

SUMMARY | Meeting of the Groundwater Sustainability Agency Formation Subcommittee

Soquel-Aptos Groundwater Management Committee
April 30, 2015, Capitola, CA

Background and Action Items

The Soquel-Aptos Groundwater Management Committee (S-AGMC), previously referred to as the Basin Implementation Group (BIG), was formed under a Joint Powers Agreement (JPA) among the Soquel Creek Water District (SqCWD), the Central Water District (CWD), the City of Santa Cruz, and Santa Cruz County (County). S-AGMC consists of private well-owners and elected officials from SqCWD, CWD, the City of Santa Cruz, and the County. Following passage of the Sustainable Groundwater Management Act (SGMA), which requires formation of a Groundwater Sustainability Agency (GSA) and Groundwater Sustainability Plan (GSP), the S-AGMC established a GSA Formation Subcommittee (Subcommittee). The Subcommittee is tasked with exploring GSA formation options, identifying areas of consensus and potential bottlenecks, incorporating stakeholder input and basin boundary modification efforts, and developing a framework and bylaws for the GSA. The S-AGMC also tasked the Subcommittee to work with a legal advisor, a community facilitator, and SqCWD staff liaisons to analyze and recommend the most appropriate governance model.

This was the first meeting for the Subcommittee. A list of meeting participants is provided in Appendix A. The objectives for this meeting were:

- Review the roles and responsibilities of the S-AGMC, the Subcommittee, the legal advisor, and the community facilitator.
- Appoint a Subcommittee Chair.
- Review the SGMA requirements and GSA formation timeline.
- Review various existing Joint Powers Agreements (JPA)/watermaster models.
- Identify information to present to the S-AGMC at its May 21 meeting.

#	Major Action Items	Lead	Estimated Timing
1.	City of Santa Cruz staff will send SqCWD its JPA model spreadsheet to circulate among the GSA Subcommittee.	Santa Cruz	May 8
2.	Chairman will resend consolidated list of questions the GSA Subcommittee should consider.	Chair	May 1
3.	GSA Subcommittee will convene again before the May 21 meeting. The consultants do not need to attend, but the Subcommittee may ask for consultants' input after the meeting.	All	May 8
4.	CCP will finalize the stakeholder interview questions in consultation with Chairman and SqCWD staff.	CCP	May 1
5.	CCP will conduct stakeholder interviews and share themes at the May 21 S-AGMC meeting.	CCP	May 1-20

1. Welcome and Introductions

Melanie Schumacher, SqCWD Special Projects Director, welcomed participants and provided context for the Subcommittee's charge and the meeting's objectives. She noted that one of the items of business for this meeting would be identifying a chairperson for the Subcommittee, who would perform this role in the future.

2. Administrative Business

2.1 Roles and Responsibilities

Ms. Schumacher reviewed the roles and responsibilities for the S-AGMC, the Subcommittee, the community facilitator, and the legal advisor:

- **S-AGMC.** The major distinction between the S-AGMC and a GSA is the governance structure – S-AGMC has thus far been operating voluntarily through Assembly Bill 3030 (AB 3030). The GSA will generally have the same responsibilities as the S-AGMC, but the governance structure may differ based upon the selected governance model (e.g., voting process, membership, etc.) Once the GSA is established, S-AGMC will no longer develop updates for their voluntary “AB 3030” groundwater management plan, because the GSA will file annual reports to the California Department of Water Resources (DWR) as part of its GSP requirements.
- **GSA Subcommittee.** As stated earlier, the Subcommittee will primarily analyze the different groundwater management models to determine the most appropriate governance model and framework.
- **Community facilitator.** The State Water Regional Control Board (Water Board or SWRCB) contracted with the California State University's Center for Collaborative Policy (CCP) to conduct a pilot community engagement assistance process with S-AGMC's initial SGMA efforts. CCP will conduct stakeholder interviews and work with the Subcommittee to draft a community engagement plan and facilitate a community meeting in June. CCP will also prepare a “lessons learned” memo for the Water Board on this pilot effort.
- **Legal advisor.** The initial scope of work for the legal counsel from Brownstein Hyatt Farber Schreck, LLC (BHFS) primarily includes guidance for complying with SGMA, exploring different GSA governance models, considering management options and issues (e.g., water rights, funding, etc.), and possibly developing the framework and bylaws to formalize the GSA formation.

Dr. Marci DuPraw, CCP Managing Senior Mediator, introduced Gita Kapahi, Director of the Water Board's Office of Public Participation, which has provided funding for CCP's assistance to the S-AGMC and the GSA Formation Subcommittee for developing a community engagement plan. Ms. Kapahi noted that the Water Board hopes to learning from the pilot S-AGMC

community engagement process to enable the Water Board to better provide local assistance for developing other GSAs across the state.

Dr. DuPraw provided an overview of CCP's mission and proposed approach for developing the community engagement plan. CCP provides impartial facilitation and mediation and helps build stakeholders' capacity to address policy challenges. Dr. DuPraw explained that the Water Board funding will enable CCP to: a) interview approximately 20 stakeholders (including Subcommittee members); b) to analyze this input and formulate a proposed community engagement plan based on it in consultation with the S-AGMC and the Subcommittee; c) to present the assessment findings at a public meeting and elicit attendees' feedback regarding proposed community engagement methods to support SGMA implementation; and d) to finalize the plan. Dr. DuPraw noted that the S-AGMC (in its earlier life as the Basin Implementation Group) has engaged in significant community engagement activities in the past, and CCP's recommendations will seek to build on these past efforts. Dr. DuPraw then oriented Subcommittee members to an information packet about CCP. She sought Subcommittee feedback on two items in the packet – 1) the draft stakeholder interview topics for use in CCP's focused stakeholder assessment; and 2) factors to consider in selecting interviewees.

Discussion – Roles and Responsibilities

The Subcommittee discussed what additional questions should be part of the interviews. Subcommittee members suggested several issues: basin boundary revisions, relation to regional water management efforts such as the Integrated Regional Water Management (IRWM) program, and how the public can affect the GSP. Subcommittee members also suggested potential interviewees.

