

Sonoma Valley Groundwater Sustainability Agency Community Meeting Summary

May 5, 2022

1. Meeting Agenda and Purpose

Tim Parker, Facilitator, opened the meeting announcing the purpose of the gathering was two-fold: to introduce the Sonoma Valley Groundwater Sustainability Plan, and to receive feedback on the rate and fee study options. Parker then gave a brief overview of the agenda.

2. Welcome and Background

Susan Gorin, Sonoma County Supervisor and, Sonoma Valley GSA Board Chair, welcomed the group.

Gorin provided informed the group that a state law, the Sustainable Groundwater Management Act (SGMA), was passed in 2014. The primary aim of this law is to provide a framework for sustainable, local groundwater management in places like the Santa Rosa Plain, Sonoma Valley and Petaluma Valley. The new law was passed at the height of the state's historic drought, with the goal of making sure that groundwater is available now and in the future for people, farms, and the environment. California is the last western state to enact plans for statewide groundwater management.

SGMA required the creation of a new agency to manage groundwater in the Sonoma Valley. The new agency, called the Sonoma Valley Groundwater Sustainability Agency – or GSA, was created in June 2017. The City of Sonoma, Sonoma County, the Sonoma County Water Agency, the Valley of the Moon Water District, the North Bay Water District, and the Sonoma Resource Conservation District worked together to meet the mandate of the state law to create this new agency. Together, the local agencies contributed about \$1.7 million over five years to pay for GSA administration and development of a Groundwater Sustainability Plan. The GSA also received more than \$2 million in state grant funds for development of the plan.

Tonight, we will discuss the fee options and the recent feedback from the GSA Board. At its April meeting, the Board agreed to slow down the process to allow more time to develop a new option, to see where we stand with grant funding and to allow for additional feedback from the public. In May, staff will bring a reduced budget for the next fiscal year, so we can possibly get by with a low fee or some money we have saved and possibly through additional contributions from member agencies.

3. Groundwater Basin Conditions, Projects, and Budget

Marcus Trotta, Sonoma Water Principal Hydrogeologist, shared information regarding the Groundwater Sustainability Plan (GSP). The GSP was adopted in December 2021, following more than 50 public meetings and input from the GSA Board and a diverse, stakeholder-based Advisory Committee. It includes an Executive Summary for those looking for a "Reader's Digest" version of the content of the Plan.

Trotta said that the state prioritized each groundwater basin as very low, low, medium, high priority or in critical overdraft. All basins that are medium, high priority or in critical overdraft must comply with SGMA. Santa Rosa Plain and Petaluma Valley are medium priority basins. Sonoma Valley is a high priority basin.

The state's prioritization of groundwater basins not only considers current groundwater conditions but also considers the significance of groundwater as a water supply source in the basin and the potential vulnerability of groundwater to impairment. Consequently, even though a basin may currently not have significant issues, it can still be required by the state to implement SGMA if groundwater is a significant source of water supply and/or it is vulnerable to impairment.

The state can assume management of a basin if a groundwater basin doesn't comply with SGMA by not forming a GSA, completing a GSP or implementing a plan to ensure that groundwater conditions are sustainable. If the state intercedes in a basin, it will assess fees and impose pumping restrictions on groundwater users until local management in compliance with SGMA can be demonstrated. Local cities, water districts, the County, Sonoma Water, and special districts chose to step forward to create the Sonoma Valley Groundwater Sustainability Agency (GSA) to retain local control over groundwater management.

Section 3 of the Plan describes the status of six key sustainability indicators. SGMA allows 20 years to achieve sustainability in the basin.

