



# Monterey County

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## Board Report

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Consider receiving an update on the Sustainable Groundwater Management Act Groundwater Sustainability Agency formation process.

### RECOMMENDATION:

It is recommended that the Monterey County Water Resources Agency Board of Directors:

Receive an update on the Sustainable Groundwater Management Act Groundwater Sustainability Agency formation process.

### SUMMARY/DISCUSSION:

The Agency Board of Directors (BOD) has been receiving pertinent updates on the Sustainable Groundwater Management Act (SGMA) Groundwater Sustainability Agency (GSA) formation process through either the Basin Management Plan (BMP) Committee or information items to the full BOD.

The facilitated process, using a Collaborative Work Group (CWG) to work through concepts, and then presenting the outcome of the CWG discussions to a larger group of stakeholders for buy-in and feedback has been effective, and has moved the process along in recent weeks.

The CWG proposed a tentative GSA legal structure: the formation of a Joint Powers Authority (JPA) to create a separate entity to be the (interim) GSA, with the intent of transitioning to a GSA governing body formed by legislation. This approach was reached since special legislation could not be worked on and approved before the June 30, 2017 deadline for GSA formation. This way, the JPA legal document could account for this transition by providing a sunset provision (i.e. the JPA would dissolve when the legislated body was formed).

The CWG also agreed that the JPA is the best legal structure to address its interests and concerns for forming the GSA. Namely, the JPA would allow for the creation of a separate entity. The JPA would provide liability protection to member agencies. The JPA would allow the governing board composition to differ from the member agencies and create an opportunity for groundwater interest groups/users to serve on the board of directors to govern the GSA. The JPA legal document could have bylaws that stipulate how any changes to the governing board could occur. The JPA could be formed within the state-required deadline, protecting the Salinas Valley from state intervention.

The CWG is favoring this two-step transitional model (moving from a JPA to a legislative entity), though there needs to be consideration in regards to short-term, interim liability protection. Liability will not be a significant issue in the period between implementation of the GSA and implementation of the Groundwater Sustainability Plan (GSP), and there should be ways to mitigate liability during this period. The most serious liability issues and financial obligations will arise later, when the GSA begins to implement projects. Additionally, it is important to consider what will happen if the legislation does not pass.

The CWG has also developed a proposed governing board structure with 11 members.

OTHER AGENCY INVOLVEMENT:

There has been involvement in the SGMA process by other county entities, including the County Resource Management Agency (RMA), the County Administrator's Office, and County Counsel. On October 5, 2016, the Basin Management Plan Committee approved this item for consideration by the full Board of Directors.

FINANCING:

The Agency has been involved in this process as per a request by the BOD and the County, though there is not a funding source identified for the Agency's participation in this effort.

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