The Subcommittee provided questions and comments on the following major topics:

- **June Public Meeting.** The Subcommittee considered the rationale for hosting a public meeting in June rather than waiting until fall when the S-AGMC has more details to discuss with attendees, and recommendations for GSA formation. Gita Kapahi, Water Board, said the public meeting was originally scheduled based on considerations related to the Water Board-CCP contract timeline, but the contract can be amended if desired. The Water Board primarily wants to provide the support that S-AGMC needs to develop a successful GSA. Participants discussed the June public meeting topic throughout the meeting; ultimately, the Subcommittee supported a public meeting in June because the last public meeting was in January, and Subcommittee members saw merit in regularly engaging the public during the GSA formation process. Subcommittee members said the public would likely appreciate being informed about the challenges the S-AGMC is addressing rather than being presented with the S-AGMC's final recommendations. A June public meeting also provided an opportunity to raise public awareness about the drought and water conservation before summer.

- **Outreach e-mail lists.** Subcommittee members briefly discussed their outreach efforts. SqCWD staff requested the City of Santa Cruz’s e-mail list to add to S-AGMC’s e-mail notification list.
- **Interviewee selection.** Who will CCP interview, and who selects the interviewees? How many interviews?
 - CCP Response: CCP will conduct approximately 20 interviews, averaging about 1.5 hours per person. The facilitator selects the interviewee based on agreed upon criteria and input from S-AGMC member staff and the Subcommittee. The selection criteria thus far include: 1) interviewees are **stakeholders** with respect to GSA / GSP formation in this basin; 2) they collectively represent a **broad range** of sectors and perspectives; 3) they are widely respected **opinion leaders**, and/or could help ensure or block GSA / GSP effectiveness; 4) they collectively represent broad **geographic diversity** within this basin; and 5) they include major **decision-makers** with respect to GSA / GSP formation.
 - Ultimately, the objective is to gather a diverse spectrum of perspectives from different sectors, geographic locations, etc.
- **Past under-engaged stakeholders.** It will be important to interview representatives of key sectors that have not been actively involved with S-AGMC discussions, such as the agriculture sector.
- **Managing expectations.** Make sure to manage expectations during the interviews to focus participants on topics that are actually negotiable (e.g., how stakeholders can inform the GSP). For example, it is the S-AGMC and GSA Formation Subcommittee’s responsibility to formulate the appropriate GSA governance structure.
- **Water Board involvement.** The Water Board is providing community engagement assistance to what other groups?
 - Water Board Response: I can provide that information following the meeting.
 - SqCWD Staff Comment: S-AGMC will likely be a good pilot example due to factors such as having multiple parties involved, having conducted early public outreach efforts, having seawater intrusion issues, and planning to apply for basin boundary revisions.

2.2 Appoint Subcommittee Chair

The Subcommittee members nominated and approved Jon Kennedy, Subcommittee member and private well-owner representative, as the Subcommittee Chairman.

2.3 Primer on Water Rights, SGMA, etc.

Russ McGlothlin and Jena Shoaf, BHFS, provided an overview of SGMA requirements, the basin boundary revision request phase, and SGMA-related legal considerations.

Discussion – SGMA Legal Primer

Subcommittee members discussed the scope of GSA authorities, potential legal challenges, the proposed basin boundary revisions, and options for coordinating with Pajaro Valley Water Management Agency (PVWMA), which shares the Aromas aquifer with SqCWD and CWD.

The Subcommittee provided questions and comments on the following major topics:

- **GSA authorities and limitations.** What authorities does SGMA grant to the GSA, and what are the legal limitations or challenges associated with those authorities? Can a GSA enforce pumping restrictions on a party claiming water rights?
 - BHFS Response: Generally SGMA grants GSAs robust powers in management such as monitoring and requiring reports, setting allocations (e.g., pumping limits), and assessments (e.g., pumping fees). SGMA does not address water rights. SGMA supports compromise, but does not outline steps if parties cannot compromise over water rights. In practice, I encourage you to engage the property owner early in the process and try to use collaboration first, then mediation or arbitration if necessary; litigation should be the final option.
- **Assessment options.** Can a GSA charge or assess a private well-owner differently if the well is close to the coastline and risks seawater intrusion?
 - BHFS Response: That may trigger Prop 218 and a water rights conflict if the coastal well-owner argues the inland well-owner is causing seawater intrusion by reducing replenishment. If the GSA can demonstrably present the higher costs to provide service to the coastal well-owner over the inland well-owner, then Prop 218 would allow the GSA to use the funds to mitigate the potential effects of the coastal well-owner's pumping. It does not resolve the water rights issue though.
 - Subcommittee Comment: PVWMA charges well-owners in their coastal distribution system more than inland well-owners. PVWMA was able to demonstrate through the Prop 218 process the additional service provided by being near their coastal distribution system. Even if a well-owner does not use the delivered water, coastal well-owners pay more for their groundwater because they benefit from being in the presence of the delivered water system.
- **Prop 218.** The challenge with Prop 218 is that fee adjustments are subject to majority protest and not proportional protest. Each well-owner has a vote; therefore the number of private well-owner votes dwarfs the municipal votes. Is there a way to increase fees to account for increasing service costs or future groundwater projects?
 - BHFS Response: The fact that each well-owner has a vote in a majority protest and the vote is not weighted by actual production is a common complaint. Given the recent divided opinions on Prop 218 applicability to pump assessments, the State Supreme Court will likely have to address that issue in coming years.
 - City of Santa Cruz Staff Response: Structurally, a water district could carry out the assessment via a property tax rather than pumping rates.
- **Water rights and litigation.** What would be the likely outcome if a GSA went to court over water rights? Who would pay the legal fees?
 - BHFS Response: It is uncertain. Water rights are convoluted, which can be a benefit or a drawback. The disputing parties may want to avoid litigation because it is very difficult to project which side the judge will decide upon. A party pays; the legal cost is not shared (i.e., the public is not entitled to be reimbursed by the private well-owner). A water right in California can be seen as a hybrid between a public interest and a protected private property interest – and the line that separates those interests is defined by the public or private

parties' "reasonable expectation." For example, it may be unreasonable for a private party to pump water uncontrollably without considering the effect on other users, the environment, and other public interests.

