

**CGA/GGA Joint Technical Advisory Committee Meeting
Agenda Packet**

March 11, 2022

Staff Report

To: CGA-GGA Joint TAC

Agenda Item: 2. Approval of Minutes

Date: March 11, 2022

Background

The August 13, 2021 CGA/GGA Joint TAC Meeting minutes have been prepared for review.

Recommendation

Approve the August 13, 2021 CGA/GGA Joint TAC Meeting minutes.

Attachments

- August 13, 2021 CGA/GGA Joint TAC Meeting minutes

CGA/GGA Joint Technical Advisory Committee Meeting

MEETING MINUTES

August 13, 2021 | 1:00 p.m.

Due to safety concerns and directives from the Governor and Federal Government related to COVID-19,

This meeting was held remotely ONLY.

1. Call to Order, Roll Call, and Introductions

The meeting was called to order at approximately 1:00 p.m.

Dave Ceppos with the Census and Collaboration Program opened the meeting and went over some housekeeping and logistical items.

In Attendance:

Committee Members:

GGA: Emil Cavagnolo, Zac Dickens, Don Bills

CGA: Denise Carter, Bill Vanderwaal, Thad Bettner, Deke Dormer, Ben King (arrived 1:35pm), Brandon Davison (DWR, ex-officio)

It was noted there was not a quorum of the GGA TAC members present. It was confirmed that a quorum of CGA TAC members were present.

Others in Attendance: Lisa Hunter (GGA Staff), Mary Fahey (CGA Staff), Dave Ceppos, Consensus and Collaboration Program [CCP]), Corin Choppin (CCP), Grant Davids (Davids Engineering, Inc.), Duncan MacEwan (ERA Economics), Steve Hatchett (ERA Economics), Alan Doud (CGA Counsel), Holly Dawley (CGID), Lester Messina, Hilary Reinhard (RD 108), Bryce McAteer, Alfred Sellers Jr. (City of Williams), Leslie Nerli, Sheila Elworthy, Leland, Clay Borel, Holly Reimers, Mary-Ann Warmerdam, Matt, Erik, Del Reimers, Shelly Murphy (Colusa County Water District), Brooke Davis, additional unidentified call-in attendees.

2. Approval of Minutes (CGA TAC, GGA TAC)

a. *June 11, 2021 CGA/GGA Joint TAC Meeting

GGA: Action on this item is tabled due to lack of quorum.

CGA: Ms. Carter moved to approve the minutes from the June 11, 2021 CGA/GGA Joint TAC Meeting. Mr. Bettner seconded and the motion passed per roll call vote.

Denise Carter- Aye

Thad Bettner- Aye

Bill Vanderwaal- Aye

Deke Dormer- Aye

3. Period of Public Comment

No public comment was heard.

4. Colusa Subbasin Groundwater Sustainability Plan Development:

List of Acronyms:

CEQA – California Environmental Quality Act
GDE - Groundwater Dependent Ecosystems
GSA – Groundwater Sustainability Agency
GSP – Groundwater Sustainability Plan
MO – Measurable Objective
MT – Minimum Threshold
PMAs – Projects and Management Actions
PPT – Powerpoint Presentation
SGMA – Sustainable Groundwater Management Act
SMC – Sustainable Management Criteria
TAC – Technical Advisory Committee
UR – Undesirable Result

a. Groundwater Sustainability Plan Schedule

Grant Davids provided an overview and review of the GSP production schedule. He mentioned that the January 31, 2022 submittal date is non-negotiable.

Discussion:

Ms. Carter asked if the GSA has to wait until the 60-day review period is complete before the GSA adopts. Mr. Davids said that both GSAs have to adopt the GSP. Ms. Fahey and Mr. Doud stated the only requirement is a 90-day notice to counties and cities.

Ms. Carter asked, once adopted and submitted to DWR, is there another comment period? Ms. Fahey mentioned that DWR provides a 60-day comment period post GSP submittal. Mr. Davison and Mr. Doud said they would check into the 60-day comment period.

Holly Reimers asked if there will be in-person public meetings. Ms. Carter said we do not know now; it depends on what happens with COVID. Ms. Reimers asked about the timeline for public comments. Mr. Davids referred to the schedule in the presentation.

Mr. Doud confirmed that there is a 60-day public comment period once the plan is submitted.

Ms. Fahey commented that the CGA board is looking at GSP adoption on December 14, 2021.

b. Financing and Funding Mechanisms- Presentation and Discussion

Mr. Davids turned the presentation over to Duncan MacEwan and Steve Hatchett with ERA Economics.

