

**GSA Organizational Structures
North American Groundwater Subbasin
West Placer County, California**

Prepared by GEI Consultants, Inc.

December 22, 2016

GROUNDWATER SUSTAINABILITY AGENCY ORGANIZATION STRUCTURE
NORTH AMERICAN GROUNDWATER SUBBASIN
WEST PLACER COUNTY

Certifications and Seals

This technical memorandum and analysis was prepared by the following GEI Consultants Inc. professional engineers and geologists.





Date: 12/22/16



Date: 12-22-16

Mark S. Williamson
Vice President
California Professional Engineer
P.E. C035671

Richard W. Shatz
Principal Hydrogeologist
California Certified Hydrogeologist
C.H.G. No. 84

Table of Contents

Table of Contents	i
Executive Summary	ii
1 Introduction	5
2 Agency Descriptions	8
2.1 General	8
2.2 Agencies within Placer County	10
2.2.1 Placer County	10
2.2.2 Roseville	12
2.2.3 Lincoln	12
2.2.4 Placer County Water Agency	12
2.2.5 California American Water	14
2.2.6 Camp Far West Irrigation District	14
2.2.7 Reclamation District 1001	14
2.2.8 Nevada Irrigation District	15
2.2.9 San Juan Water District	15
2.2.10 Citrus Heights Water District	15
2.2.11 South Sutter Water District	15
2.3 Adjacent Management Agencies	16
2.3.1 Sacramento Groundwater Authority (SGA)	16
2.3.2 Sacramento Central Groundwater Authority (SCGA)	16
2.3.3 Yuba County Water Agency (YCWA)	16
2.3.4 Yolo County	17
3 GSA Formation Requirements	18
3.1 SGMA Overview	18
3.2 Groundwater Sustainability Agency(s)	18
3.3 Representation and Voting Options	22
3.3.1 Non-Public Agency Representation	22
3.4 Definition of Responsibilities	23
4 Types of Agreements	25
4.1 Ad-hoc Committee	25
4.2 Memorandum of Agreement (MOA) or Memorandum of Understanding (MOU)	26
4.3 Contractual Agreements	27
4.4 Joint Powers Agreement (JPa)	27
4.5 Joint Powers Authority (JPA)	28
4.6 Formally Chartered Organization	29

4.7	Pros and Cons	30
4.8	Summary	33
5	Notification to Become a GSA	35
6	Reference List	36

Figures

Figure 1.	North American Subbasin	7
Figure 2.	Water Agencies within Placer County	11
Figure 3.	Schematic of Local Agency Overlap	24

Tables

Table 1.	Water-Related West Placer Agencies	8
Table 2.	Projected Water Demands (acre-feet/year)	9
Table 3.	Wastewater Treatment Plants	9
Table 4.	Advantages and Disadvantages of Different Types of GSA Governing Structures	31

Abbreviations and Acronyms

Act (or SGMA)	Sustainable Groundwater Management Act
AF	acre-feet
AFY	acre-feet per year
Cal Am	California American Water
CASGEM	California Statewide Groundwater Elevation Monitoring
CHWD	Citrus Heights Water District
County	Placer County
DWR	Department of Water Resources
GMP	Groundwater Management Plan
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
IRWMP	Integrated Regional Water Management Program
JPA	Joint Powers Authority
JPa	Joint Powers Agreement
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
PCWA	Placer County Water Agency
NID	Nevada Irrigation District
RWA	Regional Water Authority
SB	Senate Bill
SGA	Sacramento Groundwater Authority
SGMA	Sustainable Groundwater Management Act
SGWP	Sustainable Groundwater Planning
SJWD	San Juan Water District
SSWD	South Sutter Water District
Subbasin	North American Groundwater Subbasin
Water Board	State Water Resources Control Board
WWTP	Wastewater Treatment Plant

Executive Summary

The 2014 Sustainable Groundwater Management Act (SGMA) requires that California's groundwater basins be managed for sustainability by local public agencies and newly formed Groundwater Sustainability Agencies (GSAs). Basins designated by the Department of Water Resources (DWR) as medium and high priority are required to develop and implement Groundwater Sustainability Plans (GSPs) or an Alternative Submittal to avoid potential State Water Resources Control Board (Water Board) intervention. DWR has developed regulations for the content, implementation and how DWR will evaluate the submitted GSPs.

The first step to implementing SGMA is to form one or more GSAs to cover the entire basin or subbasin by June 30, 2017. If the entire basin area is not covered by a GSA, the basin will be classified as probationary and the Water Board can step in to implement the SGMA requirements. The public and local agencies will be required to fund the Water Board's activities. Allowing the Water Board to manage the Subbasin is not recommended.

The North American Subbasin (Subbasin) is within three counties, Placer County, Sutter County and Sacramento County, each covering about one-third of the Subbasin. It is anticipated that five GSAs will be developed: West Placer County, Sacramento Groundwater Authority (SGA), South Sutter Water District (SSWD), RD1001, and Sutter County. Two GSAs may form to cover the Placer County (County) portion of the Subbasin: one that will consist of the County, City of Roseville, City of Lincoln, and Placer County Water Agency (PCWA) with California American Water (Cal Am) participating pursuant to California Water Code section 10723.6, subdivision (b), and the second being SSWD (with a separate Memorandum of Agreement with the County).

Five common types of organizational agreements might be considered: Special Committees, a Memorandum of Agreement (MOA), Contractual Agreements, Joint Powers Agreement, and the creation of a Formally Chartered Organization. A Joint Powers Agreement (JPa) is more binding than a MOA; the JPa can create a new organizational entity known as a Joint Powers Agency or Joint Powers Authority (JPA). Each type of agreement or approach has different requirements and for each type there are pros and cons. The most common types of agreements being used to develop GSAs are MOAs and JPAs.

In general, the complexity and costs to develop a GSA increase from Special Committees to a Chartered Organization; however, the level of certainty and enforceability for the County and agencies involved is inverse to the complexity and costs.

The West Placer GSA potential activities and responsibilities within the next five years will likely be:

- Continued monitoring of groundwater conditions to acquire additional information to support development of a GSP and a new groundwater model
- Participating and sharing costs with other GSAs to develop a single GSP for the Subbasin
- Participating as a group with SGA or Regional Water Authority (RWA) to help fund and develop a new groundwater model for the region including the Subbasin
- Election of a lead Agency to be the primary contact with DWR for the entire Subbasin
- Development of coordinating agreements with other GSA's in the basin
- Collection of fees to support GSA activities
- Identification, contracting and management of projects

The RWA is also assessing the feasibility of developing a federally recognized groundwater bank. Participation in the groundwater bank will likely be at the option of each agency and will not necessarily fall within the duties of the GSA; however, the GSA will likely need to be involved as it represents a groundwater management action/project and may become part of the development of a GSP.

The West Placer County portion of the Subbasin has been managed successfully under an MOA for the last nine years.¹ In the next five years, as a GSP is developed and the understanding of basin conditions increases, the responsibilities of the GSA and those anticipated actions that may be required will become better defined. Although other types of agreements could be used it is unknown at this time whether the duties and responsibilities of the GSA warrant the additional effort and costs at this time. Based on these considerations and the foreseeable groundwater management activities during the next five years we recommend proceeding with a MOA.

A MOA is a flexible organizational agreement that and is a State recognized mechanism for forming a GSA. It will allow participation amongst stakeholders and the investor-owned utility, Cal-Am to participate, which is treated differently from public agencies under SGMA. An MOA is relatively simple to create; however it is also easy to disband, so it may not be long-lasting should there be a dispute among the parties. Once the GSA is formed, the signatories will use the MOA to coordinate GSA responsibilities and authorities such as development of the Groundwater Sustainability Plan (GSP) and administration of the GSP. The MOA governance form is generally not adequate for funding and implementation of capital projects; the individual agencies would need to take on these responsibilities.

¹ Groundwater Management Plans (GMPs) within the Subbasin include the Western Placer County GMP (2007), the Sacramento Regional Water Authority GMP – North Basin (2014), South Sutter Water District GMP (2009), and the Sutter County GMP (2012). In addition to these plans the Regional Water Authority also developed an American River Basin Integrated Water Management Plan (2013).

Based on the history of cooperation in western Placer County, an MOA is the recommended organization form for initial development of the GSP. If it becomes difficult to implement future (yet to be defined) GSP actions by each MOA agency, a JPa or a JPA may need to be considered in the future. The legislation allows for a GSA to change the type of agreement used for establishing and managing GSA required activities.²

² This can be done at any time. If the governance structure in a basin needs to be modified, then a GSA would need to withdraw from managing its portion of a basin by notifying DWR in writing. As part of the annual reporting requirements for GSAs, the modified GSA governance structure would need to be explained and the legal agreement that coordinates GSAs in a basin would need to be updated. References: DWR Groundwater Sustainability Agency Frequently Asked Questions, January 7, 2016; Water Code §10723 et seq.

