

MEMORANDUM

DATE: November 17, 2015

TO: Honorable Board of Supervisors

FROM: Michael J. Johnson, AICP, Agency Director 

SUBJECT: Sustainable Groundwater Management Act

ACTION REQUESTED

1. Receive an update on the Sustainable Groundwater Management Act and direct staff to work with other regional partners in the coordination and facilitation of the formation of a Groundwater Sustainability Agency for the Placer County portion of the North American Sub-Basin and return to the Board with a formation timeline, a stakeholder engagement process, and budget.
2. Adopt the resolution authorizing staff to prepare a grant application for up to \$250,000 to the California Department of Water Resources to obtain a Counties with Stressed Basins Grant under the Sustainable Groundwater Planning Grant Program to assist with formation of Groundwater Sustainability Agencies and Groundwater Sustainability Plans; and authorize the Community Development Resource Agency Director, or designee, to sign the application, and if awarded, execute agreements, after review and approval of County Counsel and Risk Management.

BACKGROUND

Past Groundwater Legislation

In 1992, Assembly Bill 3030 (AB3030) updated sections of the California Water Code to provide a voluntary procedure for existing local water agencies to develop a groundwater management plan and monitor groundwater in those basins identified in Bulletin 118, produced by the California Department of Water Resources. Activities pursuant to AB3030 and groundwater management planning was voluntary, not mandatory.

In response to AB3030, many water agencies in the State prepared Groundwater Management Plans. In Placer County, there are two plans that are pertinent to the present discussion: The Western Placer Groundwater Management Plan, and the Martis Valley Groundwater Management Plan. The Western Placer Groundwater Management Plan addresses portions of the North American Sub-Basin in Placer County and was adopted in 2007. It was prepared by the Western Placer County Groundwater Management Group which consists of the cities of Roseville and Lincoln, Placer County Water Agency, and California American Water Company. The Martis Valley Groundwater Plan was prepared and adopted in 2013. The Plan was prepared by the Placer County Water Agency, the Truckee Donner Public Utility District, and the Truckee Donner Public Utility District. Both groups have been conducting monitoring of the

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groundwater basins according to the California Statewide Groundwater Elevation Monitoring program (2009) and reporting the results to the California Department of Water Resources

In 2014, a key element of the California Water Action Plan called for expanding water storage capacity, both on the surface and underground. A series of bills (Senate Bill 1168, Assembly Bill 1739, and Senate Bill 1319) were passed and together constitute the Sustainable Groundwater Management Act of 2014 (SGMA). There are two key distinctions between the AB3030 Groundwater Management Plan and the SGMA. First, as noted above, AB3030 groundwater monitoring and reporting is voluntary. SGMA and its monitoring and reporting requirements are mandatory for all high- and medium-priority designated groundwater basins. Second, AB3030 was geared towards water agency planning and monitoring. SGMA expressly involves local jurisdictions with legislative land use authority in the discussions of formation of Groundwater Sustainability Agencies, Groundwater Sustainability Plans, and future potential governance and regulation of groundwater basins.

The Sustainable Groundwater Management Act of 2014

SGMA was signed into law on September 16, 2014. Senate Bill 13 (SB13), adopted in 2015, further clarifies the Act but made few substantive changes. The California Department of Water Resources and the State Water Quality Control Board are responsible for implementing the Act, the California Statewide Groundwater Elevation Monitoring Program, and characterizing California's groundwater basins.

The State's Bulletin 118 identifies 127 high- and medium-priority groundwater basins, which account for 90 to 95 percent of all the groundwater used in the State (refer to Attachment 1, Map of California Groundwater Basins). Designation of a groundwater basin as "medium" or "high" priority is a determination based on the amount of groundwater used from a basin and the size of population that overlays a basin. All basins that are identified in Bulletin 118 as medium- or high-priority are subject to the Act; low and very-low priority groundwater basins are optional. There are five groundwater basins wholly or partially in Placer County. Of these, three are low priority (Olympic Valley, Tahoe Valley North, and Tahoe Valley West). Bulletin 118 identifies the Martis Valley Basin, which straddles both Placer and Nevada County, as a medium-priority groundwater basin; and the North American Sub-Basin, which straddles three Counties (Placer, Sutter, and Sacramento) as a high-priority basin. The portion of the North American Sub-Basin in Placer County is overlaid by the western portion of unincorporated Placer County, and the cities of Roseville and Lincoln. It is important to note that the North American Sub-basin is not in "overdraft" and is presently, according to the water consultants, "holding its own" on sustainability. Refer to Attachment 2 to see the Map of the Martis Valley Groundwater Basin and to Attachment 3 to see the Map of the North American Sub-Basin.