- **Basin Boundary Revisions.** The Subcommittee discussed the anticipated proposal to revise basin boundaries to align more with certain jurisdictional boundaries as well as more accurate hydrogeological connections. The City of Santa Cruz, SqCWD, and CWD primarily get their groundwater from the Purisima and Aromas aquifers; however, PVWMA receives water from the Aromas aquifer as well. Therefore S-AGMC would need to develop a coordination agreement with PVWMA for management in the Aromas basin.
 - BHFS Comment: A future discussion can focus on options for submitting the basin boundary modification request. DWR is currently modifying its boundary regulations and generally wants broad support for the revision requests and compelling justification for the revisions. Based on the draft documents that have been prepared, it appears that DWR's opinion is that if the GSAs manage the water sustainably on either side of the boundary, then the boundary designation does not matter very much to DWR.
- **Coordination agreements.** What does "coordinate" entail in the coordination agreements?
 - BHFS Response: DWR is working on those details, which most likely will involve both GSAs using best management practices (BMPs). One challenge is that BMPs usually entail using the same data; and parties will often vehemently dispute the data. DWR does not want to be the arbitrator in this situation; if GSAs cannot create a satisfactory coordination agreement, DWR may not approve the GSP, in which case the Water Board will intervene and create the GSPs for the disputing parties, or the parties can pursue adjudication.
- **High prioritization and critical overdraft.** DWR identified our basins as high priority and potentially subject to conditions of critical overdraft. Does the data suggest we are in a state of critical overdraft?
 - Subcommittee Response: That designation stems from the part of the Pajaro basin that B-118 included as part of our basin boundary. If DWR accepts our boundary revision request, it will have to reevaluate the basin prioritization and whether we are subject to critical overdraft. If DWR determines we are subject to conditions of critical overdraft, we have to submit a GSP by January 31, 2020; if not, we have until January 31, 2022. We are moving forward at a good pace to provide the GSP by 2020 if necessary.
 - The Subcommittee discussed the possibility that if DWR uses seawater intrusion as an indicator of overdraft, it could automatically identify a basin as critically overdrafted. However, DWR has not identified seawater intrusion as a major issue in the Purisima and Aromas basins.
- **California Environmental Quality Act (CEQA).** Are GSAs subject to CEQA?
 - BHFS Response: Creation of the GSP is exempted from the CEQA process, but SGMA does not specifically address GSAs in relation to CEQA. GSA formation may

benefit from a CEQA exemption; however, *projects* conducted under the GSP may require a CEQA evaluation.

- **Local Agency Formation Commission (LAFCO).** Will LAFCO be involved?
 - BHFS Response: It is unlikely for your particular situation since your proposed GSA falls within your jurisdiction boundaries. A GSA might have to engage a LAFCO if it needed to expand its district/city boundaries beyond the jurisdiction boundaries (e.g., if a water district was the GSA and needed to expand its boundary to qualify as an appropriate GSA). SGMA is not entirely clear on this situation, but it will be addressed.

2.4 Review of Various Existing JPA/Watermaster Models to Consider

Governance

Mr. McGlothlin provided an overview of the general governance options that may apply to the S-AGMC's situation:

- **Public/private hybrid representation.** Mr. McGlothlin said from his perspective, the presence of both private and public representatives on the S-AGMC is a good indicator of S-AGMC's commitment to engaging different perspectives in sustainable groundwater management discussions.
- **Joint Powers Authority (JPA).** He said the GSA for S-AGMC seems like it will most likely be a multiparty GSA; therefore, he suggested modifying the joint powers agreement accordingly. The Subcommittee can work with BHFS in the future to determine the specific arrangements to include in the modified JPA, such as payment options and voting. For example, if the JPA will be funding capital projects it is important to have an agreement that includes customary language for municipal financing. The current JPA agreement does not include this required language. The JPA may also need to rely on GSA members' contributions until establishing pump assessments (under Prop 218 pumping rates trigger majority protest and parcel taxes require a vote). Mr. McGlothlin recommended that payment and JPA member voting should be proportional.
- **Friendly adjudication.** Mr. McGlothlin reviewed the option of a "friendly adjudication." He said if the members of a multiparty GSA are able to agree on a GSP to the point that no major controversial issue remains, then those parties may want to consider collectively asking a judge to make the GSP more permanent via adjudication. Adjudication offers long-term legal certainty associated with the GSP, allocations, payment mechanisms, etc. Adjudicated plans are also not subject to Prop 218, and water rights conflicts are resolved more quickly because of continuing judicial oversight. The GSA would likely evolve into the designated "watermaster" and could update the GSP as needed by presenting the rationale to the overseeing judge. Mr. McGlothlin acknowledged the risks and negative perceptions of adjudication. However, he said the most challenged and important groundwater supplies have been adjudicated and are often now the most efficient because management is adaptive and comprehensive. He said the Subcommittee does not need to decide whether to pursue this option now, and

he suggested the S-AGMC should actually wait for possible pending legislation that would make adjudication easier and less expensive.

Discussion – Governance

The Subcommittee provided questions and comments on the following major topics:

- **Mid-process litigation.** Can a party litigate the GSA/GSP during the process of adjudication?
 - BHFS Response: Yes, and the judge would decide the next steps.
- **Domestic well inclusion.** Does adjudication encompass domestic wells?
 - BHFS Response: Historically, an agency had to personally serve each landowner for inclusion in the adjudication. The pending reform legislation would include every landowner through new efficient service procedures.
- **Dismissal options.** How far can the GSA explore the adjudication option and still rescind the adjudication request?
 - BHFS Response: Technically you can dismiss without prejudice; in reality, if the GSA faces opposition after requesting adjudication, you will likely be committed to the entire adjudication process.
- **Surface water-groundwater adjudication linkages.** Are there examples in California of linkages between surface water adjudication and groundwater adjudication?
 - BHFS Response: None between surface water and groundwater adjudications. Groundwater-to-groundwater adjudications exist however, which may be analogous to stream-to-groundwater adjudication.
- **Adjudication drawbacks.** What are the potential ramifications for adjudication?
 - BHFS Response: If the GSA achieved robust compromise and solidarity on the GSP, then memorializing it through adjudication provides immense stability from a legal perspective. If the GSA still worries of future conflicts, then that collaborative solidarity may not be that robust.
 - Subcommittee Comment: A potential drawback could be that the courts may resolve conflicts differently than the GSA would want.

JPA/Watermaster governance model examples

Mr. McGlothlin presented several examples of multiparty JPAs, watermasters, and “special act district” governance models in California:

- **Sacramento Groundwater Authority (SGA).** The SGA consists of a 16-member board of both public and private representatives and uses weighted voting. The SGA represents a creative method for including private stakeholders (i.e., private board members are appointed by public entities). The SGA does not use pumping allocations, but controls pumping by making pumping assessments.
- **Monterey Peninsula Regional Water Authority (MPRWA).** Mr. McGlothlin pointed out this is not a groundwater management entity, but this JPA’s voting and payment mechanisms may interest the Subcommittee. The MPRWA also has weighted voting and uses the customer base to allocate payment responsibility.

