Consensus Building Institute

Sustainable Groundwater Management Act Implementation

DRAFT Salinas Valley Groundwater Stakeholder Issue Assessment

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Executive Summary

In fall 2015, the Consensus Building Institute, a neutral nonprofit that helps groups collaborate, conducted a stakeholder issue assessment on forming a groundwater sustainability agency in the Salinas Valley Basin. California's Sustainable Groundwater Management Act requires that the basin identify an agency or group of agencies to oversee groundwater management by 2017 and then develop a plan to manage groundwater by 2020. CBI's role is to *help facilitate* local decision-making, recommending and leading a process that brings together all affected parties in productive dialogue, on forming the groundwater sustainability agency (GSA).

To understand and reflect the range of perspectives and to develop recommendations for the process to form a GSA, CBI conducted 35 in-depth interviews and received 86 individual surveys from a range of stakeholder interests in the Salinas Valley, including governmental (cities and counties), water agencies, agriculture, disadvantaged communities, environmental, business, and community representatives. Given the importance of groundwater in the region's water supply and economy, CBI's methodology is grounded in three core principles: (1) being comprehensive in soliciting input from the range of potentially impacted stakeholders; (2) being transparent in the nature of the feedback and recommendations provided; and (3) drawing on CBI experience and best practices to recommend an approach likely to foster effective and inclusive deliberations. This report presents CBI's assessment findings and recommendations for a transparent, inclusive process on forming a GSA in the Salinas Valley.

Findings

Findings reflect a range of feedback on GSA formation, the process, challenges, and critical issues. In brief, stakeholders articulate:

- Groundwater supply is high stakes; everyone recognizes the importance of forming the GSA successfully.

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- Interviewees cannot identify any one organization as a likely candidate to serve as the GSA. Many envision multiple organizations coming together under a Joint Power Authority to form a singular GSA.
- The GSA must have the trust of all the interested parties and the technical expertise to develop the plan. The GSA should draw on existing data and studies wherever possible.
- Stakeholders strongly support inclusivity and diversity to build success in the process. Fairly representing all interests would support creating a shared framework of mutual benefit.
- Given that agriculture is the primary economic driver in the area, stakeholders recommend that agriculture have a significant voice in governance and decision-making on GSA formation, yet balancing that voice with urban, cities, county, and other interests.
- Many recognize the need to act to avoid both undesirable results and state intervention.
- Interviewees readily talk about historic tensions and sources of distrust in the region that the process must manage.
- Critical issues are tied to land use and small communities losing water supply because of poor water quality.
- "The Valley is innovative and progressive – it moves ahead to address problems." While interviewees define and view groundwater supply quite differently, everyone concurs that a range of stakeholders must agree on the GSA.

Consensus Building Institute Process Recommendations

Create a Transparent, Inclusive Collaborative Process for Groundwater Sustainability Agency Formation

Stakeholders are broadly unified on several core aspects related to a process for identifying a GSA. It must be transparent. It must be inclusive. It must be accompanied by broad outreach. And it should draw on the best available data.

Convene a Groundwater Stakeholder Forum and Collaborative Work Group

The Groundwater Stakeholder Forum would be a periodic public forum with a range of interests participating that advises on GSA formation. The forum's role would be to shape the overall process. Forum membership would encompass all stakeholders who are interested in groundwater and must be considered under SGMA. The Collaborative Work Group would develop consensus on the proposed GSA structure and recommend adoption by the GSA-eligible agencies. The work group would be a representative body with a focused number of participants (12-20) representing the interests of GSA-eligible agencies and groundwater users. CBI would work with interest groups to identify work group participants. The work group would develop detailed proposals and meet regularly with the Groundwater Stakeholder Forum to share ideas and solicit feedback on proposals. The work group would commit to incorporating forum feedback to the greatest degree possible. The work group could also form ad hoc committees to carry out detailed work. For example, CBI would recommend forming an engagement committee to develop the public engagement plan and a technical committee to begin to prepare for plan development.

Confirm Work Plan
The forum and the work group would have a decision-making work plan to outline its discussion topics. Between February and November 2016, these bodies would work diligently to develop a proposal for GSA formation. These conversations would be punctuated by public engagement activities. In winter 2016/17, the Collaborative Work Group would consult with agency governing boards and the public on the proposals. In spring 2017, the forum and work group would refine the GSA structure based on those consultations. Once the GSA structure was set, the responsible entities forming the GSA would issue public notice and hold a public hearing by spring 2017 before notifying the state in advance of the June 2017 deadline.

Design and Implement a Public Engagement Plan
Given the paramount importance and level of interest in groundwater in the Salinas Valley, CBI would recommend designing and implementing a public engagement plan and suite of activities to create transparency and information about GSA formation for the general public, translating materials and creating radio spots to reach Spanish-speaking communities.

Conclusion
The overarching goal of this effort would be to reach widespread support on forming the groundwater sustainability agency for the Salinas Valley and complying successfully with the Sustainable Groundwater Management Act. The keys to success are creating a transparent, inclusive process that engages interested stakeholders, designing a governance structure that balances interests, supports a vibrant economy, manages groundwater sustainably, and meets SGMA requirements. A viable and broadly supported GSA is the essential first step towards long-term sustainable groundwater management.

Contents

Part 1: Assessment Findings

California's recently passed historic groundwater management legislation requires that groundwater be managed locally to ensure it can be a sustainable resource well into the future.

The legislation, known as the Sustainable Groundwater Management Act, prioritizes groundwater basins in significant overdraft including the Salinas Valley to move forward first. SGMA requires that such areas first identify an agency or group of agencies to oversee groundwater management by 2017 and then develop a plan to manage groundwater use by 2020.

