

**NORTHERN DELTA
GROUNDWATER
SUSTAINABILITY AGENCY**

Minutes of Tuesday, June 18, 2019

Northern Delta Groundwater Sustainability Agency Meeting

Walnut Grove Library, 14177 Market Street, Walnut Grove, CA 95690

1. Call to Order

The meeting was called to order at 9:15 a.m. by Chairman Robinson.

Those Present:

RD 3 – Dave Robinson, Outgoing Chair

RD 2067 – Harvey Correia, Outgoing
Vice-Chair

RD 744 – Brad Van Loben Sels, Outgoing
Secretary/Treasurer;
Incoming Chair

RD 369 – Clarence Chu

RD 755 – Doug Hemly

RD 501 – Craig Nakahara, Incoming Vice-
Chair

RD 1002 – Jeff McCormack, Incoming
Secretary/Treasurer

Osha Meserve, General Counsel
Soluri Meserve

Erik Ringelberg, California Director
The Freshwater Trust

Chris Thomas, Policy Specialist

The Freshwater Trust

Anna Swenson, Outreach Coordinator

The Freshwater Trust

2. Pledge of Allegiance

3. Roll Call

4. Public Comment

No public comment.

5. Review & Approve 01/16/19 Board Meeting Minutes

Action – Motion by Van Loben Sels, Secretary/Treasurer, seconded by Member Nakahara to approve the 01/16/19 Minutes. Motion passed unanimously.

Review 04/04/19 Steering Committee Meeting Minutes

Action – Motion by Correia, Vice-Chair, seconded by Van Loben Sels, Secretary/Treasurer, to approve the 04/04/19 Minutes. Motion passed unanimously.

Review 5/9/19 Planning Workshop Notes

No Action taken

6. Chair, Vice-Chair, and Treasurer/Secretary Reports

Vice-Chair Correia informed Board that he would resign his position as soon as a successor was chosen and he would recuse himself from voting on new matters at this meeting as

the GSAs he represents have withdrawn or are in the process of withdrawing from the Agency.

No other reports from Chair or Secretary/Treasurer.

7. Election of Officers from Member Agencies/Selection Voting Member Representatives

Action – Outgoing Chair Robinson asked for volunteers from the Board to serve as Officers. Motion from Outgoing Vice-Chair Correia and second from Member Hemly to elect:

Brad Van Loben Sels – Board Chair
Craig Nakahara – Board Vice Chair
Jeff McCormack – Board Secretary/Treasurer

Motion passed unanimously.

Action – Motion from outgoing Vice-Chair Correia to have new NDGSA Officers also be appointed to Steering Committee, seconded by outgoing Chair Robinson. Motion passed unanimously.

Action – Motion by outgoing Chair Robinson to add the incoming Officers Van Loben Sels, Nakahara, and McCormack to the NDGSA bank account at F & M Bank as account signatories and remove outgoing Officers Correia and Robinson from the account entirely. Motion seconded by outgoing Vice-Chair Correia, passed unanimously.

8. Review of Member Agency Withdrawals

Counsel explained that figures in the handout show the liabilities of each withdrawing agency, though June expenses still need to be added to the figures shown. Every member agency can keep its individual GSA status, although some may choose to give up their GSA status. Regardless of withdrawing agencies' plans, it is necessary to update the Department of Water Resources SGMA Portal to reflect changes in status and arrangement as well as to update the contact information so that the withdrawing members have accurate details on file with DWR and, to the extent necessary, the respective counties. NDGSA staff will work with each withdrawing GSA to ensure this transition occurs. No action taken

9. RD 38 Associate Member Activities

Reclamation District 38 (Staten Island), a partner agency of the NDGSA, expressed interest in voluntarily contributing a per-acre fee to the NDGSA in order to receive representation in the Eastern San Joaquin Subbasin planning process. The Subbasin is now wrapping up their groundwater plan because of the critically overdrafted conditions in the region and expect to have it completed by January 2020. The NDGSA Board expressed support for Counsel's efforts to work with RD 38 to receive services from the NDGSA.

Member Hemly asked about different categories of the associated members. Specifically, for the past decade GSA/RD 551 & 755 have considered merging because of shared levees. The merger may happen within a year. RD 551 has been waiting on the DWR decision on the South American Subbasin Alternative Plan to take any further action on SGMA. Counsel

expressed that the implications of a merger can be addressed if and when it occurs. No action taken.

