

**NORTH BAY WATER DISTRICT
22950 BROADWAY, SONOMA, CA 95476**

Board of Directors

Mike Mulas, President and Chair (Sonoma Valley); Craig Jacobsen, Vice-President (Petaluma Valley); Carolyn Wasem, Secretary (Petaluma Valley); Matthew Stornetta, Treasurer (Sonoma Valley); and Mike Sangiacomo (Sonoma Valley)

PVGSA Advisor: Eugene Camozzi SVGSA Advisor: Jim Bundschu

SGMA Compliance Advisor: Mike Martini

Legal Counsel: Richard Idell

Date: July 2022

Time: 6:00 PM

Location: 22950 Broadway, Schell-Vista Station #1

1. CALL TO ORDER/ROLL CALL

Vice Chair Craig Jacobsen called the meeting to order at 6:05 pm. Directors Jacobsen, Stornetta and Wasem were present.

2. CLOSED SESSION (Prior to holding any closed session, the Board of Directors shall disclose, in an open meeting, the item or items to be discussed in closed session. There were no closed session items.

3. PUBLIC COMMENT PERIOD (At this time, members of the public may comment on any item not appearing on the agenda. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for consideration by the Board of Directors) There were on public comments.

4. APPROVAL OF MINUTES OF PREVIOUS MEETING Director Wasem made a motion to approve the June 022 Minutes. Director Stornetta seconded the motion. The Minutes were unanimously approved.

5. FINANCIAL REPORT Vice Chair Jacobsen reported that NBWD has \$59,871.44 in the bank. An audit is in process. Director Wasem made a motion to approve the Financials. Director Stornetta seconded the motion. The motion was unanimously approved.

6. ITEMS FOR CONSIDERATION

Item 1: Update from Counselor Richard Idell

Counselor Idell shared that he had no new updates.

Item 2: Report of Director Mike Sangiacomo on Sonoma Valley GSA

Director Sangiacomo was not present.

Item 3: Report of Director Carolyn Wasem on Petaluma Valley GSA

Director Wasem reported that the last Board of Directors for the Petaluma Valley GSA was held on June 23rd.

The Advisory Committee last met in May. The members reviewed the draft Community Engagement Plan without any feedback. Members were asked to provide feedback on the Groundwater Users Information and Data Exchange map and survey. Those comments were due on June 27th.

Next staff to the GSA provided a short overview of the history and purpose of funding associated with Warm Springs Dam.

The Dam was built to reduce chronic flooding along the Russian River. In 1937 growers in Sonoma and Mendocino counties organized to promote a federally developed flood control project. In 1948, the U.S. Army Corps of Engineers (USACE) issued a study of the Russian River Project (project). The Sonoma County Flood Control and Water Conservation District (which later became the Sonoma County Water Agency) was created by legislation in 1949, in part to serve as the local sponsor for the first component of the project – the construction of Coyote Valley Dam (completed in 1959), which created Lake Mendocino. Warm Springs Dam, which created Lake Sonoma, was the second component of the project.

Lake Sonoma was developed for three purposes:

- Flood control (particularly for the lower Russian River communities)
- Water supply
- Recreation Funding for the construction of Warm Springs Dam

Sonoma Water became responsible for 35 percent of these costs, which was paid through a countywide bond measure that was approved by Sonoma County voters in 1974. The bonds are paid for over time through an ad valorem property tax, which was approved by the Sonoma Water Board of Directors. The revenue from the tax is restricted and can be used only for those costs that are required for operations and maintenance of the Russian River Project, including:

- (1) The local sponsor's costs of construction of the dam.
- (2) The local sponsor's costs for operations costs of the Project.
- (3) The local sponsor's costs for any major maintenance and repair costs for the dams.
- (4) Sonoma Water's obligations under the Russian River Project's Operations and Maintenance Manual, including channel stabilization within the main stem Russian River; and
- (5) Costs associated with compliance with the Endangered Species Act related to the operations of the Project.

If the Sonoma Water Board of Directors wanted to change the purpose or extend the Warm Springs Dam tax, it would need support from 2/3 of voters countywide.

The staff then provided a Rate and Fee Study update. Since summer of 2021, SCI Associates and Larry Walker Associates (consultant) has been working to update the groundwater database for the Petaluma Valley and develop preliminary ranges of rate and fee calculations.

Without funding, the GSA cannot comply with the requirements of the Sustainable Groundwater Management Act (SGMA). The objective of the fee study is to develop a fair and efficient funding mechanism and to create a financially independent GSA for the Petaluma Valley.

At the May meeting, the Board adopted a streamlined budget, that identifies a \$400,000 revenue gap. In addition, at its May meeting, the Board supported pursuing two funding paths, as follows:

- Path 1 (adopt one-year lower rate fee): Adopt a fee based on groundwater pumping with a lower first-year rate based on a minimal budget. This option would assume that no grant funding is received in the first year. If the Board later determines that a fee based on groundwater pumping is the best option, the structure would be in place. The fee could be adjusted in years 2-5 based on grant funding and consolidation, and minor adjustments to the rate study could be made. If the Board decided in the future to pursue another funding alternative, the fee would end. If the County Board of Supervisors opts to contribute funding to the GSA to reduce or offset specific categories of payors, those people won't be charged.
- Path 2 (no fee in Year 1): Member agencies continue to provide contributions to fund the GSA, based on a reduced one-year budget. This path assumes that no grant funding is received in the first year. Member agency contributions require unanimous support of the member agencies. If only this path is taken, and at the June Board meeting one or more member agencies do not support funding, the GSA misses the opportunity to assess fees in FY 2022-23.

