**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). Craig Jacobsen (Petaluma Valley) was not in attendance.

PVGSA Advisor: Eugene Camozzi SVGSA Advisor:  Jim Bundschu

SGMA Compliance Advisor: Mike Martini

Technical Advisor: GinaLisa Tamayo

Legal Counsel: Richard Idell

Minutes: June 13, 2023

Location:   22950 Broadway, Schell-Vista Station #1 Sonoma, Ca

1. **CALL TO ORDER/ROLL CALL**

Chair Mike Mulas called the meeting to order at 4 :00 pm.Chair Mulas and Directors Craig Jacobsen, Mike Sangiacomo, Matt Stornetta and Carolyn Wasem were present.

Advisors Richard Idell, Mike Martini, Jim Bundschu, and GinaLisa Tamayo were also present. Guest Elena Neigher was also present.

1. **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.

1. **PUBLIC COMMENT PERIOD**

There were no public comments.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Director Jacobsen made a motion to approve the May Minutes, Director Sangiacomo made a second. The May 2023 Minutes were unanimously approved.

1. **FINANCIAL REPORT**

Chair Mulas reported that NBWD has $53,032.10 in the bank. He further noted that there was one outstanding invoice. Director Wasem made a motion to approve the financial report. Director Sangiacomo seconded the motion. The Financial Report was unanimously approved.

Advisor Mike Martini discussed the Safe Harbor and the success of the Farm Bureau presentation of the terms and benefits of enrolling in the program. He estimated that over two dozen individuals were in attendance. The response from the meeting was that there would be 15 to 20 enrollees coming in the door shortly to participate in the program. Director Wasem indicated that Jackson Family Wines would be enrolling 16 properties shortly as well.

1. **ITEMS FOR CONSIDERATION**

**Item 1. Report by Counselor Idell**

Counselor Idell shared with the Directors that the NBWD Board had not formally passed a resolution regarding the execution of Programmatic Safe Harbor Agreement (SHA) for viticultural activities on existing vineyards in the Santa Rosa plain.

Looking at prior minutes, in 2021 we had two board meetings where this item was discussed. The first conversation was lengthy with robust discussion. NBWD also held a special meeting, where we specifically discussed indemnity, the level of NBWD fiscal responsibility/exposure, and who would administer the program elements. At the special meeting we voted to participate in the SHA. We also discussed fees that would be paid to North Bay Water District and amending the language of the cooperator agreement to allow for indemnification.

Tonight, we are discussing our thoughts on amending the indemnification language. Amended language will need to be approved by USFWS and potentially published in Federal Register (FR).

As a refresher, on June 3rd of last year the SHA program was approved. Individual farmers are now enrolling in the SHA. One of the interested enrollees is Jackson Family Wines. The in-house council for Jackson Family Wines has discussed concerns re: languge specific to negligence on the part of the District. Counselor Idell talked with Sean Skaggs, the Endangered Species Act (ESA) attorney that drafted the SHA about the suggested language changes. Sean said if the changes were abbreviated and not consequential to the outcomes/goals of the SHA, those changes could be made without having to publish in the FR.

Based upon that conversation, Counselor Idell recommends an amendment to the language to include:

 The indemnification obligation of this Section shall not be effective to the extent

 that the Claim was caused by the sole negligence or other sole conduct of the

 North Bay Water District.

It is incumbent upon this Board to pass a Resolution and make a finding that involving the Board or District does not have a direct impact on the environment and therefore CEQA is not a consideration.

Director Jacobsen asked, in lay terms, what does that mean?

Counselor Idell responded that this means the Board is approving that the NBWD will participate in an arrangement with the Farm Bureau (FB). NBWD is merely the holder of the permit, and the FB has the responsibility to report compliance with the elements of the SHA to the USFWS.

Director Jacobsen asked for clarification: If a claim that arises out of this – that was based on the District’s actions - not related to the SHA - than the district does not have indemnification protection, correct?

Counselor Idell responded that he believed the prior language did nothing other than that. However, what this modified language does do is clarify that if the district is 100% solely at fault for.