1. Groundwater Quality – Highly variable throughout the Sonoma Valley subbasin, but generally acceptable for most beneficial uses. Measured by looking at three different constituents of concern that are either naturally occurring or the result of human activities: arsenic, nitrates, and salts.
2. Land Surface Subsidence – No evidence of inelastic land subsidence due to groundwater pumping.
3. Interconnected Surface Water – Data is limited on the effect of groundwater pumping on stream flows, it will be important to gain more information as we move forward.
4. Seawater Intrusion – We also have limited information regarding how and if sea water is migrating inland into the basin from the Baylands area.
5. Groundwater Storage – On average, in recent years, the amount of groundwater that's stored in the basin has been declining an average of an estimated 300 to 900 acre-feet per year.
6. Groundwater Levels – Modeling indicates that groundwater in storage in the shallow aquifer in most areas of the subbasin are quite stable. On the other hand, in the deep aquifer system, groundwater levels have shown long term declines over a couple of decades in a few areas.

Section 4 of the Plan sets thresholds and objectives for each of the six key sustainability indicators.

Section 6 includes projects and actions needed to address current and future problems such as water use efficiency and alternative water source projects for rural resident, commercial and industrial users, and agriculture. Other projects and actions include aquifer storage and recovery (ASR), storm water capture and on-farm capture and low-impact development, and policy options including discretionary review of well permits, Farm Plan Coordination, and well metering for non-residential pumpers.

Trotta provided an overview of the average annual budget costs for the Groundwater Sustainability Agencies which is about \$1,122,200 for each agency.

The benefits to groundwater users:

- Protect groundwater wells from going dry due to over pumping
- Retain local control of the groundwater basin
- Protect the aquifer from the long-term impacts of climate change and changes in land use patterns
- Help prevent seawater (due to pumping from intruding into the basin
- Reduce the changes of land subsidence due to groundwater pumping
- Help prevent streams from going dry due to groundwater pumping

Challenges include:

- Water use estimates are imperfect because metered data does not exist for most users
- Costs (new costs to groundwater users; SGMA and DWR regulations results in significant operational administrative costs; small basins bear a greater proportion of these costs than larger basins, where costs can be spread over more groundwater users
- Timing (late June/early July deadline to include fee on property tax roll for revenue in fiscal year 2022-2023 for first year of GSP implementation; state grant award will not be known until early 2023)

4. Fee and Rate Study Update and Next Steps

Jerry Bradshaw, SCI Consulting Group, gave an update on funding sources, groundwater pumping data, costs, and preliminary options and rates associated with the options. He provided a background on the existing funding structure which will expire this year.

Local agencies provided funding for the first five years of the GSA's operations. The Boards of the agencies agreed that the GSA must become self-funded beginning July 1, 2022, once the Groundwater Sustainability Plan (plan) was completed. In total, local agencies have paid more than \$1.7 million to support the GSA, and this has been matched by state grants and technical assistance of about \$2.2 million.

The GSA is now at a turning point for funding – implementation of the Plan that will ensure groundwater is available now and for future generations. A rate and fee study is being developed to explore ways for the GSA to be self-funded going forward. Many creative ideas have been explored by the GSA to widely and fairly, spread the costs of sustainably managing our groundwater. Many of the ideas did not meet the strict legal conditions established in both the California Constitution and in recent court cases regarding fees and taxes.

Funding sources are broken down into three groups: 1) grants from the state, 2) GSA members (water agencies, cities, and towns), and 3) beneficiaries – groundwater users directly benefiting from pumping and all water users.

Rate classes include:

Municipal and other public service providers
Agriculture and other irrigation
Rural residential
Commercial
Urban wells

Rate category breakdown:

Municipal and other public systems (approximately 13% of water pumped)

Ag, turf (approximately 70% of water pumped)

Rural residential (approximately 13% of water pumped)

Commercial and Urban irrigation (approximately 4% of water pumped)

