials.
3. Legal review and advice regarding SGMA implementation and groundwater management activities.
4. Brown Act, Public Records Act, conflict of interest, and governance advice.
5. Review and preparation of contracts, amendments, and procurement documents.
6. Legal support related to fees, budgets, ordinances, and regulatory compliance.
7. Coordination with outside agencies, legal counsel, consultants, and stakeholders.
8. Other legal services requested by the Board or Executive Director related to Agency operations.

SCGA Responsibilities

- Designate the Board Chairperson or designee as the primary point of contact for direction under this Agreement
- Provide timely access to records, documents, and information necessary for Contractor to provide legal services
- Notify Contractor promptly of legal issues, disputes, or matters requiring legal analysis or advice
- Review legal opinions and recommendations and provide direction to Contractor in a timely manner
- Process approved invoices within the payment timeframes described in this Agreement

Additional Services

Any services not included in the scope of this Agreement or services that would cause the contract amount to exceed the not-to-exceed limit shall require prior written authorization from SCGA. If the additional services would increase the total contract amount, they shall be documented through a written amendment to this Agreement approved by the SCGA Board. Litigation representation, complex transactions, and other extraordinary legal services may require separate engagement and compensation beyond this Agreement.

### Schedule

Services shall be provided on an ongoing basis. Contractor shall attend regular and special Board meetings, as requested, and provide legal support in accordance with SCGA operational needs and regulatory deadlines.

The above schedule is indicative and may be adjusted by mutual agreement to reflect Board calendars, litigation schedules, regulatory deadlines, and operational needs. General counsel services are provided on an on-call basis throughout the fiscal year as legal matters arise. Material changes to the anticipated scope or schedule will be documented through written correspondence or an amendment to this Agreement, if required.

### Fee Schedule

Contractor shall be compensated on an hourly basis for services provided under this Agreement as follows:

Partner/ General Counsel	\$460
Associate Attorney	\$325
Law Clerk/ Legal Assistant	\$175

The total compensation under this Agreement shall not exceed \$60,000 without prior approval and written amendment by SCGA.

TTJ Consulting  
Sacramento Central Groundwater Authority (SCGA)  
July 1, 2026 – June 30, 2027

**Financial Support Services**

Scope of Services

**Task 1. Accounting, Reporting, Accounts Payable and Accounts Receivable**  
Provide financial administration and accounting services necessary to support the operations of SCGA.

Services may include:

- Processing accounts payable and accounts receivable transactions.
- Maintaining accounting records and supporting documentation.
- Preparing and processing journal entries and account reconciliations.
- Coordinating with Sacramento County financial staff and service providers as needed.
- Monitoring revenues, expenditures, and cash balances.
- Supporting implementation of financial procedures and internal controls.

**Task 2. Audit Preparation, Coordination and Support**

Provide support for completion of the annual independent financial audit.

Services may include:

- Preparing audit schedules and supporting documentation.
- Coordinating audit requests among SCGA staff, Sacramento County, and the independent auditor.
- Assisting with auditor inquiries and information requests.
- Reviewing draft financial statements and audit reports.
- Supporting Board acceptance of the annual audit.

**Task 3. Budget Preparation**

Provide support for development of the FY 2028 Work Plan and Budget.

Services may include:

- Assisting with development of revenue and expenditure projections.
- Preparing budget worksheets and supporting analyses.
- Reviewing proposed cost allocations and assessment calculations.
- Supporting Board workshops and budget adoption activities.

**Task 4. Financial Reports Preparation**

Prepare periodic financial reports for Board and committee review.

Services may include:

- Preparation of monthly and quarterly financial reports.
- Budget-to-actual expenditure analyses.
- Cash flow and reserve summaries.
- Other financial reporting requested by the Executive Director or Board.

**Task 5. Policy, Agreement, Agenda Review and Support**

Provide financial and administrative review of agency policies, agreements, resolutions, and agenda materials.

Services may include:

- Review of financial policies and procedures.
- Review of consultant agreements and amendments.
- Financial review of Board agenda reports and staff recommendations.
- Consultation regarding compliance with applicable financial requirements.