1 Introduction

In 2014, Placer County, received grant funding from the California State Department of Water Resources (DWR), through the Proposition 1, Sustainable Groundwater Planning – Counties with Stressed Basins Grant Agreement, DWR Grant No. 4600011504, for the Western Placer County Groundwater Assessment Project. The Project Work Plan included four tasks: to develop a summary of land use authorities and forecast of future demand; develop a Groundwater Sustainability Agency organization structure; develop a well extraction facilities inventory database and website, and; to perform water quality sampling at six selected wells. This report provides a description of potential Groundwater Sustainability Agency organization structure from a Sustainable Groundwater Management Act (Act) perspective for West Placer County.

The Act was signed by the governor in November 2014 and requires groundwater to be sustainably managed at the local level under state supervision. The Act requires four basic components:

- 1) Development of a Groundwater Sustainability Agency (GSA)
- 2) Development of a Groundwater Sustainability Plan (GSP)
- 3) Implementation of the plan and management to quantifiable objectives
- 4) Reporting of the implementation activities and whether the basin is being sustainably managed to the California Department of Water Resources (DWR)

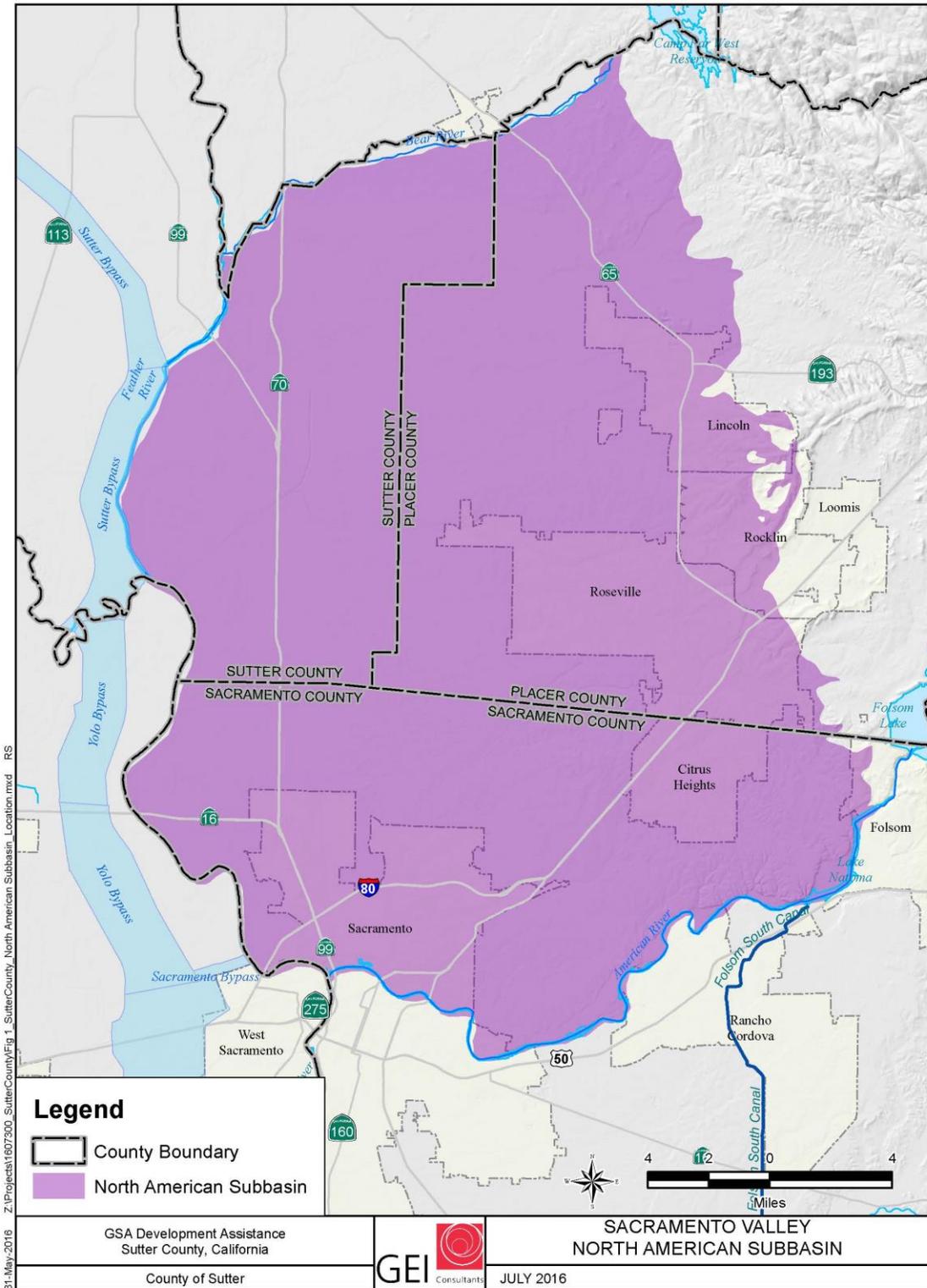
The Act's requirements apply to groundwater basins designated by DWR as medium and high priority. The North American Groundwater Subbasin (Subbasin) has been designated as a high priority basin and is required to comply with the Act. The adjoining Colusa, South American, South Yuba, Sutter, and Yolo groundwater subbasins have also been designated as medium or high priority basins.

Placer County and its future GSA partners (City of Roseville, City of Lincoln, Placer County Water Agency, and Cal-Am) are in the process of assessing GSA organization, formation, and development of fiscal budgets to develop the required plans and activities to manage groundwater sustainably.

The Subbasin lies in the east central portion of the Sacramento Valley Groundwater Basin. The Bear River is its northern boundary, the Feather and Sacramento rivers are its western boundary, and the American River is its southern boundary. The eastern boundary is along the foothills extending from the Bear River south-southeasterly to Folsom Lake. The eastern boundary is the approximate edge of the alluvial basin. Figure 1 shows the location of the Subbasin.

The intent of this document is to provide the County and its future GSA partners with information to allow selection of an appropriate approach to manage its portion of the Subbasin. It is intended that the County and its future GSA partners will select the preferred approach to management with advice of legal counsel.

Figure 1. North American Subbasin



2 Agency Descriptions

This chapter provides a description of each agency and their land use and water supply responsibilities. Adjoining groundwater management agencies with whom West Placer GSAs may have to develop coordinating agreements are also provided.

2.1 General

Agencies within West Placer County have a variety of duties and responsibilities that relate to water supply and land use in the Subbasin as shown in Table 1. To some extent the agencies also have overlapping areas and responsibilities as shown graphically in Figure 2. Cal Am only conveys purchased surface water from PCWA, which is wheeled through Roseville, to customers. In the future the duties are likely to remain the same, but the amount of water being managed will increase.³ Table 2 shows the forecasted annual and future water demands. As shown in the tables the agencies have both potable and non-potable water demands and responsibilities. Tertiary treated wastewater will be recycled to meet some of the forecasted future water demands. Table 3 lists those agencies with wastewater treatment plants (WWTPs).

Table 1. Water-Related West Placer Agencies

Water-Related Agencies	Water Supply - Groundwater	Water Supply - Surface Water	Wastewater /Recycled Water	Stormwater/ Flood Management	Land Use
City of Lincoln	X		X	X	X
City of Roseville	X	X	X	X	X
City of Rocklin				X	X
Cal Am		X			
Placer County	X	X	X	X	X
Placer County Water Agency	X	X			
South Sutter Water District		X			

Notes:

- City of Lincoln primarily uses surface water but also supplements with groundwater
- City of Roseville does not use groundwater as a primary supply it is only a backup supply and should be noted as such
- Cal Am currently only provides surface water wheeled through the City of Roseville
- PCWA provides only surface water but has groundwater for backup similar to Roseville

³ Cal Am is soon expected to request use of groundwater during droughts or emergencies, and is expected to start recycled water distribution. A franchise agreement for these activates is expected in mid-2017.

Table 2. Projected Water Demands (acre-feet/year)

Agencies	2010	2020	2025	2030
City of Lincoln	10,730	11,373	12,706	14,040
City of Roseville	45,760	49,494	55,071	56,507
Cal Am	NA	NA	NA	NA
Placer County	60,000	60,000	60,000	60,000
Placer County Water Agency	99,499	99,632	100,262	100,906
South Sutter Water District	NA	NA	NA	NA

Note: NA = Information not readily available. Data from Urban Water Management Plans

Table 3. Wastewater Treatment Plants

Agencies	WWTP Name	Type of Treatment	Capacity (MGD)	Discharge Location	Recycled Water Production
City of Lincoln	Lincoln WWTRF	Tertiary	4.2	Auburn Ravine	Yes
City of Roseville	Dry Creek WWTP	Tertiary	18	Dry Creek	Yes
City of Roseville	Pleasant Grove WWTP	Tertiary	12	Pleasant Grove Creek	Yes
Placer County	Placer County No.3	Tertiary	0.3	Miners Ravine	No
Placer County	Sheridan WWTP	Secondary	0.06	Land Application	No

The Subbasin is actively managing its groundwater resources through planning and monitoring efforts. Groundwater Management Plans (GMPs) within the Subbasin include the Western Placer County GMP (2007), the Sacramento Regional Water Authority GMP – North Basin (2014), South Sutter Water District GMP (2009), and the Sutter County GMP (2012). In addition to these plans the Regional Water Authority also developed an American River Basin Integrated Water Management Plan in 2013.⁴ These plans define basin management objectives (BMO) necessary to maintain the quality, reliability, and sustainability of groundwater resources on local and regional scales.