The Consensus Building Institute (CBI) is a neutral non-profit that helps groups engage collaboratively on a wide range of issues. A consortium of interests[1] in the Salinas Valley asked CBI to help all interested parties in the region to address the legislation's initial mandate to form a Groundwater Sustainability Agency (GSA) by June 2017.

This report represents the first step in CBI's work on this effort: an in-depth assessment of stakeholder perspectives on the range of issues and opportunities tied to establishing a GSA. This report presents CBI's assessment findings and recommendations for a transparent, inclusive process on forming a GSA in the Salinas Valley. The report is presented in the following sections:

- ***Approach,*** summarizing CBI's methodology to conduct the assessment
- ***SGMA Context,*** providing a brief scan of the legislation, project impetus, and objectives
- ***Findings,*** presenting findings based on a series of interviews and surveys and a review of relevant background material
- ***Recommendations,*** putting forward a series of process design and decision-making recommendations related to GSA formation.

It is important to note that CBI's role is to *help facilitate* local decision-making on this critical issue, recommending and leading a process that brings all affected parties together in a productive dialogue. The ultimate decision on GSA structure is to be determined entirely at the local level.

Approach

CBI's assessment is intended to understand and then reflect to interested parties the range of perspectives and possible process approaches being considered by stakeholders potentially affected by implementation of the Sustainable Groundwater Management Act (SGMA) in the Salinas Valley.

[1] Consortium members comprised the representatives of the cities, Monterey County, Farm Bureau, Grower Shipper Association, Salinas Valley Water Coalition and Water Resources. Agency. The Consortium was formed solely to jump-start the process by hiring an impartial facilitator. CBI will work with a broad cross-set of interests including agriculture, cities and NGOs to manage the process moving forward.

Given the critical role groundwater plays in the region's water supply and economy and the potential impacts of any change in how groundwater is managed, CBI's methodology is grounded in three core principles: (1) being comprehensive in soliciting input from the range of potentially impacted stakeholders; (2) being transparent in the nature of the feedback and recommendations provided; and (3) drawing on CBI experience and best practices to recommend an approach likely to foster effective and inclusive deliberations.

The findings included in this report are drawn from a wide range of discussions and feedback with Salinas Valley stakeholders. CBI gathered this feedback in two primary ways:

- ***In-depth interviews.*** CBI Senior Mediators Gina Bartlett and Bennett Brooks conducted 35 in-depth interviews with 47 individuals that included cities; agriculture, environmental, and land use groups; water agencies and suppliers; individuals working with disadvantaged communities; and elected officials. Interviewees were confidential (to foster candor) and were conducted either in-person or by phone. (A list of those interviewed as part of the formal assessment process, as well as the interview protocol, is included as an appendix.)

- ***Broad-based survey.*** Given the importance of this topic and to ensure all stakeholders had an opportunity to inform this initial report, CBI also conducted a survey, available online and via email. CBI worked with a range of individuals and entities in the Salinas Valley to invite widespread participation. CBI received 86 individual survey responses. (A copy of the survey is included in the appendix.)

CBI initially worked with the consortium to identify a preliminary stakeholder list. In the initial round, CBI concentrated on interviewing representatives of the local public agencies eligible to serve as the GSA and key interested parties. Once interviews began, participants recommended other stakeholders for the assessment process, many of whom CBI then interviewed. This incremental process continued until Gina and Bennett began to hear similar information with no significant new information put forth. In addition, Gina and Bennett held brief conversations with other interested parties who contacted them or expressed interest in learning more about the process.

Both the interviews and survey focused on a common set of questions intended to provide feedback on the following broad topics: interests, issues, and challenges related to groundwater management; perspectives on GSA formation and structure; and guidance related to process structure and stakeholder involvement. In addition, CBI reviewed background materials related to both SGMA and Salinas Valley groundwater management.

After preparing this report, CBI invited interview participants to review the draft findings and provide feedback to ensure accuracy. CBI will also present the draft findings and recommendations at a public workshop in January. After this, CBI will finalize the report and its recommendations.

Please note that CBI did not attempt to independently validate the claims or concerns of the interviewees or survey respondents. Rather, this report seeks to summarize the range of views, ideas, and concerns expressed. Additionally, this brief report cannot do justice to the deep knowledge, experience, and nuances of the many stakeholders interviewed. Rather, the report tries to reflect back key themes and concerns that help shape the way forward. CBI has sought to present these findings, in our role as a neutral facilitator, as accurately and fairly as possible. Any errors or omissions are the sole responsibility of CBI.

SGMA Context

The Sustainable Groundwater Management Act is a package of three bills (AB 1739, SB 1168, and SB 1319) that provides local agencies with a framework for managing groundwater basins in a sustainable manner. The State has prioritized 127 basins in the state that must comply with SGMA, including the Salinas Valley basin's eight sub-basins. The California Department of Water Resources Bulletin 118 is a report that defines the basin boundaries. Basins that must comply with SGMA have to meet several critical deadlines.

Form a Groundwater Sustainability Agency by June 30, 2017

A local agency, combination of local agencies, or county may establish a GSA. Under SGMA, local agencies with water supply, water management, or land use responsibilities are eligible to form GSAs. In addition, a water corporation regulated by the Public Utilities Commission or a mutual water company may participate in a groundwater sustainability agency through a memorandum of agreement or other legal agreement. The GSA is responsible for developing and implementing a groundwater sustainability plan that considers all beneficial uses and users of groundwater in the basin.

A GSA must cover all portions of the basin. The county is responsible for representing the unincorporated areas. Each GSA-eligible agency could form its own GSA. However, agency jurisdictions cannot overlap in the basins; if jurisdictions overlap, the two agencies must form a cooperative agreement. If more than one GSA is formed in the Salinas Valley Basin, they would require a coordination agreement.