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The goal of the SGMA is to achieve "sustainable groundwater management", which means the management and use of groundwater in a manner that can be maintained during the 50-year planning period, with an implementation horizon for sustainability of 20 years. SGMA establishes minimum standards for sustainable groundwater management and defines six undesirable results:

1. Chronic lowering of groundwater levels indicating unreasonable depletion of supply if continued over the planning and implementation horizon.
2. Reduction of water storage.
3. Seawater intrusion.
4. Degraded water quality, including migration of contaminant plumes that impair water supplies.
5. Land subsidence that substantially interferes with surface land uses.
6. Depletions of interconnected surface water that adversely impacts beneficial uses of the surface water.

SGMA contains the following pending dates certain for compliance with the Act. It should be noted that the deadlines are the same regardless of whether a jurisdiction has one or multiple groundwater basins subject to the Act:

- June 30, 2017: Deadline for formation of a Groundwater Sustainability Agency for each high- and medium-priority basin.
- January 31, 2022: Deadline for adoption of a Groundwater Sustainability Plan for each basin (Critical overdraft basins must adopt a plan by 2020. Neither of the basins in the County is in critical overdraft.)

Under SGMA, failure to satisfy either deadline could result in State intervention and regulation.

Groundwater Sustainability Agency

SGMA requires formation of a Groundwater Sustainability Agency, for each groundwater basin identified as "medium" or "high" priority. The Groundwater Sustainability Agencies are tasked with assessing the conditions in their local basins and adopting locally-based Groundwater Sustainability Plans for medium- and high-priority basins to achieve sustainability within 20 years.

The Act gives Groundwater Sustainability Agencies additional elective powers and authorities to sustainably manage groundwater over the long-term. The powers include: registration of groundwater wells; measuring extractions; requiring reports; managing extractions, assessing fees and enforcement.

Any local agency may elect to become a Groundwater Sustainability Agency. A Local Agency, for purposes of SGMA, is defined as an agency with land use authority, or

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public agencies with water supply or water management responsibilities. Where no local agency elects to be the Groundwater Sustainability Agency, the role of Groundwater Sustainability Agency defaults to the County in which the basin is located. A county may decline this role through formal notification to the California Department of Water Resources. In areas where a county declines to serve as the Groundwater Sustainability Agency, and no other eligible local agency accepts this responsibility, the State Water Quality Control Board will assume oversight of these areas.

SGMA requires each basin to be represented by a Groundwater Sustainability Agency (GSA) and that the GSA encompass the entire basin. This becomes a challenge with most basins as, hydrologically, a groundwater basin does not follow County or City jurisdictional boundaries. Therefore, the challenge facing Placer County, as well as other counties in the State, is how to form a GSA when the basin extends over jurisdictional boundaries.

SGMA provides options to meet this challenge. Multiple local agencies located in a particular basin may form one separate GSA (through either the formation of a Joint Powers Authority (JPA) or a binding agreement), or several GSA's may be formed for one basin. In the latter instance, the law requires a coordinating agreement be executed by all such GSAs at the time of GSA formation. The intent of the coordinating agreement is to ensure that each GSA is addressing groundwater sustainability for a particular basin in a coordinated and cohesive fashion.

Groundwater Sustainability Plans

As discussed above, SGMA requires a Groundwater Sustainability Plan (GSP) be prepared for each basin. SGMA permits the preparation of one GSP for a basin, or multiple GSPs with a coordinating agreement. The State guidelines for preparation of the GSPs are due to be released in early 2016, and further detail of the State's expectations for the content of these plans will be provided. Staff will return to the Board with further information regarding the preparation of a GSP for each of the basins of concern for the County.

STAFF ENGAGEMENT WITH BASIN AGENCIES AND INTERESTS

Even before SGMA was enacted, staff has been actively engaged in discussions with staff from the water agencies involved in AB3030 monitoring and reporting. Those discussions have evolved into a broader focus on working through the complexities of each basin in light of the mandates of SGMA. Numerous workshops have been held by local interest groups, agencies, and on a local basin basis.