⁴ Regional Water Authority, July 2013, American River Basin Integrated Water Management Plan, p. 2-142

2.2 Agencies within Placer County

The following sections provide brief descriptions of the agencies within Placer County. Figure 2 shows the locations of the agencies and water companies.

2.2.1 Placer County

Placer County is located north of Sacramento County and includes the communities of Roseville, Rocklin, Lincoln and Sheridan that overlie portions of the Subbasin. Placer County has wastewater, flood management, and land use planning responsibilities. It also provides water supply for the town of Sheridan.

Placer County is responsible for providing public wastewater services in unincorporated portions of Placer County outside of cities of Lincoln, Roseville, and Auburn and the areas served by the South Placer Municipal Utility District. Placer County Environmental Engineering Division operates and maintains 10 separate sanitary sewer systems, with five either partially or entirely within the Subbasin, that are self-supporting and maintained through user fees.

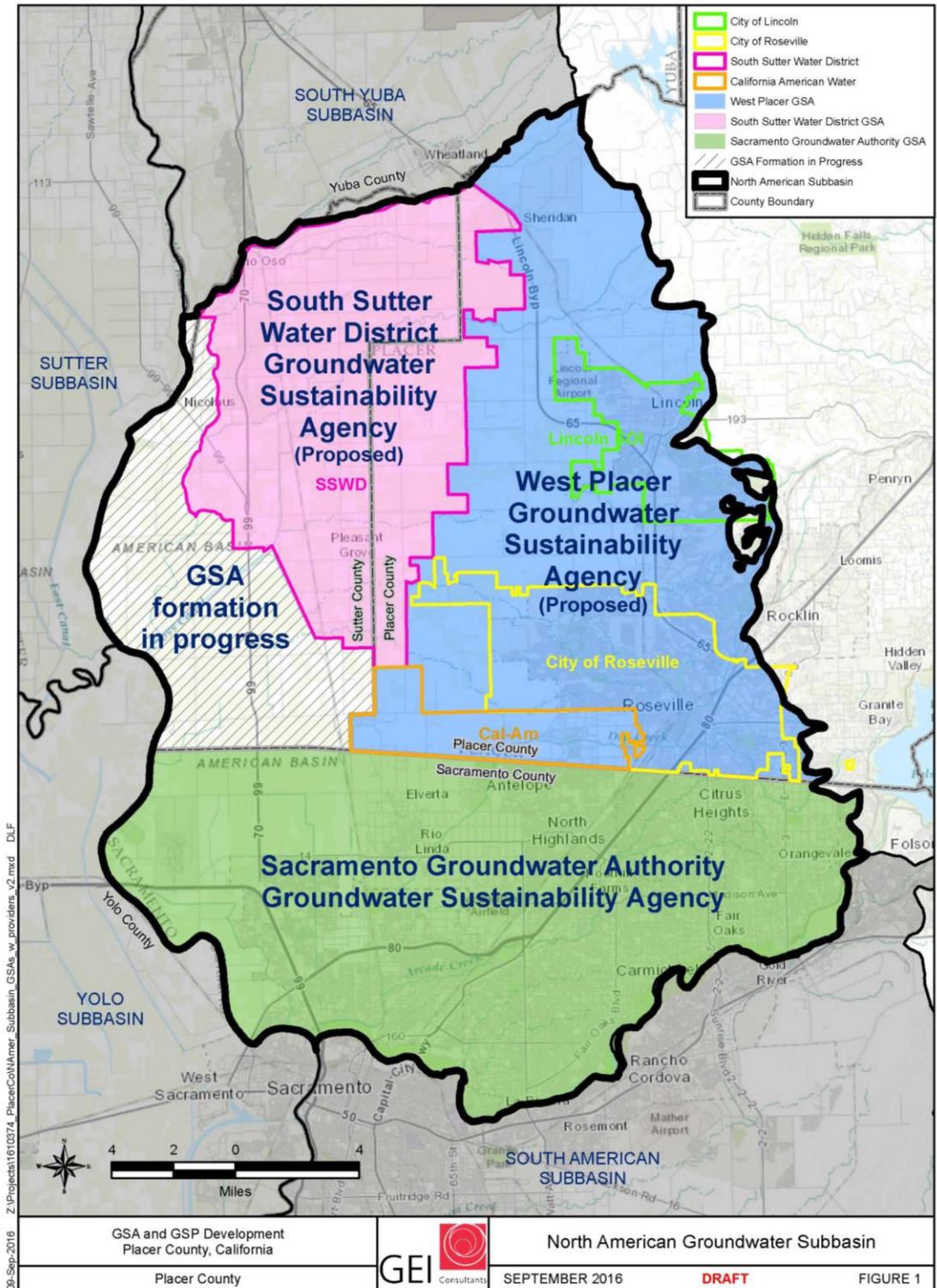
Five of the 10 separate sewer systems are located within the Subbasin. County Service Area 28-Zone 2A3 in the Sunset Industrial Area sends its wastewater to Roseville's Pleasant Grove wastewater treatment plant (WWTP).. SMD 2 in Granite Bay; County Service Area 28-Zone 55 (Livoti); and County Service Area 28-Zone 173 (Dry Creek), all send their wastewater to Roseville's Dry Creek WWTP for treatment. County Service Area 28, Zone 6 in Sheridan has its own WWTP.

Wastewater capital improvement projects have been identified and planned in the near future, including upgrades to Auburn Ravine Lift Station and Sheridan WWTP, repairs to 2,000 feet of pipe in SMD 2. Placer County has decommissioned SMD 3 WWTP such that the wastewater now flows through the SMD2 collection system for treatment at Roseville's Dry Creek WWTP.

The Placer County Public Works and Facilities Department has Floodplain Management and Stormwater Quality Management Programs. The Floodplain Management Program administers FEMA policies through a community effort of corrective and preventive measures for reducing flood damage to properties. This program is responsible for supervising flood zone building requirements, floodplain mapping, and flood insurance through the National Flood Insurance Program in unincorporated areas within Placer County. Placer County's Stormwater Quality Program aims to reduce pollutants in stormwater runoff, eliminate non-stormwater discharges and lessen the long-term impacts of stormwater discharges from development, business, and municipal activities. The Program also complies with NPDES requirements. The West Placer Stormwater Management Plan applies to the unincorporated areas of Placer County within the North American Subbasin. Placer County also works closely with Placer County Flood Control

and Water Conservation District, which is responsible for regional flood management planning, regional flood control projects, flood warning response, land development review and mitigation.

Figure 2. Public Water Agencies, Private Water Companies and GSAs within Placer County



Placer County has also implemented flood and stormwater-related projects through the Placer Legacy Open Space and Agricultural Conservation Program. A few projects, such as the Sundance-Lakeview Farms in 2008 included riparian property acquisitions or conservation easements, and a part of their reported benefits consisted of integrated flood-ecosystem management, floodwater conveyance, and floodwater storage.⁵

2.2.2 Roseville

Established in 1909, Roseville is an incorporated city that encompasses approximately 36 square miles with a population of approximately 128,000 as of 2015. Roseville provides water (potable water service including treatment, water distribution, and water conservation), wastewater (wastewater collection and treatment), recycled water (irrigation), and stormwater (flood control and protecting the water quality of Roseville's creeks), and other utility services. In a few portions of the City's service area, water is supplied by other agencies.

Growth in Roseville has caused new urbanization in the north and northwest portions of the city. Historically, Roseville's water supply has come solely from Folsom Lake, which is treated at Roseville's Water Treatment Plant (WTP). To provide water for backup demands, Roseville currently maintains six groundwater wells that augment surface water supplies during emergencies and dry years. To further maintain water reliability, Roseville is currently permitted to operate all six wells to direct groundwater recharge through Aquifer Storage and Recovery (ASR). The City has plans to construct and additional 10 groundwater wells as the City grows.

2.2.3 Lincoln

Lincoln is an incorporated city located in western Placer County with a population of approximately 45,800 people as of 2015. Similar to Roseville, Lincoln is experiencing a high rate of population growth causing urbanization within Lincoln's boundaries. Lincoln primarily relies on PCWA to meet its treated water supply need. To accommodate dry-year, emergency, and daily peak demands, Lincoln owns and operates several municipal water supply wells. Lincoln also has a conjunctive use program, which includes the use of recycled water from its Wastewater Treatment and Recycling Facility, use of groundwater during dry years, and greater use of surface water supplies in wet years.

2.2.4 Placer County Water Agency

Placer County Water Agency was created in 1957 through approval of "The Placer County Water Agency Act" by the California State Legislature for the purpose of developing and operating major water facilities in Placer County. PCWA is self-governed by an independently elected five-member Board of Directors and is under administrative direction of a general manager. The boundaries of PCWA generally coincide with the boundaries of Placer County.