Develop a Groundwater Sustainability Plan by 2020 or 2022

GSAs must develop a groundwater sustainability plan with measurable objectives and milestones that ensure sustainability. A priority basin must have single plan or multiple coordinated plans. The Salinas Valley sub-basin has areas deemed in critical condition. Basins in critical condition must develop plans by Jan. 31, 2020. Priority basins that are not in critical condition have until Jan. 31, 2022, to develop plans.

Achieve Sustainability in 20 years

SGMA requires basins to achieve sustainability in 20 years. Sustainability is defined as avoiding undesirable results, including significant and unreasonable chronic lowering of groundwater levels, reduction of groundwater storage, seawater

intrusion, degraded water quality, land subsidence, and depletion of interconnected surface waters.

State Backstop or Intervention
If a local agency is not managing the groundwater sustainably, SGMA directs the State Water Resources Control Board to intervene to manage the basin until a local agency is able to do so. SGMA calls for State Water Board intervention when a basin fails to meet the stated deadlines.

GSA-Eligible Agencies in the Salinas Valley Basin
A number of local public agencies are eligible to form a GSA in the Salinas Valley. In addition, Water Code Section 10723.8 (b) provides that, "A water corporation regulated by the Public Utilities Commission may participate in a groundwater sustainability agency if the local agencies approve." Staff will identify the complete list GSA eligible agencies, including PUC-regulated and mutual water companies early in the process. Below is a partial list of agencies that are eligible in the Salinas Valley Basin.

Monterey County
San Luis Obispo County

City of Gonzales
City of Greenfield
City of King
City of Marina
City of Paso Robles
City of Salinas
City of Soledad

Castroville Water Community Service District
Marina Coast Water District
Monterey County Water Resources Agency
Monterey Peninsula Water Management District
San Ardo Water District
San Lucas Water District

Alco Water
California Water Service

Findings

The following summarizes findings from interviews and surveys conducted by the Consensus Building Institute.

GSA Formation

Groundwater supply is high stakes; everyone recognizes the importance of forming the GSA successfully. The people of the Salinas Valley rely almost solely on groundwater for their water supply and livelihoods. Interviewees articulate that sustainability will require a long-term approach: the region needs a continuous source of drinking water for communities and individual well owners. Significant agricultural production in the Valley and tourism in the Peninsula shape the economy and create a complex interdependence between production and business and water for people's daily lives, including the cities and communities that house workers essential to the region's prosperity. While interviewees define and view groundwater supply problems quite differently, everyone concurs that a range of stakeholders must agree on the groundwater sustainability agency. "Fairness and trust are the key to whatever comes out of this process."

"Our primary concern is to maintain the economic driver by managing on a sustainable basis."

No clear candidate exists for the GSA. Interviewees cannot identify any one organization as a likely candidate to serve as the GSA. One person outlined two options: a single GSA for the entire basin or multiple GSAs organized by sub-basin, suggesting that the latter might better manage the varied conditions in each sub-basin. Many anticipate that some type of Joint Powers Authority, merging the responsibilities of existing agencies, may be likely. Suggested examples are the county, one or more cities, and agriculture representatives with some type of advisory body that is inclusive of smaller water systems, domestic well owners, or the general public. One person suggested one vote per acre-owned, and another urged that the GSA avoid duplicating existing processes when possible. Also, most interviewees envision one GSA in the basin in Monterey County. At least one person suggests that one GSA cover the Salinas Valley Basin in both counties. (Many anticipate that the Paso Robles sub-basin would be split at the county line with a separate GSA forming for the San Luis Obispo County portion.) However, no one configuration or entity emerged through the interview process.

"We need an entity that has knowledge to be the GSA and trust of all the interested parties, and the technical expertise to develop the plan." Stakeholders urge that the GSA must rely on science, constructively regulate, and wisely and fairly navigate water supply politics. Interviewees recommend a process based on scientific information and a governance structure that reflects this understanding. Participants would like to see a GSA with a formal regulatory structure with repercussions for failure to abide by agreements. Most recognize that the GSA will need the power and structure to be able to regulate toward sustainability, including levying fees for projects. They would like to see a GSA that can identify and implement management decisions that would achieve sustainability and provide the ability to measure success. Questions that stakeholders recommend for consideration in forming the GSA include: How do we get better knowledge of basin functions? What projects are currently operating and anticipated in the future? What has worked or failed in other areas? How will funding be set up? What fees would the GSA charge?

"The worst situation would be if the GSA is formed without proper internal capacity to carry out its required functions."

Surveys mentioned the need for skilled staff and adequate funding for success. "It will take a skilled director to run the GSA." Interviewees suggest that GSA staff will need to exercise strong leadership and knowledge of water and politics. The GSA would need hydrologists and geo-morphologists. Interviewees suggest that the GSA should be balanced and represent the range of stakeholders in the Salinas Valley Basin. Others counter that stakeholder consensus has not worked so allowing independent experts to make decisions would be preferable. The Monterey Regional Pollution Control Agency is a model that the GSA might replicate. Interviewees suggest that it found a way to balance urban and rural interests.

"The Water Resources Agency acting alone as a GSA would probably not balance agricultural interests with urban, that's why some organizations were hesitant about WRA becoming the GSA." WRA is often mentioned as a likely GSA candidate because its service area overlies the basin, and it manages many water supply projects. However, most interviewees think that WRA needs to *participate in* rather than *serve as* the GSA. Stakeholders' reasons vary: many feel that agricultural interests are dominant, that the cities have no direct representation, and that representing diverse interests at WRA would be difficult; changing WRA's legislative intent to serve as the GSA would be arduous; and shifting WRA to a regulatory role might erode stakeholder trust.