- **Watermasters.** The watermaster can consist of one member (e.g., San Fernando Basin and the Mojave Basin) or multiparty watermasters (e.g., Seaside Basin, Chino Basin, Main San Gabriel Basin, and the Central/West Basin). Mr. McGlothlin said if a GSA pursues adjudication, the GSA may naturally evolve into the designated watermaster, but the judge may decide to add or reduce the number of parties involved as watermasters. The watermaster typically uses pump assessments for funding, but other funding sources exist as well.
- **Special Act Districts.** Mr. McGlothlin said there are approximately 12 to 15 special act districts that have groundwater management authority and operate under an appendix in the California Water Code. These can be a mix of private and public board members and are mostly funded based on groundwater extraction fees. To date, none have exercised allocation limits. He said other models and tools may be more appropriate for S-AGMC's situation.

Discussion – Governance Model Examples

The Subcommittee provided questions and comments on the following major topics:

- **Private representation.** How did SGA include private representatives on the SGA Board if the Water Code stipulates only public agencies can implement groundwater management?
 - BHFS Response: Mr. McGlothlin explained that the public agencies appoint the private representatives to the SGA Board and this process is provided for in the Joint Powers Agreement.
 - SqCWD Staff Response: Each SGA member public agency funds its own projects, which reduces the liability risk related to that type of governance model.

Substantive Plan Components

Mr. McGlothlin reviewed the major components that the Subcommittee may want to consider in developing the GSP. Examples included: tools or projects that the GSA will need to use to address its groundwater management problems; funding mechanisms; who benefits and is entitled to groundwater supply; and adaptive management. He listed several strategies for groundwater management:

- **Funding – Yield enhancement projects sponsored for all vs. discrete payer/benefit.** Everyone pays for the project and the yield that results is shared among all, or discrete entities pay for and are entitled to the enhanced yield produced from the project. If the GSA does not use allocations, then it is more difficult to assign payment responsibility and beneficiary entitlement.
- **Operational vs. Safe Yield.** The GSA can choose whether to manage supply based upon the operational yield (determined based on management decisions) rather than the safe yield (maximum amount allowable naturally without augmentation before causing undesirable effects).
- **Offset overproduction.** Water users can pay the GSA to implement projects to remedy excess demands (e.g., Central/West Basin), and the GSA spreads the costs across everyone. The GSA could also allocate the native safe yield, then each individual pumper

pays the full freight to replace the individual's groundwater overproduction (e.g., Mojave Basin); the GSA uses those funds to fund replenishment.

- **Allocations vs. no allocations.** Allocation may trigger water rights disputes and litigation. The GSA can choose whether to provide exceptions for de minimus pumpers (those that extract less than 2 acre feet of water annually for domestic uses).
- **Transferability.** Incorporating a “cap and trade” mechanism into the plan may offer financial incentives to conserve groundwater.
- **Pumping Location.** Consider requiring groundwater users to get GSA/watermaster approval before pumping in a certain area (e.g., near the coast).
- **Pumping variability.** The GSA can decide whether to allocate pumping based upon a running average or allow for carry over from one year to the next. Mr. McGlothlin recommended carry over pumping (as opposed to running average) with a technically supportable time-limit on carryover credits.
- **Storage/conjunctive use.** The GSA may wish to decide who gets to store water in the basin.
- **Adaptive management.** The GSA will need to integrate and implement adaptive management components (e.g., monitoring, mitigation, and reporting).
- **Drought emergency.** Consider including special permissions into the GSP for situations such as a declared drought emergency wherein the GSA would allow for increased production that needs to be replenished after a certain amount of time.

Open Discussion

The Subcommittee provided questions and comments on the following major topics:

- **Transfer agreements and water rights.** Does the GSA still need to address water rights if the various parties agree on transfer agreements?
 - City of Santa Cruz Staff Response: Yes if surface water is involved.
 - BHFS Response: The Water Board has jurisdiction over surface water. For groundwater transfers to be effective, there will likely need to be discrete allocations (i.e., cap and trade), which may involve water rights issues.
- **Transferability for seasonal variation.** The group discussed how the GSP could support surface water-groundwater transferability for seasonal variation (e.g., use surface water in the winter, then switch to groundwater in the summer).
- **Adjudication options.** If the GSA works well for a long time period, will it become more difficult for adjudication to be brought by an objecting party at a later date?
 - BHRS Response: Possibly. People's water use may change, which may change water rights over time. If the GSA develops a well-supported GSP, SGMA allows the GSA to file a validation action, which is effectively a “quiet title” action from a government agency that basically states anyone who disagrees with the action needs to intervene in the action and object. It is not as comprehensive as adjudication, but it provides greater immunity from legal assailment in the future.
- **Multiparty GSA vs. single party.** What is the rationale for creating a multi-party GSA rather than a single party GSA with multiple GSAs and GSPs in the basin? Is it possible

for GSA members with more resources to commandeer the GSA's actions in a multi-party situation?

- BHRS Response: Collaboration/compromise will be required either way, but a single party GSA will be less efficient – the single party GSA would have to develop its own GSP as well as coordination agreements with neighboring GSAs in the same groundwater basin. However, those questions regarding an equitable and fair GSA governance structure are legitimate issues to address. CCP could help you address those issues.
- Subcommittee Comment: SGMA requires that all GSAs in a basin work together either as one GSA or through coordination agreements. The GSA Subcommittee's charge is to determine the most efficient and effective option. Many Subcommittee members prefer the multi-party GSA, because S-AGMC governance under the AB 3030 plan is similar and appears to be fairly effective.
- **Monitoring private wells**. What authority does a GSA have to monitor private wells (i.e., require meters)?
 - BHFS Response: The GSA can require a private well-owner to purchase and install a meter as part of the GSP. The GSA cannot require meters before the GSP is adopted or require meters on certain de minimus users. The GSA can regulate de minimus users if they are assessed, but the GSA would need to develop the assessment charges based on assumptions of pre-existing use data and not meters.

2.5 Long-Range Planning Timeline of GSA Formation and Groundwater Sustainability Plan Development

Mr. McGlothlin and Ms. Shoaf reviewed the major milestones for GSA formation and GSP development and referred participants to the BHFS memo "Roadmap for becoming a GSA."

2.6 Tasks of the GSA Subcommittee and Issues to Consider

During general discussion, the Subcommittee members identified several tasks and issues to consider for GSA formation and GSP development. Mr. McGlothlin suggested the Subcommittee work closely with CCP to address many public engagement and strategic planning questions.