**Task 6. Transition Support to Regional Government Services**

Provide assistance with the potential transition of financial administration responsibilities from TTJ Consulting to Regional Government Services.

Services may include:

- Documentation of financial procedures and workflows.
- Knowledge transfer meetings and staff training.
- Transfer of financial records, templates, and historical information.
- Consultation regarding accounting and reporting processes.
- Support during assumption of financial duties by RGS.

**Task 7. Miscellaneous Financial Support**

Provide additional financial consulting and support services requested by the Executive Director.

Services may include:

- Special financial analysis.
- Assistance with grant administration and reporting.
- Responses to Board requests.
- Other financial support services not specifically identified above.

**Fee Schedule**

Task	Description	Hours	Rate	Amount
1	Accounting, Reporting, AP, AR	115	\$200	\$23,000
2	Audit Preparation	80	\$240	\$19,200
3	Budget Preparation	42	\$240	\$10,080
4	Financial Reports	36	\$240	\$8,640
5	Policy, Agreement, Agenda Support	32	\$240	\$7,680
6	Transition Support	25	\$240	\$6,000
7	Miscellaneous	24	\$240	\$5,760
Total		354		\$80,360

## Sacramento Central Groundwater Authority

### Board of Directors

#### AGENDA REPORT

**MEETING DATE:** June 18, 2026

**AGENDA ITEM:** 6.7

**SUBJECT:** 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).

#### **BACKGROUND:**

On February 28, 2023, the Sacramento Central Groundwater Authority (SCGA), Sacramento County Groundwater Sustainability Agency, Northern Delta Groundwater Sustainability Agency / Reclamation District 551, Omochumne-Hartnell Water District, and Sloughouse Resource Conservation District (SRCD) entered into a Memorandum of Understanding establishing a South American Subbasin Sustainable Groundwater Management Act Executive Committee and General Manager Committee and identifying cost-sharing provisions for Groundwater Sustainability Plan implementation.

On December 17, 2025, SRCD provided written notice of its withdrawal from the MOU and withdrawal as a Groundwater Sustainability Agency within the South American Subbasin pursuant to Section 4.13 of the MOU.

As a result of SRCD's withdrawal, the remaining Parties have prepared Amendment No. 1 to formally document the change in MOU membership and establish interim revised cost-sharing allocations among the remaining Parties.

#### **DISCUSSION:**

Amendment No. 1 removes SRCD as a Party to the MOU effective December 17, 2025 and clarifies that SRCD will no longer participate in the Executive Committee, General Manager Committee, or future cost-sharing obligations, except for obligations incurred prior to withdrawal as provided under the MOU.

The Amendment also temporarily revises Exhibit A of the MOU effective July 1, 2026 to redistribute SRCD's former cost-share allocation among the remaining Parties as follows:

- Sacramento Central Groundwater Authority: 77.8% (previously 74.9%)
- Omochumne-Hartnell Water District: 13.5% (previously 13%)
- Northern Delta GSA / RD 551: 6.0% (previously 5.8%)
- Sacramento County GSA: 2.7% (previously 2.6%)

The Amendment specifies that these revised percentages are interim in nature and are intended to remain in effect pending a more comprehensive amendment and update to the MOU anticipated following revisions to the SCGA Joint Powers Agreement and related South American Subbasin governance structure during FY 2027.

**FISCAL IMPACT:**

The revised cost share allocation is included in the FY 2027 budget.

**CEQA DETERMINATION:**

Not applicable.

**ATTACHMENT(S):**

SASb MOU Amendment 1

**PREPARED BY:**

Piret Harmon  
Executive Director

## **Amendment #1 to South American Subbasin GSP Implementation MOU**

This Amendment #1 to South American Subbasin GSP Implementation MOU (“Amendment”) is entered into by and among the Sacramento Central Groundwater Authority (“SCGA”), Sacramento County Groundwater Sustainability Agency (“Sacramento County GSA”), Northern Delta Groundwater Sustainability Agency / Reclamation District 551 (“NDGSA”), and Omochumne-Hartnell Water District (“OHWD”), collectively referred to herein as the “Parties.”

