

**SPECIAL MEETING OF THE
FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS**

Saturday, January 10, 2015

9:00 AM

**9257 Elk Grove Blvd.
Elk Grove, CA 95624**

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Public Comment – Please complete a Request to Speak Form if you wish to address the Board. Members of the audience may comment on matters that are not included on the agenda. Each person will be allowed three (3) minutes, or less if a large number of requests are received on a particular subject. No action may be taken on a matter raised under "Public Comment" until the matter has been specifically included on an agenda as an action item. Items listed on the agenda will be opened for public comment as they are considered by the Board of Directors.

1. Oath of Office (Stefani Phillips, Secretary)

Associate Director Comment

Public Comment

2. Sustainability Groundwater Management Act of 2014 (Mark Madison, General Manager)

Associate Director Comment

Public Comment

Recommended Action: Provide Advocacy Direction to the General Manager Relating to the Formation of a Groundwater Sustainability Agency as Required by the Sustainability Groundwater Management Act of 2014

3. Board Member Workshop (David Aranda, California Special Districts Association)

Associate Director Comment

Public Comment

4. Closed Session

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: 2450 Florin Rd., Sacramento, CA

Agency negotiators: Mark Madison and Jim Malberg

Negotiating parties: FRCD and Sacramento County

Under negotiation: Terms of payment

Adjourn to Regular Meeting on Wednesday, January 28, 2015, at 6:30 p.m.; held at 8820 Elk Grove Blvd.

January 10, 2015

TO: Chairman and Directors of the Florin Resource Conservation District
FROM: Mark J. Madison, General Manager
SUBJECT: **SUSTAINABLE GROUNDWATER MANAGEMENT ACT OF 2014**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors provide advocacy direction to the General Manager relating to the formation of a Groundwater Sustainability Agency as required by the Sustainability Groundwater Management Act of 2014.

Summary

On September 16, 2014, Governor Jerry Brown signed into law a three-bill legislative package, composed of AB 1739 (Dickinson), SB 1168 (Pavley), and SB 1319 (Pavley), collectively known as the Sustainable Groundwater Management Act (SGMA) of 2014. To manage the groundwater basins, the SGMA also requires the formation of Groundwater Sustainability Agencies (GSA's) by June 30, 2017.

The GSA for the groundwater basin underlying the Elk Grove Water District (EGWD) and Florin Resource Conservation District (FRCD) has not been determined. By this action, the General Manager requests direction from the Board as to what EGWD should advocate in this regard.

DISCUSSION

Background

As indicated, the Sustainability Groundwater Management Act (SGMA) of 2014 was signed into law by Governor Jerry Brown on September 16, 2014. This legislation is widely viewed to be one of the most significant changes in water law over the past 100 years.

The stated intent of the SGMA is to encourage local agencies to work cooperatively to manage groundwater resources within their jurisdictions and to provide a methodology

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for developing a Groundwater Sustainability Plan that will provide the basis for attaining groundwater sustainability within 20 years.

In general, the SGMA may lead to the regulation of groundwater in basins, classified by the California Department of Water Resources (DWR), as medium or high priority. This legislation does not affect the 20 basins already regulated (or adjudicated), most of which are located in Southern California. The basin underlying the EGWD and the FRCD is not adjudicated and is presently classified by the DWR as a high priority basin. Consequently, this basin will be subject to the new SGMA requirements and potentially future regulation and control.

The SGMA requires that Groundwater Sustainability Agencies (GSA's) be formed for each medium and high priority basins and that these GSA's be formed by June 30, 2017. Each GSA will also be required to adopt Groundwater Sustainability Plans (GSP's) which establish measures to ensure groundwater sustainability within 20 years. GSP's for basins in a critical condition of overdraft must be completed by 2020. GSP's for high and medium priority basins not currently in overdraft must be completed by 2022.

The legislation included in the SGMA did not address who the GSA's for all applicable basins should be nor did it address how the GSA's should be formed. The SGMA does stipulate that in the event that a GSA is not formed, or if they are formed but fail to meet the requirements of the SGMA, then the DWR will become a "backstop" and assume the authorities and responsibilities for managing the basin.

Attached for further information and use are two documents. The first attachment is a fact sheet on the Sustainability Groundwater Management Act of 2014, prepared by the Association of California Water Agencies. The second attachment is a memo from Best Best & Krieger to me summarizing many of the issues as well.

Present Situation

At present, it is unknown as to what governing body, or agency, will assume the role as the GSA for our basin. Discussions on this topic are anticipated very soon in certain forums, such as the meetings conducted by the Sacramental Central Groundwater Authority and perhaps the Regional Water Authority, both of which the Elk Grove Water District are members. During these meetings, and others that are anticipated, the General Manager requests guidance from the Board as to what the Board Members may desire in regards to the GSA formation and related issues.

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There are potentially a variety of options as to who is best served to act as the GSA in our area, ranging from a very local control approach, where local agencies might attempt to assert control over their own jurisdictional footprint, to a larger regional approach managed by a joint powers authority such as the Sacramento Central Groundwater Authority or perhaps the Regional Water Authority.