Major tasks and issues to consider included:

- How to engage and develop partnerships with private well-owners;
- Whether adjudication is a worthwhile option to memorialize the GSP;
- How to organize GSA members' voting and payment responsibilities;
- How to organize and review all the GSA formation options (the City of Santa Cruz' staff created a spreadsheet of JPA-like organizations -- not limited to groundwater management or California -- which it can circulate among the Subcommittee);

- How to address the iterative challenge of designing GSA governance without knowing the GSA’s specific tasks or conversely, designing projects without knowing the GSA governance structure;
- How to involve the public early on in the SGMA process despite major uncertainties;
- How to ensure the GSA and GSP supports fair governance among the GSA member parties;
- How to get the most benefit from the public engagement and legal consultants given the funding constraints (Mr. McGlothlin suggested the Subcommittee utilize Ms. Shoaf’s services for the majority of the GSA legal consultation, with Mr. McGlothlin adopting more of an advisory role); and
- How to address potential challenges associated with different governance models.

2.7 Information to Provide to May 21 S-AGMC Meeting

- Subcommittee members discussed modifying and augmenting the City of Santa Cruz’s JPA model spreadsheet format to provide a brief overview of the governance models to the S-AGMC. The overview could include governance structure examples and the associated scope of projects and costs.
- The Subcommittee agreed it should use scenario planning (i.e., evaluate different governance models, levels of authority, projects, etc.) to provide the S-AGMC a suite of governance options and potential outcomes.

2.8 Next Steps

Next steps are outlined on page 1.

3. Adjournment

The next GSA Subcommittee meeting is scheduled for Friday, May 8, 11am – 2pm, with exact location to be determined.

4. Appendices

- A – Participation List for the GSA Subcommittee 4/30/15 Meeting
- B – GSA Subcommittee PowerPoint presentation slides
- C – CCP: Anticipated Stakeholder Interview Topics
- D – CCP: Proposed Considerations In Selecting Interviewees

Appendix A – Participation List for the GSA Subcommittee 4/30/15 Meeting

GSA Subcommittee Members:

Name	Organization
1. Bruce Jaffe	SqCWD
2. John Ricker	Santa Cruz County
3. Micah Posner	City of Santa Cruz
4. John Benich	CWD
5. Bill Wigginton	Private
6. Jon Kennedy	Private

Staff and Consultants:

Name	Organization
1. Ralph Bracamonte	CWD
2. Laura Brown	HydroMetrics/ Member of the public
3. Ron Duncan	SqCWD
4. Marci DuPraw	CCP
5. Stephanie Horii	CCP
6. Gita Kapahi	SWRCB
7. Russ McGlothlin	BHFS
8. Rosemary Menard	City of Santa Cruz
9. Melanie Mow Schumacher	SqCWD
10. Matt Orbach	SqCWD
11. Jena Shoaf	BHFS

Summary prepared by: Stephanie Horii, CCP

GSA Formation Subcommittee

April 30, 2015

Agenda

9AM-Noon

- 1. Roles and Responsibilities**
- 2. Appoint Subcommittee Chair**
- 3. Primer on key provisions of the Sustainable Groundwater Management Act (Russ)**
Review of various existing JPA/Watermaster models to consider (Russ)
- 4. Planning Timeline of GSA Formation and Groundwater Sustainability Plan Development (Russ)**
- 5. Tasks of the GSA Subcommittee and Issues to Consider**
- 6. Information to provide to May 21 S-AGMC meeting**
- 7. Next Steps**

Agenda

9AM-Noon

1. Roles and Responsibilities

A. Introductions (5 min)

- Subcommittee members
- Staff assisting subcommittee efforts
- Consultants and regulator(s) supporting GSA Formation
 - Russ McGlothlin and Jena Shoaf, Brownstein Hyatt Farber Schreck
 - Marci DuPraw and Stephanie Horii, Center for Collaborative Policy, CSU Sacramento
 - Representatives from State Water Resources Control Board

B. Roles and Responsibilities

- Soquel-Aptos Groundwater Management Committee
- Subcommittee members
- Consultants
 - Overview of the SWRCB Pilot Community Engagement Assistance Process (Marci, see slides)
 - Overview of the legal assistance and advisement (Russ, see slides)

Soquel-Groundwater Management Past, Present, Future

JPA/ Basin Implementation Group (BIG)

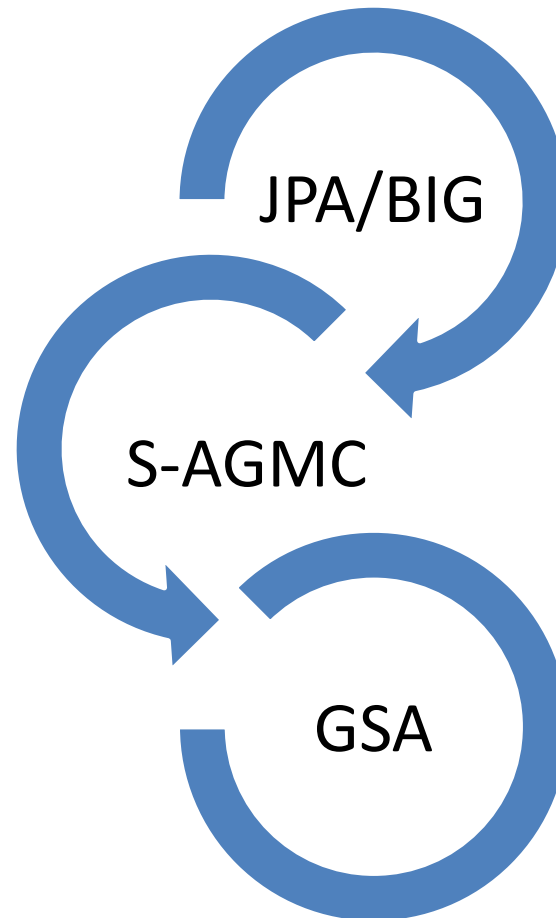
(Originally created in 1995)

JPA/ Soquel-Aptos Groundwater Management Committee (S-AGMC)

(Expanded with Amendment #3
2015)

Groundwater Sustainability Agency/Authority

To meet new SGMA Requirements
(to be formed by June 2017)



- What are the differences between the S-AGMC and the to-be-formed GSA?
- Is the GSA a successor agency of S-AGMC?
- What are the powers and functions of a GSA?
- What are some different models for forming a GSA?
- What is the date that we're "shooting for" to file to DWR our Notice of Intent to become a GSA?
- What are some bottleneck issues that may impact GSA formation?

