

Minutes

Sacramento Suburban Water District **Special Board Meeting** Friday, April 1, 2016

Call to Order

President Thomas called the meeting to order at 4:35 p.m.

Roll Call

Directors Present: Frederick Gayle, Craig Locke, Neil Schild, Kevin Thomas and Robert Wichert.

Directors Absent: None.

Staff Present: Assistant General Manager Dan York, Finance Director Dan Bills, Heather Hernandez-Fort, David Espinoza.

Public Present: Mitch Dion, Chantelle Garvin and William Eubanks.

Announcements

None.

Public Comment

None.

Item for Discussion and Action

1. **2016 Water Transfer Program**

President Thomas introduced the item.

William Eubanks (Mr. Eubanks) inquired how much the District expected to make in profit, what the District planned on doing with the money, and requested clarification on the proposed water transfers.

Assistant General Manager Dan York (AGM York) clarified the fees and revenues associated with water transfers.

Director Wichert explained that the profit from water transfers should be used for purchasing additional surface water, which would result in additional water banking. He further noted that he supported the staff report and was hoping to see a contract in the report.

AGM York noted that the contracts are in draft but that the City of Sacramento wanted to wait until their rate increase was determined before they discussed the option of a water transfer with their City Council.

AGM York further stated that the purchase price would not be finalized until the contract is ready to sign. He clarified that first you get the approval from the Board, then you discuss details pertaining to the contract and finalizing the per acre foot purchase price.

Director Schild requested information on legal costs. AGM York informed the Board that the District would receive \$50,000 from the buyer that is intended to cover legal and administrative costs associated with implementing a water transfer.

Director Wichert commented that he was uncomfortable with using estimates. He further noted that this transfer would need to result in at least a 10 percent increase of surface water over what the District sells. Director Schild commented that it's difficult to determine that because the Bureau only recently announced what their CVP allocations were south of the Delta.

AGM York informed the Board that he received information that San Luis Delta Mendota Water Authority was not looking for groundwater substitution or reservoir release transfers. He stated that the State Water Contractors were interested in purchasing water at \$550.00 per acre foot (af), depending on the availability to move the water. He further noted that PCWA gave a verbal commitment, but could not finalize a contract until there was approval from the Board.

AGM York stated that if the Board approved to proceed with the water transfers, the District would be placed on the list of who has the rights to move water through the Delta. He further noted that the Board can set the criteria for what the General Manager can approve.

Director Wichert moved to approve the staff recommendation with an amendment to item 3, adding the language "to achieve at least a 10 percent more in lieu banking than water sold."

Director Locke requested a modification to the motion to remove item 4, "General Manager to enter into agreement for water transfer at a rate no less than \$400 per acre foot."

Director Wichert accepted the modification to the motion.

Director Schild seconded.

Dan Bills (Mr. Bills) suggested amending the language in item 3 of the motion to include the term "net revenue," stating that it will clarify that not all proceeds will be available to purchase surface water. The maker of the motion and maker of the second agreed to the addition.

The motion with these modifications now was:

“Authorize the General Manager to enter into agreements for water transfers with Placer County Water Agency and City of Sacramento, subject to the approval by District legal counsel of any non-substantive changes to such agreements, along with guidelines, which are listed below:

1. Placer County Water Agency (PCWA) to institute a groundwater substitution transfer which would forego receipt of Middle Fork Project surface water.
2. City of Sacramento (City) to institute a groundwater substitution transfer of Area D surface water.
3. Utilize revenue received from water transfers to purchase future surface water at a rate lower than net revenues received from water transfers to achieve at least a 10 percent more in lieu banking than water sold.”

The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Adjournment

President Thomas adjourned the meeting at 4:59 p.m.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District