

Board Meeting

Petaluma Valley Groundwater Sustainability Agency

Meeting Minutes

Date: February 27, 2020

Time: 4:00 p.m.

Location: Petaluma Community Center

320 N McDowell Blvd, Petaluma

<http://www.petalumavalleygroundwater.org>

Agenda

1. Call to Order by Vice-Chair Abelli-Amen and Roll Call. Quorum present.

Vice-Chairman Bruce Abelli-Amen

Director Mike Sangiacomo- alternate

Director Mike Healy

Director Susan Gorin

Chairman David Rabbitt (arrived at 4:18)

2. Consent Calendar

- a. Approve Minutes of October 24, 2019

- b. Approve Year-to-Date Financial Report

- c. Approve Year-to-Date Member Agency Contributions

Director Healy moved to approve the Consent Calendar as presented, seconded by **Director Abelli-Amen**. The motion was approved.

3. Directors/Subcommittee Report

None.

4. Advisory Committee Report

Andy Rodgers provided an update on the November and January Advisory Committee meetings. He commended the Advisory Committee for the members' engagement and civility, noting they have very candid open conversations. At the November meeting, a representative from the North Coast Water Resources Board and Permit Sonoma staff gave a presentation on cannabis growers and potential impacts on groundwater. The take-away from the presentation was that water use by cannabis growers is very small basin-wide. At the January meeting, the Advisory Committee had a robust discussion on Sustainable Management Criteria (SMC), lowering of groundwater levels. They were able to come up with some clear qualitative statements that staff is working to turn into metrics. Rodgers

brought those draft statements to share with the Santa Rosa Plain basin as an example. He noted that it's helpful for each GSA basin to share their work.

5. Information items:

Groundwater Sustainability Plan: Overview and discussion of developing Sustainable Management Criteria, including schedule and possible all-basin work groups

Marcus Trotta updated the Board on the Sustainable Management Criteria (SMC) that are in the process of being developed. The SMCs will drive what types of projects and programs are needed in the basin to achieve sustainability.

The Groundwater Sustainability Plan working schedule was provided, outlining the schedule for 2020. The Basin Setting section (describing current conditions) is nearly complete but is awaiting the water budget. Water budget calculations will be developed using information from the USGS computer model. This is still in development and will be ready to present to the Advisory Committee in the next couple of months.

Management Areas are something the GSA may establish if there is the need for distinct goals and actions. These areas can be used in various ways to establish projects. The staff and the Advisory Committee will defer on a recommendation until we get further into the development of SMCs.

Question: Could intensity of water use be a criterium?

Response: Yes, or an area in the southern portion of the basin with much less use.

Question: Where in the GSP is there a need assessment?

Response: The need assessment is part of the SMC development and will determine where projects and actions are needed.

These are the six SMC indicators that need to be addressed in our GSP. We are starting with the "Lowering of Groundwater" indicator. It is the most intuitive and can be used as a proxy for other indicators. One thing to keep in mind is that this is an iterative process. There will be back and forth as we run modeling scenarios, and we will be bringing results back and looking at projects and actions for impacts. In the packet is a flow chart of the process for developing SMCs. Each indicator will go through this process.

Question: Is there something in between to measure the success of the GSP?

Response: Yes, interim milestones are part of the GSP. You have measurable objectives that you are required to achieve in 20 years of plan adoption and every five years we will submit updates to DWR, which include five-year interim milestones.

Question: Is there any process to get buy-in from DWR before submitting the plan?

Response: Yes, there is some guidance in the DWR documents and best practices in the SMC. DWR is committed to attending meetings more frequently and this will provide us an opportunity to bounce ideas off them. We are also looking at the draft GSPs that have been submitted from the critically over drafted basins this past month.

One thing to note, after the GSP is submitted, the five-year update is an opportunity to look at the SMCs and evaluate if they are still viable and the GSA can commit to achieving. SGMA allows for you to adapt as needed and as new information becomes available. At the Advisory Committee meeting, we posed guiding questions to get feedback on the Lowering of Groundwater Levels SMC. For example, “what would you consider significant and unreasonable effects?” In the packet are examples from other basins and the initial feedback from the Advisory Committee.

Comment: I agree with the level playing field comment and would note that the city wells are primarily for emergencies and not intended for continuous use.