Role and Responsibilities: Duties of the Soquel-Aptos Groundwater Management Committee (S-AGMC) Taken from JPA Amendment #3

- Assure that the goals and objectives identified in the current Groundwater Management Plan are pursued in a reasonable and timely manner.
- Review data and coordinate groundwater pumping to the extent possible to meet demand and avoid exacerbating undesirable coastal groundwater conditions.
- Undertake ongoing and comprehensive efforts to collect, maintain, and share groundwater data with respect to water levels and quality.
- Undertake cooperative research and resource management initiatives that are regional in scope and disseminate information resulting from these activities.
- Recommend joint efforts to the respective governing bodies which are of regional benefit, e.g. general seawater intrusion monitoring, recharge within shared portions of the basin, etc.
- Jointly pursue groundwater management grants or studies, such as planning or project grants available from the State under Proposition 1, and hydrological modeling and studies undertaken by United States Geological Survey.
- Coordinate Urban Water Management Plans and Groundwater Emergency Plans.
- Facilitate formation of a Groundwater Sustainability Agency (or Agencies) required by the Act for development and implementation of the required Groundwater Sustainability Plan for the basin.

Subcommittee formed (after March 25th S-AGMC meeting)

Role and Responsibilities

GSA Subcommittee

- 1. To review various governance models for potential GSA structures**
- 2. To work with legal advisor, community facilitator, and staff on analyzing most-appropriate model**
- 3. Identify areas of consensus and areas needing further discussion/information**
- 4. Incorporate input from the public, S-AGMC , Regulators**
- 5. Incorporate efforts on basin-boundary modifications**
- 6. Develop framework and bylaws for the new Groundwater Sustainability Agency**

This is a starting point for the tasks/duties of the subcommittee. Today, with the presentations by Marci from CCP, Russ/Jena from BHFS, and conversations amongst the subcommittee members, Let's evaluate if these and see if there are others to add.

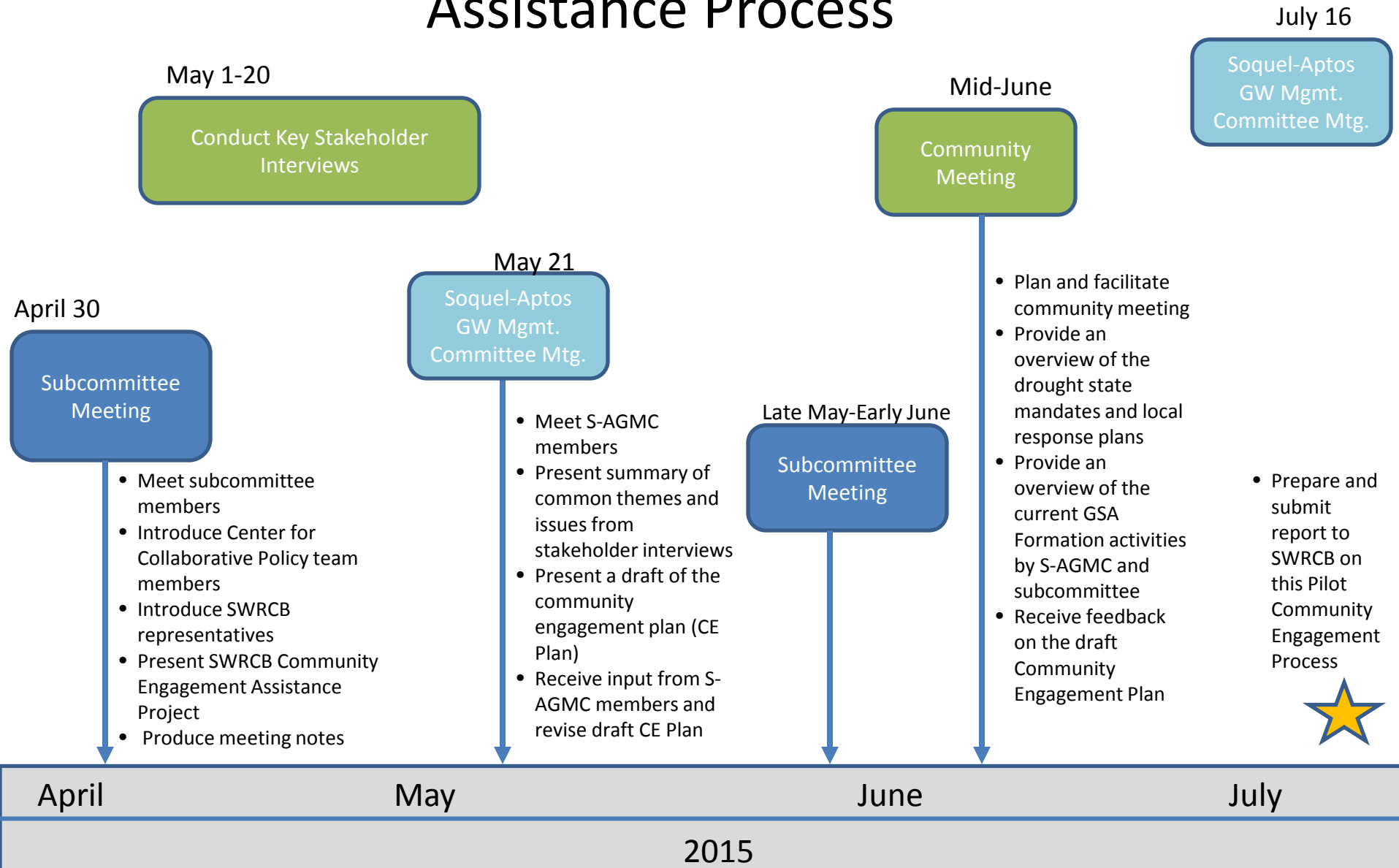
Scope of Work

for SWRCB Pilot Community Engagement Assistance Process

1. Meet with the S-AGMC Subcommittee
2. Conduct stakeholder interviews
3. Prepare a draft community engagement plan
4. Present themes from stakeholder interviews and draft community engagement plan to S-AGMC for feedback
5. Facilitate a community meeting
6. Incorporate feedback and input into final community plan.
7. Prepare a “lessons learned” memo for SWRCB on this pilot effort.



SWRCB Pilot Community Engagement Assistance Process



Scope of Work

for Legal Assistance and Advisement for GSA Formation

- Provide guidance on the SGMA groundwater legislation.
- Provide examples of strategies employed elsewhere in the state and discuss local needs and opportunities for the Basin.
- Provide analysis of available options and implications, including an evaluation of groundwater rights, financing options and related legal considerations, and potentially viable management strategies.
- Draft joint powers agreement and bylaws to formalize the formation of a GSA.

