

**SIERRA VALLEY GROUNDWATER MANAGEMENT DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING
GOLDEN WEST RESTAURANT, LOYALTON, CA
Monday, March 13, 2017 at 5:30 p.m.**

Board of Directors

Einen Grandi, Chairman
Greg Ramelli, Director
Jim Roberti, Director
Paul Roen, Director
Tom Rowson, Director
Michael Sanchez, Director
Don Wallace, Director

MINUTES

1) CALL TO ORDER & ROLL CALL OF DIRECTORS

Chairman Grandi called the meeting to order at 5:33 PM.

Directors present: Roberti, Wallace, Rowson, Sanchez, Roen, Ramelli

Directors absent: None

Also present: Brooks Mitchell, Rhonda Grandi, Dave Goicoechea, Mark Marin, John Colberg, Cleve Anseth, Rick Roberti, Weston Roberti, Greg Hinds, Kristi Jamason, Jay Huebert, Brandon Pangman, and Joel Burdick.

2) PUBLIC HEARING –

A. Groundwater Sustainability Agency

Pursuant to Water Code section 10723, the Board of Directors will hear comments from the public regarding SVGMD's proposed application to be the Groundwater Sustainability Agency (GSA) for the portion of the Sierra Valley Groundwater Subbasin within SVGMD legal boundaries, in accordance with the Sustainable Groundwater Management Act of 2014.

Chairman Grandi shared that the SVGMD originally formed in 1980 under Senate Bill 1391 to keep Sierra Valley water within the basin. This gives the District the authority to organize and stop transportation of groundwater out of the basin.

The Sustainable Groundwater Management Act (SGMA) passed in 2014, requires high and medium-priority ranked basins to form Groundwater Sustainability Agencies (GSAs) to manage and sustain local groundwater. The Sierra Valley subbasin has been given a medium-priority ranking by DWR, so a GSA must be formed. Otherwise, the state will have to manage local water and will do so at a high cost via extraction fees, well fees, etc. There is one small portion of the subbasin (~455 acres) that isn't within the SVGMD's boundaries, so Plumas County will be forming a GSA for that area, with the possibility of a future memorandum of understanding (MOU) or joint powers authority (JPA) between SVGMD and Plumas County to manage the basin. There is also a possibility that DWR will change the boundary so that this "sliver" area will not be part of the Sierra Valley subbasin. GSAs must complete a Groundwater Sustainability Plan (GSP) for Sierra Valley by January 2022.

Public comments:

John Colberg – What about areas outside of the defined groundwater basin, such as the portions of the Chilcoot subbasin? (Grandi – The Chilcoot subbasin has a low-priority

ranking, so it does not need a GSA. DWR will be looking at the Basin boundary lines in 2018 and may combine the two subbasins.)

Brooks Mitchell – As a citizen of Loyalton, Mitchell is in favor of the formation of this GSA so that local control is maintained.

B. Management Charge

Consideration whether the District must now fix a management charge for the fiscal year 2017-2018 on all land within the District, of \$.30 per acre, per year, with a total minimum charge of \$10.00 per year for all parcels or lots forty (40) acres or less, for the purposes of paying the costs of initiating, carrying on, and completing any of the powers, projects, and purposes for which the District is organized.

Director Grandi stated that the SVGMD legislation allows for the District to charge management fees to cover operation costs. The fees for the 2016/2017 fiscal year are 15 cents per acre with a total minimum charge of \$6.00 for all parcels or lots forty acres or less. These fees are charged on Plumas and Sierra Counties' tax rolls. The proposal for the 2017/2018 fiscal year management charge is 30 cents per acre or \$10 for parcels or lots forty acres or less.

The reason for raising the rates is due to the accumulating costs to manage the District. Some of the District costs include: two part-time employees, liability/property/workman's compensation insurance, office supplies, attorney fees, hydrologist fees, and state required audits. The SVGMD has not changed the management charge rates in over 20 years. The Board has cut their budget in previous years to remain viable by reducing the meter technician's hours, having a volunteer secretary, reducing meter readings, and moving board meeting locations and District files to free locations. In the past, management charges have gone up and down, so the hope is to lower these fees once the District is functional again and the GSP is active. A high-capacity well meter fee of \$200/well/year on irrigators/wells with a pumping capacity of 100 gallons per minutes has recently been implemented to help cover the high costs of meter maintenance, purchasing new meters, groundwater measurements and technical support.

The Board acknowledged that while fees are an unfortunate thing, the Directors are paying these same fees and that from now on, California is going to be regulating state groundwater more strictly. If the public decides they do not want the Board to maintain local control, the state will control water usage within the subbasin.

Public comments:

Brooks Mitchell – Does the Board have the ability to set its own fee limits? (Grandi – Yes, that is within District legislation which sets maximum fees at 50 cents per acre per year for each acre of land, or \$10 per year for each parcel of land less than 20 acres within the District.)

Brooks Mitchell – Concern that these expenses will cover this year, but might not be enough to get the District on sound ground and the fees will have to be raised again in the future? (Grandi – the finance committee has looked long and hard at these numbers and are confident in this revenue amount.)

John Colberg – With this fee increase, the District is looking at an extra \$18,000, with a total projected income of around \$61,000. What will that extra revenue be used for? Does

the District need that much? (Director Roberti – the finance committee made a detailed budget of what the District needs to remain viable. With upcoming SGMA regulations and GSA formation, the Board is unsure what costs will be incurred. Because of tight financial circumstances recently, the District has been deferring payments and has had to pay finance charges as a result. There are currently no extra meters but the Directors know of at least one that needs to be fixed and one new one will need to be purchased.

Dave Goicoechea – Commends the board for accomplishing what they’ve done and supports the formation of the GSA because it reinforces what is already in place. With respect to the fee, for two years the Board has been trying to work with the minimum amount of money. Now with the meter fee and this management charge, the District will have a conservative amount of money to cover upcoming costs. He encourages the establishment of this fee in order to move on to the next stage of the GSA and GSP. If he had one concern, it would be that 30 cents per acre is conservative in light of what can come out of Sacramento. These fees are wholly realistic and consistent with the responsibilities of managing groundwater and keeping it local.

Mark Marin – This isn’t rocket science; either SVGMD manages local groundwater or the state does at a higher cost.

3) ADJOURNMENT

Chairman Grandi adjourned the meeting at 6:09 PM.

Jenny Gant, Secretary