⁵ Regional Water Authority, July 2013, American River Basin Integrated Water Management Plan, p. 2-82

PCWA carries out a broad range of responsibilities including water resource planning and management, retail and wholesale supply of irrigation water for agriculture and drinking water, and production of hydroelectric energy.

PCWA is working toward obtaining a better understanding of groundwater in western Placer County through the implementation of different groundwater planning projects. At present, self-supplied and agricultural use of groundwater in the region is extensive. PCWA wishes to understand the magnitude of groundwater use and replenishment as it considers future water supply planning opportunities that exist in its primary surface water system.

The PCWA water system was established in 1968. PCWA supplies wholesale and retail water to a variety of customers including residential, commercial, industrial, and agriculture. A significant amount of raw water irrigates pastures, orchards, rice fields, farms, ranches, golf courses, and other uses. PCWA retails treated water to customers residing in the Placer County communities of Colfax, Auburn, Loomis, Rocklin, small portions of Roseville, and in the vast unincorporated areas of western Placer County. PCWA also wholesales treated water to Lincoln and several smaller special districts who then retail water to their customers. PCWA provides raw water to Roseville, San Juan Water District, and Sacramento Suburban Water District on a contract basis. These agencies provide their own treatment and then retail the water to their customers.

Placer County Water Agency provides water to retail customers in five service zones, of which only three zones Zone 1, Zone 2, and Zone 5 are within the Subbasin. Zone 1 includes areas under the land-use authorities of the cities of Auburn, Rocklin, and Lincoln, a portion of Roseville, the Town of Loomis, and Placer County. There are 16 storage tanks providing approximately 49 million gallons (MG) of storage capacity. There are approximately 496 miles of treated water pipeline in Zone 1. Details for each of the Zones are provided below:

- *Zone 1 was created in 1968 for the purpose of financing the purchase of Pacific Gas and Electric's (PG&E) Lower Drum Division Water System. This system provided water service to the communities of Auburn, Bowman, Ophir, Newcastle, Penryn, Loomis, Rocklin, and Lincoln. It has four WTPs and one groundwater well and associated storage and distribution systems. Zone 1 encompasses approximately 125 square miles. Zone 1 includes territory under the land use authorities of Auburn, Rocklin, Lincoln, a portion of Roseville, Loomis, and Placer County. Zone 1 is separated into Upper Zone 1 and Lower Zone 1 to delineate the higher elevation service areas of Auburn, Bowman, and Ophir (Upper Zone) from the remaining lower elevation areas.*
- *Zone 2 was created in 1979 and provides retail water service to a small residential development of 47 units located in an unincorporated area southwest of Roseville. Formerly supplied by groundwater, the system was converted to surface water in 2004. Zone 2 is under the land use authority of Placer County.*

- *Zone 5 was created in 1999 and assumed the boundaries of Placer County Zone 29. It was created to reduce reliance on groundwater supplies by providing surface water for commercial agriculture in the western-most section of Placer County. Zone 5 is served entirely by raw surface water supplies.*

Currently, about a third of the total water supplied by PCWA (including areas outside the Subbasin) is used for treated drinking water distributed through eight individual treated water systems. The PCWA treated water systems supply over 26,000 service connections. About two-thirds of the total water supplied by PCWA is raw water, used for irrigation of farms, ranches, landscapes, parks, and golf courses throughout Placer County. PCWA operates about 165 miles of canals, reservoirs, and diversions to supply approximately 4,500 raw water users. Approximately 3,000 irrigation water customers purchase irrigation water on a year-round basis while another 1,500 customers purchase irrigation water seasonally. Recycled water use for irrigation in areas adjacent to Lincoln and Roseville is anticipated to reach near 5 TAF by 2020.⁶

2.2.5 California American Water

California American Water (Cal Am) is a wholly-owned subsidiary of American Water, a provider of potable water within the North America Subbasin. Within the West Placer portion of the of the subbasin, Cal Am operates its West Placer Water System (WPWS), an area with approximately 1,100 customer connections in 2005, under a franchise agreement with the County of Placer. Under the franchise agreement Cal Am is the only allowed to provide surface water. Placer County is in the process of reviewing the agreement to allow Cal Am to provide groundwater during dry years and adding recycled water as part of the overall conjunctive use program in the subbasin. The WPWS is one of 10 service areas of Cal Am's Sacramento District.

2.2.6 Camp Far West Irrigation District

The District was formed in May 1954 in order to develop, store and distribute surface water supplies to augment and replenish local groundwater supplies. It is located adjacent to the Bear River. The District has discussed with Placer County its desire to allow Placer County to provide representation for their area.

2.2.7 Reclamation District 1001

The primary function of Reclamation District 1001 (RD 1001) is management of stormwater and flood water along the Bear and Feather Rivers. RD 1001 serves a small number of parcels in the Placer County portion of the North American Subbasin.

⁶ Regional Water Authority, July 2013, American River Basin Integrated Water Management Plan, p. 2-90

2.2.8 Nevada Irrigation District

Nevada Irrigation District (NID) was formed in 1921 and is an independent special district operated by and for the people who own land within its 287,000-acre boundaries. The district is organized primarily to supply surface water for irrigation, municipal, domestic and industrial purposes. NID water is available in wide areas of Nevada and Placer counties. Unique in many respects, NID collects water on 70,000 acres of high mountain watershed, owns and operates an extensive reservoir and canal system and network of water treatment plants. NID produces hydroelectric energy and provides outdoor public recreation.

NID serves surface water within Western Placer County NID diverts water from Coon Creek and Auburn Ravine into their Camp Far West, Auburn Ravine #1 and Hemphill canals. Water from the Hemphill canal is served to the Turkey Creek Golf Course, located east of the Lincoln SOI area and to areas within the Lincoln City limits after being treated by PCWA. Water in Auburn Ravine #1 and Camp Far West canals provides water to areas both outside and within the groundwater basin south of the Bear River. Because NID does not have any groundwater wells it has not wanted to participate in groundwater management and could be represented by Placer County.

2.2.9 San Juan Water District

San Juan Water District (SJWD) is a community services district established by a vote of the citizens in 1954. They provide treated surface water from Folsom Lake to both retail and wholesale customers in eastern Sacramento and southern Placer counties including a small area within the City of Roseville. SSJWD has expressed to Placer County their desire not to participate in a West Placer GSA because it is only a small area they do not have any groundwater supply wells, and that they participate in management of the subbasin as a member of SGA.

2.2.10 Citrus Heights Water District

The Citrus Heights Water District is an Irrigation District, founded in 1920, operating under the State of California Water Code. CHWD provides drinking water (primarily groundwater but also treated surface water from SJWD) to an estimated service area population of 67,000 customers via approximately 19,600 water service connections in Sacramento County with and a very small portion of southern Placer County including a small area within the City of Roseville. Due to the small area, that they do not have any wells in that small area, and that they are a member of SGA, they have expressed the desire to Placer County not to participate in a West Placer GSA.

2.2.11 South Sutter Water District

The District was formed in May 1954 in order to develop, store and distribute surface water supplies to augment and replenish local groundwater supplies. Prior to the development of surface water supplies in 1964, landowners within the District's service area had relied

exclusively on groundwater to meet crop irrigation requirements; those rates of pumping had resulted in locally declining groundwater levels (L&S, 2009). Since this time SSWD supplies about one-third of the total agricultural demand with surface water while the remaining demand is met by groundwater pumped from private wells.

The District encompasses approximately 66,000 gross acres, of which approximately 59,000 acres are irrigable. In recent years, approximately 45,000 acres within the District's Service Area have been planted to production agriculture and receive surface water from the District to supplement groundwater supplies. Another 7,000 acres within the overall boundaries of the District are irrigated solely with groundwater.

2.3 Adjacent Management Agencies

The following water management agencies are either immediately adjacent to West Placer County or adjacent to the Subbasin. Coordination agreements with these agencies may be needed.

2.3.1 Sacramento Groundwater Authority (SGA)

South of West Placer County is SGA. SGA and its members are committed to the regional objectives established by the historic Sacramento Water Forum Agreement of April 2000, and these objectives are incorporated into the plan. Since SGA's formation in 1998, SGA member agencies have taken many steps to preserve their valuable groundwater resources. SGA is organized under a Joint Powers Authority. SGA has applied for and has received exclusive authority to be the GSA for the Sacramento County portion of the North American Subbasin from DWR.

2.3.2 Sacramento Central Groundwater Authority (SCGA)

SCGA provides groundwater management activities within the South American Groundwater Subbasin, located to the south of the Subbasin. SCGA has applied to be a GSA with DWR. SCGA operates under a JPA agreement. Sacramento Central Groundwater Authority is a joint powers authority created in 2006 to manage groundwater through an agreement among the County of Sacramento and the cities of Sacramento, Folsom, Elk Grove, and Rancho Cordova.