Agenda

9AM-Noon

3. Appoint Subcommittee Chair
4. Primer on key provisions of the Sustainable Groundwater Management Act (Russ)
5. Review of various existing JPA/Watermaster models to consider (Russ)
6. Planning Timeline of GSA Formation and Groundwater Sustainability Plan Development (Jena)
7. Tasks of the GSA Subcommittee and Issues to Consider (Russ)
8. Information to provide to May 21 S-AGMC meeting
9. Next Steps

SGMA State Deadlines (for our area)

2017

- Form Local Groundwater Sustainability Agency (GSA)

2022

- Adopt Groundwater Sustainability Plan (GSP)

2042

- Soquel-Aptos Groundwater Basin must achieve sustainability

Statutory Steps to form GSA

Deadline to Establish GSA is by June 30, 2017

– 135 day process

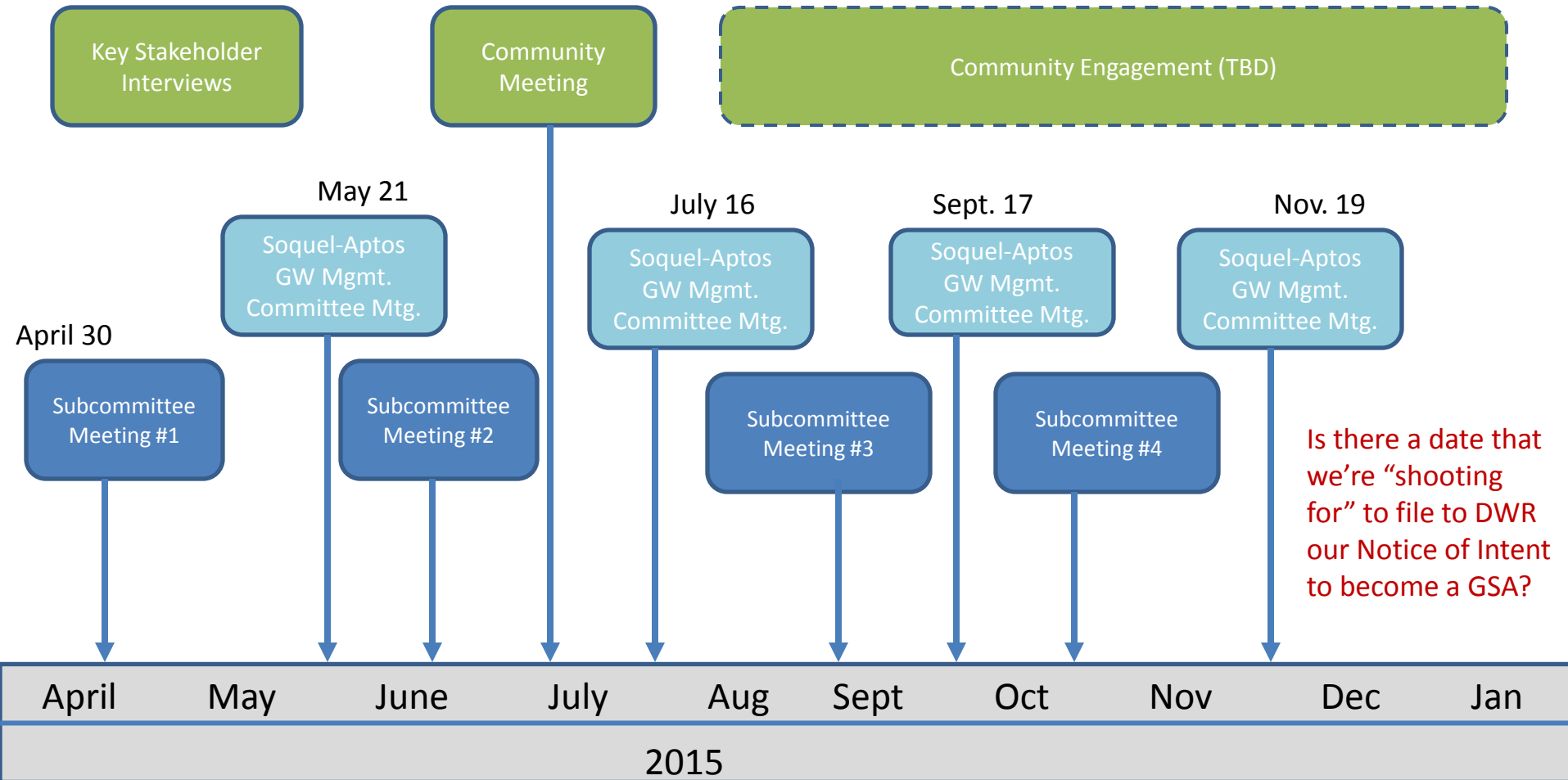
- February 16, 2017- Latest date for newly formed local agency to publish a notice of its intent to become a GSA.

– See memo from Russ and Jena: “Roadmap for becoming a GSA”

- The sooner that we form a GSA, the sooner we can begin developing the Groundwater Sustainability Plan (GSP).
- The GSPs is where many of the issues/topics “of interest” will be.



