

Petaluma Valley Groundwater Sustainability Agency Board Meeting | Minutes

June 22, 2023

<http://petalumavalleygroundwater.org/>

1. Call to Order and Roll Call

In **Chair Rabbitt's** absence, **Vice-Chair Abelli-Amen** called the meeting to order at 4:05 p.m. and asked Sandi Potter, Administrator, to conduct roll call. **Directors Abelli-Amen, Alternate Janice Cader-Thompson (replacing Director Barnacle), and Gorin** were present. **Director Wasem** and **Chair Rabbitt** were absent. **Chair Rabbitt** arrived at 4:19pm.

Sandi Potter welcomed the Board, Advisory Committee members, Holly Roberson (Legal Counsel from Kronick), and members of public.

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

None.

3. Consent Calendar

- a. **Approve Minutes of March 23, 2023**
- b. **Approve Year-to-Date Financial Report**
- c. **Approve Permit Sonoma Contract for Ongoing GUIDE Maintenance**

Since 2020, Permit Sonoma has been under contract with the GSA to help improve groundwater use estimates and develop the Groundwater Users Information Data Exchange (GUIDE) program. This work was funded by the Proposition 1 and Proposition 68 grant funds which Sonoma Water administered. To streamline contracts and billing, Permit Sonoma was contracted directly with Sonoma Water for this work. The grant funded work was completed in Fall 2022.

To continue maintenance of the GUIDE webmap and process annual database updates for the groundwater sustainability fees, staff is requesting authorization to negotiate a two-year contract with Permit Sonoma for a total of \$26,400 per year.

No questions or comments.

Director Gorin moved to approve the Consent Calendar as presented, **Director Cader-Thompon** seconded. **The motion passed 3-0-2** with a simple majority. **Director Wasem** and **Chair Rabbitt** were absent.

Roll Call Vote

Director Gorin – aye

Alternate Director Cader-Thompson – aye

Director Abelli-Amen – aye

Director Rabbit – absent

Director Wasem - absent

4. Directors/Subcommittee Report

No report, no public comment.

5. Advisory Committee Report

Rebecca Ng introduced herself as the newly elected Advisory Committee Chair replacing Heidi Bauer and said that Lindsey Strain had been selected as Vice-Chair to replace Eugene Camozzi. Agenda items covered at their recent May meeting included a spring monitoring update, the voluntary monitoring program, and GSA policy options study kickoff.

6. Information Items

a. Spring Monitoring Update

Marcus Trotta, Plan Manager provided an update on the current groundwater levels as measured from the voluntary and dedicated multi-level monitoring wells this spring. Total rainfall received in Petaluma Valley for Water Year 2022 (October 1 to present) is about 39 inches compared to 25 inches in Water Year 2022 and 10 inches in Water Year 2021. Groundwater levels are generally higher than normal spring conditions.

Board Questions/Comments

Director Abelli-Amen – When looking at a hydrograph can you say what is seasonal and what is related to pumping? We aren't responsible for seasonal fluctuations.

Trotta – We typically look for groundwater levels dropping during drought periods and recovering during wet periods (that is more indicative of seasonal climactic changes) versus long term declining trends where groundwater levels are not recovering during wet periods. There are a few wells in Petaluma Valley like this.

Director Gorin – In general, I was expecting a dramatic recovery after all the rain. I don't see as much improvement and recovery as I expected.

Trotta – It depends on the location of the well, the depth, and the formation it is completed within because our geology is so variable. Overall, this is just a handful of wells; we put together some representative hydrographs for data. Normally, we don't put together this data until we compile the Annual Report. There are some areas that show significant recovery.

Director Gorin – Are there any surprises?

Trotta – Nothing yet.

No public comment.

b. SGMA Implementation Updates

The Groundwater Sustainability Plan (GSP) was submitted on January 29, 2022 by the Petaluma Valley Groundwater Sustainability Agency (GSA) and implementation activities began upon submission of the GSP. On January 26, 2023, DWR issued its approval of the GSP for the Subbasin. Marcus Trotta provided an update on DWR’s DRAFT funding recommendations for SGMA Round 2 Implementation Grants and a summary of in-progress and near-term planned activities for the following implementation components: addressing data gaps for interconnected surface water, GDEs, and groundwater levels, groundwater model update planning, and initial planning for projects and management actions.

