

Sonoma Valley Groundwater Sustainability Agency Board Meeting Minutes

February 28, 2022, 4:00 p.m.
<http://sonomavalleygroundwater.org/>

1. Call to Order and Roll Call

Vice-Chair Sangiacomo, called the meeting to order at 4:02 p.m. and asked Ann DuBay, Administrator, to conduct roll call. **Directors Mulas, Rabbitt, and Rogers** were present. **Director Ding** and **Chair Gorin** were absent.

2. Consider Emergency Resolution 001-2022

Ann DuBay explained that Governor Newsom's Executive Order for Emergency Meetings expired on September 30th. Since then, if the Board meets virtually, it needs to declare an emergency and pass a resolution which lasts for 30 days. The Board needs to pass Resolution 001-2022 to allow this meeting to take place remotely.

Director Rogers moved to approve Emergency Resolution 001-2022 as presented, **Director Rabbitt** seconded. Motion passed **4-0-0**. **Director Ding** and **Chair Gorin** were absent.

Roll call Vote:

Director Ding – absent

Chair Gorin – absent

Director Mulas – aye

Director Rabbitt – aye

Director Rogers – aye

Vice-Chair Sangiacomo - aye

3. Public comment on matters not listed on the agenda but within the subject matter jurisdiction of the Board

None.

4. Consent Calendar

a. **Minutes, December 6, 2021**

b. **Year-to-date Financial Report**

c. **Year-to-date Member Agency Contributions**

d. **Approve contract amendment to extend time for rural community engagement outreach contract**

Director Rogers noticed a reference to Petaluma Valley rather than Sonoma Valley on page 5 of the December 6, 2021, minutes, which needs correction.

The Consent Calendar could not be approved as there wasn't a majority present. **Director Ding** and **Chair Gorin** were absent; **Director Mulas** abstained as she wasn't at the previous meeting.

5. Directors/Subcommittee Report

None. No public comment.

6. Advisory Committee Report

Fred Allebach, Advisory Committee Chair, said that the Advisory Committee members spent most of their time at the last meeting discussing the fee study. He looked forward to hearing Board input today and said he would hold his personal comments until later. No public comment.

7. Information Items

a. Groundwater Sustainability Plan Update

Marcus Trotta, hydrogeologist with Sonoma Water, technical support to the GSA, provided an update on the Groundwater Sustainability Plan. He confirmed the Plan was successfully submitted to the California Department of Water Resources (DWR) and is available for public comment through April 23, 2022, at <https://sgma.water.ca.gov/portal/gsp/preview/101>. DWR gave notice that the Plan is deemed complete. They now have two years to approve or decide if corrective actions are needed. Trotta thanked the Board, Advisory Committee, community members, and technical, facilitation, grants, outreach, and administrative staff for the team effort in helping achieve the milestone. Trotta then gave an overview of primary initial implementation activities with existing funding sources, and Year 1 implementation activities pending funding availability.

Board Comments

Director Rogers – I am wondering why the emphasis on interconnected surface water when we don't know if it is a problem with the aquifers or not.

Trotta – That sustainability indicator is a challenge statewide. There are a lot of information gaps on the degree to which groundwater pumping influences surface water depletion and what the undesirable effects are. We developed an adaptive management plan to improve information on the connection between surface water and groundwater to determine if there is a problem or not. We are being proactive.

Director Rogers – Considering the rate/fee study and everything going on right now, does the Board want to concentrate on this in the first two years?

Vice-Chair Sangiacomo – Do we know on which of the six deadly sins we will be spending capital or is it undecided at this time?

Trotta – The two sustainability indicators where we flagged the bigger data gaps are seawater intrusion and surface water depletion. It is a good opportunity for the Advisory Committee and the Board to prioritize studies and projects for grant funding opportunities to come up with a more focused and detailed plan for how to prioritize the different data needs. This is work that we will want to have completed by September of this year.

Director Rogers – Does it need to be decided before we do the budget? We are talking about an \$800,000 budget for the first year, someone needs to pay for it, and we need to justify

expenditures. I don't think we can do this today. Should we have budget subcommittees look at it? Valley of the Moon Water District isn't ready yet to sign off on this budget. We don't think we will get the second round of grant funding and if so, aquifer storage recovery is dead. We need it looked at and studied a little more.

Trotta – I agree with that. The September deadline was specific to grant funding.

Public Comment

Allebach – Is DWR going to look if the data gaps are closed?

Trotta – We will learn more about how DWR views our proposal for interconnected surface water and data gaps. They have two years to complete the review, but they generally include corrective actions and recommendations. The Annual Reports are an opportunity to report on annual progress. It is the five-year update where we can demonstrate what we have done to address the data gaps and complete the things we committed to in the Groundwater Sustainability Plan.

b. Rate and Fee Study Update

Vice-Chair Sangiacomo introduced Jerry Bradshaw of SCI Consulting. Bradshaw said that much work has advanced on the rate/fee study project. He said the reason for SCI to be at the meeting today is to show the progress made, provide fee options, and to have a discussion with the Board. He said the fee study is based in part on the 2019 study done by Raftelis and he verified that SCI used the 2019 data in addition to 2022 GSP well data sources. Bradshaw provided updated pumping estimates, preliminary annual average costs, highlighted funding sources, fee options (fees or tax/assessment), and listed next steps. He asked for Board feedback on the below policy questions regarding costs/budgeting, fee structure, and timing and pace.