Outline of Meetings April 2015 – January 2016



Subcommittee Meeting #1

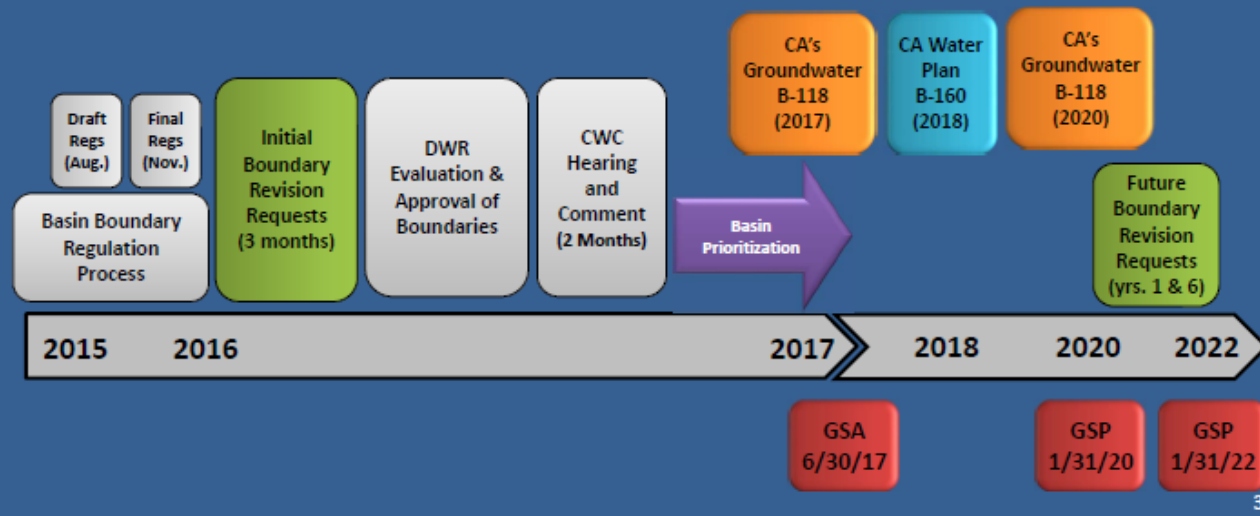
- Convene
- Discuss roles/responsibilities
- Overview of SGMA, JPA models, legal issues
- Overview of SWRCB Pilot Community Engagement Process
- Discuss timelines, tasks, next steps

Other concurrent issue to GSA formation is Basin Boundary adjustments

Boundary Revision Timeline

Question: What are the advantages and disadvantages of the following boundary revision request submission timeline;

- 1) The initial boundary revision request “window” of 3 months?
- 2) Subsequent boundary revision request “windows” occur after future B-118 updates (years ending in 1 and 6)?



Back up

Role and Responsibilities

GSA Subcommittee

1. To review various governance models for potential GSA Structures
2. To work with legal advisor, community facilitator, and staff on analyzing most-appropriate model
3. To identify areas of consensus and areas needing further discussion/information.
4. Incorporate input from the public, S-AGMC, Regulators
5. Incorporate efforts on basin-boundary modifications
6. To develop a model framework for the new **Groundwater Sustainability Agency**, the successor agency/authority of the Soquel-Aptos Groundwater Management Committee.

- Membership
- Powers
- Term
- Board of Directors
- Officers
- Voting
- Staff
- Bylaws and/or rules and regulations

- Advisory committee
- Budget/accounting
- Liability
- Withdrawals of members
- Amendments to JPA
- Assignment
- Binding on successors

Initial questions from Subcommittee Members

Questions or tasks

- 1 What is different about the GSA from the SAGMC?
- 2 How can we have private stakeholder representation (for 1/3 of use)
- 3 What is the optimal size of the member board (7, 9, 11)
- 4 Role and membership of Advisory Committee, if at all?
- 5 Russ to provide some examples of other GSA models for the subcommittee to discuss
- 6 Define the goals and objectives of the subcommittee so we can set and meet expectations
- 7 Develop a schedule that illustrates GSA-related issues and what would be considered GSP-related issues
- 8 List the Agency's key tasks
- 9 How does the agency have enforcement power
- 10 What is the legal framework under which the GSA will have power to regulate water extraction? How would it enact that power if an individual water user was not in compliance? What are the places where it will be difficult or impossible, legally, for a GSA to set policy that will be enforceable?

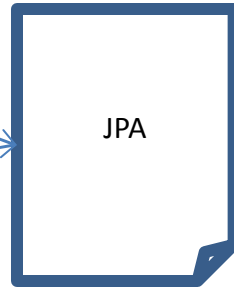
Bottlenecks initially identified by subcommittee members

Bottlenecks

- 1 What are some expected bottlenecks to formation? To success?
- 2 Multiple stakeholders feeling represented?
- 3 How can there be GSA decisions that will not be able to be vetoed by a member agency (through non-payment)
- 4 Where are the places where science and politics are likely to interact with regard to regulating water aquifers? In other words, what the places where we as politicians are likely to have to deal with public priorities, values, perceptions that require scientific study? I know that drinking treated water is a place where science and politics will interface. Others that are likely?

Community
Input/Engagement

GSA Formation
Subcommittee



Soquel-Aptos
Groundwater
Management
Committee

City of Santa Cruz
Soquel Creek
Water District
County of Santa
Cruz
Central Water
District

Develop and
Recommend Approval

Accept and
Recommend Approval

Consider Approval

**Forming a Groundwater Sustainability Agency
Under the Sustainable Groundwater Management Act**

Anticipated Stakeholder Interview Topics

- I. Ideal attributes of Groundwater Sustainability Agency (GSA) - e.g.:**
 - a. What should the GSA aspire to do;
 - b. What programs and projects might support those aspirations;
 - c. How should we measure success?
- II. Parties who need to be involved in forming GSA, and their relevant authorities, roles, responsibilities, and interests with respect to the GSA:**
 - a. Those with decision-making or other governance roles regarding groundwater in this basin and might want to be included in your GSA;
 - b. Other stakeholders who need to be involved in order to form a GSA that enjoys broad community support (those who are most strongly affected; those that could ensure or block GSA effectiveness);
- III. How best to elicit the interests of stakeholders and the community-at-large in the development and operation of the GSA and the development of the Groundwater Sustainability Plan (GSP);**
- IV. Suggested focus of agency efforts to maximize success in meeting SGMA requirements**
- V. Specific GSA design questions, e.g.:**
 - a. Whether this basin needs:
 - A single or “GSP”) covering entire basin developed and implemented by one GSA;
 - A single GSP covering the entire basin developed and implemented by multiple GSAs; or
 - Multiple GSPs implemented by multiple GSAs and coordinated pursuant a single coordinating agreement that covers the entire basin;
 - b. Any specific governance models to consider for GSA structure;
 - c. Whether the GSA should have authority over operational or policy matters (or both);
 - d. The “who” and “how” of GSA decision-making, appeals of same, and ensuring GSA personnel’s accountability;
 - e. Governance and decision-making structures that should be put in place to ensure that all interests are considered;
- VI. Past and current groundwater governance initiatives, and lessons learned from them (what worked / what might be done differently in the future).**

CONSIDERATIONS IN SELECTING INTERVIEWEES

1. Interviewees are **stakeholders** with respect to GSA / GSP formation in this basin.
2. They collectively represent a **broad range** of sectors and perspectives.
3. They are widely respected **opinion leaders**, and/or could help ensure or block GSA / GSP effectiveness.
4. They collectively represent broad **geographic diversity** within this basin.
5. They include major **decision-makers** with respect to GSA / GSP formation.