One option that is simple, fair and meets constitutional standards, is a fee based on estimated or actual groundwater use. Large public-supply groundwater users like cities, towns, mutual water companies, some commercial and industrial users that have well meters and already report their usage would pay a fee based on their actual reported or potential water use. Large groundwater users that don't have meters and don't currently report their water usage would pay based on estimated use from published water-use data for specific crop types and land use designations. It's assumed that people who use groundwater for their home, landscaping, and garden use – on average – use about half an acre-foot of water per parcel annually (about 466 gallons per day). The fee based on groundwater pumped is calculated by dividing the average annual cost of implementing the GSP by the average annual amount of groundwater pumped in the basin. The annual groundwater sustainability fee in the Sonoma Valley would be:

- Between \$95 and \$160 per acre foot of estimated or actual groundwater pumped annually for large groundwater users. (An acre-foot of water is equivalent to 325,851 gallons.)
- Between \$48 and \$80 per parcel for rural residential homeowners who use groundwater for drinking, gardening, and other domestic purposes.

For comparison, if the state takes over management of the basin, it will charge \$100 per well annually for residential well owners and a \$300 base fee for large well owners, plus a \$40 per acre-foot use fee. In addition, the state may require pumping restrictions if it determines such actions are necessary to achieve sustainability.

People who get their water from cities, towns or mutual water companies won't be directly assessed a fee. However, these water utilities could pass the costs of the groundwater sustainability fee on to their customers.

Alternative funding options considered include: a wellhead fee; a parcel tax; and a benefit assessment approach. A hybrid option to charge fees to all water consumers in the basin (not just groundwater users) is being studied as well. This approach would spread the costs across a larger rate base, thus lowering the rates but would require 50 percent voter approval.

Current Board direction on fee options include:

- Slow down decision making
- Budget & rates (assume 25% from grants, consider member contributions for Year 1; reduce costs to minimum)
- Do not support wellhead fee

Local management is currently identifying, monitoring, and fixing existing groundwater problems that are caused by pumping groundwater. An example of what this means, can be found in the Drought Emergency Executive Order that was issued by Governor Newsom on Monday, March 28. Order

Number 9 of that emergency order requires the Groundwater Sustainability Agency to provide written approval for nearly all larger well permit applications. Effective immediately, county permitting must get the agreement from the GSA before a well permit can be issued for any wells, except public water supply wells and residential wells that pump less than two acre-feet annually.

Next steps include an Advisory Committee and a Board meeting in May, and a Board meeting in June (potentially approving rates and fee).

5. Closing Remarks

Susan Gorin thanked everyone for joining. She said that the Board is listening to all comments and are focusing on what is fair and reducing the budget to keep fees as low as possible.

David Rabbitt, added, that this is a dilemma. It is state mandated, and we need to find a way to pay for it locally. He thanked staff for their work.

For more information on the GSA and its Groundwater Sustainability Plan required by the Sustainable Management Groundwater Act, visit <https://sonomavalleygroundwater.org/>.

For more information on the Sonoma Valley Groundwater Sustainability Plan, see <https://sonomavalleygroundwater.org/gsp/>.

Attachments:

1. Questions and Answers
2. List of Attendees

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Questions & Answers / Comments

Susan Pareto

Why are the rates so much higher for Petaluma than other areas including the Sonoma basin and the California recommended base amount?

Response – The basic costs for each basin are similar, but Petaluma Valley has fewer people to divide the costs among them.

Pareto – I'm not familiar with a recommended base amount and would appreciate information on this, if you have a link that you can share!

Response – There will be a Petaluma Valley meeting next week, on May 12, for more information on that basin.

Susan Pareto

Are grape growers (including those with 'vanity' vineyards being charged extra or at a different rate?

Response – No rates or fees have been decided, and there are different ways of charging groundwater users. In some other basins (including Santa Rosa Plain), groundwater users are charged based on actual or estimated pumping. So, a grape grower with 100 acres would pay more than a grower with 10 acres, and both would pay more than a rural residence with a home, garden, etc.

Mark Jonas

Please define a "Well Parcel".

Response – We don't have high confidence in where all the wells are, so we are modeling what each parcel demands – how much water is required to grow the crops or to have a home on it or run a business. When I say well parcel, these are parcels reliant on well water to run the operation of their home, crops, or business.