The presentation provided an overview of costs, financing and funding, and cost allocation approaches. The presentation focused on two main areas, 1. Financing large capital projects and other one-time expenses, and 2. Funding to repay debt-financed projects and ongoing administration, operating and maintenance costs. Mr. MacEwan mentioned that the information contained in the presentation is still a work in progress and will be more developed when chapter 7 is released. He mentioned that the information will be in the main body of chapter 7 and an additional technical appendix to chapter 7.

Mr. MacEwan opened the presentation with a bar chart of preliminary estimated GSP costs. He described four general categories/components for GSP implementation costs:

1. PMA O&M costs for the five Planned PMAs in the plan
2. GSA Admin /studies – these are annual expenses
3. Other Capital/studies – one-time expenses for project development or capital that is not debt financed
4. Debt financed PMA capital- annual repayment of debt-financed PMA capital costs

Mr. MacEwan showed different types of financing options for capital costs including grants, bonds, and loans. He mentioned that it will be important to plan ahead, to get an idea of how projects fit for upcoming grant opportunities. He described the recent Proposition 68 grants administered by DWR for GSP recharge projects. The DWR project solicitations emphasized projects with coordination/benefits across multiple GSAs and benefits for Disadvantaged Communities and rural domestic wells.

He went on to discuss funding types to repay any debt obligations and ongoing operations of GSAs/GSP implementation. These include general fees, regulatory fees, service fees, special taxes, and special benefit assessments. Guidance on these options will fall under legal purview. These types of funding can be applied in a variety of ways, for instance, charges per acre, per well, or a hybrid option. It is noted that this is an important discussion as it affects landowners. It is key that there are legal implications when establishing a nexus between costs and benefits or GSA activities being funded by the fee.

TAC Member Discussion:

Mr. Vanderwaal asked for more specific examples of what is going to be paid with the \$9 million per year over five years shown in the graph in the presentation. Mr. MacEwan answered that this will cover GSP implementation costs across the whole subbasin. It will cover what is in the PMA chapter, most water supply purchases, capital for some infrastructure, and annual operating and management costs. On the GSA side, costs are based on current rate studies and budgets; additional studies are in the implementation chapter which will include important things like addressing data gaps.

Mr. Vanderwaal asked for clarification about three of the big projects (Colusa County Water District, Colusa Drain Mutual Water Company, and Orland-Artois Water District) purchasing water from settlement contractors and selling that water at a price that their water users are willing to pay and use instead of pumping groundwater. He wanted to know if some of the funding mentioned above was going to purchase this water as well as costs for new monitoring wells to cover data gaps. Mr. MacEwan answered yes to both. Mr. Davids briefly described the Planned PMAs (including those mentioned by Mr. Vanderwaal) for the benefit of the entire audience that may not be familiar with all Planned PMAs.

Mr. King stated the numbers make him really nervous. He asked how many acres were in the entire subbasin. He also suggested consolidating the two GSAs into one to cut admin costs and focus on the bottom line. Ms. Reinhard answered that there are 723,823 acres in the subbasin.

Public Discussion:

Sheila Elworthy asked what her ranch has to do with this process if they don't use groundwater. Ms. Carter answered that as we look for another model to fund the GSA the goal is to potentially look at a different rate for the hill areas. Those areas are technically within the subbasin, but perhaps could pay a lower fee. She explained that while the GSAs aren't exactly sure what this will look like in the future, it is on their radar.

Mr. Ceppos asked if there was a possibility of a Basin Boundary Modification to address these concerns. Mr. Davison answered that he did not have any information. The next Basin Boundary Modification is set for approximately 2025 and the boundary is set where it is for now.

The presentation continued with Mr. MacEwan walking through some hypothetical examples and options for allocating costs. He discussed two general options for allocating GSP costs and benefits which include a cost of service approach and a benefits based approach emphasizing the need to consider what the costs are, who contributed to the development of a project, and who received benefits, among other items. Mr. MacEwan showed several examples and stated it is important to consider how the allocation affects the landowners. He then provided a general summary of example cost allocation steps which is a very simplified version as there are policy and other decisions that must be considered. These steps include:

- Estimate PMA costs
- Quantify PMA benefits
 - General to the broader subbasin
 - Specific to certain areas
- Allocate costs to areas receiving specific benefits
- Allocate remaining costs to the broader subbasin

TAC Member Discussion:

Mr. Dormer referenced slide 18, and asked if the alternative charge was an extraction fee. Mr. MacEwan said that is a policy decision for the Boards to make.

Mr. Vanderwaal asked if these cost allocations need to be decided prior to the GSP being submitted. Mr. MacEwan clarified that this is the start of a discussion that will go on into GSP implementation. He clarified what must be included in the GSP and noted funding and allocation decisions do not need to be made prior to GSP submittal. The discussion and options presented will be part of the GSP in chapter 7 and a supporting appendix to chapter 7.