DWR issued preliminary grant recommendations and Petaluma Valley received the full amount requested \$6,739,409. DWR received 82 applications for over \$780 million grant funding, only 31 applicants were granted funding of \$187 million. The Santa Rosa Plain GSA was also recommended for full funding; however, Sonoma Valley was not recommended for any funding.

There is a public comment period from May 19 to June 9, 2023. Final grants are expected in October, if not before.

Budget Summary

Component 1: Grant Administration	\$418,500
Component 2: Aquifer System and Beneficial User Impact Assessments	\$2,356,090
Component 3: Planning for Demand Management Programs	\$707,960
Component 4: Planning for Projects	\$591,140
Component 5: Urban Recycled Water Expansion	<u>\$2,665,719</u>
TOTAL	<u>\$6,739,409</u>

Board Questions/Comments

Director Rabbitt – Is there a time frame for the funds to be expended?

Trotta – Under this grant program, it is spring 2026. We aim to finish projects by the end of 2025; it would give us a full two years to implement the projects. There is no match requirement for this grant.

Director Abelli-Amen – You said that programs already done, might be reimbursable. Are those funds that can be returned to member agencies? Have you been tracking it? How much are we talking about?

Trotta – They can go back to 2022 and onward. It would have to be work-related to projects in the grant application. I am not sure about the potential for reimbursement to member agencies. We hoped for funding so have set up project numbers to make proper allocations to projects.

Director Gorin – Unless Sonoma Valley gets funding from the state or elsewhere, the overlapping agencies will have different circumstances for each basin. There will be no reimbursements to consider for Sonoma Valley.

No public comment.

c. FY2023-23 Fee Update

Indigo Bannister reviewed FY22-23 fees. The Petaluma Valley GSA has collected \$93,221 on property tax bills and \$51,264 through manual billing. \$1,200 remains uncollected. Revenues reflect fee corrections made during the fiscal year. Thirty surveys were received and reviewed. There are many types of corrections, but the four most common/systemic corrections include:

1. Recycled water credits
2. Public water systems calculations
3. Service connections and dormant/non-operational wells
4. Turf irrigation calculations

Total fee corrections of \$17,835 were incurred versus a budgeted appeal allowance of \$12,419. Expenses include staff and consultant time, issuing of refunds, and corrections with Assessor's office, etc. The fiscal year 23-24 fee will remain unchanged at \$40 per acre-foot with the continued county contribution.

Sandi Potter said she is happy with the process and gave kudos to Indigo Bannister for her work on fees.

Board Questions/Comments

Director Abelli-Amen – What are the manual billings?

Bannister – We have two types of direct billing: 1) tax exempt parcels that don't receive property tax bills (nonprofit/government agencies) and 2) public water systems that don't have a property tax bill associated to the water system boundaries.

Director Rabbitt – We have a tax laws reserve fund that pays for all districts that collect money through the county and the county then picks up the penalties and replenishes the fund. The county pays everything it owes the districts. Do you know how that works?

Potter – I believe the GSA is paid in that manner. The only time we go to collection is with manual billing. We expect it will improve over time; this is the first year.

Public Comment/Questions

Member of Public – How long did it take to complete the well approval (the one approved)?

Bannister – It is a joint effort between the administrative and technical sides, in total about six hours per side for review and much of that is coordinating with Permit Sonoma and the applicant.

Member of Public – Was that over a week, month, year?

Bannister – We have a 30-day turnover goal. We are still working through hiccups to streamline it.

Director Gorin – The Sonoma Valley Administrator said they were surprised at how long it took for review.

7. Action Items

- a. **Fiscal Year 2022-23 Budget Adjustment and Fiscal Year 2023-24 Final Budget Adoption.**
Consider adjustment to Fiscal Year 2022-2023 Budget for adoption and consider Fiscal Year 2023-2024 Budget for final adoption.

