

**Sonoma Valley Groundwater Sustainability Agency
Advisory Committee Meeting
MEETING SUMMARY DRAFT**

Meeting date/time: November 27th, 2017 | 3:00 p.m. – 5:00 p.m.

Location: Valley of the Moon Water District Office, 19039 Bay Street, El Verano

Contact: Dan Muelrath, Valley of the Moon Water District General Manager (GSA Administrator)

Email: dmuelrath@vomwd.com | Phone: (707) 996-1037

MEETING RECAP

- Dan Muelrath, SV AC Administrator conducted a Role Call. Tim Parker, Facilitator for the Sonoma Valley Groundwater Sustainability Agency (GSA) welcomed all attendees and kicked off the second GSA Advisory Committee meeting. No public comments were received at the meeting start.
- Advisory Committee Members received updates from Dan Muelrath, Administrator on the Sonoma Valley GSA activities, and Tim Parker gave an update on statewide legislative and policy activities.
- Sally Van Etten, Raftelis Financial Consultants, and Robert Reed, The Reed Group, Inc, gave an overview of the approach to developing a fee/rate study and potential financing mechanisms being initiated for the Sonoma Valley GSA.
- Ann DuBay of the Sonoma County Water Agency briefed the Advisory Committee on the draft Community Engagement Plan and asked for comments be provided in two weeks.
- The Advisory Committee worked through the making edits as necessary and at the end of the meeting adopted the Advisory Committee Charter as final.

Summary of Action Items

<i>Action Item</i>	<i>Responsible Party</i>	<i>Deadline</i>
Add Meeting Summary review and approval to Meeting Agenda	Tim Parker	All future meetings
Email Legislative Update to Advisory Committee	Dan Muelrath	December 11, 2017
Provide comments on draft Community Engagement Plan	Advisory Committee Members	December 11, 2017
Email Revised Draft Community Engagement Plan to Advisory Committee	Ann DuBay	January 2, 2018
Distribute final Advisory Committee Charter to the Advisory Committee	Dan Muelrath	December 11, 2017
Form 700 & Ethics Training	Advisory Committee Members	January 2018

Next Meeting: January 9, 2018, 3:00 p.m. – 5:00 p.m., Valley of the Moon Water District

Sonoma County Groundwater Website: <http://www.sonomagroundwater.org/pv/>

MEETING SUMMARY

Roll Call, Agenda Review

Dan Muelrath, General Manager of the Valley of the Moon Water District, opened the meeting by conducting a role call of AC members. Tim Parker, Senior Facilitator and Principal with Parker Groundwater, then reviewed the ground rules and reminded the AC of the work plan which will be provided in the future a part of the meeting agenda.

The Advisory Committee suggested that the draft Meeting Summary should be added to the Meeting Agenda in the future, and that meeting summaries review and approval should be formalized.

The public was provided an opportunity for comment at the beginning of the meeting – none were received. The Advisory Committee indicated their strong desire to have community input at these meetings through public comment and asked that in the future that the public be given the opportunity to comment on each item, as well at the beginning and end of the meeting.

Updates

Dan Muelrath reported that the SV GSA has not met since the last AC meeting and that the main activity has been to engage the rate study consultant who is giving a briefing to the AC today.

Tim Parker provided a legislative and policy update including (handout):

- There is a new draft best management practice for sustainable management criteria
- Cal WaterFix – DWR is now considering both a one and two tunnel project due to Westlands Water District decision to not support the project, and Santa Clara Valley Water District decision to conditionally support a one-tunnel project.
- Recharge Initiative – a number of organizations including state, federal and local agencies, non-profit organizations and academia are working on various initiatives to increase managed aquifer recharge statewide to replenish chronically depleted aquifers.
- 2017 Legislation – Several bills were mentioned including SB623 which became a two-year bill and would involve fees on fertilizers and milk handlers, and proposes a public goods charge on water.
- Water Bonds – two water bonds are in the works
 - SB5 – The \$4.1B bond passed the Legislature and heads to the Spring 2018 ballot and includes over \$1B for flood control and water projects
 - California Water Bond Initiative of 2018 – This nearly \$9B bond is a signature initiative likely heading to the November 2018 ballot, and includes \$675 M for groundwater sustainability and over \$1B for flood and stormwater management.