### Recitals

- 1) The Parties entered into that certain Memorandum of Understanding Establishing a South American Subbasin Sustainable Groundwater Management Act Executive Committee and General Manager Committee and Identifying Cost Share Provisions for Groundwater Sustainability Plan Implementation, effective February 28, 2023 (“MOU”); and
- 2) the Sloughhouse Resource Conservation District (“SRCD”) was previously a Party to the MOU and served as a Groundwater Sustainability Agency (“GSA”) within the South American Subbasin; and
- 3) pursuant to Section 4.13 of the MOU, SRCD provided written notice dated December 17, 2025 of its withdrawal from the MOU and withdrawal as a GSA in the South American Subbasin; and
- 4) the remaining Parties desire to document the resulting change in MOU membership and establish revised interim cost-sharing allocations pending a more comprehensive amendment and update to the MOU anticipated following revisions to the SCGA Joint Powers Agreement during Fiscal Year 2027;

Now, therefore, the Parties agree as follows:

#### 1. Removal of SRCD as Party

Effective December 17, 2025, SRCD is no longer a Party to the MOU and shall no longer participate in the Executive Committee, General Manager Committee, or cost-sharing obligations for costs incurred after the effective withdrawal date, except as otherwise provided under Section 4.13 of the MOU for obligations incurred prior to withdrawal.

#### 2. Interim Revision to Exhibit A, Cost Sharing

Effective July 1, 2026, Exhibit A of the MOU is temporarily revised solely for purposes of shared cost allocation among the remaining Parties as follows:

Party	Interim Cost Share
Sacramento Central Groundwater Authority	77.8%
Omochumne-Hartnell Water District	13.5%
Northern Delta GSA / RD 551	6.0%
Sacramento County GSA	2.7%
Total	100.0%

The Parties acknowledge that these interim percentages reflect proportional redistribution of SRCD’s former allocation among the remaining Parties and are intended solely for interim administration of the MOU pending comprehensive amendment.

### 3. No Other Amendments

Except as expressly provided in this Side Letter, all other provisions of the MOU shall remain in full force and effect.

### 4. Future Comprehensive Amendment

The Parties acknowledge their intent to consider broader revisions to the MOU following completion of anticipated updates to the SCGA Joint Powers Agreement and related South American Subbasin governance structure.

### 5. Counterparts

This Amendment may be executed in counterparts, each of which shall be deemed original, and all of which together shall constitute one instrument.

### 6. Signatories

Northern Delta Groundwater Sustainability Agency Date

Omochumne-Hartnell Water District Date

Sacramento Central Groundwater Authority Date

Sacramento County Department of Water Resources Date

**Sacramento Central Groundwater Authority  
Board of Directors**

**AGENDA REPORT**

**MEETING DATE:** June 18, 2026

**AGENDA ITEM:** 6.8

**SUBJECT:** Financial Report April 2026

**RECOMMENDATION:** Receive and file financial report for the period ending April 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 April 30, 2026.

**FISCAL IMPACT:**

No impact from this action.

**CEQA DETERMINATION:**

Not applicable.