Sandi Potter explained that the FY22-23 budget was approved by the Board on May 26, 2022. Because of delays in work conducted under the Prop 1 and Prop 68 grant funded projects, work that was budgeted in FY21-22 was conducted and reimbursed by DWR during FY22-23. To manage cash flow, the GSA temporarily withheld payment of several Sonoma Water invoices for work conducted in FY20-21 and FY21-22; these invoices will be paid in full during the current FY22-23 as the grant work is completed. Because these expenses were not originally projected in the FY22-23 budget, a budget adjustment is needed to allow the GSA to complete payment of all Prop 1 and Prop 68 grant funded work.

The proposed FY 2022-23 budget amendment includes additional expenditures of \$415,000 and revenues of \$416,000.

No public comment.

Director Abelli-Amen moved to approve the 2022-2023 Budget Adjustment; **Director Gorin** seconded. **The motion passed unanimously 4-0-1** with a super majority vote. **Director Wasem** was absent.

Roll Call Vote

Director Abelli-Amen – aye
Alternate Director Cader-Thompson – aye
Director Gorin – aye
Director Rabbit – aye
Director Wasem – absent

Sandi Potter made clear that the preliminary fiscal year 2023-24 budget was approved by the Board on March 23, 2023. Staff completed minor adjustments to some expense items to align with county accounting categories. Total revenues and expenses of the proposed final FY23-24 budget are fundamentally the same as the approved preliminary budget.

To support the continued operations and activities of the Agency, the proposed FY 2023-24 budget anticipates revenues derived from the groundwater sustainability fee. Since grant funding has not yet been secured (draft awards have been released, but not yet finalized), grant funding revenue is not included in the budget.

Public comment

Member of Public – This is several hundred thousand dollars more than we were told it would be in the past. Where are all the extra expenses going to be incurred in the managing of the GSA?

Potter – This is like last year's budget. We have increases because of the cost to implement the groundwater user fee, and the budget also includes implementation projects and our outreach program. Administration counts for about 15% of the total budget of the GSA.

Potter added that she is very happy with the tentative grant award of \$6 million over the next two years. She expects they will come back with a modified budget if/when the grant is finally approved in the fall and the budget would look very different then.

Director Abelli-Amen moved to approve the Fiscal Year 2023-2024 Budget for final adoption; **Director Gorin** seconded. **The motion passed unanimously 4-0-1** with a super majority vote. **Director Wasem** was absent.

Roll Call Vote

Director Abelli-Amen – aye

Alternate Director Cader-Thompson – aye

Director Gorin – aye

Director Rabbit – aye

Director Wasem – absent

- b. West Yost Contract Amendment.** Consider approving an amendment with West Yost Associates for administrative and grant administration services. The item would also authorize the Chair to sign the agreement.

In 2018, West Yost was retained by the GSA to provide administrative services, including oversight of fiscal, legal, facilitation and fee study contractors/consultants; manage board and advisory committee meetings; communicate with member agency and stakeholder entities; coordinate with adjacent GSAs; and support development of a groundwater user registration program and rate and fee structure to support GSA operations.

Following a 2022 competitive solicitation based on GSA Board-approved budget estimates, West Yost was selected to continue providing administrative services to the GSA. West Yost is currently completing the first year of services under the existing two-year contract, which included finalizing, adopting, and implementing the approved groundwater sustainability fee.

Changes in state regulation and County oversight of the well permitting process, extensive public engagement, higher than anticipated fee corrections, and increased need for regional collaboration on planning, funding, and public engagement have resulted in additional level of effort this year. GSA staff anticipates the need for enhanced administrative support will continue into the next fiscal year. The proposed contract amendment would increase the total compensation by \$103,100, for a total compensation of \$427,100 over the two-year contract term. The total amended contract budget is included in the approved preliminary GSA budget for FY2023-24.

Board Comments/Questions

Director Rabbit – SGMA forced us into a new territory, there is lots of learning along the way. These are more realistic costs. I look forward to building it into the budget and holding to it in the future.

No public comment.

Alternate Director Cader-Thompson moved to approve the amended contract with West Yost and authorized the Chair to sign the agreement as presented; **Director Gorin** seconded. **The motion passed unanimously 4-0-1** with a super majority vote. **Director Wasem** was absent.