2.3.3 Yuba County Water Agency (YCWA)

North of the West Placer County is the Yuba County Water Agency (YCWA). Established in 1959 by an act of the State Legislature and headquartered in Marysville, California, YCWA is a public agency that owns and operates four dams with a storage capacity of roughly 1 million acre-feet of water and associated powerhouses capable of generating approximately 397 Mw of energy.

The primary functions of YCWA are development and sale of hydroelectric power, flood control, fisheries enhancement, recreation, conservation and storage of water, and wholesale of water to member districts.

YCWA has applied and has received exclusive authority to be the GSA for the newly designated Yuba County Groundwater Subbasin. The Subbasin extends from the Bear River north to the Yuba River and from the eastern edge of the Sacramento Valley Groundwater Basin to the Feather River

2.3.4 Yolo County

No agency has applied to become a GSA for the Colusa Groundwater Subbasin opposite the North American Groundwater Subbasin.

3 GSA Formation Requirements

This chapter provides an introduction to the GSA formation from the Act and components that are relevant to the West Placer portion of the Subbasin.

3.1 SGMA Overview

SGMA became effective January 1, 2015, establishing a framework of priorities and requirements for local agencies to sustainably manage groundwater within a basin or subbasin. The information in this document highlights the requirements that should be followed by a local agency in order to become or form a GSA and to be approved as an exclusive non-overlapping GSA by DWR. The GSA formation requirements are located in Division 6 of the Water Code, Part 2.74, Chapter 4, Section (§) 10723 et seq. and amendments made to SGMA by Senate Bill (SB) 1319 in September 2015.⁷

The Act requires formation of a GSA, development of a GSP or Alternative, implementation of the plan, and annual reporting of the basin condition.

3.2 Groundwater Sustainability Agency(s)

The Act defines who may become a GSA, their responsibilities, and authorities. The Act provides the following definition of a GSA and local agencies as:

“Groundwater sustainability agency” means one or more local agencies that implement the provisions of this part [Water Code §10721, Part 2.74].

“Local agency” means a local public agency that has water supply, water management, or land use responsibilities within a groundwater basin.

A combination of local agencies may form a GSA by developing a joint powers agreement, a memorandum of agreement, or other legal agreement.

The responsibilities of a GSA are to consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans. GSAs are also responsible for establishing and maintaining interested parties lists, stakeholder outreach, and the publication of a GSP.

A GSA may perform any act necessary to sustainably manage groundwater. A GSA may adopt rules, regulations, ordinances, and resolutions for these purposes. They may perform

⁷ http://www.water.ca.gov/groundwater/sgm/pdfs/GSA_Notification_Requirements_v2_2016-01-06.pdf

investigations to supplement existing groundwater information. Additional authorities of a GSA include acquisitions; augmentation of local water supplies; transfers and exchanges of water; and treatment. Although not expected to be implemented in the Subbasin, the GSA may require registration and metering of groundwater extraction facilities (wells). The GSA authorities include collection of fees to support the agency's activities and groundwater management.

A GSA does not have any authority over surface water rights.

One or more non-overlapping GSAs must be formed to cover the entire Subbasin and registered with DWR by June 30, 2017. In the event that there is an area within a basin that is not within a GSA, the county within which that unmanaged area lies will be presumed to be the GSA for that area (Section 10724).⁸ The county has the option to decline to become a GSA for those areas. If the entire basin area is not within a GSA, the basin may be classified as probationary and the State Water Resources Control Board (Water Board) can step in to perform SGMA requirements. The public and local agencies will be required to fund the Water Board's activities. In addition, existing GSAs within the basin may be required to implement the State Board's recommended actions, thereby losing local control of the groundwater basin until the Water Board determines it has reached sustainable management.

SGMA leaves great latitude for local decision making. Primary responsibility for groundwater governance lies with GSAs, to be established by local entities in groundwater basins or sub-basins. SGMA does not specify the details for institutional design of GSAs, nor what specific governance actions must be taken to achieve sustainable groundwater management. Instead, the legislation provides an array of regulatory and non-regulatory tools—mostly optional—from which GSAs can choose. Those tools, in addition to existing authorities already available to local agencies, will provide the basis for groundwater governance in each basin. The relatively short timeline for GSA formation requires local governments and other stakeholders to analyze available options and decide, quickly, how to form novel agencies. These agencies should be armed with the tools necessary to meet current and future groundwater challenges.⁹

Any local public agency that has water supply, water management, or land use responsibilities in a basin can decide to become a GSA. A single local agency can decide to become a GSA, or a

⁸ Water Code 10724. (a) In the event that there is an area within a high- or medium-priority basin that is not within the management area of a groundwater sustainability agency, the county within which that unmanaged area lies will be presumed to be the groundwater sustainability agency for that area.

(b) A county described in subdivision (a) shall provide notification to the department pursuant to Section 10723.8 unless the county notifies the department that it will not be the groundwater sustainability agency for the area. Extractions of groundwater made on or after July 1, 2017, in that area shall be subject to reporting in accordance with Part 5.2 (commencing with Section 5200) of Division 2 if the county does either of the following:

(1) Notifies the department that it will not be the groundwater sustainability agency for an area.

(2) Fails to provide notification to the department pursuant to Section 10723.8 for an area on or before June 30, 2017.

⁹ CLEE, March 2016

combination of local agencies can decide to form a GSA by using either a joint powers authority (JPA), a memorandum of agreement (MOA), or other legal agreement. Specifically, Water Code Sections 10723 provides SGMA requirements for GSA formation:

10723. (a) Except as provided in subdivision (c), any local agency or combination of local agencies overlying a groundwater basin may decide to become a groundwater sustainability agency for that basin.

(b) Before deciding to become a groundwater sustainability agency, and after publication of notice pursuant to Section 6066 of the Government Code, the local agency or agencies shall hold a public hearing in the county or counties overlying the basin.

(c) (1) Except as provided in paragraph (2), the following agencies created by statute to manage groundwater shall be deemed the exclusive local agencies within their respective statutory boundaries with powers to comply with this part: (list of special districts and agencies excerpted for this document)

(2) An agency identified in this subdivision may opt out of being the exclusive groundwater management agency within its statutory boundaries by sending a notice to the department, which shall be posted on the department's Internet Web site within 15 days of receipt. If an agency identified in paragraph (1) opts out of being the exclusive groundwater management agency, any other local agency or combination of local agencies operating within the statutory boundaries of the agency that has opted out may notify the department pursuant to Section 10723.8 of its decision to be the groundwater sustainability agency.

(3) A local agency listed in paragraph (1) may comply with this part by meeting the requirements of Section 10733.6 or opting to become a groundwater sustainability agency pursuant to this section. A local agency with authority to implement a basin-specific management plan pursuant to its principal act shall not exercise any authorities granted in this part in a manner inconsistent with any prohibitions or limitations in its principal act unless the governing board of the local agency makes a finding that the agency is unable to sustainably manage the basin without the prohibited authority.

(d) The decision of a local agency or combination of agencies to become a groundwater sustainability agency shall take effect as provided in Section 10723.8.

10723.2. The groundwater sustainability agency shall consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans.

These interests include, but are not limited to, all of the following:

- (a) Holders of overlying groundwater rights, including:
 - (1) Agricultural users.
 - (2) Domestic well owners.
- (b) Municipal well operators.
- (c) Public water systems.
- (d) Local land use planning agencies.
- (e) Environmental users of groundwater.
- (f) Surface water users, if there is a hydrologic connection between surface and groundwater bodies.
- (g) The federal government, including, but not limited to, the military and managers of federal lands.
- (h) California Native American tribes.
- (i) Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems.
- (j) Entities listed in Section 10927 that are monitoring and reporting groundwater elevations in all or a part of a groundwater basin managed by the groundwater sustainability agency.

10723.4. The groundwater sustainability agency shall establish and maintain a list of persons interested in receiving notices regarding plan preparation, meeting announcements, and availability of draft plans, maps, and other relevant documents. Any person may request, in writing, to be placed on the list of interested persons.

10723.6. (a) A combination of local agencies may form a groundwater sustainability agency by using any of the following methods:

- (1) A joint powers agreement.
 - (2) A memorandum of agreement or other legal agreement.
- (b) A water corporation regulated by the Public Utilities Commission or a mutual water company may participate in a groundwater sustainability agency through a memorandum of agreement or other legal agreement. The authority provided by this subdivision does not confer any additional powers to a nongovernmental entity.

3.3 Representation and Voting Options

The different types of GSA agreements allow for various types of representation from the different agencies.

3.3.1 *Non-Public Agency Representation*¹⁰

SGMA limits GSA participation to local public agencies and water corporations regulated by the Public Utilities Commission (PUC).¹¹ Cal Am is a privately owned water company regulated by the PUC and can participate in a GSA through a MOA or other legal agreements.

All other non-public agency parties cannot form a GSA or directly be a member of a GSA. This limits the involvement of individual groundwater users in the management of groundwater. This also creates a challenge for public agencies that will need to represent non-public agency interests in the management of the basin. Representation of such interests is critical to ensuring that all affected interests are considered, to limit exposure to litigation, and to improve the defensibility of decisions made by the GSA. The following discussion addresses four options available to GSAs seeking to represent the interests of parties who are not local public agencies.

