

Board Meeting Santa Rosa Plain Groundwater Sustainability Agency

Regular Meeting Minutes

December 13, 2018

1:00 p.m.

City of Santa Rosa, Utilities Field Office

35 Stony Point Rd, Santa Rosa, CA 95401

<http://www.sonomacountygroundwater.org>

Member Agency	Directors	Alternates
City of Cotati	Susan Harvey	Mark Landman
City of Rohnert Park	Pam Stafford	Jack Mackenzie
City of Santa Rosa	Tom Schwedhelm	Chris Rogers
County of Sonoma	Shirlee Zane	Susan Gorin
Gold Ridge Resource Conservation District	Joe Dutton	Mel Sanchietti
Independent Water Systems	Evan Jacobs	Michael Spielman
Sonoma County Water Agency	Lynda Hopkins	Susan Gorin
Sonoma Resource Conservation District	John Nagle	Walt Ryan
Town of Windsor	Debora Fudge	

1. Call to Order and Roll Call

Lynda Hopkins, Chairwoman, called the meeting to order at 1:00 p.m. noting that a quorum of the Board was present, consisting of the following Directors: Joe Dutton, Deborah Fudge, Mark Landman (Alternate for Susan Harvey), Lynda Hopkins, Evan Jacobs, John Nagle, Tom Schwedhelm, Pam Stafford, and Shirlee Zane. Others present included Andy Rodgers, Administrator; Simone Peters, GSA Administrative Assistant; Jay Jasperse, Plan Manager, Sonoma Water; Marcus Trotta, Sonoma Water; Scott Morris, Legal Counsel.

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

No public comment.

3. Consent Calendar

a. Approve Minutes of October 18, 2018

b. Approve Year-to-Date Financial Report for FY 2018-19

Public Comments: None

Director Stafford moved to approve the Consent Calendar as presented, **Director Zane** seconded. Motion carried. Two (2) abstained (**Director Fudge** and **Alternate Director Landman**).

4. Directors/Subcommittee Report

a. Consider Resolution Commending Director Mark Millan.

No public comment.

Director Hopkins thanked **Director Millan** for his service to the Board and honored his commitment to the Board and Ad Hoc Committee.

Director Millan thanked the Board, acknowledged it is a tough assignment, noted his appreciation for guidance from both **Directors Hopkins** and **Schwedhelm**, and confirmed the Board will be in good hands with **Director Fudge** as she has been well briefed.

Directors Schwedhelm and Zane noted their appreciation for **Director Millan's** service contributions. **Deborah Fudge** noted that **Director Millan** kept her apprised of the GSA on an ongoing basis.

Director Stafford moved to approve a resolution commending **Director Millan**, **Director Nagle** seconded. Motion passed unanimously.

5. Advisory Committee Report

Bob Anderson, SRP Advisory Committee Chair, mentioned Andy Rodgers was welcomed as the new Santa Rosa Plain GSA Administrator at the November 5 meeting. There was also a presentation by Robert Pennington of Permit Sonoma reviewing well permits and they also had a look at the first two sections of the GSP and discussed those items.

No public comment.

6. Information Item

Items contained in the Administrator report (see Item 9).

No public comment.

7. Rate and Fee Study Session

- a. **Director Hopkins** gave a short introduction and purpose of the fee study and noted the session was an opportunity for the public to comment. Andy Rodgers, newly appointed Administrator, introduced Jay Jasperse, Plan Manager, to give the presentation including background and context. Mr. Jasperse, described the proposed fee assessment methodology and described overall schedule goals and next steps.

Board Comments/Questions:

- Question – Do we encourage increased use of surface water by reducing groundwater?
 - Response – For the purpose of this study, it was a passive assessment. We looked at water rights attached to a property and subtracted out surface water use from estimated groundwater use. Imported surface water delivered to urban areas of the basin has significantly changed the water levels and balance – to the benefit of groundwater conditions.

