



Legislation Details (With Text)

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Title: SUBJECT: Memorandum of Understanding Among Agencies Within the Merced Groundwater Sub-Basin Following the Sustainable Groundwater Management Act (SGMA)

REPORT IN BRIEF

An introduction to the Sustainable Groundwater Management Act (SGMA) and adoption of a Memorandum of Understanding with various water agencies within the Merced Groundwater Sub-Basin following the Sustainable Groundwater Management Act (SGMA).

RECOMMENDATION

City Council - Adopt a motion to enter into a Memorandum of Understanding with various water agencies within the Merced Groundwater Sub-Basin following the Sustainable Groundwater Management Act (SGMA) and authorize the City Manager to execute the necessary documents.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Overdrafted regions in Central CA, 2. Merced Sub-Basin SGMA MOU.pdf

Date	Ver.	Action By	Action	Result
5/16/2016	1	City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency	approved	Pass

Report Prepared by: Ken F. Elwin, Director of Public Works / Interim City Engineer

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ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Modify the action (specify in motion); or,
3. Deny; or,
4. Continue item to a future City Council meeting (date and time to be specified in the City Council motion).

AUTHORITY

Charter of the City of Merced, Article II, Section 200.

CITY COUNCIL PRIORITIES

Not applicable.

DISCUSSION

In September 2014, Governor Edmund G. Brown, Jr. signed a three-bill package known as the **Sustainable Groundwater Management Act** (SGMA). The legislation allows local agencies to customize groundwater sustainability plans to their regional economic and environmental needs. SGMA creates a framework for sustainable, local groundwater management for the first time in California history. Sustainable groundwater management means managing our precious water for future generations, while balancing the more immediate needs of our economy, environment and essential human health and safety.

In September 2015, Governor Brown signed SB 13 by Senator Fran Pavley. The Bill makes various technical, clarifying changes to SGMA, including requirements for groundwater sustainability agency formation, the process for State Water Board intervention if no responsible agency is specified for a basin, guidelines for high- and medium-priority basins, and participation of mutual water companies in a groundwater sustainability agency.

The Sustainable Groundwater Management Act:

- Provides for sustainable management of groundwater basins
- Enhances local management of groundwater consistent with rights to use or store groundwater
- Establishes minimum standards for effective, continuous management of groundwater
- Provides local groundwater agencies with the authority, technical, and financial assistance needed to maintain groundwater supplies
- Avoids or minimizes impacts for land subsidence
- Improves data collection and understanding of groundwater resources and management
- Increases groundwater storage and removes impediments to recharge
- Empowers local agencies to manage groundwater basins, while minimizing state intervention

SGMA requires local agencies to establish a new governance structure, known as Groundwater Sustainability Agencies (GSA's) prior to developing groundwater sustainability plans (GSP's) for groundwater basins or sub-basins that are designated as medium or high priority. A core principle of the legislation is that groundwater should be managed at the local and regional level through cooperation and common interest.

GSA's are required to be formed by June 30, 2017, or the state can take over as the primacy agency

for groundwater management. The legislation prioritizes its attention on over-drafted basins, as the Merced Groundwater Basin is categorized (see attachment). The SGMA establishes a timeline for adoption of GSP's:

- By 2017, local groundwater sustainability agencies must be identified
- By 2020, over-drafted basins must be covered by a groundwater sustainability plan
- By 2040, each high- and medium-priority basin must achieve sustainability. (This can be extended by 10 years for good cause.)

