



February 17, 2017. SID staff continued to meet with the staff and stakeholders from the multi-agency working group in an attempt to reach agreement on a Joint Powers Authority (JPA) that would establish a single, multi-agency Solano Subbasin GSA. However, the multi-agency working group was unable to reach agreement with SID on that agency's key terms, but were in agreement on the remaining provisions of the JPA. Therefore, given the approaching deadline for GSA formation, at its meeting on March 17, 2017, the multi-agency working group agreed to pursue a JPA creating a Solano Subbasin GSA that excluded SID and the area designated for management by SID in its independent GSA application. The JPA creating the Solano Subbasin GSA will be brought separately to the Board of Supervisors in late April or early May for approval.

The likely result of this decision by the multi-agency working group is that at least two separate GSAs will manage groundwater resources within the Solano County portion of the Solano Subbasin. These are the Solano Subbasin GSA and the SID GSA (see Attachment A). Currently, the County is only included as a member of the proposed Solano Subbasin GSA, leaving the remainder of groundwater management in the unincorporated area to the proposed SID GSA, which will become effective on May 23, 2017 if no other GSA application overlapping that same management area is accepted by DWR prior to that date. County staff have entered into preliminary discussions with SID staff to explore opportunities for the County to jointly manage the groundwater resources within the area that would otherwise be managed solely by SID. These discussions are ongoing and productive thus far. To allow these discussions to continue, and to preserve the County's right to participate in any GSA established in the unincorporated areas, the primary option is for the County to file a GSA application that overlaps with the proposed SID GSA management area prior to May 23, 2017. To facilitate the timelines required by SGMA for filing with DWR, Staff requests that the Board set a public hearing for 2:00 P.M. on May 2, 2017 to authorize filing an application to become a GSA in the SID GSA area and to file the notice of intent with DWR.

#### **FINANCIAL IMPACT:**

Costs associated with tracking and advocacy efforts for the Sustainable Groundwater Management Act (SGMA) and related efforts, including costs associated with preparation of this update and future publications and mailing of hearing notices, are included in the Department's normal working budgets. Future cost associated with implementation of an exclusive County GSA could be significant due to sole responsibility to implement the GSA, including development of a Groundwater Sustainability Plan (GSP). If the County is involved with multiple partners in one or more GSAs, the overall costs will be distributed accordingly. Staff have been factoring these known costs into the FY2017/18 budget.

#### **DISCUSSION:**

The Sustainable Groundwater Management Act (SGMA) establishes specific regulatory requirements to sustainably manage groundwater within the Solano Subbasin, which is designated as a medium priority basin by the Department of Water Resources. The Solano Subbasin is located mostly within the eastern portion of Solano County, but also extends eastward into Yolo and Sacramento Counties. It is the largest groundwater basin in Solano County, serving as the primary source of groundwater used for municipal, agricultural, and domestic supply in the County. SGMA requires the formation of one or more Groundwater Sustainability Agencies (GSAs) covering the entirety of the Subbasin by June 30, 2017. Those GSAs must then adopt one or more GSPs by January 1, 2022 to sustainably manage groundwater over the long term. Any local agency or combination of local agencies with water supply, water management, or land use responsibilities are eligible to become GSAs. The County of Solano, as the land use authority, is eligible to be a GSA within the unincorporated area of the Solano Subbasin located within Solano County.

In order to for Solano County to be involved in management of groundwater resources throughout the entire unincorporated area within the Solano County portion of the Solano Subbasin under the current GSA proposals noted above, the County must participate in at least two separate GSAs: the Solano Subbasin GSA and a separate GSA over the area corresponding to the boundaries of the proposed SID GSA.

#### Solano Subbasin GSA:

The County of Solano has been involved in a multi-year process with other GSA eligible agencies to form a recommended governance structure for a single, multi-agency GSA within the Solano County portion of the Solano Subbasin. This work resulted in a proposed Solano Subbasin GSA Joint Powers Authority (JPA). The proposed JPA covers a majority of the Solano County portion of the Solano Subbasin, with the exception of the unincorporated area within SID jurisdiction. Ryer Island, in the Delta, may also be removed from the management area of the Solano Subbasin GSA at a later date if a separate Northern Delta GSA proposes to manage that island.

