

Sonoma Valley Groundwater Sustainability Agency Advisory Committee Meeting

May 10, 2022 | Meeting Summary

Location: Zoom

Contact: Ann DuBay, Sonoma Valley Groundwater Sustainability Agency (GSA), Administrator

Email: Ann.Dubay@scwa.ca.gov | Phone: 707.524-8378

MEETING SUMMARY

Welcome, Introductions and Agenda Review

Tim Parker, Advisory Committee Facilitator, opened the meeting at 3:04 p.m. and welcomed the group. Fred Allebach, Advisory Committee Chair called the meeting to order and asked Ann DuBay to conduct roll call.

General Public Comments

Tom Conlon – I attended the recent Santa Rosa rate and fee community meeting and left a comment in the chat that we should be considering merging administration across the three basins to save overhead expense. Also, we would like to see a fair and proportional allocation of rates. If we allow a reduction of the deemed average rate by crop or water use type, we want to be sure we don't create a moral hazard for wasting water. Maybe we need a parallel process to identify and charge people more if they exceed the average use of water. Thank you for your service.

Agenda and Schedule Review

Tim Parker reviewed the day's agenda and upcoming calendar.

Action Items Review and Approval of Previous Meeting Summary

- Staff to come back with a conceptual outline of how we might interface with Permit Sonoma on policy options that are included in the Management Actions section of our Groundwater Sustainability Plan and some options how the GSA might work with Permit Sonoma on each management action, and a conceptual outline of how the requests to have discretionary projects are reviewed by the GSA.
 - Ann DuBay** confirmed that staff has been spending most of their time on the fee study database work and Guide program, so haven't had time to address this item.
 - Marcus Trotta** added that there have been some conversations earlier this year, but nothing has been formally drafted yet; it is slated for the early phase of implementation but requires funding to move forward.

- Staff to contact the district and come back to this group at the next meeting with an answer – who is monitoring the Napa Valley and Bay Refurbishment existing recycled water contract/is it being monitored?

- ✓ Ann DuBay said she had reached out to Kevin Booker, Project Manager of the project. He confirmed that CDFW makes the decisions regarding restoration, and when completed, they will determine when the ponds are restored. CDFW communicates directly with the sanitation district about the delivery of recycled water; it is a transactional communication. Once the ponds are restored, CDFW would like to continue taking water, just not as much. We also supply water for some uplands ponds they manage. There is a lot of work to be done on that. Kevin Booker is willing to attend a future Advisory Committee meeting to provide an update.

Questions/Comments

Jim Bundschu – Regarding wastewater for Napa and Bay Refurbishment, does CDFW pay for the water per acre-foot?

DuBay – CDFW doesn't pay for it. We received grant funding and they were a big part of that project.

Bundschu – What percentage goes to private property owners and what percentage goes to actual pond restoration? That is something for future consideration.

No public comment.

Fred Allebach moved to approve the March meeting summary and Jim Bundschu seconded. Caitlin Cornwall abstained as she missed most of the previous meeting.

Rate and Fee Study

Objective: Receive AC input on Rate and Fee Study options and proposed fee amounts.

Jerry Bradshaw, SCI Consulting gave an update on the Rate and Fee Study progress starting with a refresher on the funding structure. The agency was funded through grants and member agency contributions for the last three years; that funding will expire at the end of this year, so we need a viable funding structure for the next phase, the implementation of the Groundwater Sustainability Plan. He confirmed that the average budget over the next five years is about \$1.1 million per year. He said that a preferred rate structure has been selected, and the budget, as per Board direction, assumes 25% grant funding. The current expected budget gap to be filled is about \$400,000 for Year 1. Ann DuBay said that she and Marcus Trotta have looked at the budget multiple times. The idea is to streamline the administrative function. Even with that it will be challenging to reduce the budget substantially.

Bradshaw showed the three approach options that had been presented to the Board.

1. Option 1 – Adopt fee this year based on groundwater usage (minimal budget, plus minus \$400,000)
2. Option 2 – Adopt fee this year based on groundwater usage (25% grant funding)
3. Option 3 – No fee in Year 1 (continue member contributions and develop options, e.g., regulatory, hybrid, and balloted, for Years 2-5)

Questions/Comments

Vicki Hill – Under the total numbers for pumping, where are wineries? Are they commercial use? If yes, the number seems wrong. For the rural residential numbers, I would like to explain where the numbers come from; it needs clarification. On the hybrid option, if rural residential or ag pay based on use, would they also pay the “parcel charge”?

Bradshaw – Yes, rural residential and ag, would also pay the parcel charge in the hybrid scenario. That is currently up for discussion as we do more analyses on the option.

Hill – Please make it clear for the Board that the users would pay both.