Policy Questions

Basis of Costs (Budgeting)

- Budget for grant revenue (40% of costs) to keep rate down?
- Include full, partial, or no repayment of prior member contributions?
- Look to member agencies for future contributions to keep rates down?

Fee Structure

- Only groundwater users?
- All water consumers?

Timing & Pace

- Implement in July 2022 and/or re-visit revenue structure in Year 2 or Year 3?

Board Comments

Director Rogers – The Farm Bureau sent out some information that implies everyone benefits from groundwater so the costs should be spread out. The Valley of the Moon Water District (VOMWD) would like to point out that VOMD and the City of Sonoma rate payers have been using Russian River water since the 1960s and that is an offset to the original plan of pumping groundwater. So, there are approximately 4000 acre-feet a year that the City of Sonoma and the Valley of the Moon Water provides. The cost of that water to our subscribers is \$1,100 an acre-foot, more than anything

that well owners are being considered to pay. It has provided a significant benefit to farmers who use the aquifers, since we don't use much groundwater.

Director Mulas – I respect **Director Rogers'** comment but while VOMWD and City users are helping in that, agriculture and rural residents have been contributing to the Warm Springs Dam project since its inception via our tax bill, and we are not entitled to the water that you are speaking of. I think we need to take everyone's contributions respectfully and give credit where it is due. With regards to the presentation, I didn't see anything representing livestock needs.

Bradshaw – I believe it is in the pasture category. Pasture has a water demand.

Director Mulas – I was looking at in terms of pasture to grow and not for livestock purposes.

Trotta -There is a consideration for livestock in the pasture number. Most pasture is not irrigated with groundwater, that is why there is such a small acre-foot rate.

Director Rabbitt – I am a strong proponent for spreading the rates far and wide, we should all be responsible for every component of the water system, whether it is surface water, groundwater, or recycled water. If you remove city residents in Petaluma Valley, you remove 80-85% of the parcels in this basin. Even though I believe our aquifers are generally "in a good place", the small number of parcels with wells, means that it is going to be expensive.

Director Rogers – Is the number of wells 3,000 in Sonoma Valley? I was under the impression the number was closer to 1,500. Could we see a breakdown of the usage of the wells in the basin?

Bradshaw – We can double-check it.

Trotta – The dataset we are working with are somewhat incomplete. Some parcels are outside public water service providers and there is an assumption that there is a well.

Bradshaw – We have broken it up by tax parcel.

Director Rogers – Do you know where you have multiple parcels and one well?

Bradshaw – The actual number of wells is not the complete data set we have. We looked at many sources for where we think there are wells. We looked at crop demands when there is no other water source.

DuBay – The intent of the GUIDE program is to inform well owners that we are presuming certain usages. The well owners have an opportunity to respond. That can help clarify well ownership and number of wells.

Vice-Chair Sangiacomo – The numbers are significant. Residential people need to worry about sustainability too. I agree with **Director Rabbitt** to spread a little bit of pain to a lot of people. I know you are working to make this fair for everyone. Sustainability for everyone is foremost in my mind. Keep in mind that people who have a well have costs to drill and maintain the well.

Director Rogers – We understand that. Valley of the Moon is interested in sustainability. We need our wells for emergency water supply in case there is a problem with the aqueduct, and we spent a considerable amount of money on them. When you look at the proposed charges, it's going to be a significant impact to our budget. We also believe that at some point, we need to know how much water people are taking out of the ground, we understand the need for conservation.

Public Comment

Mike Martini – I live in Santa Rosa. Thank you for all the work you have done with the Groundwater Sustainability Plan over the last two years. Now you are getting to the more difficult job – how do we pay for this? I remind this Board of the public's reaction to a \$19 fee at the meeting in Finley Hall in 2019. How do we find an equitable way? 1) Know your costs for extraction per parcel and

examine your expenses closely. You are looking at an average cost of about \$500,000 per basin in operational costs, that is a bureaucracy of nearly one and a half million dollars a year to operate this Plan. This is extremely high; it needs some attention. 2) We all talk about the benefits of extraction of the groundwater, we also need to look at the benefits of recharge. 3) A challenge you have is that much of what you are doing is based on assumptions. It isn't clear where dairies fall into this, they could be significant water users. During every drought, people will reduce the amount of water they use but fixed costs don't go down. Then rates are increased to make up the difference. You need to come up with a plan for a cap that limits the increase you are going to add as people start using less water. Thank you.

Fred Allebach – In terms of parcel tax, it seems like the way to spread the pain the most is over all the basin stakeholders, that would be a way to bring in a rationale for environmental and disadvantaged communities' beneficial use. It doesn't seem like this is in the study, it seems it is all about well and property owners. Groundwater is a private property right and a common pool resource, it seems like the fee study is leaning toward the property rights aspect. You are alluding that a parcel tax is not the best idea but the one that would spread the pain the most. It would bring in the most stakeholders and possibly best address the fairness aspect. Demand management is key.