STRATEGIC PLAN CONFORMITY

Guidance on this matter strictly complies with the goals and objectives established for the Florin Resource Conservation District and the Elk Grove Water District. Specifically, for the FRCD, it complies with the Groundwater Banking goal of maintaining participation with the Sacramento Central Groundwater Authority. For the EGWD, it complies with the ongoing requirement of meeting all regulatory requirements.

FINANCIAL SUMMARY

There is no direct financial impact associated with this agenda item at this time.

Respectfully Submitted,



MARK J. MADISON,
GENERAL MANAGER

MJM:BK

Attachments

Fact Sheet

The Sustainable Groundwater Management Act of 2014 is a comprehensive three-bill package that provides a framework for sustainable management of groundwater supplies by local authorities, with a limited role for state intervention only if necessary to protect the resource.

The act requires the formation of local groundwater sustainability agencies (GSAs) that must assess conditions in their local water basins and adopt locally-based management plans. The act provides substantial time – 20 years – for GSAs to implement plans and achieve long-term groundwater sustainability. It protects existing surface water and groundwater rights and does not impact current drought response measures.

ACWA supported the legislation, which was substantially consistent with recommendations developed by the association’s Groundwater Sustainability Task Force and adopted by the ACWA Board of Directors. ACWA’s recommendations, together with recommendations from the California Water Foundation and input from other stakeholders, helped shape many provisions to protect local control and empower local agencies to achieve the sustainability goal.

The Sustainable Groundwater Management Act of 2014 is considered just one part of a statewide, comprehensive water plan for California that includes investments in water conservation, water recycling, expanded water storage, safe drinking water, wetlands and watershed restoration. The plan is intended to ensure a reliable water supply for California for years to come.

GSAs and Local Sustainability Plans

The Sustainable Groundwater Management Act provides local GSAs with tools and authority to:

- Require registration of groundwater wells
- Measure and manage extractions
- Require reports and assess fees
- Request revisions of basin boundaries, including establishing new subbasins

GSAs responsible for high- and medium-priority basins must adopt groundwater sustainability plans within five to seven years, depending on whether the basin is in critical overdraft. Agencies may adopt a single plan covering an entire basin or combine a number of plans created by multiple agencies. Preparation of groundwater sustainability plans is exempt from CEQA.

Plans must include a physical description of the basin, including groundwater levels, groundwater quality, subsidence, information on groundwater-surface water interaction, data on historical and

Attachment A

projected water demands and supplies, monitoring and management provisions, and a description of how the plan will affect other plans, including city and county general plans.

Plans will be evaluated every five years.

State Involvement and Technical Assistance

The California Department of Water Resources (DWR) has several tasks under the Sustainable Groundwater Management Act. It must:

- Designate basins as high, medium, low or very low priority by Jan. 31, 2015
- Adopt regulations for basin boundary adjustments by Jan. 1, 2016
- Adopt regulations for evaluating adequacy of GSPs and GSA coordination agreements by June 1, 2016
- Publish a report estimating water available for groundwater replenishment by Dec. 31, 2016
- Publish groundwater sustainability best management practices by Jan. 1, 2017

State Review and Intervention

The State Water Resources Control Board may intervene if a GSA is not formed or it fails to adopt or implement compliant plans by certain dates.

DWR is tasked with reviewing GSPs for adequacy after they are adopted at the local level. If DWR determines in its review that a GSP is not adequate, the State Board may designate the basin as “probationary.” If the local agency does not respond within 180 days, the State Board is authorized to create an interim plan that will remain in place until a local GSA is able to reassume responsibility with a compliant plan.

Financial Assistance

If approved by voters, Proposition 1 would provide \$100 million in funding to GSAs to develop and implement sustainable groundwater management plans.

Key Implementation Dates

- **June 30, 2017:** Local groundwater sustainability agencies formed.
- **Jan. 31, 2020:** Groundwater sustainability plans adopted for critically overdrafted basins.
- **Jan. 31, 2022:** Groundwater sustainability plans adopted for high- and medium-priority basins not currently in overdraft.
- **20 years after adoption:** All high- and medium-priority groundwater basins must achieve sustainability.

Attachment B



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Memorandum

VIA EMAIL

To: Mark Madison
From: William J. Thomas
Date: January 5, 2015
Re: New Groundwater Legislation, General Background

Mark,

As you know, California was the only remaining state without a state regulatory program controlling the extraction and use of groundwater. It had been increasingly apparent that in many areas of California there had been excessive extraction of groundwater which is unsustainable. Many areas are chasing limited groundwater deeper and developing irrigation on additional new acres resulting in aquifer space being depleted, and in places the surface land has actually subsided. These problems have been increasing for years, and the drought has exaggerated this troubling and unsustainable trend; therefore, statutory amendments were irresistible for the legislature and governor this last year.

The Governor's office prioritized this issue and three coordinated key legislative bills, Senator Pavley's SB 1168 and SB 1319, and Assemblyman Dickenson's AB 1739, have moved through the Legislature and passed at the end of the August legislative session and became law this week. California now has a new regulatory program for groundwater. Fortunately, however, the bills are designed to both encourage and allow local control.