Mr. King said he wants to focus on equity among the different subbasins in the Sacramento Valley. Colusa and Yolo have done JPAs while Butte and Sutter are based on Cooperation Agreements. He thinks we should focus on what is going on in the valley and that we need to be mindful about how we treat the hill properties prior to a future Proposition 218 fee and the next Basin Boundary Modification.

Mr. Ceppos clarified that many basins had background information and building blocks in place due to past work and investments which allowed GSP development to get further in a shorter amount of time. There are very distinct factors in different basins that reflect why different choices were made.

Ms. Carter referenced slide 18 and stated she would not like to see this approach included in the GSP. She suggested the GSAs need to look at the overall costs and benefits for the entire subbasin. Some generalization is good, but the people that are getting the benefit should pay. Mr. MacEwan added that the analysis they are using is subbasin-wide, but you can think of the same allocation framework applying within a region (for example, general area or district) that is part of the subbasin.

Public Discussion:

Ms. Reimers asked if there will be consideration for landowners that apply surface water only and have no access to groundwater. She stated that they are helping groundwater levels and helping in recharge, so maybe they should be paid. Mr. MacEwan responded that this is part of the discussion and policy decisions that the GSAs will need to consider.

The presentation continued and Mr. MacEwan provided an example of a groundwater recharge PMA being implemented by a GSA in Madera County that was awarded funding under Proposition 68. This approach considers proportional cost shares to allocate benefits. It was reiterated that this example is used to illustrate concepts and conditions that are different in the Colusa Subbasin. The general benefit allocation approach has four steps which include:

1. Establish lifecycle costs of the project– when costs occur – bring all costs to today
2. Identify who will pay the different costs- individual landowners contributing land or other in-kind services to the recharge project, GSA – administration and potential funding, State – providing some initial capital costs
3. Establish benefits of the project– net amount of water to allocate, allocate benefits in proportion to costs
4. Proportionally allocate benefits between parties (in this example, the landowner and GSA)

Cost allocation considerations depend on policy decisions by the GSAs. Examples provided in the presentation were purposefully general to generate discussion.

TAC Member Discussion:

Mr. King said he thinks the discussion is good, but Ms. Reimers mentioned that she does not have access to groundwater. The issue with the west side illustrates that it is important to be equitable. If we have metering, we should think about the consequences of metering a well head, even the administrative issue versus using ET estimation.

Ms. Reinhard brings the discussion back to Ms. Carter’s previous comment and said that the numbers she is seeing on slide 18 are shocking. She never expected to see a \$9 million price tag on operating costs for the GSP. She agrees with Ms. Carter that she would not like to see these numbers in the GSP because it is not equitable across the subbasin. It should be broader in terms of cost sharing as she believes the people getting the benefit are the ones who should be paying. She added that allowing CGA to operate, and handle costs separately from GGA is important.

Duncan MacEwan did share that cost allocation does not have to be over the entire subbasin, and cost can be allocated to certain regions.

Public Discussion:

Ms. Elworthy said she would gladly provide a map of her property and would gladly put in a meter and pay for the water that she uses. She stated that the GSAs need to consider that they are taxing properties extra. This is not the only tax on their property.

Ms. Reimers provided comment about location of her property.

5. Well Monitoring Pilot Program – Update and Discussion

Mr. Davids described that the Well Monitoring Pilot Program (WMPP) does not contribute directly to GSP development but looks forward to implementation. The effort is to try monitoring some wells and see if we can generate some on-farm benefits. It is pilot scale at this point. 21 applications to participate in the program were received, scored and ranked. The three highest ranking in each county were selected for the program. Wells were inspected by the technical team staff to ensure wells qualified and they all did. Ranch Systems was selected for turnkey equipment provision and installation, communications, data hosting, and reporting.

Equipment has been installed on four of the wells. Two agreements remain to be signed. Data is coming in for the four wells and the growers have access to real-time groundwater level and flow rate data.

Reports are customizable for growers and GSAs. This is currently in process to figure out what the GSAs would like to see. Initial response from growers is very positive. One of four has already set bowls deeper proactively based on the information received.

Mr. Davids reported that on average, the cost for the pilot scale program is summarized as follows:

- \$4,000 per site for program design
- \$4,500-\$5,000 per site for equipment and installation
- Recurring costs of approximately \$445 per site per year, but there are substantial discounts available based on number of sites and number of prepaid years of service

Next steps include:

- Evaluate report formats
- Evaluate data quality and potential uses
- Evaluate landowner satisfaction and recommendations
- Evaluate options and costs for scaling up the program

Discussion:

Mr. King asked a question regarding real-time monitoring. He understands that Yolo has a public real-time groundwater monitoring network. Mr. Davids confirmed Yolo's network includes real-time monitoring and shared his experience with having a well in the network. He noted that similar information could help inform Colusa Subbasin stakeholders.