Bradshaw – We have residential parcels with multiple units. In those cases, we use less than 0.5 acre-foot per acre per unit, but it is a per unit charge.

Trotta – On the rural residential question, page 14 of the meeting packet includes all the use codes. For wineries that are required to report usage because they are a public water supply system and/or have employees or a tasting room, we are using reported usage. Assumptions for any commercial properties identified but not associated with a public drinking water system, those water-use assumptions were developed by Permit Sonoma some years ago to help guide water supply assessments in their jurisdiction.

Caitlin Cornwall – Why did the Board override options for the grant funding amount? Also, is it true that the Resource Conservation Districts (RCDs) and North Bay Water District contributions didn’t come directly from them? Where did the money come? Something we should discuss in the hybrid option are arguments for having bigger or smaller proportions of the total cost being paid by groundwater users versus paid by everybody. And lastly, the demand estimate is now higher than what is in the GSP, what happened? Higher demand should affect the budget.

DuBay – Staff presented maximum grant assumptions to the Board including options of zero, 25% and 40%. The Advisory Committee was conservative on grant estimates. The Board thought 25% seems reasonable. In terms of RCD and North Bay Water District, they have been contributing member agencies since 2017, at a low rate. I don’t know if the funding comes from their general fund or somewhere else, but I know it has been a challenge for them. Their contributions were significantly reduced the last two years.

Trotta – Demand estimates are estimates. Because we are doing a parcel level assessment for the fee study, we had to look at more detail, including commercial usage. Improving our estimates of demand is flagged as a data gap with projects/actions to improve over time. I don’t think the fact that they are different, would necessitate a change in timing or change in approach in projects/management actions. It is the on-the-ground monitoring that is intended to drive the projects and management; minimum thresholds and undesirable results is what determines whether the basin is sustainable or not. The water budget isn’t set up to do that.

Bradshaw – There are eight criteria that DWR used for their basin prioritization list: population, population growth, number of public supply wells, total number of wells, irrigated acres; reliance on groundwater, basin impacts, and habitat. We need to delve into it further.

Allebach – I think it is important that the GSA fund the Groundwater Sustainability Plan. I wasn’t expecting to have the Petaluma basin in our scope. The scope changed; it goes against what everyone agreed to in the beginning which was to have local control. I don’t think municipal rate payers should fund the GSAs and I am also concerned that the GSA’s, don’t lean too much on Sonoma Water, as the rates will be passed on to their customers. As far as who is paying, we need to consider all users in the

basin. We shouldn't 'kick the can' down the road, we should decide the fees now. We need to push voluntary conservation and demand reduction and double down on conservation. I support the hybrid option. I think buying time is illusory, the choices won't get easier, we have already had seven years. This is about making groundwater sustainable. Demand reduction will be a key action but will cost money too. I am also concerned that member agencies are providing corporate welfare. A \$1 billion vineyard industry needs to be considered separately from a family winery.

DuBay – What do you mean by scope of Petaluma?

Allebach – Until very recently, we didn't pay any attention to the number of parcels, etc. in Petaluma, I thought we were only focusing on this basin and not comparing this basin to other ones.

DuBay – I see, you are responding to a comment by Director Rabbitt. As a Board of Supervisors' member, he needs to look more broadly at the region, maybe that is where the comment came from.

Norman Gilroy – On the extractions chart, just 3.8 acre-feet for indoor and zero acre-feet for outdoor cannabis cultivation – it seems inevitable that the number will rise over time and the acre-feet will change. Those two columns need to be populated; I want to understand why they are the way they are. In the 'other classes', and the extraction summary – you have urban irrigation. On the next page it is called urban wells. It is confusing, if they are the same, they should have the same name. Pumping agencies being charged should be a factor that isn't currently on the chart but should be. On the annual budget fluctuations chart, I suggest that likely usage be looked at over those years. Again, you are dividing the number of dollars spent less grants by the number of acre-feet. We need both usage and fee reflected in a chart like that. I also think the hybrid alternative has real possibilities but question whether there wouldn't need to be a vote.

Bradshaw – We have checked with Legal if the hybrid option is a regulatory fee or tax, it seems it qualifies as a regulatory fee. Keep in mind that 80% of all the acre-feet estimated is based on land use and water demand of that land use so, we are not measuring actual water pumpage on 80%. The Board can adjust rates easily, especially downwards. They have flexibility. We don't expect major fluctuations in the rates. On public charges, all the public agencies will be charged for the water they pump. Cannabis – we are still working on adding cannabis data in, it is a work in process, it is a small amount, it doesn't change the rates at this point.

Trotta – Cannabis estimates are from Permit Sonoma, actual permits in place.

Allebach – Can we get a breakdown on per capita groundwater use for both the City of Sonoma and Valley of the Moon Water District (VOMWD)?