Public Comments/Questions:

- Michael Hilber, Santa Rosa – Petaluma is taking a different direction, can you elaborate.
 - Response – Petaluma and Sonoma Valley have determined to get through Step 2 done and funded by local member agency contributions, not doing a fee study for step 2 but will have to do one for Step 3.
- Exporting water to Marin County, have you looked at fees that could be attached to water export before taxing us?
 - Response – Marin County purchases water from the Sonoma County Water Agency's (SCWA) regional system which primarily delivers water from Northern Sonoma County (Lake Sonoma), Mendocino County, and to some degree Lake County. This water is surface water and is not Santa Rosa Plain groundwater. That said, a small amount of SCWA's water deliveries (typically less than 5%) come from three supplemental wells operated by SCWA within the Santa Rosa Plain basin. Under the proposed fee methodology, SCWA would pay for groundwater pumped from these wells, the funding of which is partially derived by water sold to Marin County. Overall, the Santa Rosa Plain groundwater basin receives a far greater amount of water imported from the Russian River surface water than groundwater pumped by SCWA in the basin.
- Sebastian Bertsch – Where do commercial groundwater specialized uses fall that don't clearly fit in any specific category?
 - Answer – Raftelis looked at that, drilling down into different categories, i.e. 1% of schools represents that slice – they made every attempt to capture available data and information.

i. Well registration program

Andy Rodgers, Administrator, gave an overview of the well registration program necessary if fees are to be assessed for de minimis users and said he would like the Board's input. Current assumptions include: Registration is free to well owners and the program is funded by GSA; Registration is 'opt-out', with a process to appeal; Registration program is run through a contract with Permit Sonoma with input on development and implementation by the Ag Commissioner; and Outreach/education/information provided by GSA, with possible outreach subcontract if funding is available.

One mandate is to make this practical and simple for agency and public, the program is necessary if we assess fees to de minimis users. We need to get some information from well owners. Develop contract with Permit Sonoma for development and managing the program with significant input on how to develop it, from the ag commissioner. An Outreach Plan is very important.

Ann DuBay, Sonoma Water Public Outreach Manager, outlined the main points - make it simple and clear. Proposal is to do English and Spanish radio ads and media advisories and social media through member agencies and partners. Idea is to send a pre-registration postcard to tell potential well owners what this is about and then send a letter from the GSA program describing the program with a web based and/or paper appeal process if they don't have a well and don't use groundwater.

Public Comment/Questions:

- Douglas E. -Does the County Permit Bureau have a list of wells in the county?
 - Response – Yes, they do have database sets, but some records are incomplete.
- Michael Hilber – Several months ago Carolin Dixon brought up the fact that many wells are shallow and don't tap into the aquifer, they are surface water extractors and use rain water. You need to consider that new wells are deeper, 160 ft.
- Unknown - In terms of sustainability, was there a stress test for what would happen and impact on fee if we were in a significant drought? Has it been addressed?
 - Response – We need fees before we create a plan. Once we have a plan, the plan would incorporate stress tests, etc.
- Unknown - GSA development will require trust of the Board. Is there any voluntary data being asked for in the first postcard about well depth, level of aquifer, etc.?
 - Response – Providing information is on a voluntary basis.

Board Comments/Questions:

- **Director Zane** – How do we deal with enforcement if people don't comply?
 - Response – Assumption is everyone has a well.
- **Director Zane**- What about opt out process?
 - Response – Appeals process hasn't been designed yet, is only a concept. The GSA staff doesn't have a lot of experience with regulatory programs, currently working with Permit Sonoma and Ag Commissioner as we design the program.
- **Director Zane** – Municipals can turn off water, how do you collect money from rural well users if they don't pay?
 - Response – If the program goes through as planned, and

the fee is on the property tax bill, there could be a lien on property if users don't pay.

- **Director Hopkins** – There is really no way not to do this if we want to share the burden throughout the basin. Outreach is critical if we don't want to instill fear in the community. There are challenges we will have to manage going forward.
- **Director Landman** – From the outside perspective, it looks like a good thing. Historically, we haven't given importance to the value of water. Data driven approach is good, in the long term nobody wants to pay for someone else's share. Local control is good, GSA is on the right track.

Andy Rodgers gave an update that he is working with Permit Sonoma regarding wording. The Ag Commissioner is very willing and will be involved in development and roll-out. When this is up and running, we don't think there will be a lot of cases where we would have to visit a property, data can be done online. For next steps, we are now looking to the Board for direction and input on things that require further development.

