



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 11/6/2018	(3) CONTACT/PHONE Catherine Martin Water Resources Engineer (805) 781-5275	
(4) SUBJECT Request to approve an Agreement Regarding Contribution of Funds for the FY 2017-18 Budget of the Cuyama Basin Groundwater Sustainability Agency and authorize similar agreements to contribute funds to subsequent Cuyama Basin Groundwater Sustainability Agency annual budgets, if the contribution is within the approved County budget. Districts 4 and 5.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Approve and authorize the Chairperson to execute the attached Agreement Regarding Contribution of Funds for the FY 2017-18 Budget of the Cuyama Basin Groundwater Sustainability Agency (Funding Agreement), and authorize the Director of Public Works, or his/her designee, to take all actions necessary to administer the County's commitments under the Funding Agreement; and 2. Approve and authorize the Director of Public Works, or his/her designee, to execute similar agreements to contribute funds to subsequent Cuyama Basin Groundwater Sustainability Agency (CBGSA) annual budgets, if the contribution is within the approved County budget and subject to approval as to legal form and effect by County Counsel, and to take all actions necessary to administer the County's commitments under the funding agreements. 			
(6) FUNDING SOURCE(S) County General Fund – Fund Center 201	(7) CURRENT YEAR FINANCIAL IMPACT \$2.25M for SGMA efforts in all 6 basins	(8) ANNUAL FINANCIAL IMPACT \$1.3M to \$2.6M per year for SGMA efforts in all 6 basins	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 5/23/2017, #23	
(17) ADMINISTRATIVE OFFICE REVIEW Kristin Eriksson			
(18) SUPERVISOR DISTRICT(S) District 4 District 5			

Reference: 18.014



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Public Works

Catherine Martin, Water Resources Engineer

Carolyn Berg, Senior Water Resources Engineer

VIA: Courtney Howard, Water Resources Division Manager

DATE: 11/6/2018

SUBJECT: Request to approve an Agreement Regarding Contribution of Funds for the FY 2017-18 Budget of the Cuyama Basin Groundwater Sustainability Agency and authorize similar agreements to contribute funds to subsequent Cuyama Basin Groundwater Sustainability Agency annual budgets, if the contribution is within the approved County budget. Districts 4 and 5.

RECOMMENDATION

It is recommended that the Board:

1. Approve and authorize the Chairperson to execute the attached Agreement Regarding Contribution of Funds for the FY 2017-18 Budget of the Cuyama Basin Groundwater Sustainability Agency (Funding Agreement), and authorize the Director of Public Works, or his/her designee, to take all actions necessary to administer the County's commitments under the Funding Agreement; and
2. Approve and authorize the Director of Public Works, or his/her designee, to execute similar agreements to contribute funds to subsequent Cuyama Basin Groundwater Sustainability Agency (CBGSA) annual budgets, if the contribution is within the approved County budget and subject to approval as to legal form and effect by County Counsel, and to take all actions necessary to administer the County's commitments under the funding agreements.

DISCUSSION

The Sustainable Groundwater Management Act's (SGMA's) next critical deadline is for Groundwater Sustainability Agencies (GSAs) to develop and adopt a Groundwater Sustainability Plan (GSP) by the regulatory deadline. The California Department of Water Resources (DWR) designated the Cuyama Valley Groundwater Basin (Cuyama Basin) as a medium priority basin subject to critical conditions of overdraft and requires that its GSA develop and adopt a GSP by January 31, 2020. In order to achieve this deadline

and to address cash flow issues, the CBGSA is requesting member that agencies, including the County, help to fund the GSP development.

Cuyama Basin Governance and Voluntary Member Funding Contributions

On June 6, 2017, under the authority of SGMA and the Joint Exercise of Powers Act (Government Code Section 6500 et seq.), the County, Santa Barbara County Water Agency, the County of Kern, the County of Ventura, the Cuyama Community Services District and the Cuyama Basin Water District (collectively, members) entered into a Joint Exercise of Powers Agreement (JPA Agreement¹) for the purpose of forming the CBGSA (a joint powers agency that is legally separate from the members²). The purpose of the CBGSA is to implement and comply with SGMA in the Cuyama Basin, including developing, adopting and implementing a GSP.