Given that agriculture is the primary economic driver in the area, most interviewees feel that agriculture needs to have a "big voice" in governance. Most concur that balancing the importance of agriculture with all the other interests in governance is critical. Agriculture is clearly recognized as the primary economic driver; it uses "most of the water and will foot much of the bill for any changes needed to manage groundwater sustainably." Interviewees understand that others need representation as well, specifically, the cities, city water suppliers (which are California Public Utilities Commission-regulated water corporations), rural residential well owners, and small mutual water companies. Interviewees articulate the inter-connected nature and need for comprehensive water management because the cities provide the homes for agricultural workers and hospitality workers in the Peninsula. The City of Salinas has a number of residents that rely on jobs in the hospitality industry in the Peninsula. The City sees a direct line between those jobs and the corresponding revenue and supporting successful regional water management.

> "Agriculture is going to be focusing in on their needs with 90% of the use in the basin. It's a big majority that you have to listen to. But it doesn't work for the 90% to pump and not be mindful of the impact on the 10%."

Interviewees express fear about achieving balance in decision-making. They express concern about the urban population "outvoting" agricultural interests, and agricultural interests using political power to "outvote" the cities.
Interviewees articulate a strong recognition of inter-dependence and recommend the following considerations for governance:

- Ensure agricultural interests have a significant voice in the dialogue, but balance that voice with urban, cities, county, and other interests
- Represent the major interests: agriculture, cities, domestic water suppliers, community interests, and environmental users of water.
- Consider population
- Consider water use and demand
- Make size of governing body manageable: not too large to be unwieldy

Stakeholder GSA-Formation Process Recommendations

"Inclusivity and diversity will build success." All interviewees suggest that an inclusive, transparent process is critical to success. Everyone agrees that all

stakeholders need to come together to collaborate and reach consensus on the GSA. Some express concern that collaboration will be difficult if stakeholders fight over groundwater issues rather than trying to resolve them. Many recommend having all GSA-formation-related meetings open to the public. Also, a few people suggest the importance of holding meetings throughout the Valley to explain the need for the new organizations and request ideas on the governing board, funding, and programs. Some would like to see process agreements so interests participating in GSA formation cannot use what they have learned for lawsuits. To reach Spanish-speaking populations, the outreach effort would need to rely on Spanish radio and television, and many suggested translating all materials.

"The Valley is innovative and progressive – it moves ahead to address problems." While no one thinks collaborating on the GSA will be easy, everyone concurs that stakeholders from different interest groups must work together to figure out the best configuration for forming the GSA. Many believe that stakeholders will be able to successfully form the GSA.

"Fairly represent the interests so we can create a shared framework of mutual benefit." Participants offered a number of suggestions for designing an effective process. Some recommend a focused group to negotiate the GSA complemented by broad transparent outreach. Many suggest starting with a large, inclusive group, anticipating that after the first few meetings, many will defer to a core group to carry out the work. A few recommended establishing committees to work on detailed agreements and proposals for broader group consideration. Several recommended developing a memorandum of understanding on the process so that the public agencies commit to the process of working together, possibly in a joint meeting of the Board of Supervisors and City Councils. Many said they look to CBI to recommend a process design based on its experience and familiarity with best practices.

Stakeholders recommend drawing on existing studies when possible. To manage costs and avoid duplication of effort, people would like the GSA to draw on existing studies. An important first step would be to consider all the data that are currently available and to determine the role of Zone 2c in the GSA.

Challenges to GSA Formation

Many recognize the need to act – to avoid both undesirable results and state intervention. Many understand that groundwater levels are dropping. A few interviewees perceive that some water users, in particular some representatives of agriculture, are resistant to reducing water use. Yet others feel that agriculture has contributed significantly to reducing water use by changing irrigation practices and providing funding and support for water supply projects. Many express hope that people can move beyond their own self-interests and manage water for the region.

"GSA-forming entities [must] recognize and accept that new ways of addressing the issues are needed (i.e., the status quo is not working)."

Some interviewees suggest that a few stakeholders in the Valley would prefer an adjudicated basin. A few interviewees articulate that adjudication or state intervention is necessary to sustainably manage the basin; in other words, they do not believe the political will exists to ever curtail pumping. One or two interviewees believe that adjudication would remove politics from management, i.e. it would be easier. A few interviewees express frustration that adjudication would be costly and time consuming. Some suggest that if stakeholders are unable to reach consensus on the GSA, some may initiate the adjudicatory process. Some express concern that the State will intervene, regardless, if saltwater intrusion continues.

"If the GSA is going to have authority to impose strict measures to maintain sustainability, there has to be the political will to undertake these."

Many suggest that it is timely to rethink WRA's agreement to keep well data confidential and only provide aggregated data. The GSA will need data to demonstrate sustainability and be in compliance with SGMA. Interviewees anticipate that comprehensive monitoring data will be necessary to support implementation of the groundwater sustainability plan and would prefer to use existing well data where possible.

Interviewees readily talk about historic tensions and sources of distrust in the region. People express differing viewpoints about whether these tensions are "real" or even if they still exist. However, CBI names them here because they are part of the "water narrative" that could affect GSA representation and governance. While a few interviewees suggest strain, most articulate mutual interests among agriculture and urban interests, linking the economy and housing. Most speak of historic tensions between North and South County over water supply, including impacts to groundwater and surface water and cost sharing on water resources projects. However, stakeholders also suggest that many are working together across the whole basin to manage water supply issues. One person cites the Salinas Valley water project (rubber dam) as an example of folks coming together to address issues cooperatively. The other identified division in the county is between the Peninsula and the Valley. Some interviewees suggest that attitudes between the two shape the ability to carry out projects with perceived regional benefit. These perceptions could affect GSA formation, governance structure, and operational effectiveness.