I do not think that the original language did something other than is being asked for. However, what this language does: it clarifies that a District action, independent of its’ role in the SHA, and the result of the action is 100% related to the District, the landowner does not assume responsibility.

It is important to note that the Farm Bureau has been indemnified as well. And, if there is an error made in executing the terms of the SHA, it will in all likelihood be at the administrative level.

Based on the discussion, Counselor Idell suggested that a motion was needed to adopt the resolution -with amended language - as presented.

Director Sangiacomo made a motion “to adopt the resolution presented by Council regarding participation in the Safe Harbor Agreement “. Director Craig Jacobsen seconded the motion. The votes are as follows:

Roll Call: Director Mike Sangiacomo - Aye

 Director Matt Stornetta - Aye

 Director Craig Jacobsen - Aye

 Director Mike Mulas – Aye

 Director Carolyn Wasem – Abstained

Advisor Tamayo shared those two landowners had already enrolled in the SHA and signed the originally drafted agreements. Jackson Family Wines has 15 properties in que.

Advisor Martini suggested that others are intending to enroll as well.

Counselor Idell touched briefly on prior conversations regarding NBWD participating in an agreement with the Russian River Property Owners in their efforts to establish a water district. He asked Advisor Martini if NBWD had been provided a draft copy of the proposed agreement with the Russian River Property Owners Association (RRPOA)?

Advisor Martini responded that he would shortly get that language to the Counselor.

**Item 2. Report by Director Mike Sangiacomo**

Director Sangiacomo shared that the GSA has not met since the last meeting of the NBWD. And the only new items to report was the effort to secure grant funding from the State associated with the implementation of the Sonoma Valley Groundwater Sustainability Plan. As most of the Board is aware, unfortunately the Sonoma Valley did not receive grant funding in this cycle. The grant missed the scoring goals by one point.

This lack of funding is very concerning for the SVGSA Board. We have no funding to implement any of the projects detailed in the GSP. I met with Bill Keane (Administrator of the SVGSA) and Marcus Trotta from Sonoma Water and charged with implementing the GSP to discuss. They are both surprised by the lack of funding.

Advisor Mike Martini suggested that the lack of funding does not make sense. Ann DuBay, who formerly worked for Sonoma Water has tracked and shepherded these efforts very closely. She has asked several people to contact DWR and write letters asking for reconsideration. All letters were due by last Friday.

Advisor GinaLisa Tamayo shared that she had submitted a letter of reconsideration on behalf of Carolyn Wasem, as an alternate to the SVGSA Board.

Director Sangiacomo expressed the heightened concern around lack of funding as groundwater fees will expire the end of this year. Bill Keene expressed to that he will ask for additional funds from the County to continue the work of the SVGSA. Board Director Susan Gorin was not particularly pleased with the request.

Director Stornetta asked if Supervisor Gorin was the only one opposed to the County funding the GSAs?

Director Sangiacomo responded that in the last vote for County support for the GSAs, Supervisor Chris Coursey was also opposed. There have been, and will be, a lot of research projects delayed as part of the lack of funding. This is not a particularly good start.

Director Sangiacomo shared that of all the grants applied for in the critically over drafted basins, only one was approve. The SVGSA did not even receive partial funding. Mike S.

Director Wasem asked where the ad hoc committee is on consolidation of the GSA?

Director Sangiacomo responded that the ad hoc committee tabled their efforts until grand funding decisions were known.

**Item 3. Report of Director Wasem**

Director Wasem reported that the Petaluma Valley GSA was awarded the grant from the California Department of Water Resources and was on track to commence activities outlined in the GSP. The funding was approximately $7,000,000.

**Item 4: Report of Advisory Jim Bundschu**

Advisor Jim Bundschu shared that the last meeting was held May 16, 2023. The next meeting will be held on June 22, 2023.

We discussed the monitoring report to understand the conditions of the basin, outcomes included:

**Chronic Lowering of Groundwater Levels** Full monitoring network of 116 wells within the watershed area includes 75 wells within the basin and seven new dedicated monitoring wells installed at three multi-level well sites.