Core principles of SGMA reflect a long-term, balanced approach to groundwater management:

- Groundwater is best managed at the local or regional level. Every basin is different and solutions must be tailored to the basin and its users. While the legislation sets minimum standards, it gives local agencies maximum flexibility to meet them. It is essential that local and regional agencies exercise leadership and implement locally-appropriate solutions to groundwater challenges.
- That state should complement and support the goal of local sustainable management. The legislation supports local control by providing local agencies with the necessary authority and technical support. The water bond provides \$100 million for planning and implementing groundwater solutions.
- The State's ability to intervene should be limited and temporary. The State should step in only when local agencies are unable or unwilling to manage their groundwater sustainably - to ensure protection of the basin and its users from overdraft, subsidence, and other serious problems. When the State does so, however, it should transfer management to local authorities when they are prepared to assume responsibility.
- Water rights should be protected. The legislation expressly preserves water rights, gives local agencies the ability to minimize conflicts through good planning and will protect the value of water rights by stabilizing groundwater levels.
- The legislation prioritizes those groundwater basins at risk for harm. The Brown Administration will work closely with local agencies and stakeholders to support local efforts and ensure the effective implementation of the legislation.

HISTORY:

Back in 1997, Merced Irrigation District (MID) and the City of Merced prepared a draft Groundwater Management Plan (GWMP) to comply with AB 3030. Merced Area Groundwater Pool (MAGPI) was formed then under an MOU and adopts the 1997 GWMP.

In 2008, an updated plan was prepared that supersedes the 1997 plan and responds to SB 1938. The 2008 update was prepared with a Technical Working Group that included MAGPI members, non-MAGPI agencies, technical experts, and members of the public. The 2008 update includes Basin Management Goals and Objective (BMO); BMO 4.2 asserts local control over groundwater resources, which is consistent with the SGMA preferred approach. The GWMP states that MAGPI, "should form a JPA to facilitate regional planning and management of water resources within the Merced Groundwater Basin."

MAGPI is an association without enforceable regulatory authority, it serves as the regional groundwater management planning group and is the focus for public involvement. Individual MAGPI members are responsible for developing local priorities and completing activities or projects within their jurisdictions. MAGPI's MOU anticipates the potential future need for a more robust entity with

significant authority. MAGPI is characterized as generally open and accessible to the public. MAGPI has developed an integrated water resources model with Department of Water Resources (DWR) support that has the potential to serve as a unifying tool for GSP development.

This background brings us to the Memorandum of Understanding attached. This MOU sets forth items of agreement among agencies within the Merced Groundwater Subbasin following the SGMA. The agencies involved include Black Rascal Water Company, Chowchilla Water District, City of Atwater, City of Livingston, City of Merced, County of Merced, East Merced Resource Conservation District, Le Grand Community Service District, Le Grand-Athlone Water District, Lone Tree Mutual Water Company, Lower San Joaquin Levee District, Meadowbrook Water Company, Merced Irrigation District, Merquin Water District, Planada Community Service District, San Luis Resource Conservation District, Stevenson Water District, Turner Island Water District, and Winton Water and Sanitation District.

The MOU is simply put an agreement to meet and cooperate to find the best management practices to continue to provide groundwater in a sustainable manner. Formation of at least one GSA is required by June 30, 2017, in order for this Subbasin to avoid being placed on a probationary status. After formation of at least one GSA, the group or GSAs must collectively establish one GSP, if there are more than one, a coordinated implementation plan must be in place. The agencies agree to cooperate, to use MAGPI as a forum for discussion and although there is no governance structure at this time, they agree to work towards formation of one or more GSA's by seeking consensus and meeting deadlines to be in compliance with SGMA.

The parties are agreeing to work individually and collectively to support the development of a SGMA compliant single GSP. A groundwater model is nearing completion, which simulates the interactions between groundwater and surface water. The model will assist the agencies with SGMA requirements, but more features will need to be refined to develop tools to assist in developing a GSP that is SGMA compliant.

The MOU will have no effect on water rights or replace any existing MOU. There is no financial commitment intended through this MOU. There is no creation of a joint powers authority with this MOU. Entering into this MOU is completely voluntary but it shows a good faith effort to the state. The MOU is an agreement to cooperate and work together towards the common collective goal of a GSP that meets state SGMA targets.

Staff recommends that the City Manager be allowed to sign the MOU and that we continue to work in good faith towards the goal and objectives of the MOU and planning for the future of our Sub-Basin, meeting the goals of the SGMA.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Over-drafted regions in Central CA
2. Merced Sub-Basin SGMA MOU