Critical Issues: Land Use, Water Supply, Water Quality and Boundaries

Water and land use are closely connected. Some agricultural representatives suggest that many in agriculture have long believed there is sufficient water. However, with the ongoing drought and other changed conditions, supply constraints have become more evident. A few people would like to limit residential and commercial development in watershed areas to reduce groundwater depletion. Most would prefer that development occur within the cities rather than taking land out of production. Interviewees express different perceptions of how water flows throughout the sub-basins, where recharge may occur, and how pumping in one area impacts another. California Water Service and Alco Water Service, investor-owned water corporations, serve Salinas residents, and California Water serves King City residents as well. Individuals from the North County report an unprecedented

dip in water levels in this fourth year of drought. One or two people would like clarification of water rights under SGMA.

Interviewees report that many small communities are losing their water supply, primarily because of water quality concerns. Interviewees identify a number of water quality issues in different parts of the Valley, primarily nitrates in domestic wells, arsenic, and seawater intrusion. Many of these communities are small systems with only several houses connected to wells that tend to be very shallow. The communities tend to be low income or impoverished. The County Department of Public Health monitors water quality in wells, and several local non-profits have been working with community residents to secure reliable potable water supplies.

ONGOING RELATED PROJECTS & STUDIES (partial list)

- Bureau of Reclamation Carmel and Salinas Rivers Study
- Bureau of Reclamation-Funded Drought Contingency Planning in North Salinas Valley
- Castroville Seawater Intrusion Project (CSIP) / Salinas Valley Reclamation Project
- Salinas River Stream Maintenance Program
- Salinas Valley Water Project
- Pure Water Monterey
- Water Resources Agency (WRA) / USGS Groundwater Model Development
- WRA Interlake Tunnel Project

While the Salinas Valley relies on groundwater, a number of projects augment supply, and studies are underway that will inform the groundwater sustainability plan. Surface storage in the Upper Valley controls releases to the Salinas River and provides recharge in that part of the basin. Recycled water projects, including the Castroville Seawater Intrusion Project and Pure Water Monterey, and the Salinas River Diversion Project (rubber dam) are underway to offset groundwater use in North Valley. A Bureau of Reclamation study will characterize the Carmel and Salinas rivers' groundwater basins. The Water Resources Agency has a technical advisory group that is working with USGS to develop a new groundwater model and is evaluating an interlake tunnel between the two surface storage facilities. Stakeholders also report the possibility of additional water available via State Permit 11403 on the Salinas River. Finally, desalination projects are at various stages of development in the region.

"Ag is the major economic engine in Monterey County. Agriculture has and will continue to pay for the largest percentage of water improvement projects in the basin."

Several discrete boundary issues might affect GSA formation. The California Department of Water Resources' (DWR) Bulletin 118 defines basin boundaries for SGMA implementation. The area known as the "Salinas Valley Basin" is actually made up of 8 sub-basins listed below. Stakeholders mentioned a number of basin boundary issues that could affect GSA formation. DWR is accepting requests to change basin boundaries for technical reasons and for jurisdictional reasons between January and March 2016. The next opportunity to request changes would be in 2018, before the groundwater sustainability plan is due for the Salinas Valley in 2020.

Salinas Valley Sub-Basins Defined by Department of Water Resources Bulletin 118

CASGEM Basin Number	Sub-Basin Name	Stakeholder-Identified Boundary Considerations
3-4.01	180/400 FOOT AQUIFER	▪ Part of Dolan Road is included in Pajaro Basin, which should be in the 180/400 Foot Aquifer. Stakeholder would consider extending 180/400 Foot Aquifer north to County line.
3-4.02	EAST SIDE AQUIFER	▪ *None mentioned.*
3-4.04	FOREBAY AQUIFER	▪ *None mentioned.*
3-4.05	UPPER VALLEY AQUIFER	▪ *None mentioned.*
3-4.06	PASO ROBLES AREA	▪ Separated by County Line. New water district forming via LAFCO in San Louis Obispo County portion. ▪ Hames Valley in Monterey County is included although some think it is a separate hydrologic system.
3-4.08	SEASIDE AREA	▪ Adjudicated. GSA would govern fringe area not covered by adjudication.
3-4.09	LANGLEY AREA	▪ *None mentioned.*
3-4.10	CORRAL DE TIERRA AREA	▪ Portion adjudicated. GSA would govern fringe area not covered by adjudication.

Part 2: Recommendations

Create a Transparent, Inclusive Collaborative Process for Groundwater Sustainability Agency Formation

Stakeholders are broadly unified on several core aspects related to a process for identifying a GSA. It must be transparent. It must be inclusive. It must be accompanied by broad outreach. And it should draw on the best available data. While stakeholders did not articulate broad agreement on a particular process for tackling GSA formation, many are looking to CBI to draw on its expertise and experience elsewhere to put forward a recommended approach. With this is in mind, CBI has crafted a suite of recommendations structured to achieve the following:

- Ensure multiple and ongoing opportunities for meaningful public input and dialogue
- Balance the need for broad participation with the imperative for focused and effective conversations
- Foster cross-interest group discussions on all aspects of GSA design to ensure participants understand and integrate each other's interests and concerns
- Provide sufficient time for thoughtful deliberations without exhausting people's time and resources
- Achieve agreements and reach outcomes within the required timeline

Convene a Groundwater Stakeholder Forum and Collaborative Work Group

Groundwater Stakeholder Forum

The Groundwater Stakeholder Forum would be a public forum with a range of interests participating that meets periodically to advise on the formation of the GSA. The forum's role is to shape the overall process. Forum membership would encompass all stakeholders who are interested in groundwater and must be considered under SGMA. Forum meetings would foster consistent participation and also provide the public an opportunity to learn about and provide input on an ad hoc basis on GSA formation. Spanish translation would be offered at forum meetings. At each forum, the Collaborative Work Group (see below) would share information about work underway and solicit feedback on proposals. Forum discussions would focus on outlining both areas of agreement and divergent views for the Collaborative Work Group to consider; consensus at the Forum would not be required. The Collaborative Work Group would incorporate forum feedback into its proposals that would ultimately become recommendations to the decision-making bodies on the GSA governance structure.