Roll Call Vote

Director Abelli-Amen – aye

Alternate Director Cader-Thompson – aye

Director Gorin – aye

Director Rabbit – aye

Director Wasem – absent

8. Legal Counsel, Plan Manager and Administrator Report

Legal Counsel Report

Holly Roberson, Legal Counsel, introduced herself and said that she has worked with the GSA for years already and is familiar with staff. She shared that Assemblyman Bennett has created two bills aimed at making the Governor's Emergency Executive order permanent: AB429 applies in critically over-drafted basins where only 1% of domestic wells have gone dry. AB1563 takes the Executive Order and makes it permanent law with a few tweaks: replacement wells are exempt. There are still some questions such as what if a well is replaced near a stream, but the main purpose of the bill is to stop large production wells (trend seen in the Central Valley). Roberson also offered to review final grants moving forward.

Board Comments/Questions

Director Gorin – It is important to track if wells are going dry even in this water flush year. I understand there is a process we can track wells that might be going dry and need to be drilled deeper.

Director Rabbitt – A replacement well is only drilled if the existing well is failing. How do they determine a replacement? The size of the well pipe?

Roberson – Wells have a shelf life; it is usually maximum 50 years; it doesn't mean the well has gone dry.

Trotta – Replacements could also be wells that are going dry and need to be drilled deeper. There are a variety of reasons for replacements.

Potter – The Executive Order exempts domestic de minimis wells, is that proposed in AB1563?

Roberson – Because the two acre-feet de minimis is by statute in SGMA exempt, I would be surprised if it didn't carry over to AB1563. I will double check for you.

Director Rabbitt – Do you have any idea why Assemblyman Bennett came up with two very similar, yet different, bills?

Roberson – I expect it is to get something across the finish line. He may have made a concession to someone who thought AB1563 was too lenient so then came up with something more stringent.

Public comment

Member of Public – A common problem with older wells is that the steel casing deteriorates and the well starts pumping sand and gravel which destroys the pump.

Plan Manager Report

Marcus Trotta shared that he had attended the Groundwater Resources Annual SGMA Summit. There were over 200 participants, and it was a great opportunity to share information and hear what is happening in other areas of the state. There were good panels on planning of over-drafted basins and demand management, much interest in the GUIDE program, and recharge permitting. DWR will be developing guidance on interconnected surface water.

Board Comments/Questions

Director Abelli-Amen – You mentioned DWR’s emphasis on coordination of adjacent basins. I wonder if you can use that notion in your appeal letter for Sonoma Valley.

Trotta – Yes, we emphasized the importance of regionality.

Outreach Report

Pam Van Halsema, outreach staff, shared that the GSA newsletter which had previously been monthly, is now quarterly. The next issue will be available in August in English and Spanish. The outreach team is also creating inserts in mailings/manual billing which could inform people about the website, newsletter, and Annual Report, etc.

Board Comments/Questions

Director Gorin – Some of us have newsletters. If you could send us a ‘blurb’ with a link, we could have many people linking on the Spanish version. We have a Spanish web page; we may be able to get more interest for this.

No public comment.

Administrator Report

Sandi Potter covered various Petaluma Valley GSA activities and provided Sonoma County updates. She highlighted one thing about the DWR grant which hadn’t been mentioned previously at the meeting. Sonoma Valley scored just one point less than Petaluma Valley and Santa Rosa Plain and received no grant funds. The Petaluma Valley GSA was interested in presenting their grant request as stand-alone but, it would be beneficial for Santa Rosa Plain and Petaluma Valley both, if Sonoma Valley were to receive a grant. Potter recommended that the Petaluma Valley GSA prepare a statement of support [to DWR] for Sonoma Valley. She asked if she could put together some draft statements and work with the consolidation ad hoc members from the three GSAs to compile the letter of support.

The administrator report is in the packet. No questions or comments.

9. Adjournment

The next Advisory Committee meeting is September 20, 2023 and the next Board meeting is October 26, 2023.

Director Rabbitt thanked staff for their work and adjourned the meeting at 5:30 p.m.

Other Meeting Attendees

Sandi Potter, Sonoma Valley GSA Administrator

Marcus Trotta, Plan Manager

Indigo Bannister, GSA staff

Pamela Van Halsema – Outreach staff

Simone Peters, GSA staff (*recording meeting minutes*)

Holly Roberson, Legal Counsel

Rebecca Ng, Advisory Committee Chair (departed 4:45pm)

Gina Benedetti-Petnic, City of Petaluma

One member of public