* The shallow aquifer has shown stable conditions over time
* The deep aquifer shows long-term declining levels and four of the deep aquifer system RMPs were below minimum thresholds
* One Representative Monitoring Point (RMP) well of the 23 RMPs has exceeded the minimum threshold elevation for three consecutive years

**Storage Changes** The annual change in groundwater storage for water year 2022 is estimated to be a decrease of approximately 480 acre-feet in the shallow aquifer system and 10-acre feet in the deep aquifer system.

**Seawater Intrusion** Limited data does not indicate any movement of the chloride isocontour. There still is a need to fill gaps related to mapping/monitoring seawater intrusion.

**Degraded Water Quality** No Minimum Thresholds exceeded for public supply wells sampled in 2022. Undesirable Results conditions are not occurring in water year 2022 for degraded water quality.

**Land Subsidence** All values were within margin of error.

**Two Exceedances of Minimum Threshold** Measurable Objectives achieved at six of the nine RMPs. Due to significant data gaps associated with depletion of interconnected surface water it is uncertain if the minimum threshold exceedances represent undesirable results. The Annual Report tracks estimated water use each year. The total annual groundwater extraction estimated at 6,679 acre-feet for 2022 exceeds the estimated sustainable yield for the subbasin of 5,400 acre-feet. Total water use in the basin was approximately 11,500 acre-feet.

Bill Keene, the Administrator for the GSA provided an update:

C**onsolidated GSA administration** An ad hoc committee met in December with two members from each Board to discuss consolidation of the three basins in Sonoma County. At this point, there is no desire to consolidate the GSAs as the current structure is proving effective. There was a coordinated process which was simple and efficient for three grant applications with just one grant writer. There may be a three-Board/basin meeting in January 2024 and another ad hoc meeting between now and then.

**Fee Implementation** the GSA Board adopted a fee. Thanks to county funding the user fee is $40 per acre-foot (instead of $73) and the de minimis user will pay a $20 annual fee. Fee notices and tax bills were sent out at the end of last year. 1975 letters were mailed to groundwater users with GUIDE information and the annual fee amount. GUIDE covers the entire county and was updated in August 2022 to include all three basins. GUIDE includes information for all parcels and users can log in to access information for their parcel as well as respond and update information.

For Sonoma Valley GSA, 74 surveys were received, 63 reviews were completed, and 11 are in process. Various survey responses were received; biggest complaints are regarding recycled water use offsetting groundwater pumping and turf. Staff anticipates receiving some formal appeals.

Discussions were held re: ranked projects, policy options, description of benefits, authority required, potential partners, relative cost level, potential share-holder support and other potential projects not covered in depth in the GSP.

At the close of the meeting, the administrators asked what each advisory person thoughts on the following:

**What should outreach look like?**

**What is missing in the policy matrix?**

**What policy identified is most important to implement first.**

Advisor Bundschu shared that the funding was going to present the biggest problems.

Director Stornetta discussed the options and expressed concerns about the amount of red tape associated with funding. Concerns associated with Permit Sonoma’s involvement were also expressed. All funding options did not include conversations about offsetting fees for recharge values.

Advisor Bundschu restated that the meeting was highly focused on monitoring outcomes.

Director Stornetta shared his dismay that the Sonoma Valley GSA did not receive the DWR grant.

Director Sangiacomo agreed, he too was confident. Everyone was surprised when we missed getting the funds.

Advisor Bundschu asked, “Who will pay for these programs?”

Chair Mulas suggested that the GSA needs the millions in grant dollars for implementation of the projects – that only comes from grants.

Director Sangiacomo express confident that the DWR will IF review the application I have the confidence that we will score well.

Advisor Bundschu shared that some individuals on the committee believe that vineyards will finance the efforts.