Mark Jonas

Thank Sonoma Valley GSA for the excellent work and getting your fiscal house in order. My first inquiry concerns incentivizing lower water use under the fee-based approach by providing options for monitoring groundwater extraction by the small user, in lieu of a set fee. Secondly, is the groundwater model sensitive enough to identify those that are using excess groundwater, beyond assumed extraction?

Response – Doing work in lieu of a fee could be considered. Most fee structures have proportionality requirements so we can't charge less for one group and have another group pay more. Other than the two fee structures that require voter approval, the Board has flexibility on a year-by-year basis to modify it. If they were to develop work in lieu program, they could build that into the next level that they would adopt for the next year. Having metered and recorded data would be helpful for the GSA and for conservation. It is a potential policy option for the future; we currently don't have the infrastructure set up to incorporate it at this time. The groundwater model is not sensitive enough to identify those that are using excess groundwater. Without actual metered data there is no way to know if there is over-pumping or less pumping. The conservation programs in the projects and actions will be moving forward and will stand on their own.

Catherine Woody

How can a single-family residence with their only source of water a shallow well, prove that we do not use much water? There is construction and wells being drilled in the area which may impact the groundwater availability.

Response – Because the GSA is prohibited from metering rural residential wells (that don't use water for commercial purposes), rural residential water use is estimated. As the fee consultant will discuss, the estimates are based on local studies. Because people in our area (on average) are very water conscious, we are using an estimate of 0.5 acre-feet annually for a rural household. In other communities, GSAs are estimating that rural households use 2 acre-feet of water annually.

Fred Allebach

Is a condition of the Valley of the Moon Water District (VOMWD) getting the aquifer storage recovery (ASR) projects, that they need to replenish groundwater pumped with aqueduct water? That's to say, an ASR well seems like it would have to be used for recharge.

Response – VOM is getting awarded money to retrofit two wells (one within the basin and the other one just outside the basin) to be used for ASR. The technology has been used throughout the world, there is lots of data to reference.

Fred Allebach

If budget is cut, a natural mitigation, would be increased conservation: demand management. i.e., if funds for projects and management actions and data collection/ are limited, to meet SGMA, the GSA can double down on conservation.

Response – There are costs associated with developing a conservation program to provide incentives for conservation. It will be up to the Board to prioritize projects and actions. Certain items in the budget need to be continued to comply with SGMA such as monitoring and annual reports.

Susan Pareto

When you talk about protecting groundwater, where does growth control come in? Obviously, the number of people drawing on water continues to increase in Sonoma, so how are you taking this into account?

Response – The GSP includes a 50-year projection that accounts for potential future growth as well as climate change. These projections were used to help prioritize the timing and potential need for future projects and actions. The GSA doesn't have the authority to limit land use, like new development. Land use is decided by the county and the cities, who have representatives on the GSA Board and Advisory Committee. These representatives can help carry information about groundwater concerns back to their boards and councils. In addition, SGMA requires land-use agencies to consider groundwater resources and the new groundwater plans when they make development decisions.

Pareto I'd like to re-phrase: I think all the study of groundwater is good, but I am not clear on where the changing size of the population using groundwater – and how it is used – is being taken into account because right now it sounds like studying a moving target. This is separate from fee studies.

Let me know if the answer I just provided to your previous question helped. The GSA will need to track future land use changes closely and adjust predictions and planning as appropriate. SGMA is intended to be an adaptive program where the GSA will have opportunities to make

changes, incorporate new projects and actions based on information developed during implementation. The required five-year updates are ideal points to do this.

Melanie Saweliew

Surface water refers to creek/stream water, or something else?

Response – Yes, surface water is creeks, streams, ponds, the Russian River... water that is on the surface of the land.

Michael Sipiora

Have you considered allowing owners to voluntarily monitor and report water usage in lieu of estimated use? There seems to be no incentives for saving on groundwater usage.