Collaborative Work Group

The Collaborative Work Group's role would be to develop consensus recommendations on the GSA structure. The GSA-eligible agencies would consider those recommendations for adoption. The Collaborative Work Group would be a representative body with a focused number of participants (12-20 individuals) representing the diverse interests of the GSA-eligible agencies and groundwater users. All Work Group deliberations would be open to the public. CBI facilitators would work with each interest to identify individual representatives able to commit to consistent participation in the Collaborative Work Group. Work group members would commit to attending meetings consistently, with relative frequency as necessary, to develop the recommendations needed to meet the state's deadlines. Representatives would need to be able to represent interests and demonstrate ability to work collaboratively with others and listen and problem solve on GSA formation and governance issues. The work group would review and finalize its membership at an early meeting.

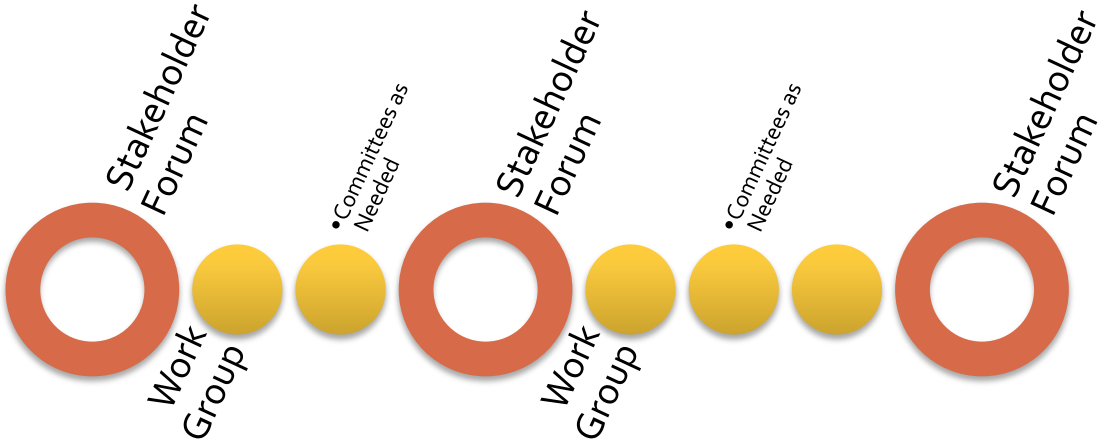
Work Group Participation Criteria

- Strong effective advocate
- Demonstrated ability to work collaboratively with others
- Able to commit time needed for ongoing discussions
- Collectively reflect diversity of interests
- Maintain group size to support focused deliberations

The work group would carry out the detailed work of forming the GSA. The work group would strive for consensus (participants can at least live with the decision) in developing recommendations for GSA formation. Products of the work group would reflect the outcomes of its discussion. The work group would meet regularly with the Groundwater Stakeholder Forum to share ideas and solicit feedback on proposals. The work group would commit to incorporating feedback from the stakeholder forum to the greatest degree possible. Discussion at meetings would be centered on work group members, but with time built in for public comment. However, as noted

above, the Groundwater Stakeholder Forum would be the primary venue for sharing information and seeking feedback on proposals for GSA formation in the Salinas Valley.

DIAGRAM: Groundwater Stakeholder Forum, Collaborative Work Group, and Committee Meetings



Committees
CBI would also recommend ad hoc committees come together periodically to manage a specific task. Ad hoc committees would develop options for the Collaborative Work Group to contemplate and refine before sharing with the Groundwater Stakeholder Forum. Ad hoc committees would be small and nimble. Participants would have expertise related to the committee's purpose. Ad hoc committees would also be open to the public.

Engagement Committee: In this initial phase, CBI would recommend an engagement committee form to work with the facilitation team on developing a communication and engagement plan and creating a project web site and public information materials about SGMA and the GSA formation process. As time progresses, materials would focus on making sure interested community members understand and can provide input on the proposed recommendations. The engagement committee would refine all public information materials.

Technical Committee: CBI would also recommend a technical committee convene to examine basin boundaries and begin preparing to develop the groundwater sustainability plan. Since the Salinas Valley Basin must complete its plan by 2020, the technical committee could develop a work plan, including plan requirements and the necessary resources, to develop the groundwater sustainability plan.

Recommended Stakeholder Representation and Participation

CBI would recommend that all stakeholder interests engage in forming the groundwater sustainability agency. CBI would work with interest groups to identify specific individuals to commit to participate in GSA formation. The key interests, that stakeholders suggest and SGMA defines, would include the following:

Local Agencies Eligible to Serve as GSA

- County (Monterey County & San Luis Obispo County)
- Cities
- Water Agencies
- Public Utilities Commission-Regulated Water Companies
- Other Public Agencies

Beneficial Users & Uses

- Agriculture
- Business
- Disadvantaged Communities
- Environmental
- Rural Residential Well Owners

Effective Participation

To conduct a successful process, the parties would commit to the following:

Everyone would agree to address the issues and concerns of the participants. Everyone who is joining in the collaborative process is doing so because she or he has a stake in the issues at hand. For the process to be successful, all the parties agree to validate the issues and concerns of the other parties and strive to reach an agreement that takes all the issues under consideration. Disagreements would be viewed as problems to be solved, rather than battles to be won. Parties are committed to making a good faith effort to find a collaborative solution (as opposed to seeking resolution in the courts).