Trotta – We should be able to do that. The numbers you see don't necessarily reflect their total groundwater use; it is just for the groundwater used with the subbasin. Most of the groundwater that Valley of the Moon Water District produces is from wells outside of the subbasin, those numbers are not included in the total.

DuBay (chat) – 2020 per capita data shows that VOMWD per capita use was 103 a day; Sonoma's per capita use was 166 per day. I don't have the 2021 numbers at my fingertips. You can find the regional municipal suppliers here: <https://www.savingwaterpartnership.org/wp-content/uploads/2021/12/SMSWP-Annual-Report-20-21-Website.pdf>.

Cornwall – I worry that postponing fees will have some negative consequences such as a rush for drilling new or deeper wells ahead of fees. We are in a historic drought. I worry about underfunding this agency at a time when it is urgently needed. I would hate to see monitoring and projects and management actions shortchanged.

Bundschu – In all this discussion, I haven't heard the word 'sustainability', only rates and fees. To answer Caitlin Cornwall's concern about more wells being drilled, I believe Governor Newsom has declared that Permit Sonoma must confer with the GSA before permitting new wells, for as long as the drought emergency continues. I also agree that if this isn't done right, there is a risk of litigation; it is a mistake to rush into it.

Matt Stornetta [to Jerry Bradshaw] – Could you elaborate on the eight categories of SGMA and the metric of 47% and 53%.

Bradshaw – 53% of the budget would be picked up by all groundwater users and 47% would be shared by all parcels evenly on a flat rate per parcel basis. It is subject to change. SGMA applied points to each category. The budget would be split as a percentage of the points between the two groups. I will send the details to staff for distribution.

Public comments

Tom Conlon – I appreciate you breaking out the eight criteria for the hybrid model; it would be helpful to have those in front of everyone before we 'sell' the hybrid model to a larger group of stakeholders. If you go forward with the hybrid model, how will we convince the urban users that it is a benefit to them and this a good use of their funds? I agree with Caitlin Cornwall that there are consequences of postponement. I am also worried the hybrid model could have legal ramifications. Is it in your legal expense budget to defend the hybrid model? Maybe, phasing in the hybrid option in future years when it is better understood as a community benefit would be a good thing.

Parker [to Jerry Bradshaw] – Where are you with the hybrid model and how close are you to perfecting it?

Bradshaw – So far with the hybrid model, we have been looking at fees that affect the 3000 groundwater parcels. The hybrid model brings in the rest of the constituency, who haven't been sent mailed notices, etc. We don't have a specific schedule. It could take a big chunk of the next fiscal year.

Roger Peters – Thinking about charging people, the rural residential assumption of about 450 gallons/day, could be seen as a lot for a small parcel. I agree with Caitlin Cornwall's comments, this isn't the time to back away from funding discussions. We need people to know we are all in this together, we shouldn't defer it, it isn't a good strategy. On the hybrid model, caution with how you deal with all the parcels, you have the proportionality question. Maybe the easiest way to do it, is for that part of the revenue, to be paid by the agency.

POLL

Option 1: Adopt fee this year based on groundwater usage (minimum budget plus/minus \$500,000)

Low rate in Year 1

Increases for year 2-5, depending on grant awards

If county contribution covers some rate classed, don't charge them

Option 2: Adopt fee this year based on groundwater usage (25% grant funding).

If more grants are awarded, lower rate in future years

If county contribution covers some rate classed, don't charge them

Option 3: No fee in Year 1.

Continue member contributions

Continue to develop options (e.g., regulatory, hybrid, balloted) for years 2-5

Monitor grant funding opportunities

Allebach – *Option 2 as bridge to Option 3*, my second option is Option 1 as bridge to Option 3

Cornwall – *Option 2 as bridge to Option 3*

Gilroy – *Option 2 as bridge to Option 3*

Hill – *Option 2 as bridge to Option 3*

Jane Whitsett – *Option 2 as bridge to Option 3*

Steve Wolf – *Option 2 as bridge to Option 3*

Stornetta – *Option 3*

Bundschu – *Option 3*

Gilroy – Tom Conlon said we need to confirm that we look carefully at how to build confidence in the population and show this is a good use of their funds. I have said this, many times. As the Advisory Committee, we need to schedule time to talk about this when the item is itemized so we discuss when it is a creative idea, not when we are responding to staff reports.

Allebach – The hybrid method brings everyone in and makes everybody a steward of the Sonoma Valley.

Groundwater Sustainability Plan (GSP) Implementation Update

Objective: Provide update on key GSP implementation items.