Public Comments/Questions:

- Unknown - Going back to the survey, how will wells be distinguished? (ag, etc.) How do I make a distinction if the well is used for different purposes?
 - Response – we have had those discussions, on our radar for including in survey and how we develop the online form. Working with the ag commissioner for their help.
- Rue Furch – Having worked on an Outreach component before, I know this is going to be a huge challenge. Many people are reticent to disclose anything. It will be a big deal, always fear of loss of control. Many people will not see the threat of the State as anything more than a threat. My suggestion is to give something, a benefit to early subscribers. Anybody who gives their well location and use should be given some protective status for some time.

Board Comments/Questions:

- **Director Zane** – Trying to use a stick approach often backfires. Think through psychological outreach, may need some positive enforcement.
- **Director Nagle** – In attending public meetings, real

feedback/desire from the public to spread costs out evenly.

- **Director Stafford** – part of the educational outreach would be to let the folks know what the State would charge.
- **Director Schwedhelm** – Continue in the direction we are going. Outreach will be huge. Well registration is a reality. How do we all collectively solve the solution? Better solution than working with the State.
- **Director Hopkins** – No pushback from Board, continue in the direction we are going. Have we received quotes from Permit Sonoma and the Ag Commissioner on what it would cost to develop the program and how it fits in our budget?
 - Yes, we have received a quote and the scope of work and we have revised it at least once. We are simplifying, which translates into cost savings.
- **Director Fudge** – Protected status idea - give something to early subscribers to make them know that this process will not result in site visits, make clear that early subscribing would be beneficial.

ii. **Parcels Intersected by Basin Boundaries**

How should parcels that are partially within the Basin be considered?

Legally we can assess a fee if the well is in the basin.

Scenario One: Parcels that are partially in/partially out of Santa Rosa Plain basin - Proposed approach is to assume the well is in the basin and provide appeals process to well owners where they can provide information to show the well is outside of the Santa Rosa Plain basin.

Scenario Two: Property is in Santa Rosa and Petaluma basins - Proposed approach is to assume the well is in Santa Rosa basin and provide simple appeals process to well owners where well owners can demonstrate the well is in the Petaluma Valley and would not be charged a fee.

Public Comments/Questions:

- Sebastian Bertsch – Is there a process of opting out by showing where the well is, etc.? Process should have some amount of rigor of showing where the well is. Online system should have some integration to provide information where we meet our obligations to DWR but be simple for users.
- Sarah Davis – President of Fir Crest Mutual Water Company (47 households). Within Sebastopol jurisdiction. Both wells are in the Wilson Grove formation. Legally, any wells in SRP are covered,

would like to make sure the jurisdictional change is finalized and can continue to be in the Santa Rosa Plain GSA.

- Once the determination is final, it would adjust and (above information) would be correct.
- John Rosenblum from Belmont Terrace - Issue is really whether Sebastopol's jurisdictional adjustment will include what we think are the boundaries of our mutual water systems and make sure the jurisdictional adjustment includes the properties that are on the border.
 - We will go with whatever DWR publishes as the changed boundaries.
 - Henry Mikus, Sebastopol – We made the adjustment to include those boundaries.

Board Comments/Questions:

- **Director Schwedhelm** – have we asked the 922 parcel owners about their thoughts on how we should determine this?
 - No, we haven't asked. We will craft a special outreach for the 922 parcels.
- Board – No concerns heading in this direction.

iii. Fee development

Should GSA member agency contributions for years 1 and 2 be paid back (partially or entirely) in years 3 thru 5 or deferred for consideration of reimbursement during Step 3?

Public Comments/Questions:

- John Rosenblum – Question about the term - When Sonoma Clean Power was formed, the initial funding came from the Water Agency and that was reimbursed over a certain period. After Sonoma Clean Power was established, the fees came in so fast everything was repaid so why 3 years rather than 10 years?
 - Response – Fee structure would have to be paid back by the end of the GSP. Deferral could be addressed again.
- Thomas – Know people doing water export in Napa County. In the interim before there is a sustainability plan, is there a moratorium on water export?

Board Comments/Questions:

- **Director Jacobs** - Independent water group discussed at our meetings. Many of our member groups are concerned about the

impact of free riders in the first few years. We realize for long term success of this agency, we need to get fees established at a reasonable rate and keep things moving forward.