1. Voting by Non-Public Agencies

GSA members may provide voting power, if provided for as a condition in the governance agreement, to representatives from groups who are not local public agencies. Both the SGA and Sacramento Central Groundwater Authority (SCGA) represent examples of this option. In both cases, the JPAs were drafted and signed by local cities and counties; however, in both cases the cities and counties delegated governing board seats to irrigation districts, private water purveyors and investor owned utilities and various other representatives such as an “agricultural interest” representative and a “conservation landowners” representative, etc. Additionally, the SCGA requires non-member governing board representatives to contribute funding to the agency. Thus, GSAs seeking to include non-local public agencies could look to those two JPAs as examples for this option.

¹⁰ Adapted from California Water Foundation, September 2015, “Know Your Options: A Guide to Forming Groundwater Sustainability Agencies”

¹¹ Water Code, § 10723.6, (a) A combination of local agencies may form a groundwater sustainability agency by using any of the following methods:

(1) A joint powers agreement.

(2) A memorandum of agreement or other legal agreement.

(b) A water corporation regulated by the Public Utilities Commission or a mutual water company may participate in a groundwater sustainability agency through a memorandum of agreement or other legal agreement. The authority provided by this subdivision does not confer any additional powers to a nongovernmental entity.

2. Associate Membership Arrangement

GSA's may also involve non-local public agencies without delegating member's voting powers by opting for an associate membership arrangement. Under this option, a GSA's formation agreement could designate specific representatives, or provide the governing board the authority to designate associate representatives. For example, in the Eastern San Joaquin County Groundwater Basin Authority JPA, the parties could empower associate members with the ability to participate in meetings without conferring voting power.

3. Form a New Public Agency

Individuals that do not have public agency status may decide they would like to form a public agency in order to satisfy SGMA. Once an entity becomes a local agency, it would then be eligible for GSA membership under SGMA. See Section 4.6 for a description of this option.

4. Legal Voting Arrangement

Lastly, parties could also seek to establish a legal agreement with a GSA governing board member such as a county, with voting power in a GSA overlying their basin. Under this agreement, parties could stipulate that the governing board member may vote only after receiving the recommendation of the non-public agency that is a party to the agreement.

3.4 Definition of Responsibilities

The following GSAs may be formed to cover the remaining portions of the Subbasin:

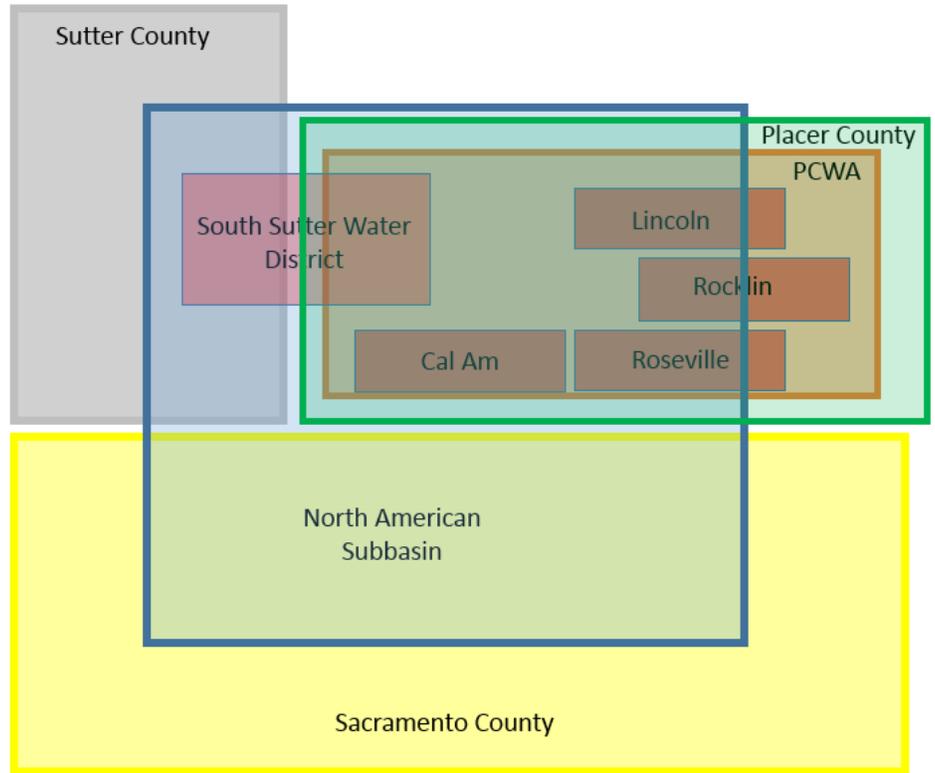
- Placer County, City of Roseville, City of Lincoln, PCWA with Cal Am as a designated member
- South Sutter Water District (with a MOA with Placer County)
- Sutter County

Further examination of the potential West Placer GSA shows that some of the agencies have overlapping jurisdictions as shown in Figure 3. The PCWA boundary is coincident with the county line. The PCWA service area is generally east of South Sutter Water District, but some small areas overlap in PCWA Service Zone 5. The Cal Am franchise service area includes portions of PCWA Service Zones 1, 2, and 5.

The GSA agreement will need to address who has authority to implement SGMA in each of these areas. The City of Rocklin does not have any groundwater supply wells in the Subbasin and has elected not to participate in a GSA. They will be represented by both Placer County and PCWA.

In addition to these considerations over 95 percent of the groundwater use in the entire West Placer County area is used by agriculture. Therefore selection of the GSA agencies need to provide for representation of those agricultural interests. At this time both Placer County (Placer County Agricultural Commission) and Placer County Water Agency both provide water and services for agriculture and would be their representatives.

Figure 3. Schematic of Local Agency Overlap



The County will also want to discuss the appropriate level of County participation in the governance structure of all GSAs formed within the basin. In some instances, counties are asking to be included as non-voting members on GSA boards formed within their jurisdictions, as is the case with SSWD and Placer County. In any event, the degree of involvement in GSA governance of Placer County is an important question to be determined by County staff and Board of Supervisors and at the local city and water district levels. At a minimum the County will need to coordinate proposed land use changes with GSAs.

4 Types of Agreements

Experience suggests that development of a successful governance structure rests on sound legal guidance and facilitation, but more fundamentally, depends on the capacity of the participants to work amongst themselves to shape and document agreements that are 1) representative of local conditions at the time the governance structures are put in place, and 2) sufficiently flexible and comprehensive to remain functional as conditions change and as individuals who were not active in creating the original agreements step into positions of authority.

Information provided in this section is based on the document *Know Your Options: A Guide to Forming Groundwater Sustainability Agencies (California Water Foundation, 2015)*, with guidance provided in this document supplemented by recent experience in formation of GSAs throughout California. The following GSA governance agreements apply to all public entities wanting to develop a GSA and would also apply if the County were to join a GSA. The County has the existing authority and would not have to establish an agreement if it were to only represent “white areas” where other public agencies are not present; however, the fewer the number of GSAs the overall easier the management. A coordination agreement for development and submittal of a GSP may still be required.

Central to formation of a GSA governance structure is selection of the governance framework and development of understandings and agreements that will provide a durable governance structure. SGMA allows local agencies to form a GSA through a variety of legal mechanisms. The two basic and most common frameworks for structuring a GSA’s governance structure are: 1) a memorandum of agreement (MOA), and 2) a joint powers agreement (JPA).¹² In addition to these two avenues, some regions of the state are exploring other approaches including special committees, contractual agreements, or formation of a Formally Chartered Organization.

4.1 Ad-hoc Committee

This is a common method to organize special or ad-hoc efforts of an existing entity. The committee structure in some organizations may serve this function, as would a task force named by County Supervisors, or a specific organization set up by the highest level governments in the group.

Such committees are highly varied and specialized in nature. The sponsoring organization can quickly and usually efficiently institute such a taskforce. They can also be dissolved quickly if support falters.

¹² A JPA may create a new governance entity known as a Joint Powers Authority.

Other parties can be brought into the efforts by an advisory or blue ribbon committee of experts or community leaders. These efforts have been successful with some proving durable over many years.

If the convening group is not benevolent, others may not participate. Governance can be complicated by the less standard structure.

The entity itself cannot hold property nor sign contracts, except by and through its parent organizations. Control of the group typically oscillates with interest and can take on a completely different mission over time. Funding can be difficult depending on who receives or controls the funds. An ad-hoc committee might be useful in the initial phases of a GSA formation and scoping of a GSP, but is not recommended.

4.2 Memorandum of Agreement (MOA) or Memorandum of Understanding (MOU)

This is one of the most flexible forms for assembling parties of varying types, and is practical for working purposes. This type of group can also be formed as an alliance or coalition.