Response – We intend to bring forward an appeals process, so if people can show good data that you are using less than we have allocated, there is a process available to show the agency and get a reduction. To that extent, there would be some incentive to use less.

Melanie Saweliew

Is there any possibility to change the fee structure at some point? For example, begin with a regulatory fee now, just to get started collecting the fees, then attempt to pass the parcel tax option at the proper time.

Response – The Board has the option; they have lots of flexibility.

Nita Miller

If a parcel is 100 acres of pasture with a residence, would it be charged both as rural residential and 100 pasture?

Response – Yes, if that is how the property is defined in the County Assessors Use Code, that is how it would be charged.

Tom Conlon

Once the new funding system is established, will the "members" (several of which are funded mainly by people who DON'T have wells) be paid back for the money already spent to get the GSA up and running?

Response – The member agencies don't currently anticipate being repaid but could reconsider repayment in the future. Statewide, many GSAs are being operated by member agencies sharing in the costs.

Fred Allebach

The hybrid option seems like it is not proportional, because it does charge some less and have others pay for it; what limits are there on proportionality?

Response – It will come under scrutiny; we need to do more analysis to ensure it meets legal muster. Most water districts have two charges, a fixed fee, and a usage fee. Some costs will be incurred regardless of how much water is pumped out of the ground.

Tom Conlon

Would all "pastures" be charged the same rate, regardless of whether they are dry-farmed or irrigated?

Response – If pastures are flagged as non-irrigated in the land-use mapping used for the extraction estimates they would not be charged. Only those identified as irrigated with groundwater would be charged. The data comes from detailed land use mapping which indicates if parcels are irrigated or not. We also worked with the Advisory Committee to refine some of the information on pasture irrigation.

Tom Conlon

It seems like most of this startup budget is allocated to G&A, outreach, monitoring, reporting, etc... only \$148k for Programs & Activities that would reduce groundwater consumption. Do you expect this line item's relative share of the budget to grow over time?

Response – The funding included in the five-year budget for projects and management actions is primarily for assessing the feasibility and further scoping and planning for those projects and actions. There are other funding sources that will be pursued for implementation. We expect some of the costs associated with data gap filling will go down as data gaps are filled and costs of projects and actions will probably increase over time in certain areas.

Tom Conlon

Another crazy "hybrid" idea: Have the three GSA's coordinated to equalize rates in all three basins. Has anyone suggested considering something like this? Or is each basin "on its own"?

Response – The GSA boards have asked staff to look at consolidation options. However, there are limits to how much they can share the costs of implementing the GSPs.

Catherine Woody

Who can I speak with on the phone about my specific situation?

Response – Why don't you start with me? I administer the GSA. You can reach me at (707) 524-8378. Thank you! Ann DuBay

Pat Stornetta

How many attendees are here tonight?

Response – Twenty-three.

Melanie Saweliew

Will these slides be available on the website after the meeting?

Response – Yes, they will be posted on the SVGSA website next week.

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Attendee List

Panelists/Staff

Ann DuBay

David Rabbitt (GSA Board)

Jerry Bradshaw – SCI Consulting

Juan Mora – Translator

Marcus Trotta

Ryan Aston – SCI Consulting

Simone Peters

Susan Gorin, Sonoma County Supervisor, and GSA Board Chair

Tim Parker

Attendees

Andre Maillard

Andrew Rich

Caitlin Cornwall (GSA Advisory Committee)

Catherine Woody

Craig Hardisty

Dorena Martinelli

Fred Allebach (Chair, GSA Advisory Committee)

Jacques Boyer

Johanna Patri

June Whitesides

Kathy Pons

Kristin Moe

Mark Jonas

Maud Hallin

Melanie Saweliew

Michael Sipiora

Nicole Hayden

Nita Miller

Pat Stornetta

Rose Cook

Stacie McCambridge

Susan Pareto

Tom Conlon