Nine agencies, including the County of Solano, will sign the JPA. However, the JPA establishes a thirteen member GSA Board of Directors, which includes the Board of Supervisors from districts 4 and 5, which are representative of the two Board districts with the majority of residents within the Solano Subbasin. The Board of Directors also includes single representatives from the City of Vacaville, City of Dixon, City of Rio Vista, Maine Prairie Water District, Rural North Vacaville Water District, Reclamation District 2068, Dixon Reclamation District, Solano Reclamation District, the Solano Farm Bureau and the Solano County Agricultural Advisory Commission. The Board of Directors will also include a representative of California Water Service, pursuant to the terms of a separate agreement. The Solano Subbasin GSA brings together a diverse group of stakeholders and agencies into a single governance structure, but also envisions that the Board will create "special management areas" to allow local managers to respond to local groundwater conditions. The members will share the agency's initial costs, which should result in cost savings to all agencies and ratepayers. The Solano County Water Agency (SCWA) will serve as the staff of the Solano Subbasin GSA.

We anticipate that staff will present the JPA creating the Solano Subbasin GSA to the Board of Supervisors for consideration in May 2017. Once the JPA becomes effective, the Board of Directors of the Solano Subbasin GSA will meet and direct SCWA to submit its notice of intent to DWR to be the exclusive GSA within its proposed boundaries (the entire Solano County portion of the Solano Subbasin, excluding the SID GSA).

#### Separate GSA over the area corresponding to the boundaries of the proposed SID GSA:

On January 17, 2017, the SID Board of Directors instructed its staff to file a notice of intent to the DWR to become an exclusive SID GSA for its service area within the unincorporated portion of the Solano Subbasin, which specifically excludes any city jurisdictional areas. DWR posted the SID GSA notice on February 17, 2017. If no competing GSA application is accepted by DWR before May 23, 2017, DWR will designate SID as the exclusive GSA for its proposed boundaries. The SID GSA will not become effective if the County or another agency files a GSA application that proposes to manage the same area as the SID GSA. An overlapping application would preserve the County's right to participate in any GSA prepared with SID in the unincorporated area, and allow more time for the County and SID to develop an agreement to collaboratively manage groundwater before the June 30, 2017 deadline.

Filing an overlapping application does carry some risk. If two GSAs propose to manage an overlapping area, neither agency's application will become effective. This creates an unmanaged area until the overlap is resolved. After June 30, 2017, groundwater extractors in an unmanaged area will be required to report extractions and pay fees to the State Water Resources Control Board (SWRCB) pursuant to Water Code Section 5202. The SWRCB has stated at public workshops that it understands many agencies across the state are in various stages of GSA formation and that it will waive fee requirements if an exclusive GSA is formed prior to October 1, 2017. If the area remains unmanaged the SWRCB can also follow the process outlined in SGMA to declare all or a portion of the subbasin probationary and implement its own Interim Plan to achieve groundwater sustainability.

To avoid the existence of unmanaged areas and potential probationary status after June 30, 2017, the County and SID could develop a jointly managed GSA and apply to DWR prior to June 30, 2017. This is the preferred

option at this point given SID's decision not to participate in the larger Solano Subbasin GSA. Under this scenario and if mutual agreement can be reached on the terms of a jointly managed GSA, SID and the County would withdraw their previous separate GSA applications to eliminate the overlap condition, and then submit a jointly managed GSA application to DWR. Staff from SID and the County are working diligently to develop a recommendation for a jointly managed GSA for Board consideration within this timeline. The SID GSA proposal currently contains several isolated areas, or "islands", within its boundaries that would be managed by the proposed Solano Subbasin GSA. To facilitate groundwater management, County staff are exploring the potential to include these islands as part of the GSA jointly managed by SID and the County.

**ALTERNATIVES:**

The Board could choose a different time on May 2, 2017 to hold the hearing. This is at the Board's discretion.

The Board could choose to set a different hearing date. This is not recommended as this date meets all SGMA mandated timelines for providing notice of the public hearing and submitting a County GSA application and notice of intent to DWR before the SID GSA application becomes effective.

**OTHER AGENCY INVOLVEMENT:**

The Department, County Counsel's office, and the Agricultural Advisory Committee participated in GSA formation negotiations and SGMA compliance efforts. Solano County is engaged with multiple local agencies, including SCWA, SID, Maine Prairie Water District, Rural North Vacaville Water District, Reclamation District 2068, Solano and Dixon Resource Conservation Districts, cities within Solano County, Yolo County, Sacramento County, DWR, and SWRCB regarding SGMA compliance efforts.

**CAO RECOMMENDATION:**

**APPROVE DEPARTMENTAL RECOMMENDATION**