- **Director Landman** – If we have an expected cost, there is no rate shock that goes out to the public. This will minimize initial shock and make it as easy as possible for everyone.
- **Director Stafford** – Part of the reason we are on the timeframe to get the fee rates in place is because we have chosen not to continue funding. Individual groups will not continue to fund the agency, everyone should be doing so.
- **Director Hopkins** – Consider this as a deferral to keep the costs reasonable and not have a sharp and dramatic increase.
- **Director Stafford** – Cities have said 100% deferment.
 - OK, the direction hasn't come from the Board until now. We will focus our efforts on 100% deferment to make future calculations.

iv. Economic impacts: Are there opportunities to reduce potential economic impacts on some payors? Hybrid proposal has been created that combines fees with contributions.

Public Comments/Questions:

- Rue Furch – Re-use of water. Where does Hydroponics, green houses, recycled water (internally – not from City of Santa Rosa), fit into this? If there would be an economic benefit to recycle water, people would be more likely to do it.
 - Fine point that we did not investigate. We did back-out recycled water from other categories. Would probably have to be subject to the appeals process. There are probably hundreds of categories, we have had to put lots of things into certain categories.
- Unknown from Belmont Terrace and Mutual – A question about the 8% slice of a pie, contains unnamed users, how can they be charged? It shouldn't all go to the Independents and Mutuals when there appear to be other users contributing to the percentage.
 - We are looking at parcel by parcel only using recycled water. The bills would have the categories/detail. As a small water service provider, you won't be paying for other users' water.
- Unknown - What about dry farming/vineyards? Where can we get

the information? Is there a distinction between irrigated pasture for livestock, versus horse pastures?

- We do have data by parcel number that shows if parcels are irrigated or not irrigated. Dry farms would thus not be charged.
- Bernie H. from Kelly Mutual Water Company – For determining water rates, using estimates may incentivize folks to install a meter and report actual usage.
- Duncan Dixon – Want to be sure State small water systems are included in the Mutual water systems and we have representation.
- Michael Hilber – Estimated water use is wrong by a factor of 4. Looking into the future, will shift too much cost to the rural residential well user.
- Joe Gaffney – Not focusing on water usage, focusing on water extraction. We want to be able to offer the property owner to refute our data by providing actual data.
- Sebastian Bertsch – I can live with the numbers we are looking at. Strong clarification between de minimis and ag users. Difference between water for people and water for profit. We are almost over burdening rural residential users by making estimates on the high side while estimates for agricultural use are average. About 80% water going to septic can be recycled. Leaning on rural residential users that are under-represented, seems to be a structural flaw.
- John Rosenblum – No big issue with the cost. Belmont Terrace using 0.3 acre feet per year home rather than 0.5 acre feet. Concerned about agricultural extraction near them. Need monitoring program focusing on recharge, especially near Wilson Grove – lots of vineyards, cannabis. Water is being extracted for business, requires collaboration that isn't occurring yet.
 - Response Jay - \$8-\$11 per year based on the 0.5 acre feet.

Board Comments/Questions:

- **Director Fudge** – Windsor situation stands out. Wells are outside of the basin in the Dry Creek Basin. Now in holding pattern. Two other wells in the future, one currently has arsenic and isn't used. Other, even further in the future.
- **Director Jacobs:** To clarify \$20 funding level. Point was made that

everyone will be charged on actual pumping. The IWS group will be meeting in January before next meeting.

- Budgeted in the \$3m study are some costs for a rate/fee study.
- **Director Nagle** – Shouldn't lose sight of the food producers in the watershed that are in serious stress. In our deliberations, this should be taken into consideration.
- **Director Hopkins** – Big variety of costs. Work through the Advisory Committee and conduct some additional outreach to the ag community. Do we need to share costs a little more widely (Water agency pay more) so that local farmers don't have to? Can we get the numbers to come down even lower?
- Andy Rodgers – Can we move forward with what has been presented or do we need to bring in an additional option?
- **Director Hopkins** – Would be interested to explore a little more feedback from the farming community. Would potentially be interested in establishing a minimum agency contribution to help local farmers.
- **Director Stafford** – I don't agree.
- **Director Landman** – It doesn't hurt to look into this a bit more, but I don't think my constituents would be supportive.
- **Director Hopkins** – County doesn't seem to be contributing. Universal goods, benefit to entire community to have sustainable groundwater. County should pay something because we all benefit in the County to have sustainable groundwater.
- **Director Schwedhelm** - No additional funding by the agencies.
- **Director Hopkins** – Why is February deadline critical?
 - Deadline for getting assessment to property tax is August so we have to move forward with the well registration program.
- **Director Hopkins** – Can we delay the fee structure past April and still move forward with the well registration program?
 - We would have to think about that.