**ATTACHMENT(S):**

SCGA Financial Report April 30, 2026

**PREPARED BY:**

Piret Harmon  
Executive Director

**SCGA Bi-Monthly Financial Report**  
**Period Ending April 30, 2026**

**Budget to Actuals**

**(10 months or 83% of the fiscal year to date)**

FY 2026 (accrual basis)				
Description	Adopted Budget	Actuals	Ratio Actual/Budget	Comment
<b>Revenues</b>				
Member Contributions	\$ 744,517	\$ 744,517	100.00%	Good
Fee Assessment	\$ 188,891	\$ 112,915	59.78%	Good
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	\$ 53,860	107.72%	Good
<b>Total Revenues</b>	<b>\$ 1,148,329</b>	<b>\$ 1,060,226</b>	<b>92.33%</b>	
<b>Expenditures</b>				
Management Services	\$ 290,000	\$ 204,952	70.67%	RGS
Technical Services	\$ 934,600	\$ 560,263	59.95%	GEI and County
Financial Services	\$ 127,220	\$ 82,158	64.58%	County, MGO, and TTJ
Legal Services	\$ 40,000	\$ 32,970	82.43%	PKW
Insurance	\$ 6,205	\$ 3,792	61.11%	GSRMA
Other Operating	\$ 16,000	\$ 10,841	67.76%	Subscriptions, travel and well equipment
<b>Total Expenditures</b>	<b>\$ 1,414,025</b>	<b>\$ 894,976</b>	<b>63.29%</b>	
Net Increase (decrease)	\$ (265,696)	\$ 165,250		
Beginning Fund Balance	\$ 1,325,918	\$ 1,315,287		Actual beginning fund balance per June 30, 2025 audited financial statements
<b>Ending Fund Balance</b>	<b>\$ 1,060,222</b>	<b>\$ 1,480,537</b>		
Fund Reserve	\$ 282,805	\$ 282,805		
<b>Ending Fund Balance L</b>	<b>\$ 777,417</b>	<b>\$ 1,197,732</b>		

**Receivables**

Total outstanding accounts receivable amount to \$131,851 – GSA contributions for FY 2026:

- \$ 38,109 Northern Delta Groundwater Sustainability Agency
- \$ 85,417 Omochumne Hartnell Water District
- \$ 8,325 Sloughhouse Resource Conservation District

The above receivables were billed in December 2025. Northern Delta and Sloughhouse subsequently made payments in May and June respectively. However, Omochumne is still outstanding as of June 11.

### **Cash**

The agency began March with a cash balance of \$1,628,217 and ended February with a cash balance of \$1,471,149.

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 March and April was \$9,783. The current interest rate on investable funds (money market) is 3.810%.

### **Account Registers**

The tables below show the transaction details in the operating and money market accounts during March and April 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.

<b>1010 Cash Accounts: Operating - 5422</b>				
<b>Date</b>	<b>Memo</b>	<b>Payment</b>	<b>Deposit</b>	<b>Reconciliation Status</b>
03/10/2026	Fee assessment collections		16,992.14	Reconciled
03/17/2026	GEI February services	121,262.15		Reconciled
03/17/2026	PKW February services	2,226.00		Reconciled
03/17/2026	RGS February services	20,000.00		Reconciled
03/17/2026	TTJ Consulting February services	5,240.00		Reconciled
03/17/2026	RGS February out of pocket	102.51		Reconciled
03/31/2026	Sweep from MM to DDA		10.80	Reconciled
03/31/2026	Sweep from MM to DDA		500.00	Reconciled
03/31/2026	Sweep from MM to DDA		450.00	Reconciled
03/31/2026	Sweep from MM to DDA		148,728.15	Reconciled
03/31/2026	Sweep from MM to DDA		102.51	Reconciled
03/31/2026	ACH Credit TTJ Consulting		5,240.00	Reconciled
03/31/2026	Sweep from MM to DDA		10.80	Reconciled
03/31/2026	Microsoft monthly subscription	10.80		Reconciled
03/31/2026	Streamline monthly subscription	500.00		Reconciled
03/31/2026	Microsoft annual subscription	450.00		Reconciled
03/31/2026	Sweep from DDA to MM	16,992.14		Reconciled
03/31/2026	QB monthly subscription	75.00		Reconciled
03/31/2026	Sweep from DDA to MM	5,165.00		Reconciled
03/31/2026	Microsoft monthly subscription	10.80		Reconciled
04/30/2026	Sweep from MM to DDA		500.00	Reconciled
04/30/2026	Sweep from MM to DDA		98,562.36	Reconciled
04/30/2026	Sweep from MM to DDA		75.00	Reconciled
04/30/2026	Sweep from MM to DDA		68.22	Reconciled
04/30/2026	Streamline monthly subscription	500.00		Reconciled
04/30/2026	March payables	98,562.36		Reconciled
04/30/2026	RGS March out of pocket	57.42		Reconciled
04/30/2026	QB monthly subscription	75.00		Reconciled
04/30/2026	Microsoft monthly subscription	10.80		Reconciled