**Item 5: Report of Advisor Eugene Camozzi**

Advisor Camozzi was not present**.**

**Item 6: Report of Advisor Mike Martini**

Advisor Martini discussed to specific items:

**The Sonoma County Well Ordinance** passed in April, 2023, is being legally challenge. The Coast Keeper and the River Keeper have filed a Notice of Intent to sue, citing that the ordinance was not adequate to protect public trust.

The NOI was disappointing, we (a collection of broad-based perspectives was engaged in developing the ordinance) went through four months of meeting, every came out dissatisfied. When the ordinance was presented to the Board of Supervisors at the first reading, the audience was evenly split on support. The Supervisors’ voted to move it forward to the second reading. The second reading rarely generates interests. In this case, thirteen (13) speakers spoke against it. It was frustrating, many of those expressing opposition, were those that participated in drafting the ordinance.

To their credit, the Board of Supervisors stuck to their position. Fast forward, the Coast Keeper and River Keeper sent a NOI. In a subsequent meeting with Permit Sonoma, they indicated that the County was moving forward with implementing the ordinance.

Director Sangiacomo suggested that during the joint meeting between policy and technical committees, some biologists were concerned about whether the ordinance went far enough. But in the end, we all agreed, as we have committed to do, at the commencement of the drafting process. Since that time, I have heard that the Riverkeeper was concerned that the existing overdraft issue was not being addressed. They feel that the ordinance does nothing to solve the existing challenges with groundwater pumping.

Advisor Martini said that if he was looking at the outcomes associated with the ordinance, and through the lens of a Sonoma Valley farmer, the one win was that replacement wells came out unscathed.

Item 2 for discussing is the **Draft Proposed Terms for Master Services Agreement** between NBWD and the RRPOA. The key piece is the proposed terms and the issues that might be involved in a provision of services agreement. As it stands, both the RRPOA and the NBWD are interested in pursuing an arrangement if that benefits agriculture and water users.

The goal of the efforts (associated with the terms of any agreement) would be conservation of water. Alexander Valley RRPOA members are working through the process of forming a District. They are pursuing the LAFCO and State legislation process. The Potter Valley project (dam removals and diversion needs) makes it imperative that the Alexander Valley landowners have a seat at the table. Tonight, I am not asking for specific action – just to think about NBWD’s interest in developing an agreement to assist the RRPOA, if needed to have an entity that can represent agriculture as Potter Valley discussions occur.

Counselor Idell commented that there seems to be a quite a bit to do here if we wanted to pursue. The idea that NBWD could be party to an agreement, in which those efforts have some price tag, would require a funding agreement to make NBWD whole. The RRPOA would need to be the responsible party for funding.

Advisor Bundschu asked if that agreement would take the place expansion of the district?

Advisor Martini responded that it would not.

Director Stornetta asked as to the purpose of the agreement – relative to what RRPOA can do in Potter Valley?

Advisor Martini responded that agriculture in Alexander Valley, and beyond in Sonoma County need to be part of a group to helps hold PG & E and responsible as part of their abandonment and decommissioning plans. The interest in Alexander Valley is that there remain a continued diversion from the Eel to the Russian River. That will require significant infrastructure improvements. The interest is in holding PGE accountable rests on financing the continued diversion. Without a seat at the table, the Sonoma agriculture will have not ability to discuss policies. You must finance the ongoing diversion.

Counselor Idell asked as to the authority of a master services agreement?

Advisor Martini responded that under recitals of the NBWD, there is expertise that the District has that would allow for this agreement.

Counselor Idell suggested that we have further discussions at the next NBWD meeting.

Advisor Martini suggested that would be beneficial – as the earliest time for adoption of an agreement would be August of 2023.

**Item 7: Report of Advisor GinaLisa Tamayo**

Advisor Tamayo shared that in July, NBWD will again be billed for the website. The anticipate fee is $500. NBWD should expect an invoice for her services next month.

**Item 8: Adjournment**

Seeing no additional business, Chair Mulas asked for a motion to adjourn. Director Jacobsen made the motion to adjourn. Director Stornetta seconded the motion. The meeting was adjourned at 5:20 pm.

The next meeting is July 12th….at 4:00 pm.