Continuity of the conversations and building trust would be critical to the success of the work group. Everyone would agree to inform and seek feedback from their respective group's leadership and constituents about the ongoing dialogue. Meeting scheduling would allow for the work group to inform the stakeholder forum and for work group members to inform and seek advice from their leadership, attorneys, or scientific advisors about the discussions and recommendations.

Decision Making

The Collaborative Work Group and Groundwater Stakeholder Forum would be consensus seeking, striving to reach outcomes that all participants could at least "live with." The Collaborative Work Group would recommend the GSA structure to the GSA-eligible entities in the basin. If more than one agency chooses to participate in the GSA, each agency's governing board would have to adopt or approve the GSA.

If the Collaborative Work Group proved unable to reach consensus on the recommended structure, each GSA-eligible agency could move forward to comply

with SGMA by forming one or more GSAs and the required coordination agreements. If no agencies step forward to form the GSA, SGMA stipulates that the county would be the default GSA. In the Salinas Valley, this would need to involve both Monterey County and San Luis Obispo County because the Paso Robles sub-basin extends into San Luis Obispo County. The GSA would be responsible for forming the groundwater sustainability plan. Based on stakeholder feedback, successful GSA formation is considered critical to the ultimate goal of plan development and implementation.

Decision-Making Road Map

The process would move through these stages of organization, information gathering, proposal development, and engagement activities to develop recommendations on forming a groundwater sustainability agency for the Salinas Valley Basin.

Jan-Feb 2016	Feb-April	March-Oct	Oct-Nov	Dec-Mar 2017	March 2017
• **Organization:** • Confirm Process Design & Stakeholder Participation • Develop Work Plan • Organize Committees	• **Information Gathering & Understanding:** • SGMA Requirements & Governance Options • Current Basin Understanding • Basin Boundaries (Applications due to DWR between Jan-March 2016) • Stakeholder Interests	• **GSA Formation Proposal Development** • **Public Enagement Plan and Activities**	• **GSA Formation Vetting Process**	• **GSA Formation Proposal Refinement and Legal Documentation**	• **Public Notice & Hearing**

GSA Formation Proposal Development

To develop and make recommendations on forming the GSA, the Collaborative Work Group would need to explore these topics, engaging the Groundwater Stakeholder Forum to guide its work. Public engagement activities would also occur to solicit input to strengthen proposals.

- Confirm GSA Authorities and Management Responsibilities
- Establish Criteria to Evaluate Options
- Identify GSA-Eligible Agencies and Interest in Participating in GSA
- Understand Potential Options for GSA
- Explore Overarching Governance Structure
- Evaluate Pros & Cons of Different Legal Structures
- Identify Potential Costs of GSA Operations
- Develop Recommendations on Representation, Voting, Financing, Fees
- Agree on Preliminary Proposals
- Vet and Refine Proposals
- Recommend GSA Structure

Design and Implement a Public Engagement Plan

Given the paramount importance of groundwater in the Salinas Valley, CBI would design and implement an outreach plan and suite of activities to create transparency and information about GSA formation for the general public. CBI recommends working with the engagement committee to develop both the plan and its materials. As recommended during the interview process, the public engagement plan would incorporate translation and radio spots to inform Spanish-speakers in the groundwater basin.

Conclusion

The overarching goal of this effort would be to reach widespread support on forming the groundwater sustainability agency for the Salinas Valley and complying successfully with the Sustainable Groundwater Management Act. The keys to success are creating a transparent, inclusive process that engages interested stakeholders, designing a governance structure that balances interests, supports a vibrant economy, manages groundwater sustainably, and meets SGMA requirements. A viable and broadly supported GSA is the essential first step towards long-term sustainable groundwater management.

About the Consensus Building Institute

Founded in 1993, the Consensus Building Institute improves the way that community and organizational leaders collaborate to make decisions, achieve agreements, and manage multi-party conflicts and planning efforts. A nationally and internationally recognized not-for-profit organization, CBI provides collaborative problem solving, mediation and high-skilled facilitation for state and federal agencies, non-profits, communities, and international development agencies around the world. CBI senior staff are affiliated with the MIT-Hard Public Disputes Program and the MIT Department of Urban Studies and Planning. Learn more about CBI at: www.cbuilding.org

Gina Bartlett is a senior mediator at CBI. She has mediated many complex policy issues related to water resources, land use, and natural resources over the last 20 years. She is on the national roster of the U.S. Institute for Environmental Conflict Resolution and has a Master's degree in Conflict Analysis & Resolution. Ms. Bartlett is working on implementation of the Sustainable Groundwater Management Act with the California State Water Resources Control Board and Department of Water Resources, the California Water Foundation, and Sonoma County with three priority basins. You can learn more about Gina at cbuilding.org and reach Gina at 415-271-0049 or gina@cbuilding.org

Bennett Brooks is a senior practitioner who brings deep experience in water resources and high-conflict complex issues, both in California and elsewhere. Over the last 18 years, he has facilitated dozens of complex and highly contentious collaborative dialogues on issues related to water resource conflicts, ecosystem restoration, fisheries, and infrastructure improvements throughout the U.S. He has conducted numerous assessments, designed and facilitated several joint fact-finding panels, and taught a range of negotiations trainings on mutual gains bargaining. Last year, Bennett facilitated a successful dialogue among Central Valley water managers that generated many of the ideas now encompassed in California's groundbreaking groundwater management legislation. Bennett recently facilitated a series of roundtable discussions to better define measurable objectives and triggers related to the six "undesirable results" identified in SGMA. You can reach Bennett at BBrooks@cbuilding.org