A MOA is a relatively informal agreement between individual public agencies to pursue a common purpose or goal, and usually works best if formed for a single purpose or limited duration mission. Generally, an MOA does not create any formal powers and cannot enforce regulations. A MOA might be useful for managing basins without significant issues that would not require enforcement or fee structures, but may require some form of benefit-based financial contribution.

A Memorandum of Agreement:

- Is relatively easy to assemble or disband
- May involve multiple agencies and funding sources
- Is generally governed by unanimous consent, and essentially anyone can stop any effort
- Has no legal standing to sue or be sued, and liability is only to individual participation
- Organization cannot easily transact business, fund projects or hire staff
- Relies on individual agencies contracting ability to implement capital projects
- Is generally not an adequate structure for project implementation without firm and binding agreements in the MOA, or side agreements and contracts for project implementation

Unlike joint powers authorities, which are governed by the California Government Code, MOAs are governed by contract law and common law. Under SGMA, an MOA is most likely to serve one of three functions:

- First, multiple local agencies could use an MOA to form a single GSA

- Second, multiple local agencies could use an MOA as an initial agreement to meet the regulatory deadline to file to become a GSA and memorialize their collective intent to form a JPA
- Third, multiple GSAs could use an MOA to coordinate GSA responsibilities and authorities such as the development and implementation of a GSP or GSPs

Although SGMA lists an MOA as a GSA formation option, the remainder of the legislation’s language suggests a GSA should be a separate entity with powers residing in that entity. Although MOAs do not generally create separate entities, some interpretations of SGMA view the legislation as authorizing multiple agencies to jointly become a GSA without creating a separate entity. In any event, DWR will require a single point of contact for the GSA, and a MOA can serve this coordination purpose.

4.3 Contractual Agreements

Contractual agreements are typically used as an adjunct to a MOA for implementation grants or other special purposes. Contractual agreements:

- Are specific and legally binding agreements among entities for specific purposes or projects
- Define contractual relationships, liabilities, responsibilities, funding, etc.
- Could include powers for hiring staff, joint project funding, etc.

4.4 Joint Powers Agreement (JPa)

A Joint Powers Agreement (JPa) is the joint exercise of powers that are held in common by municipal or other government entities in California. A JPa allows the coordinated powers of government to be exercised and managed by a single entity. “Joint powers” is a term used to describe government agencies that have agreed to combine their powers and resources to work on their common problems. A joint powers agreement can allow for a single governing agency to carry out activities that otherwise would be distributed amongst separate agencies. Each JPa is unique, as there is no formula for how governments should use their joint powers. One way to exercise joint powers is to create a new organization that is completely separate from the member agencies – such an organization is known as a joint powers agency or joint powers authority,¹³ which is discussed separately in the next section.

A JPa is a contract between two or more public agencies to exercise jointly all power(s) common to each of them, for the purpose of accomplishing specific goals they may have in common. California Government Code sections 6500-6536 provide the authority for public agencies to enter into a JPa.

¹³ California State Legislature Senate Local Government Committee, August 2007, “Governments Working Together, A Citizen’s Guide to Joint Powers Agreements”

A JPa may be formed between local entities for reasons such as, but not limited to, acquisition of land, construction, maintenance, and operation of facilities. A JPa can also be used by agencies for the purposes of determining fiscal agents and sharing regional responsibilities. Membership option for non-government organizations is generally precluded, except in an advisory role. Members are usually appointed rather than directly elected.

The JPa governance used for management in a survey of Regional Water Management Groups generally include the following elements:

- Mission Statement/Goals/Principles/Purpose
- Boundaries
- Powers and Limitations
- Board of Directors/Governing Board/Commission
- Voting
- Executive Director
- Committees formed by/at pleasure of Board
- Meeting/Quorum Rules (Brown Act)
- New Member Guidelines
- Description and Procedures for Projects to be Undertaken
- Budgets and Payments
- Financing
- Accounting/Audits
- Liabilities
- Recession/Termination/Withdrawal/Assignment

4.5 Joint Powers Authority (JPA)

A Joint Powers Authority (JPA) is the joint exercise of powers that are held in common by municipal or other government entities in California. A JPA allows the coordinated powers of government to be exercised and managed by a single entity.

The governance functions of a JPA can be customized. Most JPAs have a governing board or directors made up of elected or appointed members of each participating entity. The governing board sets the policy direction for the JPA and coordinates the means by which to enforce the policy.

Powers enumerated in the State Government Code can include borrowing, collecting fees, taxing, condemnation, police powers, etc., providing that such powers are established by the members of the JPA.

Membership option for non-government organizations is generally precluded, except in an advisory role. Members are usually appointed rather than directly elected.

JPA's are formed through a joint powers agreement (JPA).

A Joint Powers Authority (JPA) is an entity permitted in California and elsewhere whereby two or more public authorities may jointly exercise any power common to all of them. Joint Powers Authorities may be used where an activity extends beyond the boundaries of existing public authorities or where economies of scale might be achieved.

A JPA is distinct from the member authorities; they have separate operating boards of directors. These boards can be given any of the powers inherent in all of the participating agencies. The authorizing agreement states the powers the new authority will be allowed to exercise. The joint authority may employ staff and establish policies independently of the constituent authorities.

The federal government, or any federally recognized Indian tribe, may voluntarily agree to participate in the preparation or administration of a groundwater sustainability plan or groundwater management plan through a joint powers authority or other agreement with local agencies in the basin.

Parties choosing to structure their GSA as a JPA are creating a new and separate public entity able to exercise the power assigned to it by the contracting parties. Parties often structure JPAs so that member agencies are not responsible for debts or liabilities the JPA may incur. Lastly, once a joint powers agency is designated a GSA, it can exercise all the new authorities created by SGMA.

While formation of a JPA will enable that entity to exercise prescribed powers, the individual entities that have contracted to form the JPA may also exercise independent powers with respect to implementation of SGMA. For example, the JPA may be written so that member entities will be responsible for implementation of the GSP within their own jurisdictions. Member agencies can vote to delegate a non-public entity a seat to participate in a GSA through the JPA.

4.6 Formally Chartered Organization

This type of entity is chartered for a specific purpose such as Redevelopment Districts, Special Districts, and Conservancies. The chartering entity must have the authority to charter and empower the entity. This could be the federal or California Legislature, the governor, board of supervisors, or other publically elected group.

The broad powers and ability to incorporate government, corporate and public entities, and advisor members are robust. The governance structure is variable, but can be selected from Corporate to Governmental, or potentially a hybrid.

Significant benefits can come from these unions of interests and powers and may be useful for regional efforts.

There are some significant disadvantages to this type of entity. It requires an act of a legislative body capable of creating it. The higher or more powerful the chartering entity, the more difficult it is to get it established. Political interests at the higher level may dominate the entity. Some

will dislike another layer of government being created and or fear regulatory standing. Chartered organizations:

- Are generally formed by state statute
- Have varied governance structures that can include multiple government entities
- Have statutorily defined powers and authorities targeted to specific purposes or projects
- Can do business, hire staff, contract for service, enter into agreements
- Have defined liabilities, and can sue and be sued

Formation of a formally chartered organization is a more complicated procedure than development of either an MOA or a JPA as it requires an action of the California legislature and grants statutorily defined powers and authorities. Unlike JPAs, Formally Chartered Organizations can include non-governmental organizations as voting members of their boards and have clearly specified powers and authorities, including the power to issue bonds and to incur debt.

4.7 Pros and Cons

Table 4 provides a summary of the advantages and disadvantages of the types of GSA governing structures described above.

Table 4. Advantages and Disadvantages of Different Types of GSA Governing Structures

Governance Form	Description	Examples	Pros and Cons
Special Committee	<ul style="list-style-type: none"> Established and led by an existing public agency Can be a standing or ad hoc group Single agency funds effort, acts as fiscal and contract agent No formal or binding agreements between participants Voluntary participation Advisory with limited ability to make commitments 	<ul style="list-style-type: none"> San Joaquin County Advisory Water Commission¹⁴ Sacramento Water Forum 	<p>Pros: Easy to form to address single purpose or issue, or dissolve if falters. Flexible- can add expertise and leadership as needed. Adequate for planning. No legal standing to sue or be sued. Limited liability for participants.</p> <p>Cons: Weak governance model with limited authority. Active participation may be lacking due to voluntary nature. Cannot hold property or sign contracts.</p>
Memorandum of Agreement (MOA)	<ul style="list-style-type: none"> Memorialize agreement among parties Involves multiple agencies and funding sources as defined in a MOA Does not create a new public entity Can be standing or ad hoc Single fiscal and contract agency for grants Voluntary participation No legal standing to sue or be sued Liability is only to individual participation No Brown Act requirements SGMA authorities exercised by individual members 	<ul style="list-style-type: none"> Western Placer County Groundwater Management Plan Mokelumne Water Forum Semitropic Water Storage District Groundwater Banking Project Poso Creek IRWMP (Semitropic Water Storage District) Greater Los Angeles County Regional Water Management Group East Stanislaus Regional Water Management Partnership Madera IRWMP Upper Kings IRWMP (Kings River Conservation District) Antelope IRWMP CABY IRWMP Greater L.A. IRWMP Bay Area IRWMP Ventura IRWMP Santa Barbara IRWMP San Luis Obispo IRWMP 	<p>Pros: More formal than a special committee since a MOA is adopted and signed by participants. MOA's provide a flexible method to assemble agencies and stakeholders.</p> <p>Cons: The underlying MOA goals are reliant on the individual agencies to implement projects. A MOA is not an adequate structure for project implementation without firm and binding agreements written into the MOA, or side agreements and contracts for projects. Cannot issue bonds. MOA governance typically includes a single fiscal agent and contracting entity, and the same agency assumes liability for implementation of grant programs.</p>
Contractual Agreements	<ul style="list-style-type: none"> Legally binding agreements among entities for specific 	Typically used as an adjunct to a MOU for	<p>Pros: Very specific and binding. Defines contractual relationships, liabilities, responsibilities, funding, etc.</p>

¹⁴ SJC Flood Control & Water Conservation District Act, Section 7 (Stats. 1956, Chapter 46), SJC Flood Control & Water Conservation District Ordinance #1-F; Board of Supervisors' Resolution R-86-438 & Ordinance #3457 dated 1/31/89; Board Order B-90-44 dated 1/9/90; & Ordinance #3920 dated 3/18/97.