Staff has met informally with the water agencies involved with the Martis Valley Groundwater Management Plan and discussions have been initiated with staff representatives of the jurisdictions involved in this basin. For the North American Sub-Basin, there has been extensive activity and discussions through several workshops

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hosted by local agencies and interest groups. Staff has also participated for some time in the Western Placer Groundwater Management Group meetings on an informal basis. Since the enactment of SGMA, those meetings have evolved to include a discussion on the new and broader mandates of the Act and how the multiple jurisdictions and agencies can coordinate discussions and activities to reach consensus on a GSA for the North American Sub-Basin.

As both basins have distinct complexities, staff proposes to devote the remainder of this staff report to a discussion of the North American Sub-Basin and return to the Board with a separate report on the Martis Valley Basin.

With respect to the North American Sub-Basin, it appears unlikely that one GSA will be formed for the entire basin. The Sacramento Groundwater Authority (SGA) has already indicated to the other jurisdictions and water agencies that it wishes to form a separate GSA for the Sacramento County portion of the North American Sub-Basin. If the Sacramento Groundwater Authority proceeds with this course of action, it can be concluded that there will be multiple GSAs for the North American Sub-Basin. Again, with multiple GSAs, the law requires a coordination agreement be executed by all such GSAs and the same be submitted to the State at the same time as the GSAs formation notification is submitted. It should be noted that SGMA requires all individual GSA submit at the same time to the State. Partial GSA formations for a particular basin will not be accepted, and there is no grace period to the June 2017 formation deadline in the event that individual GSAs do not agree with one another. Therefore, the task at hand for both of the County's basins is to ensure that a GSA is formed by the deadline date, and if such formation involves multiple GSAs, that a coordination agreement has been negotiated *and* executed by the same June 2017 deadline date.

An important distinction between the AB3030 program and the SGMA is the role of land use planning in the new law. SGMA requires cities and counties to coordinate with GSAs when adopting or substantially amending its general plans. Once GSAs and GSPs for a basin are in place, the law requires the GSA to "report on the anticipated effect of any proposed action to adopt or substantially amend a general plan" on implementation of a GSP.

Given the extensive agricultural resources and uses in western Placer County, approved projects such as Placer Vineyards and Regional University, economic development goals and proposed amendments to the Sunset Area Plan, and resource conservations efforts through the Placer County Conservation Plan, staff believes the County's interests are well served by taking an active role with the other stakeholders in the formation process for the North American Sub-Basin GSA. Through such an active role, it is staff's belief that Placer County can best ensure that the interests of the unincorporated area stakeholders are addressed, as well as the County's General Plan

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policies and goals (see in particular Goal 4.C. and Policies 4.C.2, 4.C.9 and 4.C.10) implemented by taking an active role in the formation of this GSA.

Staff has brought this discussion of Placer County's potential role in the GSA formation process to the Board because of the extensive staff time and budget that such an effort is likely to entail. SGMA requires a stakeholder engagement process in the formation of the Groundwater Sustainability Agency. Staff envisions numerous local stakeholder meetings, coordination with the Agricultural Commissioner and agricultural interests, coordination and meetings with the other local jurisdictions and water agencies, potential engagement of consultants, as well as extensive negotiations, when the time comes, as to what "form" the GSA will take. Staff believes, in the long run, this time and expense will be rewarded by enabling the County and its Board to ensure that the unique interests and resources in the unincorporated area of Western Placer County are addressed in a GSP that has a 50-year life in the North American Sub-Basin. The County's involvement will enable the County to ensure that the Board's policies and goals articulated in the General Plan, and as further refined in approved specific plans and community plans for Western Placer County, are incorporated into the regulatory mandates of the GSP.

If the Board wishes the County to take an active role with the cities of Roseville and Lincoln, and with the Placer County Water Agency, in facilitating the formation of the GSA for the North American Sub-Basin, staff proposes to return after the first of the year and after the State has adopted its regulations with a work plan, timeline, and budget for the County's involvement.

PROPOSITION 1 SUSTAINABLE GROUNDWATER PLANNING GRANT PROGRAM

The California Department of Water Resources released the Proposal Solicitation Package for the Sustainable Groundwater Planning Grant Program's *Counties with Stressed Basins Grant* on October 28, 2015. This solicitation will utilize funding from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1). With the acceptance of County of Placer's groundwater elevation monitoring program (under separate report), the County is eligible to apply for up to \$250,000 of these funds. "A stressed groundwater basin" is characterized as a groundwater basin in which one or more of the following conditions exist:

1. The groundwater basin is in critical overdraft.
2. The groundwater levels within the basin are declining or fluctuating and causing impacts including: reduced groundwater storage, seawater intrusion, threatening or degrading water quality, land subsidence, and/or surface water depletion.