Board Comments re Policy Questions

Director Rogers – I would budget with grant funding with the assumption that if it doesn't come in, it wouldn't be a crisis, but some things might not get done. I think you need to keep the costs down. VOMWD would like to get its money back, but we aren't in a hurry.

Director Mulas – Have the other GSAs given feedback on full or partial repayment?

DuBay – Petaluma Valley said they don't need to be paid back if other agencies go that route.
Santa Rosa Plain virtually eliminated the idea of agency payback.

Director Rabbitt – I will say the same thing I said at the Petaluma Valley GSA Board meeting, Sonoma County wouldn't expect to be paid back.

Director Mulas – If other agencies expect payment, we would be in line to expect some return as well, but we would support whatever the other contributing agencies recommend.

Vice-Chair Sangiacomo – I think the North Bay Water District would feel the same way.

Director Mulas – Maybe we should take the repayment out of the budget right now. With regards to grants, could we lower the assumed amount to 20%?

Bradshaw – We could easily put that into the rate study. It can always be revisited in a year or two.

Scott Morris – To start lower and then raise fee rate is problematic but the other way around is easy.

Bradshaw – Yes, problematic from a political standpoint as well as having to go through the process again.

Director Rogers – I guess I am the only one here who thinks the budget is too high. Some projects could be suspended if we don't get the grant funding. If all other Board members think \$800K is a fine budget, go for it, but after looking at a lot of budgets, I don't see it right now.

8. Action Items

- a. **Administrative, grant administration, outreach, and technical services.** Information on process for future administrative and grant administration services and provide direction on future technical services.

Ann DuBay explained that administrative, grant administration, outreach, and technical contracts are coming to an end on June 30, 2022. Sonoma Water has been providing grant, technical and outreach services to all basins. They have also provided administrative services to Sonoma Valley and Petaluma Valley. West Yost has been providing administrative services to Santa Rosa Plain. Going forward Ann DuBay said Sonoma Water will no longer be providing administrative or grant administration services to Sonoma and Petaluma Valleys, but Sonoma Water is interested in continuing to provide outreach and technical services. Staff proposes doing one joint Request for Proposals (RFP) for administrative and grant admin services to be done by one administrator for all three basins. The RFP was issued this week, proposals will be due late March, and interviews will be held in April. Ideally, all contracts will be in place by July 1, 2022. DuBay said she is asking for the Board to appoint a member to the administrator selection process and to provide feedback to staff regarding entering new contracts with Sonoma Water for technical and outreach services or issuing Requests for Qualifications.

Chair Gorin will be reaching out to the Board regarding appointing a member of the administrator selection process and to provide feedback to staff.

- b. **Fiscal Year 2020-21 Audit.** Receive report from auditor and consider adoption of the audit.

Brett Bradford, Pisenti & Brinker gave an overview of the 2020-21 fiscal year audit ending June 30, 2021. The audit is essentially complete, there are no problems. Based on their audit, the financial statements are considered materially accurate and no significant deficiencies in internal control have been identified. No questions from the Board or public.

Director Mulas moved to receive and accept the audit, as presented, **Director Rogers** seconded. Motion passed **4-0-0**.

Roll call Vote:

Director Ding – absent

Chair Gorin – absent

Director Mulas – aye

Director Rabbitt – aye

Director Rogers – aye

Vice-Chair Sangiacomo – aye

- c. **Fiscal Year 2022-23 Budget.** Review and approve preliminary Fiscal Year 2022-23 Budget.

Ann DuBay explained that the JPA requires adopting a preliminary budget before the start of the upcoming fiscal year. Today's presentation requests review and acceptance of the Fiscal Year 2022-23 preliminary budget. DuBay summarized the FY21-22 budget and the proposed preliminary FY22-23 budget. The proposed budget does not include reserves or new grants. **Director Rogers** is willing to work in the budget group. **Vice-Chair Sangiacomo** offered to be the second person if neither **Director Ding** nor **Chair Gorin** are interested.

Director Rabbitt moved to accept the preliminary budget to move forward, **Director Mulas** seconded. Motion passed **4-0-0**.

Roll call Vote:

Director Ding – absent

Chair Gorin – absent

Director Mulas – aye

Director Rabbitt – aye

Director Rogers – aye

Vice-Chair Sangiacomo – aye

9. Legal Counsel, Plan Manager and Administrator Report

The Plan and Administrator report are in the packet. No report from Legal Counsel. No Board or Public comments.

10. Adjournment

Vice-Chair Sangiacomo adjourned the meeting at 5:58 p.m.

Other Meeting Attendees

Marcus Trotta, Technical Staff

Andrea Rodriguez, Outreach Staff

Simone Peters, Administrative Aide (recording minutes)

Scott Morris, Legal Counsel

Jerry Bradshaw, SCI Consulting

Ryan Aston, SCI Consulting

Valerie Flores, SCI Consulting

Brett Bradford, Piseni & Brinker

Fred Allebach, Chair, Advisory Committee

Mike Martini, Member of Public

Pat, Member of Public