

*Mendocino County Russian River Flood Control
& Water Conservation Improvement District*

STAFF REPORT

To: Board of Trustees
From: E. Salomone, General Manager
Meeting: Tuesday, July 6, 2021
RE: Agenda Items 4: Groundwater Sustainability Agency (GSA)

The Strategic Plan relevant priorities are to (a) **Secure** reliable and available sources of water; (b) **Use** ensuring water is managed to its highest and best use as a public resource, responding to regional water uses; (c) **Advocate** by participating as an active stakeholder in the security and use of water beyond the District's direct authority; and (d) **Administer** agency financials to support plans and goals. in the District's vision to insure the reliability and availability of our water resources.

The District's mission is to proactively manage the water resources of the upper Russian River for the benefit of the people and environment of Mendocino County.

Background

The Ukiah Valley Basin Groundwater Sustainability Agency (UVBGSA) was created by a Joint Powers Agreement to serve as the official Groundwater Sustainability Agency for the Ukiah Valley Basin required by the Sustainable Groundwater Management (SGMA) Act of 2014.

SGMA seeks to provide sustainable management of groundwater basins, enhance local management of groundwater, establish minimum standards for sustainable groundwater management, and provide local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater.

The purpose of this Agency is to take actions deemed necessary to ensure sustainable management of the Basin, as required by SGMA. The Agency is charged with developing a Groundwater Sustainability Plan (GSP) for the Ukiah Basin.

A GSP is a 20-year plan to ensure the sustainable use of groundwater within a groundwater basin. The UVBGSA is required by SGMA to develop a GSP by 2022. The goal of the GSP is to establish a standard for "sustainability" of groundwater management and use, and to determine how the basin will achieve this standard.

The Ukiah Valley Basin GSP is being developed for the UVBGSA. Larry Walker Associates, Inc. in collaboration with GEI Consultants, University of California Cooperative Extension (UCCE), and SCI Consulting Group (LWA Team) are the consultants selected to development GSP at the direction of the UVBGSA. The UVBGSA Board of Directors acts as the GSP's overall Project Management Team (PMT). UVBGSA has convened a Technical Advisory Committee (TAC) to provide input and recommendations on the technical aspects of the GSP development process. The GSP development is being funded by a Department of Water Resources (DWR) Proposition 1 grant and the Mendocino County Water Agency is providing grant management for the project.

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At the May 13, 2021 GSA Board meeting, a discussion was held on the fiscal responsibility of the UVBGSA with possible direction to receive contributions or pursue other funding mechanisms to pay for annual administration costs and implementation of the GSP. Annual implementation costs are estimated at \$135,000 - \$235,000 beginning in 2022. Anticipated expenses include operations, model maintenance, monitoring, grant writing, grant management, capital projects, and more. Options for funding include direct member contributions, regulatory fees, grant funding, special taxes, and property related fees (allocated to well owners.) Consultants suggested conducting a local survey to establish support for the various options. GSA Board members agreed to discuss the options with their individual Boards and report back. Since then, the GSA Board appointed two Board members to an Ad Hoc Committee, including GM Salomone and others from the TAC. The Committee met in June and further cost estimates are being gathered for the budget prior to the Committee providing options or making a recommendation to the GSA Board.

A major challenge in the development of the UV GSP is the lack of necessary data to develop a full picture of the water budget and sustainable groundwater management. While the GSP is due in 2022, the work will continue. Over the next five years, enhanced monitoring efforts will collect the needed data, projects and management actions will reinforce the groundwater supplies and potentially reduce dependence on surface water, and a required 5 year update of the GSP will be prepared. The suggested costs will support these actions. It is also worth noting that the model is a tool that can help with not only managing groundwater and surface water by the GSA, but could be used to assist in other water management efforts in the region. Additionally, the potential changes to the Potter Valley Project Eel River diversions to the Russian River watershed could dynamically alter the Ukiah Valley basin's water system and the GSA could become vital in mitigating impacts.

There are growing concerns regarding water management in the Russian River watershed, as seen in the 2021 drought and water supply conditions. The GSA can be seen as an opportunity to strengthen the water resiliency of the basin and the region. Modelling can provide scenarios to inform critical management decisions and the GSA is in a position to obtain funding to proactively mitigate impacts for the benefit of the people and environment.

Discussion

At this District's Regular Board meeting of June 7, 2021 the Board received information on the estimated expenses and funding requirements for the GSA. A discussion was held and staff was directed to bring an agenda item to the next Board meeting to consider the District's level of continued participation with the GSA.

