



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Water Agency
Department No.: 054
For Agenda Of: July 12, 2016
Placement: Departmental
Estimated Time: 1 hour
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Directors, Water Agency

FROM: Department Scott D. McGolpin, Public Works Director, 568-3010
Director(s)
Contact Info: Thomas D. Fayram, Deputy Public Works Director, 568-3436

SUBJECT: Sustainable Groundwater Management Act and Groundwater Sustainability Agency Formation, All Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

- a) Receive a Report on activities and progress to date related to the Sustainable Groundwater Management Act of 2014 and the formation of Sustainable Groundwater Agencies;
- b) Authorize the Water Agency to collaborate and coordinate Groundwater Sustainability Agency formation in the Cuyama and San Antonio Groundwater Basins;
- c) Authorize the Water Agency to participate in Groundwater Sustainability Agency formation in the Santa Ynez Groundwater Basin and in basins where local agencies may choose to implement it voluntarily;
- d) Direct staff to return to the Board by June 30, 2017 for consideration of formation instruments to create Groundwater Sustainability Agencies in the Cuyama, San Antonio and Santa Ynez Groundwater Basins; and
- e) Determine that the proposed actions are not a project under the California Environmental Quality Act, pursuant to Guidelines Section 15378(b)(5), organization or administrative activities that will not result in a direct or indirect physical change in the environment.

Summary Text:

This item is on the agenda in order to give direction as to participation in Groundwater Sustainability Agency (GSA) formation pursuant to the Sustainable Groundwater Management Act of 2014 (SGMA). A briefing of SGMA including an overview of GSA formation was given to the Board on November 17, 2015, and the Board approved submission of two basin boundary requests to the Department of Water Resources. In addition, your Board approved a Proposition 1 Grant for Counties with Stressed Basins to assist in GSA formation and a contract with Dudek for GSA formation and governance support on April 5, 2016. GSAs will be required for the Cuyama, San Antonio, and Santa Ynez Groundwater Basins by June 30, 2017.

Each basin is unique in its conditions and governance approach. A summary of the 3 basins follows;

Cuyama

- In process with the Local Agency Formation Commission (LAFCO) is the formation of a California Water District by agricultural interests in the Cuyama Valley.
- With your Board's approval, it is anticipated that the Water Agency will participate in a GSA with the new Water District (pending formation) and the Counties of San Luis Obispo, Ventura and Kern. Additionally, the New Cuyama Community Services District may be a GSA member.
- On April 18, 2016, a pre-meeting was held with representatives from all six interested agencies to discuss GSA formation, timeline and the creation of a working group. The first meeting of the working group is scheduled for July.
- The purpose of the working group is to build a Memoranda of Understanding/Agreement or Joint Powers Agreement for GSA formation with the support of County Counsel.
- At least one public workshop will be held to inform the community of this process.

San Antonio

- With your Board's approval, it is anticipated that the Water Agency will participate in a GSA with the Cachuma Resource Conservation District (CRCD). Vandenberg Air Force Base (VAFB) has expressed an interest in participating in the formation of the GSA in this basin (Attachment C) but not as a voting member. The Los Alamos Community Services District express a similar interest (Attachment D) VAFB and the Los Alamos Community Services District will likely serve in an advisory capacity to the GSA.
- Attachment E is a letter from CRCD expressing interest in participating in the formation of a GSA in this basin. CRCD is expected to provide representation for the various agricultural interests in the basin.
- On April 18th, 2016, a pre-meeting was held with representatives from three of the four interested agencies to discuss GSA formation, timeline, and the creation of a working group. The first meeting of the working group was held on May 19th, 2016, and monthly meetings are planned.
- The purpose of the working group is to build a Memoranda of Understanding/Agreement or Joint Powers Agreement for GSA formation with the support of County Counsel.
- Attachment B is a draft non-binding MOU being developed at the will of the group to offer an opportunity for these agencies to meet and agree on GSA formation process and procedures.
- At least one public workshop will be held to inform the community of this process.

Santa Ynez

- The Santa Ynez River Water Conservation District (SYRWCD) covers most of the area of the basin and is positioned to be the technical lead for GSA formation.
- With your Board's approval, it is anticipated that the Water Agency will participate in a GSA with the SYRWCD, the Cities of Solvang, Buellton and Lompoc, Santa Ynez River Water Conservation District Improvement District No. 1, Vandenberg Village Community Services District, Mission Hills Community Services District, and VAFB (see Attachment C).
- Outreach to discuss the role and interest of the Santa Ynez Band of Chumash Indians in the GSA process is underway.
- The SYRWCD is proposing three GSAs representing the three main segments of the basin (Western, Central, and Eastern) with an overarching Basin Coordination Agreement (Attachment F).
- Portions of this watershed are outside of the SYRWCD boundaries. The Water Agency will be the lead in providing data and stakeholder outreach for these areas and the County retains land use authority in all unincorporated areas.
- Attachment A is a non-binding MOU that has been prepared and sent out for signature to establish the cooperative participation of the agencies in implementing SGMA in the basin.