Because the bills prioritize local control of groundwater the state will first rely on local groundwater managing agencies, including new agencies that will be formed, and will hereafter be known as groundwater sustainability agencies. Should no groundwater management agency exist or be formed and become operative for a basin by June 30, 2017, then the counties may step in, but if the locals or counties choose not to adequately do so within this specified time frame, the state will step in to control groundwater in the local area.

The new law will acknowledge several types of local groundwater agencies: statutory local groundwater agencies, adjudications, AB 3030, SB 1938 plans, Integrated Regional Management Programs (IRMPs), Resource Conservation Districts, or a county may take control if no such local agency is created.



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The statutory programs (AB 3030, SB 1938 and IRMP programs) have been popular in the Southern San Joaquin Valley, and groundwater adjudications have been widely engaged in Southern California, but much of the balance of the state does not have many such groundwater agencies presently existing; therefore, other entities (i.e., RCDs) or new entities will have to be reformed or created. Even where these local programs do exist, they will have to be significantly amended to adequately engage the new mandated responsibilities.

Medium and high priority basins as classified by DWR Bulletin 118 (see below) must be governed by these qualified groundwater sustainability agencies by June 30, 2017 and they must adopt groundwater sustainability plans by January 31, 2022, or by January 31 2020 if a basin is identified to be in critical conditions of overdraft. DWR must further review all basins as high, medium, low or very low priority by January 15, 2015 so the present list may be expanded. If priorities are subsequently amended, newly designated high and medium priority basins will have two years to form a groundwater sustainability agency and five years to adopt a groundwater sustainability plan.

The bills provide that groundwater sustainability plans are designed to achieve basin sustainability within 20 years of adoption. “Sustainable” use of groundwater means managing its extractions to provide for long-term benefits without causing negative impacts, known as “undesirable results”. These undesirable results include reduction in storage capacity, seawater intrusion, long-term overdraft, the degradation of water quality, land subsidence, and disruption or depletion of surface water flows. The groundwater sustainability plans must address a number of issues including the mitigation of overdraft and may also address well construction and destruction policies.

To achieve such sustainability, qualified local groundwater management agencies will have the authority and responsibility to establish a system of local groundwater transfers; adopt rules, regulations, ordinances and resolutions; propose, update, and impose fees, and levy groundwater charges; require registration of and impose requirements on wells; require measurements of wells; require reporting of groundwater extractions; regulate and restrict extractions; and allocate groundwater based on the sustainable yield of the basin. The agencies are provided the authority to impose fees to fund the costs of groundwater management and file suit to stop any extraction if a groundwater user fails to pay or violates any of the adopted management restrictions. (See the attached decision matrix, which I had previously sent to other folks.)

The California Department of Water Resources and the State Water Resources Control Board have the responsibility to ensure that basins are on track to achieve sustainability. The SWRCB may designate a basin as probationary if after June 30, 2017 a local agency has not elected to be the groundwater sustainability agency or if by January 31, 2022, or January 31, 2020 for a basin in critical overdraft, a groundwater sustainability agency has not adopted a sustainability plan for the basin or the SWRCB determines that a plan is inadequate. The state has authority to intervene if no groundwater sustainability agency is formed for a basin, a groundwater sustainability plan is not in place, or if a local agency does not take steps to reach its basin



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sustainability goals by certain dates. The state can then appoint a third party to remedy any deficiency of a groundwater sustainability agency or groundwater sustainability plan, and the state may develop an interim groundwater sustainability plan or enforce the terms of an existing plan.

As you can see, it is in the interest of local landowners and communities to move quickly to take charge in creating or modifying these local agencies so they can have control over their situation and prevent others from doing so or having the state step in.

There are some 515 groundwater sub-basins in California according to DWR Bulletin 118. The basins have been scored and rated by DWR into priority categories: high, medium, low, and very low. The new groundwater bills only address the high and medium priority sub-basins. Of the 515 classified groundwater basins, 127 are presently classified as high (43) or medium (84) priority due to various impacts. There has been considerable political overstatement by both proponents and those opposing these three key legislative bills (SB 1168, SB 1319 and AB 1739). It is now, however, time to move beyond the politics and thoughtfully analyze how the new law may affect your particular areas and to give consideration as to how your area should organize to have control over the process and structure of your local entity so as to minimize problematic influence by environmentalists and perhaps from other entities controlling your area.

I am sure you are aware of the following list of sub-basins listed in Bulletin 118 as high and low priority. Your basin (521-65) is listed as high priority and ranks as #29 in priority, and thus a local groundwater sustainability agency would have to be formed or designated to address this groundwater management by June 30, 2017; however, more timely action is advised.

Basin Priority	Basin Number	Basin Name	Acres	Overall Basin Priority	Impact Comments
29	5-21.65	South Sacramento Valley	247,745	High	Water quality degradation due to industrial and agricultural practices

Ann Siprelle and I at Best Best & Krieger would be very interested in assisting you. Best Best & Krieger is the West's leading water firm and we have been very involved in these issues. If we can be of any further assistance, please let me know.

cc: Ann Siprelle