



Monterey County

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Board Report

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Consider adopting a resolution authorizing the Chair of the Board of Supervisors to execute a Joint Powers Authority agreement establishing the Salinas Valley Basin Groundwater Sustainability Agency ("SVBGSA").

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt a resolution authorizing the Chair of the Board of Supervisors to execute a Joint Powers Authority agreement establishing the Salinas Valley Basin Groundwater Sustainability Agency ("SVBGSA").

SUMMARY/DISCUSSION:

In the fall of 2014, the California legislature adopted, and the Governor signed into law, three bills (SB 1168, AB 1739, and SB 1319) collectively referred to as the "Sustainable Groundwater Management Act" ("SGMA") that initially became effective on January 1, 2015, and have been amended from time-to-time thereafter. The stated purpose of SGMA, as set forth in California Water Code section 10720.1, is to provide for the sustainable management of groundwater basins at a local level by providing local groundwater agencies with the authority, and technical and financial assistance necessary to sustainably manage groundwater.

SGMA requires the designation of Groundwater Sustainability Agencies ("GSAs") for the purpose of achieving groundwater sustainability through the adoption and implementation of Groundwater Sustainability Plans ("GSPs") for all medium and high priority basins as designated by the California Department of Water Resources. SGMA also requires that basins have a designated GSA by no later than June 30, 2017, and an adopted GSP by no later than January 31, 2020, if a high or medium priority basin is in critical overdraft; and no later than January 31, 2022, if designated a high or medium priority basin. The Salinas Valley Groundwater Basin ("Basin") is a high priority basin, and the 180/400 foot aquifer sub-basin is designated in critical overdraft.

SGMA authorizes a combination of local agencies to form a GSA by entering into a joint powers agreement as authorized by the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code). In 2015, the County along with the City of Salinas, the Water Resources Agency, the Monterey County Farm Bureau, the Growers-Shippers Association, and Salinas Valley Water Coalition retained a professional facilitator, the Consensus Building Institute (CBI) to bring together a collaborative working group (CWG) to build consensus amongst key stakeholders and make recommendations to the various entities eligible to be GSAs in the Basin concerning the formation of a governance for the GSA. After months of deliberation, the CWG recommended a joint powers authority

("JPA") to be the GSA in the Basin. The CWG group consists of representatives of the County, Water Resources Agency, cities, special districts that provide water and regulated water companies, environmental groups, agricultural interests, disadvantaged communities and small rural well owners, all in the Basin. As of this report, the CWG met fifteen (15) times and received numerous public comments by members of the community. In addition, there have been three stakeholder forums where members of the greater public have also been invited to learn about the effort, participate, and provide comment.

The Board has previously received several updates regarding SGMA and the process to form a GSA, most recently on November 15, 2016, where staff discussed the preliminary recommendations from the CWG regarding the terms of a JPA agreement, and received Board input.

The CWG has reached consensus on the remaining material issues concerning the terms of a JPA agreement. These include finalizing the description of and qualifications for the various director positions on the JPA board, finalizing the nomination and appointment process for the board of directors, and the length of terms for directors. Staff will review with the Board the various provisions of the proposed JPA. A copy of the draft JPA agreement is enclosed as Attachment A. A draft resolution approving the JPA and authorizing the Chair of the Board to execute it is enclosed as Attachment B.

As a practical matter, the JPA requires advance funding by the entities executing the JPA agreement ("Members") for the first two full fiscal years of its existence, until such time that the JPA can levy fees or otherwise raise revenue to fund its operations. Representatives of a number of the proposed Members (the City of Salinas, County and City of Gonzales) have met and discussed a contribution formula for that purpose. Also, the City of Gonzales staff has collaborated with the representatives of Soledad, Greenfield, and King City on these issues. Contributions from the Members would start in fiscal year 2017 - 2018.

The County will be the first potential Member to act on the JPA agreement; the City of Salinas may also act during its Council meeting the evening of December 13, 2016. Other potential Members are expected to join the JPA in early 2017. The goal recommended by the CWG is to have sufficient jurisdictions join the JPA as Members permitting formation of a new Board of Directors of the JPA by early spring of 2017. The new JPA Board can then commence the business of the JPA and the important work of adopting and filing a Notice of Intent no later than June 30, 2017.

OTHER AGENCY INVOLVEMENT:

The CAO's office concurs in the recommendation.

FINANCING:

Provision of in-kind administrative and legal services to the SVBGSA through June 30, 2017, and subsequently through September 30, 2017, will be borne by the adopted departmental budgets of the CAO's office and County Counsel's office. The County's initial two-year cash contribution to the funding of the SVBGSA is recommended to be included in the FY 2017/18 and FY 2018/19 County budgets.

Prepared by:

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Approved by:

Charles McKee Date:
County Counsel

Attachments:

- A - Draft JPA Agreement
- B - Draft Resolution