Response: The committee will be discussing those ideas that were provided at the last meeting and staff is providing a strawman at the next meeting.

One of the key components of the GSP is to establish a monitor network in the basin to monitor SMC criteria. The existing monitor network in the basin tracks seasonal trends, water flows, and storage changes. The Representative Monitoring Network (RMP) will be used as compliance points for minimum thresholds and for milestones and monitoring over time. SGMA has requirements for these wells, including the preference for dedicated monitoring wells that are not actively pumping and that are not screened at multiple aquifer levels. At its next meeting, the Advisory Committee will provide feedback to some strawmen options for minimum thresholds and measurable objectives regarding the lowering groundwater Levels. Recommendations from the Advisory Committee will be brought to the Board for discussion at the April meeting.

Question: What are the undesirable effects of wells going dry? How would that be tracked, monitored? Do they report to the GSA?

Response: Yes, you would want a process for that. SGMA uses the Representative Monitor Network, which must be geographically distributed in the basin, and you would look at nearby wells and compare data. Once we have SMCs defined, we have metrics for those areas and a monitor well is assigned.

Comment: When a developer, like a winery, proposes a development in a water-scarce area in the county, the developer needs to do a pump test over time. The well levels in the surrounding areas are monitored, and that should help with the GSP. I think there is some confusion in that area if the well information is up to date and accurate.

Response: Yes, we are actively talking with Permit Sonoma to get current well information. They have taken the lead on the wells in this area. It should be noted that most scarce areas are outside the basin boundary.

Comment: I also think the GSP will look at some of the new development, they are drilling deep wells and tapping into deeper aquifer zones and the shallow ones are already showing strain.

Question: Does the GSA have input on new wells? For example if someone wants to drill a big well?

Response: That would be a policy decision, and whether it's included in the GSP.

GSP Outreach

Ann Dubay, Administrator, reminded the Board that SGMA requires stakeholder engagement. The Advisory Committee will be setting up stakeholder meetings throughout 2020. Staff will let the Board know about these meetings. A GSP workshop will take place in summer, after the USGS report is out. The Proposition 68 grant, if received, will allow for a much more robust rural residential outreach campaign to well owners.

6. Action Items

a. Fiscal Year 2018-19 Audit: Review and accept audit

Brett Bradford from Pimenti & Brinker, LLP provided the audit review. The audit is complete, and they did not find any significant deficiencies or material weakness. Future area of emphasis is on communication. Looking forward for accurate and complete financial reporting; it is important that all parties are communicating frequently between auditor controller, GSA Administrator, and Board of Directors. Bradford did not propose any adjustments in the audit. No disagreements in scope of the audit. Pimenti & Brinker did not encounter any difficulties in the audit.

Question: In "management" who does that apply to?

Response: Anyone who has decision-making ability.

Comment: I understand you review the grant finances?

Response: Yes

Director Healy moved to accept the audit as presented, seconded by **Director Gorin**. The motion was approved.

b. Contract Amendments: Consider increasing auditor's contract by a total of \$2,000 for Fiscal Year 2018-19 and 2019-20 audits

The original contract with the auditor did not include grants as part of their scope of work. They went above and beyond this year, and Pisenti & Brinker, LLP proposed the scope of work be amended to include grants. In addition, staff proposes a \$2,000 increase for the auditor's contract: \$1,000 this year and \$1,000 next year.

Question: Do you know if there is a percentage or industry standard to spend on this type of work?

Response: I'm not sure. It is way less than 10% to spend on grant review.

Director Sangiacomo motioned to approve increasing the auditor's contract by a total of \$2,000 for Fiscal Year 2018-2019 and 2019-2020 audits, seconded by **Director Gorin**. The motion was approved.

c. Fiscal Year 2019-20 Budget adjustments: Consider current fiscal year budget adjustments

The proposed budget adjustments for the current fiscal year include an additional \$550 for audit services; and increase of \$20,000 for grant administration; and reductions in technical services, outreach and administration budgets. The need for the large grant administration increase is the result of preparing for and submitting the Proposition 68 grant. We are confident we will get the Prop 68 grant but negotiating with DWR will add new costs.

Comment: We are learning as we go, and if we track costs and expenses, it is worth it. Grants are good but it does come with some costs and we should be aware of it.