<b>1020 Cash Accounts: Money Market - 5430</b>				
<b>Date</b>	<b>Memo</b>	<b>Payment</b>	<b>Deposit</b>	<b>Reconciliation Status</b>
03/31/2026	Sweep from MM to DDA	10.80		Reconciled
03/31/2026	Sweep from MM to DDA	500.00		Reconciled
03/31/2026	Sweep from MM to DDA	450.00		Reconciled
03/31/2026	Sweep from MM to DDA	148,728.15		Reconciled
03/31/2026	Sweep from MM to DDA	102.51		Reconciled
03/31/2026	Sweep from MM to DDA	10.80		Reconciled
03/31/2026	Sweep from DDA to MM		16,992.14	Reconciled
03/31/2026	Sweep from DDA to MM		5,165.00	Reconciled
03/31/2026	March interest income		5,177.38	Reconciled
04/30/2026	Sweep from MM to DDA	500.00		Reconciled
04/30/2026	Sweep from MM to DDA	98,562.36		Reconciled
04/30/2026	Sweep from MM to DDA	75.00		Reconciled
04/30/2026	Sweep from MM to DDA	68.22		Reconciled
04/30/2026	April interest income		4,605.29	Reconciled



Piret Harmon  
Executive Director

California-American  
Water Company

City of Elk Grove

City of Folsom

City of Rancho Cordova

City of Sacramento

County of Sacramento

Florin Resource Conservation  
District/Elk Grove Water  
Service

Golden State Water Company

Sacramento Area Sewer District

Agricultural Representative

Agricultural-Residential  
Representative

Commercial/Industrial  
Representative

Conservation Landowners

Public Agencies/Self Supplied  
Representative

May 12, 2026

Sloughhouse Resource Conservation District  
13147 Jackson Road  
Sloughhouse, CA 95683

Re: South American Subbasin FY 2026 Cost Share Contribution

Dear Lindsey and SRCD Board Members

Following Sloughhouse Resource Conservation District's December 17, 2025 notice of withdrawal from the South American Subbasin Memorandum of Understanding (SASb MOU), SCGA has been evaluating the appropriate treatment of SRCD's FY 2026 cost share contribution under the MOU.

Under the cost sharing provisions of the SASb MOU, SRCD's originally allocated FY 2026 contribution amount was \$24,310.85. As you know, FY 2026 included significant one-time costs associated with preparation of the five-year Groundwater Sustainability Plan (GSP) Periodic Evaluation required under SGMA.

Section 4.13(b) of the MOU provides that a withdrawing party is not responsible for its proportional share of costs and obligations associated with SGMA implementation identified in the MOU exhibits after the time of withdrawal. At the same time, SCGA recognizes that substantial FY 2026 implementation work and associated obligations had already been incurred prior to SRCD's withdrawal notice on December 17, 2025.

In an effort to resolve this matter cooperatively and equitably, SCGA is proposing the following two options for consideration by SRCD:

1. Fifty Percent Cost Share Option  
Reduced contribution amount: \$12,155.43

This option reflects approximately 50% of SRCD's original FY 2026 allocated contribution. To further reduce the immediate fiscal impact to SRCD, SCGA would allow payment in two installments:

- 50% payable in FY 2026
- 50% payable in FY 2027

2. Base Annual Cost Share Option  
Reduced contribution amount: \$8,325.00

This option reflects SRCD's approximate proportional share of a "typical" annual shared implementation budget of approximately \$225,000, excluding the extraordinary one-time costs associated with the five-year GSP Periodic Evaluation effort.

SCGA believes both options represent reasonable and good-faith approaches that acknowledge both SRCD's withdrawal and the substantial shared implementation work completed prior to withdrawal.

SCGA hopes that the SRCD Board will concur with one of the proposed options so the FY 2026 cost share matter can be resolved cooperatively and efficiently. Please feel free to contact me if you have any questions regarding the calculations or underlying assumptions.

Sincerely,

A handwritten signature in black ink that reads "Piret Harman". The signature is written in a cursive style and ends with a long, sweeping underline.

Executive Director  
Sacramento Central Groundwater Authority

CC: SCGA Board of Directors