Fee/Rate Study and Potential GSA Financing Mechanisms

Sally Van Etten, Raftellis Financial Consultants, Inc., Senior Consultant provided the first of a series of presentations and information to be given to the Advisory Committee on the fee/rate study just initiated for the three Sonoma County GSAs. The goal is to have the rate study completed and fees in place by July 2018. The rate study will be conducted by Raftellis and will include Robert Reed with The Reed Group, who brings local utility rate experience in Sonoma County, and Barry Barnes with TBWD Strategies, who is a strategic consultant on financial and political outreach. The rate study consultants are working closely with the GSA legal counsel, as the rate setting process tends to be litigious, requires detailed documentation and development of a thorough administrative record, and for the new Groundwater Sustainability Agencies, rate setting is new and untested. The Advisory Committee will be briefed and consulted on the rate study as it progresses and their role will be to provide input and feedback. The rate study approach will be to first develop a financial model, that projects revenues and expenses based on a variety of assumptions, data and information collected from local agencies. Based on input from the GSA and Advisory Committee and results of the financial model, fees will be designed to serve as the primary cost recovery mechanism for the GSA. Public outreach will be performed as an integral part of the rate setting process, and will include development of an outreach strategy, stakeholder meetings, and may also include the preparation and dissemination of voter education materials. The presentation also included an introduction to Proposition 26 (Regulatory Fees) and Proposition 218 (Property Related Fees).

- Proposition 26
 - The Agency may impose permitting, extraction or other fees prior and after adopting a sustainability management plan
 - These fees may be used to fund costs of a groundwater sustainability plan
 - These fees cannot exceed reasonable regulatory costs
 - Revenue from these fees is limited to paying for preparing the sustainability plan and conducting administrative and enforcement programs
- Proposition 218
 - There is precedent for charging groundwater related fees
 - These charges cannot exceed cost of service and must be tied specifically to revenue requirement model
 - Revenue requirements model: costs of chargeable activities, less other revenues, apportioned among users
 - May be implemented after plan adoption
 - There is currently a case before California Supreme Court that may change current options

The rate study consultants noted that this is a fee and not a tax. The fee will be structured separately for each of the three basins, and may be set on an annual basis or may use an escalator.

Community Engagement

Ann DuBay provided a brief overview of the draft Community Engagement Plan for the Sonoma Valley Groundwater Sustainability Agency. The draft Plan was developed to ensure that Sonoma County's diverse people, economy, and ecosystems are considered, and that the community is provided the opportunity to provide input during the preparation and adoption of the Groundwater Sustainability Plan for the Sonoma Valley groundwater basin by the Sonoma Valley Groundwater Sustainability Agency. Specific suggestions to be incorporated in the draft Community Engagement Plan include:

- Page 1 – Outcomes – Add GSP adoption
- Page 3 – Second Bullet – Add “and public meetings”
- Page 3 – Reference to Attachment A – This attachment will be included in the next version
- Appendix A – Rural Well Owners – There needs to be a list of rural well owners to contact for outreach
- Appendix B – Private Water Systems – There should be more than one private water system on the list

Ann indicated that a revised draft Community Engagement Plan will be provided to the Advisory Committee for review, and after incorporating additional changes as appropriate, the plan would go to the SVGSA Board. The Advisory Committee was asked to not redline the draft Community Engagement Plan, but to review it for clarity, and understanding of the Advisory Committee role, and provide any big picture comments to Ann.

Advisory Committee Charter

Facilitator Tim Parker and Administrator Dan Muelrath walked through the draft Advisory Committee Charter page-by-page with the Advisory Committee and received comments. Modifications were made to the draft Charter real-time with the document projected on a screen, word-smithing and making changes as necessary to achieve consensus on the entire document. The Advisory Committee adopted the Advisory Committee Charter as final at the end of the review and modification process. The final Advisory Committee Charter will be sent back out to the Advisory committee via email in the next two weeks.

MEETING ATTENDEES

Advisory Committee Members

Fred Allebach, Sonoma County Water Agency Representative
Helge Bruckner, Business Representative
Jim Bundschu, North Bay Water District Representative
Greg Carr, Sonoma County Representative
Caitlin Cornwall, Environmental Representative
Norman Gilroy, Rural Well Owner
Vicki Hill, At Large Community Representative
Ken Johnson, Vicki Hill, At Large Community Representative
Craig Lichty, Valley of the Moon Water District Representative
Sue Smith, Sonoma County Resources Conservation district
Matt Stornetta, Agriculture Representative

Staff

Dan Muelrath, Administrator
Marcus Trotta, Sonoma County Water Agency
Ann DuBay, Sonoma County Water Agency
Tim Parker, Parker Groundwater (facilitator)