Unanimous support of all member agencies is required for ongoing member agency contributions. The city of Petaluma City indicated it could contribute up to \$50,000 to support the GSA. The Sonoma RCD does not have budget available to continue contributing to the GSA. The North Bay Water District representatives indicated that they could contribute up to \$10,000 annually. This leaves a \$340,000 gap.

At the Board of Supervisor's budget hearings the week of June 13, GSA Board Chair Rabbitt requested county support for Petaluma Valley and Sonoma Valley GSAs in an amount needed to 'equalize' the fees so that groundwater users in the three basins would all pay \$40 an acre foot in FY 2022-23. The Board of Supervisors approved this action on a 3-2 vote.

This provides additional time for the GSAs to decide long term fees.

The GSA adopted a Resolution that extraction fees from the Groundwater Basin would not exceed \$147 per acre foot annually. In the event that the County of Sonoma approves an adequate appropriation to offset a portion of the rate for all extractors, those fees may be lowered to no less than \$40 per acre foot for the fiscal year 2022-2023.

The consultants, SCI and LWA presented options for long term funding of the GSA. Below is a table of those options:

Regulatory Fee	Parcel Tax	Benefit Assessment	Hybrid
WHO PAYS: Groundwater Users	All Parcels	All Parcels	GW Users pay Usage All Parcels pay non-usage portion

ADOPTION: By Board through Ordinance	Ballot Measure w/ 2/3 vote	Prop 218 Landowner weighted voting 50% approval	Adoption by Board through Ordinance
PROS: Proportionate to GW use Similar to SRP Fee recycled/surface water credited	Spreads cost wider = lowest rates	Proportionate to GW use Lower Rates	Usage portion proportionate Non-usage justified by DWR Scoring Spreads costs wider = lower rates
CONS: Very High Rate Private GW use not metered (estimated)	Voter Approval 2-3 Yr Implement time High cost to implement (\$180,000)	Landowner Balloting 2-3 Implement time High cost to implement (\$110,000)	Requires more legal review Would require wider community engagement Much debate about splitting costs likely
RATE RANGE: \$225 - \$400 per AF per year	\$28-\$55 per parcel	\$55-\$96 per AF per year	Usage rates @ half of regulatory fee Non usage rate \$16-\$18 per parcel

A First Reading Ordinance 22-01: An Ordinance Requiring Registration of Groundwater Use Facilities, establishing a Method of Calculating Groundwater Use, and Authorizing the Adoption of Groundwater Sustainability Fee:

- A groundwater user registration program, requiring minimum information to be provided, including name, address, equipment used for groundwater extraction (well), and location of well.
- A methodology used to estimate groundwater extraction for public water service providers, agricultural and irrigation users, rural residential and urban residential users, and commercial users;
- Regulation of de minimis users, as required by SGMA;
- Authorization for a groundwater sustainability fee (to be enacted by separate resolution) for all groundwater extractors in the Basin;
- Penalties for violation of the ordinance, including a fine of up to \$500 and civil liabilities to the Agency of up to \$1,000 a day; and
- An appeals process, including the opportunity for informal resolution with the GSA administrator and a hearing before the Board or a Board-appointed committee or hearing officer.

Timeline for Ordinance Adoption:

1. Five days before the first Reading of June 23rd publish proposed Ordinance
2. First Reading June 23rd GSA Meeting
3. Adopt Ordinance July 28th
4. W/In 15 days of adoption
 - a) Publish summary of the Ordinance in the newspaper
 - b) Publish cull copy of Ordinance on Agency’s website.
5. August 27th Ordinance takes effect

Item 4: Report by Advisor Jim Bundschu

Sonoma Valley staffing up with West Yost. I was wondering if any of you had met the new staff? How do we keep up with the new folks?

Director Wasem suggested that we ask Andy Rodgers and Bill Keene to the next meeting. Carolyn Wasem will reach out.

Item 5: Report of Advisor Eugene Camozzi

Advisor Eugene Camozzi was not present.

Item 6: Report of Compliance Advisor Mike Martini

Advisor Mike Martini was not present.

Item 7. Report by Ginalisa Tamayo Communications Development

Advisor Tamayo shared that the invitation for the Safe Harbor Celebration will be forwarded to the Board. NBWD will be included in the press release sharing out the Safe Harbor and put a web story up on how people can sign up for Safe Harbor.

7. ADJOURNMENT

With no other business to discuss, Director Wasem made a motion to adjourn. Director Stornetta seconded the motion. The meeting was adjourned at 6:22 pm.

The Next scheduled meeting is August 9th at 6:00 pm. Again, those who wish to attend in person will be able to do so. There will be a zoom option for those that cannot make the meeting in person.

Board meeting documents are available to review prior to the meeting at the Shell-Vista Station, 22950 Broadway, Sonoma California. Please call or contact Mike Mulas for an appointment to obtain a copy.