The JPA Agreement Article 15 requires that the CBGSA Board of Directors adopt an annual budget and it also allows the CBGSA Board of Directors to fund the GSA and GSP through means provided in SGMA, through voluntary member contributions, and/or by any other means allowable by law. Consistent with the JPA Agreement, the CBGSA Board of Directors adopted the FY 2017-18 Annual Budget of approximately \$1M on February 7, 2018 and is funding its activities through various means.

Pending execution of a grant agreement, CBGSA will receive Proposition 1 Sustainable Groundwater Planning Grant Program funding to offset the cost of GSP development (approximately \$1.5M total to fund GSP development and \$648,000 to fund additional groundwater studies). The grant funding will only cover a portion of the total GSP Development Phase activities (through FY 2019-20) and works on a reimbursement basis; therefore, the CBGSA must identify independent source(s) of funding to cover expenses associated with GSP development and GSA administration/operations. The CBGSA requested that its six members provide voluntary contributions as summarized in Exhibit A of the attached Funding Agreement. The CBGSA Board of Directors based each member's contribution percentage on each member's voting right on the CBGSA Board and general land use/water use. The JPA Agreement allows for a portion of these voluntary contributions to be reimbursed, when appropriate (e.g. pending establishing grant funding and understanding what costs will be reimbursable).

The attached Funding Agreement includes the terms and conditions under which the County will provide its contribution of approximately \$38,568 towards the CBGSA's FY 2017-18 activities. Staff anticipates that the CBGSA Board of Directors will take future actions to adopt subsequent annual budgets and will request voluntary member contributions, at least through the duration of the GSP Development Phase (through FY 2019-20).

In order to streamline processes, staff recommends the Board authorize the Director of Public Works or his/her designee to execute similar funding agreements for subsequent CBGSA annual budgets if the contributions are within the approved County budget and to authorize staff to take all actions necessary to implement said funding agreements.

¹ Available on the DWR GSA Formation Portal at <https://sgma.water.ca.gov/portal/gsa/print/327>

² Pursuant to Article 16.1 of the JPA Agreement and in accordance with Government Code Section 6507, the debts, liabilities and obligations of the Joint Powers Agency shall be the debts, liabilities, and obligations of the Joint Powers Agency alone, and not the members. Pursuant to Article 16.2 of the JPA Agreement, the Joint Powers Agency must indemnify, defend and hold harmless each of the members their respective governing boards, officers, officials, representatives, agents and employees from and against any and all claims, suits, etc. attributable to or arising out of the Joint Powers Agency or the JPA Agreement.

OTHER AGENCY INVOLVEMENT/IMPACT

The CBGSA, Cuyama Community Services District and the County of San Luis Obispo are parties to the Funding Agreement. The other CBGSA members are providing their contributions to the CBGSA through other mechanisms. Although SGMA focuses on responsibilities of GSAs and local agencies, stakeholder outreach requirements, coordination requirements, and the practical realities of preparing a GSP require the involvement of the entire community.

In addition to local efforts, DWR acts as the agency in charge of grant funding for the CBGSA, developing regulations, reviewing GSPs, and providing technical assistance to local agencies. The State Water Resources Control Board acts as the agency in charge of enforcement, in situations of non-compliance specified in SGMA.

County Counsel has reviewed the agreement and approved it as to legal form and effect.

FINANCIAL CONSIDERATIONS

The costs associated with GSP development, GSA participation and engagement with groundwater users/stakeholders are included in the County's FY 2018-19 Budget. Exhibit A of the attached Funding Agreement presents the two assessments, which in total, amount to the CBGSA FY 2017-18 annual budget. Pending the Board's approval, the contribution requested from the County amounts to \$38,568 or 3.869% of the CBGSA budget, will provide the mechanism to contribute the County's portion. Anticipated contributions to future CBGSA Annual Budgets will be included in the recommended budget presented for the Board's consideration each year, as appropriate.

RESULTS

Approval of the recommended action will ensure areas of the Cuyama Basin within the County's jurisdiction will remain in compliance under SGMA and thereby contributes to a well-governed community.

ATTACHMENTS

1. Vicinity Map
2. Agreement Regarding Contribution of funds for the FY 2017-18 Budget of the Cuyama Basin Groundwater Sustainability Agency

File: CF 340.300.01 SGMA

Reference: 18.014

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