10. Update on Subbasin Planning Processes

NDGSA staff is still attending collaboration meeting with the South American Subbasin efforts. The Board encouraged staff to continue to seek any and all grant opportunities.

NDGSA staff has not yet engaged at this time with the Eastern San Joaquin Subbasin process.

NDGSA staff is very active with the Solano process on the collaborative level. Outgoing Vice-Chair Correia asked for an update on the MOU for members of the Solano collaboration effort. Staff has been monitoring and reviewing the drafts but until the final draft is submitted for review, the document is too far from final to be distributed to the larger groups. The major remaining issue is that Solano Irrigation District is seeking credit for GW recharge efforts, which is broadly supported for its foresight. But the specific amounts are likely better suited to be addressed in the GSP, not the MOU. Staff will immediately send all members the draft MOU once it is suitable for review. No action taken.

11. Legal Update/JPA Amendments and Board Policies Status

Joint Powers Agreement Amendments – Staff conveyed that recent changes to NDGSA membership and insights gained over the past year have brought to light the need for minor clarifying and other revisions to the Joint Powers Agreement to improve the function of the JPA and reconcile potential ambiguities. Long term, the staff and Board can work on NDGSA policies about how we participate in the subbasins and define undesirable effects.

Meeting Frequency – The JPA Section 12.2 (“Time and Place”) calls for the NDGSA Board of Directors to meet quarterly. To date, the NDGSA has not met this often and doing so may not be necessary or desirable given the time constraints and financial costs associated with meeting. The Board felt that one mandatory meeting per year is sufficient, otherwise two meeting a year should be the maximum. Having only one annual meeting is the goal.

Voting – Section 11.4 (“Board Member Votes”) of the JPA provides each Board Member with one vote. As agreed to in the Bylaws adopted after the JPA was signed, the Board’s stated preference was for a weighted voting system based on each member’s acreage, with one vote for every four thousand acres and any remainder rounded up. The Board felt that the weighted vote struck a fair balance. The changes clarify that compromise.

Associate Member Definition – Article 7 (“Associate Members”) of the JPA provides the Board of Directors with the authority to approve of Associate Members, a power that the Board utilized to designate RD 38 and RD 551 as Associate Members. However, the term ‘Associate Member’ is not defined in the JPA and adding a clear definition would provide additional certainty.

Withdrawal – There have been some questions about the provisions of the JPA dealing with the liability of withdrawing members, specifically JPA Sections 17.1 (“Liability”), 18.1

(“Withdrawal”), and 18.2 (“Effect of Withdrawal”). Staff discussed the withdrawal provisions, explaining that Section 17.1 was intended to address long-term public agency liabilities like retirement funds (which does not concern the NDGSA at this time), whereas Section 18.2 deals with liabilities of the agency for purposes of agency withdrawals. Further, there was some discussion about whether members that submitted a notice to withdraw per Section 18.1 should retain voting power during the 60-day period. Staff expressed that addressing the ambiguity in these provisions would provide additional clarity. Other JPAs reviewed by staff include the suggested clarifications regarding the process for and implications of withdrawal. Member Hemly suggested removing the 60-day withdrawal provision and making it immediate upon notice. There was not consensus around potential changes to Section 18.1, but the other proposed changes were supported by the Board.

Staff Recommendation: Per discussion, the JPA should be updated to more clearly reflect the Board’s intent. A revised JPA with the changes demarcated was included in the meeting materials to facilitate discussion.

Action – Motion by Member Hemly to approve all of the JPA amendments recommended by NDGSA Staff except for the proposed modification to 18.1 regarding voting rights within the 60-day notice period, seconded by Officer McCormack, motion passed unanimously. Outgoing Vice-Chair Correia abstained.

Policy Development – Staff have identified a number of potential policy options that the NDGSA may wish to pursue in order to protect the interests of the Agency and its Members. Counsel conveyed that the goal for a proposed policy development is December 2019. Policies could include:

In-Kind Contribution to Basin Planning Processes – Rather than contribute funding, the NDGSA provides in-kind contributions of staff time to assist in the various subbasin planning processes.

County Well Permitting Processes – The NDGSA could participate (potentially via a notice request) in county processes for reviewing and approving of well drilling permits in order to ensure that new permits do not injure the interests of the Member Agencies or the subbasins.

Definitions of Undesirable Effects – The specifics of what constitutes an ‘undesirable effect’ in the region could have meaningful ramifications as this represents the core of sustainable groundwater planning.