Question: What percentage of the overall grant goes to administration?

Response: Approximately \$30,000 of \$1 million. The grant administration is not reimbursable by DWR, it's our cost.

Director Healy motioned to accept the proposed fiscal year budget adjustments, seconded by **Director Gorin**. The motion was approved.

d. Fiscal Year 2020-2021 Budget: Review and provide input on Draft Fiscal Year 2019-2020 budget

Ann DuBay, Administrator, referred to a revised staff report that was handed out. After audit last week we asked the county Auditor-Tax Collector-Controller for an updated report. We ended last year with a rollover and we predict a rollover this year. Carry forward from the prior fiscal year is \$284,916. For expenses, we included placeholders for a well registration program of \$40,000 following the Santa Rosa Plain roll-out and a rate study placeholder of \$50,000. Both would come back to the Board with specific programs.

The reserve is higher than the current reserve policy recommends. Staff is looking for feedback on budget and will bring back a budget to you in April with a decrease in member agency contributions.

Question: On the rate study, would we ask the consultant to do a cleanup of the well database and reconcile what is in the ground? And we can do that with massaging what we have?

Response: I think so, the data we have is what is available from Permit Sonoma. If we get the Prop 68 grant, there are funds for Permit Sonoma to work on the well records and procedures to share data with the GSA.

Comment: When we postponed the rate study, I thought it was because the rate was going to change once projects came into focus. I don't want to do the study twice. Make sure the rate study will coincide with dollars needed to implement programs.

Response: If the rate study says we need to go the Proposition 218 route, the most efficient way to collect fees would be through property bills. The GSA would have a deadline of August of 2021 if they collect revenue for 2022. However, if the Board wants to wait a year until there is more clarity from the GSP, there might be enough revenue in reserve to carry the agency for six months (December 2022). It's a timing question and worth a Board discussion.

Question: Does the carryover cover most of the costs? Are the funds unrestricted or are they on grant funds? Can they be spent on different line items?

Response: The grant is for the preparation of the GSP, which is mostly Marcus Trotta's work. The grant covers 85% of technical, monitoring, outreach and facilitation, so we need to cover the additional 15% plus administration, legal, etc. through other funding.

Please send any feedback to Ann DuBay.

e. 2020 Calendar: Adopt 2020 Board meeting calendar

April 23 meeting has a potential conflict with the County Volunteer Recognition event for Chairman Rabbitt and Director Gorin.

The Board members approved the calendar.

7. Legal Counsel, Plan Manager and Administrator Report

Administrator report: Proposition 68 grant update, we hope to receive \$1 million dollar in funding from the state. Grant funds would go toward the construction of four monitoring wells in the basin in areas where there are big data gaps. The monitoring wells network is not as developed in this basin compared to others. The grant would also cover a rural residential well owner outreach component and some funding for Permit Sonoma work and

coordination on the well database. We will propose an all-basin environmental working group related to Surface Water Depletion. They will provide us with information to use and incorporate into sustainability indicators.

The critically over drafted basin GSPs are on the DWR website. DWR will release them as reviews are complete. While DWR has two years to complete the reviews, they hope to be ahead of that timeline. We will watch to see how DWR reviews the plans.

Question: Are there any outliers?

Response: There is a lot of consistency in the Central Valley plans, which deal with similar issues and similar projects. One GSP was rejected since they had multiple plans but one agency didn't sign the required coordination agreement (Madera area).

In our plan, we need to demonstrate coordination, but we don't need a formal agreement. Napa had gone the alternative route and submitted a plan. Earlier this year, the plan was formally rejected and Napa had to form a GSA. The county assumed the role of the GSA and are developing a plan.

Question: Did a false start set them back?

Response: They are primarily using the same information as for the alternative plan and are working on a computer model. They have spent a lot of money on consultants.

Question: Anything on legal front?

Response: A couple water bonds may be moving forward. The Senate's proposal (SB 45) has groundwater money for projects for ecosystem habitat; for example, a creation of wetlands that recharges groundwater. It also includes GSA implementation funding for disadvantaged communities. The second bond is currently a spot bill, which reflects the Governor's approach and has more flexible funding for SGMA implementation.

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

None.

9. Adjournment

The meeting adjourned at 5:24 p.m.