Marcus Trotta said that staff has been primarily focused on the rate and fee study. Other work includes the Annual Report (submitted on April 1 to DWR), and the grant-funded monitoring well drilling. The drillers are expected to break ground next week, starting in the Santa Rosa Plain. When we have a schedule for Sonoma Valley, we will let you know and arrange a tour for those interested in seeing the construction. Once the GSP was submitted to DWR in January, and they deemed it complete in terms of content, DWR opened it up for a 75-day review. We received three comments from California Department of Fish and Wildlife, National Marine Fisheries, and a consortium of different non-governmental organizations. Each of those organizations also submitted comments during our public review draft period last fall. The comments were centered around interconnected surface water which is identified as a data gap area in our Plan.

Trotta confirmed that the Gov Order N7-22 issued in March relates to the ongoing drought. Two items, 9A and 9B, directly affect well permitting. 9A requires new well permit requests to be coordinated between well permitting agencies and the GSA. 9B requires the permitting agency to determine if extraction of the groundwater won't likely cause subsidence or negatively affect nearby wells. The Order provides exemption for de minimis users and public supply wells.

Rob Pennington – Looking at historical data from 2017 through 2021, there have been between two and eight requests in Sonoma Valley per year. The number may be a little higher in future.

Questions/Comments

Cornwall – Are those permits for new wells or drilling deeper?

Pennington – It includes all requests.

Hill – I have been contacted by various people wanting more information on drilling wells, primarily located near Carriger Rd. Who should they contact if they have questions?

Pennington – They can contact me; I will be involved with the concerned people.

Vicki – So, if someone applies for a well permit now, they need to get approval from the GSA? Is the Order in effect now?

Pennington – Yes.

Gilroy – There was a comment made earlier about this stopping the rush of issuing permits in advance of the fee. It doesn't affect de minimis users?

Trotta – Correct, it doesn't affect the de minimis user.

Norma – Is there any concern at the Board level about that being an issue?

Trotta – There aren't any specific concerns other than by the Advisory Committee on well permitting in the areas of depletion.

No public comment.

Updated Public Outreach Plan

Objective: Provide information and receive AC input on updated outreach plan.

Andrea Rodriguez – We have an updated draft community engagement plan. Items include:

- Evergreen items (website updates, maintenance, monthly email update, social media, talking points and materials on topical items)
- Leveraging partner agency and stakeholder outreach
- Planning for new initiatives as part of grant applications
- Re-focus on engagement with disadvantaged communities and tribal governments

Please provide your comments on the draft to Andrea Rodriguez and Ann DuBay by May 25. The plan will be revised and shared with the Advisory Committee before a recommendation goes to the Board.

Questions/Comments

Cornwall – Are there tribal governments specifically identified in relation to Sonoma Valley?

DuBay – SGMA requires that we reach out to federally recognized tribes (we might not have any with a presence here) but because Graton does a lot of consultation work in Sonoma Valley, we are erring on the cautious side.

Updates

Objective: Provide relevant updates that inform the Advisory Committee and for AC to ask questions if needed.

Ann DuBay said that she had hoped to meet in person today as this will be the last time that she and Tim Parker will host a Sonoma Valley Advisory Committee meeting. Unfortunately, because of Covid, the meeting is virtual. DuBay hopes that on the well drilling field trip (possibly mid to late June), she can include box lunches and social time.

Review Action Items and ask for any Closing Comments

- *(from previous meeting)* Staff to come back with a conceptual outline of how we might interface with Permit Sonoma on policy options that are included in the Management Actions section of our Groundwater Sustainability Plan and some options how the GSA might work with Permit Sonoma on each management action, and a conceptual outline of how the requests to have discretionary projects are reviewed by the GSA.

Fred Allebach said this was a big transition phase with Jay Jasperse retiring and Ann DuBay and Tim Parker not hosting future meetings. He expressed his thanks to them, thanked the Advisory Committee for attending, and closed the meeting at 5:26 p.m.

The next Advisory Committee meeting is scheduled for July 12 (date to be confirmed).

Attendees:

Advisory Committee Members (present)

Caitlin Cornwall
Fred Allebach
Jane Whitsett
Jim Bundschu
Matt Stornetta
Norman Gilroy
Steve Wolf (arrived late)
Vicki Hill

Advisory Committee Members (absent/excused)

Greg Carr
Kenneth Johnson
Taylor Serres

Staff/Presenters

Ann DuBay, Sonoma Valley GSA Administrator
Marcus Trotta, Sonoma Water, Technical Staff
Andrea Rodriguez, Sonoma Water, Outreach Staff
Simone Peters, GSA Administrative Aide (recording meeting summary)
Jerry Bradshaw, SCI Consulting Group
Ryan Aston, SCI Consulting Group
Valerie Flores, SCI Consulting Group
Rob Pennington, Permit Sonoma

Facilitator
Tim Parker

Members of Public

Tom Conlon, member of public
Roger Peters, member of public
Kathy Pons, member of public