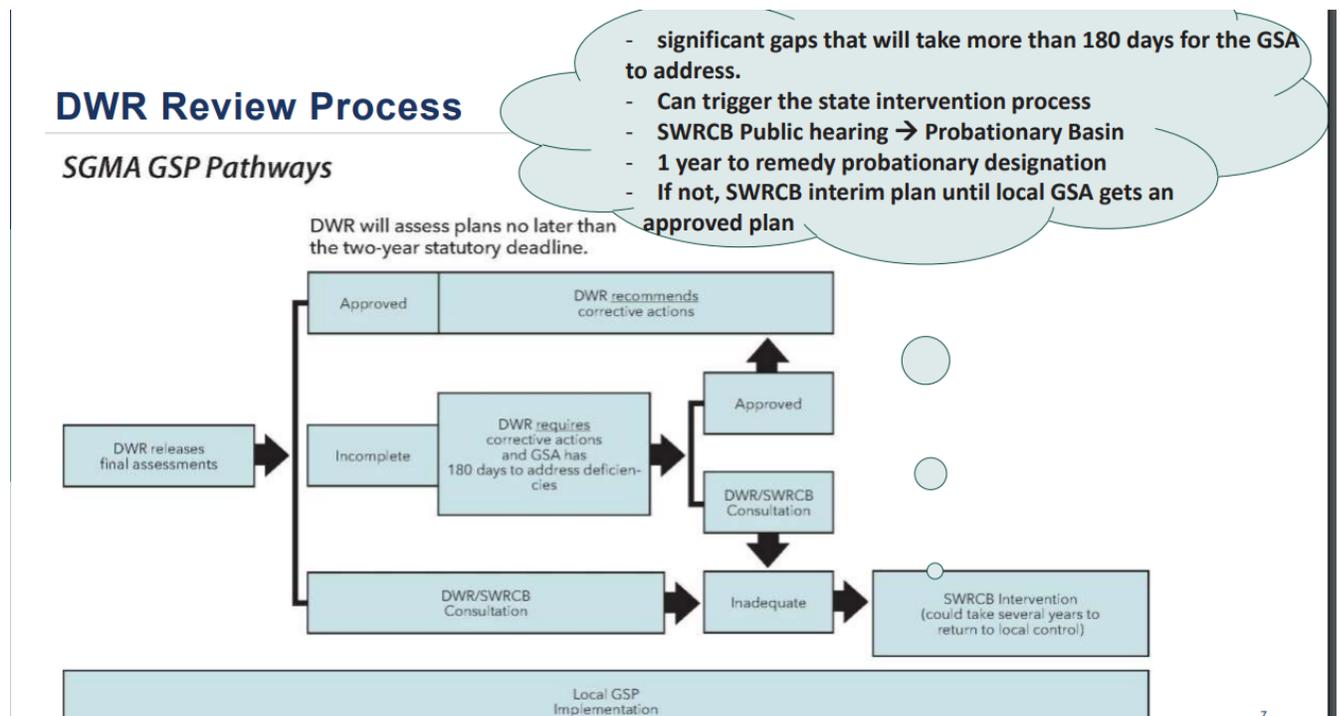
Under SGMA, the GSA will be required to conduct the work described above and the State will require a sound financial plan in the GSP. If member agencies do not agree to pay, the GSA will be forced to find alternative funding options for operation costs not covered by grants. This is likely to be done through well-owner fees, both private and public. While tax initiatives may be explored, the length of time and rate of success of such actions may not fulfill the requirements.

As a member in the GSA, the District will be a part of the decision making process on future water use, including those due to changes in land use and additional demand on surface water.

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The District is currently up to date on member contributions and by remaining in the GSA as the GSP is being finalized the District is in the strategically advantageous position to advocate for the best funding approach for District constituents. The District can continue to participate in shaping the policy of the GSA as noted in the District's Strategic Plan.

There was some discussion at the GSA and the June District Board meeting of the consequences of the Department of Water Resources removing local control from the development and implementation of the GSP. The follow chart from a SA presentation at the June GSA meeting provides more information:



Additionally, in preliminary discussions with the District's legal counsel, references were found on the District's responsibility of flood control through the release of surface water to natural underground reservoirs and the ability to divert, produce, store, transmit, distribute, and sell or otherwise furnish both surface and groundwater for beneficial use within or without of the agency. Additional time is needed to explore these areas.

Recommendation

Staff recommends conducting further research and gathering of information as well as conferring further with stakeholders and constituents in the basin and experts in the field before a Board vote is conducted to either reaffirm or discontinue membership in the Groundwater Sustainability Agency.