Other Basins

- The Water Agency may be involved, at some level, in basins not required to comply with SGMA (i.e., basins designated as low priority by DWR) and where local agencies may choose to implement it voluntarily.
- To date the Water Agency has not received any requests to participate in voluntary GSA formation.

Basins that have been previously adjudicated and are listed in Water Code Section 10723 are not subject to SGMA with the exception of reporting requirements and any non-adjudicated areas. If a party in one of the basins working to form a GSA decides to initiate an adjudication action that would not eliminate the requirement to form a GSA by the statutory deadline.

The GSA is responsible for developing a Groundwater Sustainability Plan (GSP) for the basin. DWR regulations to guide local GSP development were approved by the California Water Commission on May 18, 2016 and go into effect June, 2016. GSPs must be adopted by January 31, 2022 for basins deemed by the State to be medium or high priority basins (San Antonio and Santa Ynez) and January 31, 2020 for those basins deemed by the State to be critically overdrafted (Cuyama). The Water Agency intends to actively pursue funding opportunities for the development of GSPs in the required basins.

The Water Agency's role in each basin may change in response to DWR's on-going and developing SGMA guidelines, issues related to GSA development, or direction from the Board. In all cases, final details of GSA responsibilities, estimated future costs, and GSA voting options will be developed and will be subject to your Board's approval. Also, it is important to note that ALL GSP's regardless of the composition of the GSA, require approval by DWR.

Background:

SGMA was signed into law by Governor Brown in 2014. SGMA provides a framework for the sustainable management of groundwater supplies by local agencies and provides tools, authority, and a timeline for local agencies during the 20-year implementation period. SGMA requires sustainable management of three of the County’s basins that were designated as medium priority by DWR. These basins are the Cuyama Valley, San Antonio Creek, and Santa Ynez Valley Groundwater Basins.

SGMA allows any local agency to become a GSA; in some cases, there may be multiple agencies that are interested in jointly managing the groundwater resources. SGMA allows multiple local agencies to act as a single GSA through a Memorandum of Agreement (MOA), a Joint Powers Agreement (JPA), or any other legal agreement (California Water Code, Section [§] 10723.6 (a)). Additionally, although Tribes are not required to form GSAs, they may voluntarily participate in SGMA through a JPA or other agreement (§ 10720.3 (c)).

Submitting a GSA notification to DWR initiates a 90-day period after which the submitting agency is presumed to be the exclusive GSA in the area covered by the notification. If local agencies submit GSA notifications for overlapping areas, no agency will become the GSA until the agencies reach agreement on sharing the authority to manage the basin (§ 10723.8 (c)). If the local agencies cannot reach agreement, the basin may be designated as a probationary basin and the State may develop an interim plan for managing the basin until the agencies can reach agreement and identify a GSA or GSAs (§ 107352.2(a)(1)).

Earlier this year the Water Agency was awarded a “Counties with Stressed Basins Grant” under the Proposition 1, Sustainable Groundwater Planning Grant Program in the amount of \$249,240 from DWR for GSA formation. This grant was brought to the Board and approved on April 5, 2016.

The Water Agency has contracted with Dudek for assistance with GSA formation and governance and SGMA grant tracking and application services through June 30, 2018 in an amount not to exceed \$509,760 of which approximately half of the contract will consist of the above mentioned grant funds. This contract was also brought to the Board and approved on April 5, 2016.

Fiscal and Facilities Impacts:

Budgeted: Yes

Funding Sources	Current FY Cost:	Annualized On-going Cost:	Total One-Time Project Cost
DWR Grant funds			\$ 249,240.00
Water Agency funds			\$ 311,496.00
Federal			
Fees			
Other:			
Total	\$ -	\$ -	\$ 560,736.00

Fiscal Analysis:

Narrative:

The costs associated with forming these GSAs are included in the adopted FY 2016-17 budget in the Water Resources Division of the Public Works Department on page D-319 in the budget book. No General Fund monies will be utilized for this project.

Special Instructions:

Direct the Clerk of the Board to send a copy of the minute orders of these actions to the Water Agency office: Attn: Christina Lopez.

Attachments:

- Attachment A - Memorandum of Understanding for Implementation of the Sustainable Groundwater Management Act in the Santa Ynez River Valley Groundwater Basin
- Attachment B - Memorandum of Understanding Coordinating Formation of a Groundwater Sustainability Agency in the San Antonio Valley Groundwater Basin
- Attachment C - Memorandum from Vandenberg Air Force Base
- Attachment D - Letter from Los Alamos Community Services District
- Attachment E - Letter from Cachuma Resource Conservation District
- Attachment F - Proposed Santa Ynez River Groundwater Basin GSA Organization Chart
- Attachment G - PowerPoint Presentation

Authored by:

Fray A. Crease, Water Agency Manager, 568-3542