Public Comments/Questions:

- Colin Close, City of Santa Rosa - When the fees are set, are the rates the same for 3 years?
 - Yes, same.
- Mary Grace Pawson, Rohnert Park –You have offered a concept which hasn't been brought before the Sonoma Water Board of

Directors and Sonoma County Board of Supervisors. Is there a focused contribution the Board of Supervisors are willing to make? Question deserves to be asked. Could be targeted without violating rate and fee rules. True contribution from the County of Sonoma from non-rate payor funds and directed to rate payers within the county, it could be a way to achieve benefits without Cities having to go back and ask for more money. Should explore as an option.

- Yes, it could be a legal way to do it.

8. Action Items

- a. Consider Resolution appointing Andy Rodgers, SRP GSA Administrator, as Secretary of the Board.

Public comment – None

Director Landman moved to approve appointing Andy Rodgers as Secretary of the Board, **Director Stafford** seconded. Motion passed unanimously.

- b. Consider adding Andy Rodgers, SRP GSA Administrator, as signatory of GSA account.

Public comment – None

Director Schwedhelm moved to approve Andy Rodgers, as signatory of GSA account, **Director Stafford** seconded. Motion passed unanimously.

9. Administrator, Plan Manager and Legal Counsel Report

Administrator report - Milestones since last meeting:

- Started as GSA Administrator on November 1, 2018.
- Met with irrigated pastures committee including Farm Bureau, UCCE, dairy representatives, Gold Ridge RCD and Sonoma water to discuss conducting a study to develop groundwater use estimates. Coordinated study results with Gold Ridge RCD, GSA staff and Raftelis Financial Consultants, Inc.
- November Advisory Committee meeting preparation, staffing and follow up.
- Fee/rate study ad hoc preparation, staffing and follow up (two meetings in November).
- Met with member agency staff to discuss and get input on December Board meeting agenda.
- Inter-basin meeting preparation, staffing and follow up to share and discuss developments in the three Sonoma County GSA basins.
- Met with Chair and Vice Chair to discuss December Board meeting agenda and GSA progress.
- Met with Permit Sonoma, Ag Commissioner and Sonoma Water to discuss well registration program scope options.

- Met with Permit Sonoma, Ag Commissioner and Raftelis to discuss options for consolidating database sets for well registration program.
- Continued working with Raftelis and KMTG on rate/fee study and preliminary development of well registration program.
- Met with Gold Ridge RCD to review and plan fiscal management processes.
- Met with GSA facilitator and staff to plan January Advisory Committee meeting.
- Met with GSA staff to coordinate and manage transition of Administrator responsibilities.

All the above items have been and will continue to be carried out in coordination with Member Agency staff and other Sonoma County GSAs.

Upcoming activity highlights:

- Continue work on initiatives based on December Board study session direction, including:
 - Fee/rate development
 - Well registration program
 - Boundary parcel incorporation
 - Sebastopol incorporation

Jay Jasperse, Plan Manager - In addition to what was already discussed, we have a grant in place from DWR for the GSP. We received additional assistance from DWR for the technical assistance program to install additional shallow monitoring wells near streams to assess groundwater-levels and surface water and groundwater interaction. We are awaiting a draft agreement from them, this is additional funding.

Scott Morris, Legal – State Water Board took action yesterday on San Juaquin River Flows, approved 4-1. Left door open for additional settlements which may come forward. Will keep you informed.

Comment **Director Hopkins** – **Director Harvey** will replace Mark Millan on ad hoc Committee.

10. Adjournment

The meeting adjourned at 3.43 p.m.