Neither of the County's basins falls within the definition of a "stressed groundwater basin". However, due to the complexities and staff/budget commitments involved in

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the formation of GSAs and the preparation of GSPs, staff believes it is worthwhile to submit an application to seek assistance in covering the costs of this work as eligible projects include developing agreements that foster formation of groundwater sustainability agencies, conducting basin assessments and modeling, and planning that facilitates basin-wide sustainable groundwater management. It is important to note that the solicitation requires a minimum of 50 percent cost-share funding. Grant applications are due December 8, 2015. Due to this deadline and the Board's remaining hearing dates for 2015, staff is bringing this to the Board to seek authority to prepare a draft application to address essential tasks to fulfill the Act requirements, such as assessing the basins, technical studies for sustainable management planning, and steps to form Groundwater Sustainability Agencies for both basins and authority to submit a grant application before the December 8, 2015 deadline. The grant program requires a Resolution by the Board to accompany the application. Staff has included a proposed Resolution for the Board's consideration should the Board authorize staff to proceed with this application (Attachment 4).

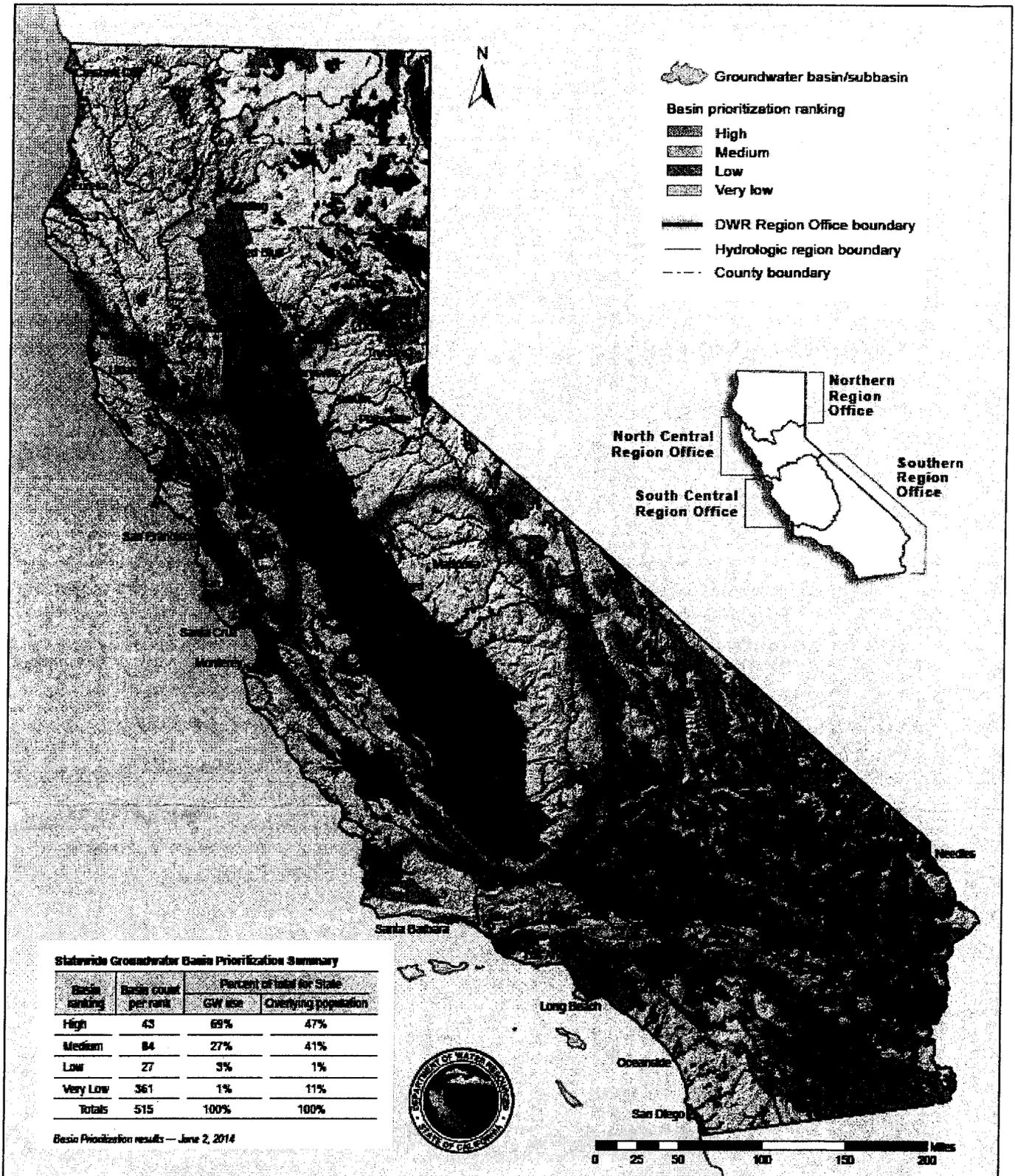
Staff's request also seeks delegation of signature authority to the Community Development Resource Agency Director to sign the grant application and any other documents necessary to process the application.

