



Council Agenda Report

From: Dick McKinley, Public Works Director

Subject: Funding for Groundwater Sustainability Agencies (GSA) and Groundwater Sustainability Plan (GSP) Work under the Sustainable Groundwater Management Act

Date: June 6, 2017

Facts

1. In 2014, the California Legislature and the Governor passed into law the Sustainable Groundwater Management Act (SGMA) for local management of groundwater resources in California through the formation of Groundwater Sustainability Agencies (GSAs) and through preparation and implementation of Groundwater Sustainability Plans (GSPs).
2. The City overlies a portion of the Paso Robles Sub-basin of the Salinas Groundwater Basin, which is subject to SGMA. One or more GSAs must be formed for the Sub-basin by June 30, 2017, or the Sub-basin may be subject to regulation by the State Water Resources Control Board. On January 17, 2017, the City Council held a public hearing and approved a Resolution creating a GSA. That GSA was finalized by the DWR on May 15, 2017.
3. As each of the GSAs form in the Paso Robles Sub-basin, they plan to work together through a Memorandum of Agreement (MOA) to jointly prepare a GSP. That MOA is expected to come to the City Council for approval in the next 90 days.
4. The City of Paso Robles also overlies part of the Atascadero Sub-basin and plans to work with the other parties to form one GSA for that sub-basin. As each of the parties work to form the GSA for the Atascadero Sub-basin, they plan to work together through a Memorandum of Agreement (MOA) to prepare a GSP. If the DWR determines that the Atascadero Sub-basin is a Low Priority Basin, then no GSP would be required to be prepared. DWR is expected to decide this issue later in 2017.
5. The City Council held a public hearing on May 2, 2017 and approved a Resolution and MOA to create a GSA and work cooperatively to write a GSP for the Atascadero Sub-basin.
6. The GSP for the Atascadero Sub-basin is expected to cost \$500,000 or less. The MOA for the Atascadero GSP calls for the City of Paso Robles to pay 22% of the cost, which would mean a maximum expected cost of \$110,000 or less over the next five years.
7. The GSP for the Paso Robles Sub-basin is expected to cost \$500,000 or less. The draft MOA for the Paso Robles GSP calls for the City of Paso Robles to pay 15% of the cost, which would mean a maximum expected cost of \$75,000 over the next three years.
8. A significant amount of scientific study has been completed in the Paso Robles Sub-basin over the past several years. To avoid duplication of effort, on May 2, 2017 Todd Groundwater was contracted to: 1) evaluate exactly what is and is not required by DWR staff for the GSP; 2) review all previously completed studies and models and determine the extent that they can be used to meet some of DWR's requirements, including any necessary updates; and, 3) identify the additional work necessary

to prepare a GSP (the scope of work). This work is contracted not to exceed \$44,540 and is under way.

Options

1. Do nothing;
2. Receive and file. This is an information item at this time and all actions and funding will come through the City Council in the budget process, or as a separate City Council agenda item;
3. Take some other action as decided by the City Council.

Analysis and Conclusions

By combining efforts with other parties overlying the Paso Robles Sub-basin and the Atascadero Sub-basin, the City accomplishes three significant positive outcomes: 1) saving more than \$800,000 compared to our costs if we did everything alone, 2) achieving the coordination that is required by SGMA and enforced by DWR, and, 3) strengthening our relations with others in the basins, and our role as a regional leader in water.

The funds required for the City to comply with these water mandates will come from the City's Water Fund over the next five years. By sharing the costs, and spreading them out over time, the impacts to the Water Fund should be affordable without any adjustment to the currently adopted rate structure. The costs are likely to be:

FY 2017-18:	\$ 64,540
FY 2018-19:	\$ 60,000
FY 2019-20	\$ 55,000
FY 2020-21	\$ 25,000
FY 2021-22	\$ <u>25,000</u>
TOTAL	\$229,540

– Note that if the DWR determines that the Atascadero Sub-basin is a Low Priority Basin, then this amount would be reduced by \$110,000.

Fiscal Impact

The budget impacts listed above can be funded by the Water Fund over the next five years without any adjustment to the adopted rates. These costs are part of the Professional Services accounts of the Water Fund that has recently been used to fund the 2014 Water Master Plan and the 2015 Urban Water Management Plan. Funding of the Groundwater Sustainability Plan for the Paso Robles Sub-basin and the Groundwater Sustainability Plan for the Atascadero Sub-basin are properly allocated to the Water Fund.

Recommendation

Receive and file at this time. This is an information item at this time and all actions and funding will come through the City Council in the budget process, or as a separate City Council agenda item.

Attachments

None