Appendix A: List of Persons Interviewed

Interviews alphabetized by last name of interviewee.[2]

1. Tom Adcock, President, and Andrea Schmitz, Water Quality Manager, Alco Water
2. Lew Bauman, County Administrative Officer, Nick Chiulos, Assistant CAO, Les Girard, Chief Assistant County Counsel, and Charles McKee, County Council, Monterey County
3. Brian Boudreau and Beth Palmer, Monterey Downs, LLC
4. Dave Chardavoyne and Rob Johnson, Monterey County Water Resources Agency
5. Rob Cullen, Mayor, King City
6. John Diodati, Department Administrator, Carolyn Berg, San Luis Obispo County Department of Public Works
7. Marc Del Piero, Sherwood Darington, and Richard Nutter, Board Members, Agricultural Land Trust
8. Daisy Gonzalez and Vicente Lara, Environmental Justice Coalition for Water
9. Norm Groot, Monterey County Farm Bureau
10. Abigail Hart, The Nature Conservancy
11. Brett Harrell, Nunes Company and Grower-Shipper Association
12. Dale Huss, Ocean Mist and Sea Mist Farms
13. Nancy Isakson, Salinas Valley Water Coalition
14. Mike Jones, General Manager, California Water Service
15. Margie Kay
16. Roger Maitoso, Arroyo Seco Vineyard
17. Bob Martin, Rio Farms
18. Mike McCullough. Monterey Regional Pollution Control Agency
19. Rene Mendez, City Manager, City of Gonzales
20. Jeanette Pantoja, Environmental Justice Coalition for Water Board and Building Healthy Cities
21. Gary Petersen, Director of Public Works, City of Salinas
22. John Ramirez, Monterey County Department of Public Health
23. Jerry Rava, Rava Ranch
24. Rich Smith, Paraiso Vineyards
25. Sergio Sanchez, Office of Assemblyman Alejo and Hispanic Chamber of Commerce of the Central Coast
26. Steve Shimek, Monterey Coast Keeper and The Otter Project
27. Dennis Sites, Salinas Valley Sustainable Water Group
28. Abby Taylor Silva, Grower-Shipper Association and Monterey County Water Resources Agency Board Member
29. Simon Salinas, Supervisor, Monterey County
30. Dave Stoldt, Monterey Peninsula Water Management District
31. Eric Tynan, General Manager, and Ron Stefani, Board Member, Castroville Community Services District
32. Juan Uranga, Center for Community Advocacy
33. Keith Van Der Maaten, General Manager; Howard Gustafson and Peter Le, Board Members; and Roger Masuda, Attorney, Marina Coast Water District
34. Amy White, Executive Director, LandWatch Monterey County
35. Don Wilcox, Public Works Director, City of Soledad

[2] In addition to the formal assessment interviews, G. Bartlett and B. Brooks held brief conversations with other interested parties who contacted them or expressed interest in learning more about the process.

Appendix B: Interview Protocol & Survey Questions

NOTE: The survey varied slightly to make it easier to capture information in writing, but the questions were essentially the same. Please contact Gina@cbuilding.org or 415-271-0049 if you would like a copy of the survey questions.

Initial Exploration on GSA Formation in Salinas Valley Basin

Confidentiality: *CBI Facilitators will use what we discuss to report back findings without attributing it to interviewee personally; anything that interviewee wishes to stay confidential will remain between the facilitator and interviewee.*

Background

Tell us about your background and/or interests related to groundwater management generally?

What is the role of groundwater in your water supply? How does your organization think about groundwater as part of its water supply future?

GSA Formation and Structure

The first major requirement under SGMA is to form a GSA(s) by June 2017 for medium and high priority basins. What are your primary concerns or interests related to SGMA and GSA formation? Why are these important?

How would you (and your entity) foresee GSA formation moving forward in your basin? Why?

What configurations or options for a GSA would you envision or have you thought about? How would you organize the governance structure? What are the pros and cons related to those options?

What kind of conflict might emerge related to GSA formation? How might the conflict be resolved?

What criteria or considerations would help you evaluate GSA configurations and/or candidates? *(What specific qualities would you envision for a potential GSA? (financial, technical capacity, etc.))*

What special considerations, if any, related to basin boundaries (as outlined in Bulletin 118) should we know about? How might these considerations affect GSA formation, outreach, etc.?

Process and Decision-Making

Who should be involved in deciding on the GSA formation? How should they decide?

If a stakeholder group comes together to work on GSA formation, how would you like to be involved?

Who might be able to represent your interests in these deliberations?

How would you recommend designing a road map to a decision on GSA formation? What steps would you take?

What interest, if any, does your entity have in serving as a GSA?

What agency might you recommend or envision as serving as the GSA(s) or what agencies might come together to serve as a GSA? How might other agencies or stakeholders feel about these possibilities?

What kinds of information might be needed to support decision-making on GSA formation?

Who has credibility to provide technical information?

Internal Decision Making
How will decision making on the GSA configuration/structure occur in your entity?

Who are the key opinion leaders and thought leaders on forming the GSA and managing groundwater within your entity?

What's the best method to keep those leaders abreast of new developments and potential insights?

Stakeholder Engagement
What other stakeholders are important to inform or keep abreast in some fashion on these issues?

How would you recommend engaging those groups/individuals during this phase of the process? Once the GSA is formed?

What kinds of outreach / engagement /activities do you or others already have in place that might involve these stakeholders?

Conclusion
Is there anything else that you haven't mentioned? What advice would you offer or what else would you recommend to move this effort forward?

Who else, if anyone, would you recommend that I interview on these issues?