FISCAL IMPACT

As discussed, staff is prepared to bring back for the Board's consideration a preliminary budget for the North American Sub-Basin GSA efforts. With respect to the grant application, if awarded, staff will return to the Board to report on the grant award, identify sources of matching funds, and seek authorization to commit the matching funds.

Attachment 1:	Map of California Groundwater Basins
Attachment 2:	Map of Martis Valley Groundwater Basin
Attachment 3:	Map of North American Groundwater Sub-Basin
Attachment 4:	Proposed Resolution for Proposition 1B Grant Fund Application

CASGEM Groundwater Basin Prioritization



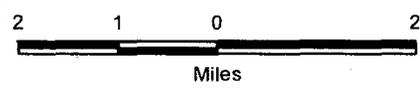
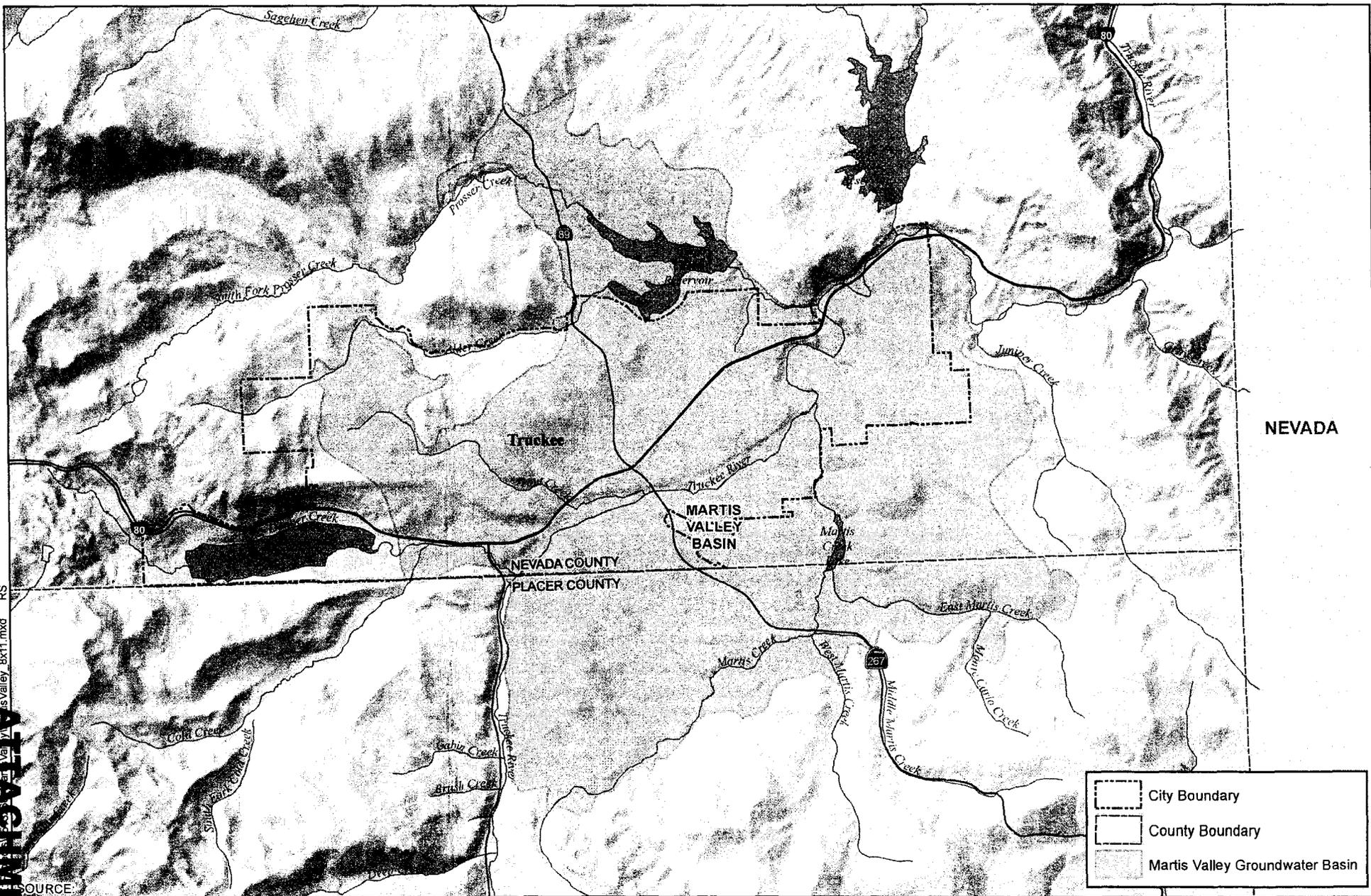
Statewide Groundwater Basin Prioritization Summary