12. 2018/2019 Budget Update

Grant Update – Staff conveyed that grants are expected to become available this upcoming year, which should include a larger emphasis on planning activities. Concerning Proposition 68 grant applications, staff explained that there can only be one applicant per subbasin for this grant, so NDGSA will need to coordinate with the other subbasins on applications. Member Hemly asked if there was an agency bias in grant awards. Staff responded that there likely is not.

Budget Update – With the 2018-2019 Fiscal Year almost over, NDGSA staff have prepared an analysis of the budget projections and the realized expenses to date. That is included as a separate handout.

Audit Proposal – Staff is pursuing a firm to undertake an audit of the NDGSA’s finances for the first 1.5 years of NDGSA activities. Subsequent years audits would be for 1 year or 2 fiscal years, as previously determined by the Board. Staff has received a proposal from Croce Sanguinetti and Vander Veen in Stockton and Boden, Klein and Sneesby.

Action – Motion by Secretary/Treasurer McCormack to authorize staff to proceed with engaging an audit firm Boden with a cost of \$5500 or less, seconded by Chair Nakahara. Motion passed unanimously with outgoing Vice-Chair Correia Abstaining.

Insurance Status – Staff has investigated the possibility of Board insurance, but has not yet found a suitable policy. Quote by Golden State is \$5,000.00 per year. Staff will continue searching for a policy within the NDGSA budget.

Administrative Cost Saving Proposals/Sacramento County Farm Bureau – Staff conferred with the Sacramento County Farm Bureau about contracting for some of the NDGSA day-to-day tasks. The Farm Bureau has the capacity to provide bookkeeping, website maintenance and updating, and meeting support, among other tasks. The Board directed staff to prepare a proposed scope of work for the Farm Bureau so that a monthly cost proposal can be developed.

Payment of Invoices – Staff informed the Board that the property-based fees for 2018-19 fiscal year have been received by the NDGSA at this point and any additional property-based fees received, if any, will only be minor payments from the Counties, likely less than one percent of the total amount collected. With these fees collected, there are a number of outstanding invoices that the NDGSA can now pay. Even with a robust reserve maintained, staff explained that the Agency could pay invoices from June 2018 and most of July 2018.

Action – Motion by Chair Nakahara, seconded by Secretary/Treasurer McCormack to pay invoices, or portions thereof, in order from the oldest to the newest, reserving a \$20,000 balance to ensure adequate funds for ongoing expenses. Unanimous Vote with outgoing Vice-Chair Correia abstaining.

13. 2019/2020 Budget and Fee Adoption

Review Proposed Budget Options & Adopt 2019-2020 Fiscal Year Budget – Staff prepared a proposed budget, which was included in the meeting materials provided to all Board Members. The proposed budget was adjusted to reflect the changes to the NDGSA membership.

Action – Motion by Secretary/Treasurer McCormack to adopt the proposed 2019-2020 fiscal year budget, seconded by Chair Nakahara. Passed unanimously, with outgoing Vice-Chair Correia abstaining.

Adopt Per-Acre Fee for 2019-2020 Fiscal Year – Based on the Fiscal Year 2019-2020 budget adopted by NDGSA Board of Directors, a \$2.66 per-acre property-based fee will need to be levied to fund the NDGSA’s ongoing activities. Staff also informed the Board of the need to

inform county staff that the Agency will not levy fees in Yolo County due to the withdraw of the member in that area.

Action – Motion by Chair Nakahara to adopt the per acre fee of \$2.66 for the 2019-2020 fiscal year, seconded by Secretary/Treasurer McCormack. Passed unanimously, outgoing Vice-Chair Correia abstaining.

Questions Concerning Participation in NDGSA – Outgoing Vice-Chair Correia asked the NDGSA Board Members why they opted to remain with the NDGSA. Secretary/Treasurer McCormack indicated that the NDGSA was the best option for his districts. Vice-Chair Nakahara asked why outgoing Vice-Chair Correia’s districts opted to withdraw. Outgoing Vice-Chair Correia stated that he felt misled because the cost of operating the NDGSA wasn’t fifty cents an acre or less. He also referred that his districts would be protected through the continued work between the NDGSA and the Solano Collaborative.

14. Staff Report

Nothing further to report.

15. Agenda Proposals, Time and Place of Next Board and Steering Meeting, TBD

Staff will communicate with Board members to arrange the next meeting as necessary.

16. Adjournment

Chairman Van Loben Sels adjourned the meeting at 11:25 a.m.

Respectfully submitted by Anna Swenson.