Mr. Bills asked where the WMPP wells are located. Ms. Fahey and Ms. Hunter said that they are fairly spread out in different areas of the CGA and GGA's jurisdictions and they will provide that information in the future.

Ms. Fahey mentioned that she and Ms. Hunter had met with Ranch Systems. It may be helpful to provide a presentation to the TAC or Boards to demonstrate the system and to provide more information.

Mr. Ceppos asked if there were any TAC members opposed to having Ranch System provide a presentation. There was no opposition heard.

Action: Ms. Fahey and Ms. Hunter to include Ranch Systems presentation in an upcoming agenda.

6. Grant Funding

a. Current Project Agreements- Status and Discussion

Ms. Fahey shared that the Colusa Subbasin has received grant funding for GSP development totaling \$1,999,600. \$378,000 in contracted funds have been allocated for the HCM/Water Budget project. The contracted amount for GSP development is \$1,337,000.

b. Unallocated Grant Funding- Status, Discussion, and Possible Recommendation

Ms. Fahey explained the unallocated grant funding. She covered that \$284,600 in grant funding remains that has not been contracted. Funding must be dedicated to GSP planning and is not applicable to implementation. Funds should be dedicated to projects that are currently in the Prop 1/Prop 68 grant agreement with DWR. She shared potential tasks and that funding must be expended by April 30, 2022. It was also noted that the CGA manages the grants and the GGA manages the project agreements with Davids Engineering.

Ms. Fahey reviewed potential options including expanding the WMPP, field mapping, test drilling, subsidence benchmark installation, stream gage, well location database improvements, and completion of the annual report.

Discussion:

Ms. Hunter and Ms. Fahey together clarified that the funds must be expended by April 30, 2022 so reporting can be completed by June and that there is a need for funding an annual report, as it is required by SGMA to submit the first annual report by April 1, 2022.

Mr. Davids agreed that the annual report should be a top priority and he said he isn't sure the cost estimate presented is accurate.

Mr. Vanderwaal asked if the annual report would be part of implementing the GSP? Ms. Fahey will follow up with DWR. Mr. Vanderwaal feels the WMPP and subsidence benchmarks are high on the list for unallocated funds and that RD 108 would be interested in this as well.

Mr. Bills agreed that the annual report should be at top of list. He also agrees that the WMPP and subsidence benchmarks could receive funds. He asked if funding for the WMPP will include funding for additional wells and where these wells could be. Mr. Davids responded that the idea is to enroll additional wells into the WMPP. He added that for test drilling we would need to get Ken Loy's input.

It is noted that to fund expanding the WMPP there would need to be a grant amendment which may take some time.

Mr. Bills asked about test drilling and developing more hydrogeologic structure as well as information about upwelling of saline water. Monitoring well installation could easily 'chew up funding'. Mr. Davids shared that he feels stream gage installation should be low on list because stream gages are expensive relative to available grant funds.

Ms. Carter feels the best 'bang for buck' is to fund the annual report and WMPP. She would also like to see funding for the subsidence benchmark plan and installation, and last, a well location database.

7. Topics and TAC Decisions for Next Meeting (September 10, 2021)

Next steps were reviewed and it was noted the next TAC meeting is scheduled for three days prior to the release of the complete draft GSP. It was suggested to cancel the September 10, 2021 TAC meeting in order to allow the technical team to focus on production of the draft GSP. There was no opposition to cancelling the September 10, 2021 CGA/GGA Joint TAC meeting.

Ms. Carter stated that the Ranch Systems presentation discussed earlier would be best presented to the entire GSA Boards rather than the TACs, and agreed that unless there is something urgent, the September Joint TAC meeting should be cancelled.

Action: Cancel the September 10, 2021 Joint TAC meeting.

8. Member Reports and Comments

Ben King made an inquiry on upwelling in the TSS Monitoring well on Darrin Williams' property, and noted the TAC should understand this as soon as possible, and if there is any water quality issue.

There were no public comments made.

9. Adjourn

The meeting was adjourned at 3:16 p.m.

Staff Report

To: CGA-GGA Joint TAC

Agenda Item: 6. Approve 2022 CGA/GGA TAC Meeting Schedule

Date: March 11, 2022

Background

In 2021, the CGA/GGA Joint TAC generally met on the second Friday of each month. Meetings were cancelled when they were not needed. It may be helpful to discuss and potentially set a meeting schedule for 2022. Options to consider include:

1. Second Friday of each month at 1:00 p.m.
2. Second Friday every other month at 1:00 p.m. (May, July, September, November)
3. Quarterly on the second Friday at 1:00 p.m. (June, September, December)
4. Other

Recommendation

Approve a CGA/GGA Joint TAC meeting schedule for 2022.