Basin ranking	Basin count per rank	Percent of total for State	
		GW use	Overlying population
High	43	69%	47%
Medium	84	27%	41%
Low	27	3%	1%
Very Low	361	1%	11%
Totals	515	100%	100%

Basin Prioritization results — June 2, 2014



ATTACHMENT 2
02-10-15
Martis Valley - Bx11.mxd
RS



Nevada and Placer Counties, California

KMTG

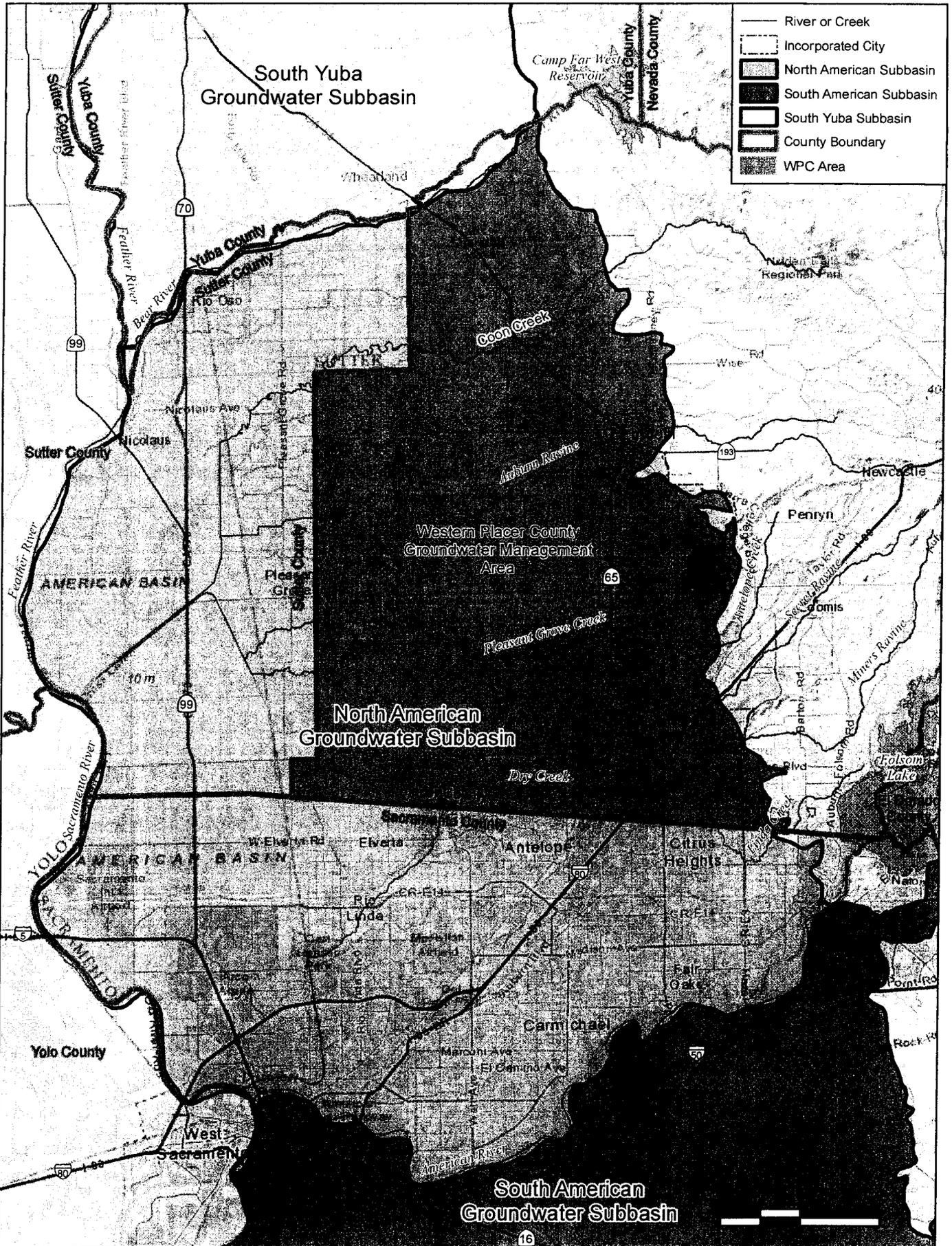


MARTIS VALLEY GROUNDWATER BASIN

NOVEMBER 2015

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FIGURE



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CASGEM Monitoring Network
Placer County, California
Placer County



Location of Groundwater Basin Boundary Adjustments
NOVEMBER 2015

ATTACHMENT 3 FIGURE 1

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of:

Resolution No.: _____

RESOLUTION AUTHORIZING THAT APPLICATION BE MADE TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES FOR A COUNTIES WITH STRESSED BASINS GRANT UNDER THE SUSTAINABLE GROUNDWATER PLANNING GRANT PROGRAM PURSUANT TO THE WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014 (PROPOSITION 1), AND AUTHORIZING AND DIRECTING THE COMMUNITY DEVELOPMENT RESOURCE AGENCY DIRECTOR, OR HIS DESIGNEE, TO PREPARE AND FILE SAID APPLICATION AND EXECUTE ANY NECESSARY DOCUMENTS AND AGREEMENTS IN FURTHERANCE OF SAID GRANT

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____ by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, AS FOLLOWS:

WHEREAS, on September 16, 2014 the Governor of California signed the Sustainable Groundwater Management Act (the Act) into law;

WHEREAS, the California Department of Water Resources in its Bulletin 118 has designated two groundwater basins within the County of Placer to be subject to the Act; the Martis Valley as designated a medium priority groundwater basin, and the North American Sub-Basin as a high priority basin; and

WHEREAS, the Act requires the formation of Groundwater Sustainability Agencies by June 30, 2017 to facilitate the development of Groundwater Sustainability Plans that are deemed adequate for each basin by January 31, 2022; and

WHEREAS, the Act requires collaboration and coordination among several local agencies and public stakeholder engagement to form a Groundwater Sustainability Agency; and

WHEREAS, completion of adequate Groundwater Sustainability Plans for the basins will require extensive technical studies and coordination among agencies; and

WHEREAS, on October 28, 2015, the California Department of Water Resources released the Proposal Solicitation Package for the Sustainable Groundwater Planning Grant Program's for Counties with Stressed Basins Grant, which is provides funds from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) to assist with sustainable groundwater agency formation and planning; and

WHEREAS, the California Department of Water Resources designation of medium and high priority basins within the County of Placer qualifies the County as having a "County with Stressed Basins";

WHEREAS, compliance with the California Statewide Groundwater Elevation Monitoring (CASGEM) Program is an eligibility criteria for the Counties with Stressed Basins Grant, and the County of Placer County has assumed responsibility for monitoring and reporting of groundwater elevations, and submitted a monitoring program to the California Department of Water Resources; and

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER that:

(1) the Board authorizes an application be made to the California Department of Water Resources to obtain a Counties with Stressed Basins Grant under the Sustainable Groundwater Planning Grant Program pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) (Water Code Section 79700 et seq.).

(2) the Board authorizes and directs the Community Development Resource Agency Director of the County of Placer to prepare the necessary background data and

information, file such application, and execute any necessary documents and agreements in furtherance of said grant..