Governance Form	Description	Examples	Pros and Cons
	<p>purposes or projects</p> <ul style="list-style-type: none"> • Could include hiring staff, joint funding activities, etc. 	<p>implementation grants or other special purposes.</p>	<p>Cons: May be complicated to administer for multiple projects with multiple project contracting entities operating with grant funds under a DWR contract.</p>
<p>Joint Powers Agreement (JPa)</p>	<ul style="list-style-type: none"> • Formed by local agreement among government agencies pursuant to state law • May creates a new public entity • Creates legally binding commitments among entities for specific purposes or projects • Used as a local agreement to define authorities, liabilities, responsibilities, funding, and revenue generation capacities per agreement • Can do business, hire staff, contract for service, enter into agreements • Can include defined liabilities; i.e., can sue and be sued • Must comply with Brown Act • SGMA authorities can be exercised by JPa 	<ul style="list-style-type: none"> • Many JPAs use this type of agreement but by agreement have created a new public entity. 	<p>Pros: Integrates existing agency powers, authorities, and funding mechanisms. Formed locally by participating agencies, is shaped to benefit local purposes, and includes an annual budget approved by a Board of Directors. Powers of a JPa are established in by the combined powers of the signatory agencies. Powers can include borrowing, issuing bonds, collecting fees, taxation, condemnation, police powers, etc.</p> <p>Cons: Limited to powers held in common. No membership option for non-government organizations, except as advisory. Members are usually appointed rather than directly elected. May limit existing public agencies autonomy to implement management within their areas, but this may be overcome by agreement. Takes time for adoption by participating agencies.</p>
<p>Joint Powers Authority (JPA)</p>	<ul style="list-style-type: none"> • Formed by local agreement among government agencies pursuant to state law • Creates a new public entity • Creates legally binding commitments among entities for specific purposes or projects • Used as a local agreement to define authorities, liabilities, responsibilities, funding, and revenue generation capacities per agreement • Can do business, hire staff, contract for service, enter into agreements • Can include defined liabilities; i.e., can sue and be sued • Must comply with Brown Act 	<ul style="list-style-type: none"> • South Placer Wastewater Authority • Eastern San Joaquin Groundwater Basin Authority • Mokelumne River Water and Power Authority • Eastern Water Alliance • Kings River Water Authority • Sacramento Groundwater Authority • Santa Ana Watershed Project Authority 	<p>Pros: Integrates existing agency powers, authorities, and funding mechanisms. Formed locally by participating agencies, is shaped to benefit local purposes, and includes an annual budget approved by a Board of Directors. Powers of a JPA are established in by the combined powers of the signatory agencies. JPA. Powers can include borrowing, issuing bonds, collecting fees, taxation, condemnation, police powers, etc.</p> <p>Cons: Limited to powers held in common. No membership option for non-government organizations, except as advisory. Members are usually appointed rather than directly elected. Takes time for adoption by participating agencies. More costly than other options due to it being a new public entity.</p>

Governance Form	Description	Examples	Pros and Cons
	<ul style="list-style-type: none"> • SGMA authorities can be exercised by JPA 		
Formally Chartered Organization	<ul style="list-style-type: none"> • Formed by state statute • Governance structure can be variable and include multiple governmental entities • Statutorily defined powers and authorities targeted to specific purposes or projects • Can do business, hire staff, contract for service, enter into agreements • Can include defined liabilities; i.e., can sue and be sued 	<ul style="list-style-type: none"> • San Joaquin County Flood Control and Water Conservation District • Mojave Water Agency • Kings River Conservation District • County flood control districts • Imperial Irrigation District • San Luis Obispo County Flood Control and Water Conservation District 	<p>Pros: Can include non-governmental organizations in voting, and in who sits on the board or council. Very specific powers and authorities, decision process, funding and revenue generation, etc. Good for special purpose in a defined geography. Can incur debt, and sell bonds. Empowered to facilitate state and federal coordination.</p> <p>Cons: Takes longer to form new statutorily defined agency. Typically more politically challenging than a locally formed JPA.</p>

4.8 Summary

The preceding general discussion of features and authorities that would be available to a GSA formed under different types of governing documents is intended to provide background to the West Placer GSA agencies. In particular, this background may be useful in discussions with legal counsel and others on the type of governance structure that would be most appropriate for GSAs in which the County would be a participant. The preceding section also provides observations based on how GSAs are being structured in various parts of the state. Two important observations are 1) SGMA affords local entities considerable flexibility in how they formulate governance structures, and 2) given the good working relations between the County and local water agencies and municipalities, the County is in a good position to exercise the flexibility available under SGMA to work with local entities to formulate comprehensive, durable governance structures for GSAs in the basin. The legislation does allow for a GSA to change the type of agreement. For example a GSA with a MOA, after development of a GSP and required management activities could change their agreement to a JPa or JPA.

The West Placer County portion of the Subbasin has been managed successfully under an MOA for the last nine years.¹⁵ In the next five years, as a GSP is developed and the understanding of

¹⁵ Groundwater Management Plans (GMPs) within the Subbasin include the Western Placer County GMP (2007), the Sacramento Regional Water Authority GMP – North Basin (2014), South Sutter Water District GMP (2009) and

basin conditions increases, the responsibilities of the GSA and those anticipated actions that may be required will become better defined. Although other types of agreements could be used it is unknown at this time whether the duties and responsibilities of the GSA warrant the additional effort and costs at this time. Based on these considerations and the foreseeable groundwater management activities during the next five years we recommend proceeding with a MOA.

A MOA is a flexible organizational agreement that will allow the parties to form one or more GSAs. Significantly, it will allow Cal Am, an investor-owned utility that is treated differently from public agencies under SGMA, to also participate in the GSA. An MOA is relatively simple to create; however, it is also easy to disband, so it may not be long-lasting should there be a dispute among the parties. Once the GSA is formed, the signatories will use the MOA to coordinate GSA responsibilities and authorities such as development of the GSP, mandating metering or reporting requirements, establishing and collecting fees, and administration of the GSP including possible pumping restrictions. The MOA governance form is generally not adequate for funding and implementation of capital projects; the individual agencies would need to take on these responsibilities.

Based on the history of cooperation in western Placer County, an MOA is the recommended organization form for initial development of the GSP. If it becomes difficult to manage GSP implementation by consensus, a contractual arrangement, JPa or development of a JPA may need to be considered in the future.

the Sutter County GMP (2012). In addition to these plans the Regional Water Authority also developed an American River Basin Integrated Water Management Plan (2013).

5 Notification to Become a GSA

Within 30 days of electing to be or forming a GSA, the GSA shall inform DWR of its election or formation and its intent to undertake sustainable groundwater management. The last date for filing is June 30, 2017. DWR would prefer to have the notifications by March 2017 so that the GSA could be formally processed and the agency could be designated as being the exclusive GSA for the area. The notification shall include the following information, as applicable:

- (1) The service area boundaries, the basin the agency is managing, and the other groundwater sustainability agencies operating within the basin.
- (2) A copy of the resolution forming the new agency.
- (3) A copy of any new bylaws, ordinances, or new authorities adopted by the local agency.
- (4) A list of interested parties developed pursuant to Section 10723.2 and an explanation of how their interests will be considered in the development and operation of the groundwater sustainability agency and the development and implementation of the agency's sustainability plan.

6 Reference List

California Department of Water Resources, May 18, 2016. GSP Regulations.

California State Legislature Senate Local Government Committee, August 2007. “Governments Working Together, A Citizen’s Guide to Joint Powers Agreements”

Sustainable Groundwater Management Act, September 2014. [And Related Statutory Provisions from SB1168 (Pavley), AB1739 (Dickinson), and SB1319 (Pavley) as Chaptered]

Sacramento Groundwater Authority, 2014. Sacramento Groundwater Authority Groundwater Management Plan.

MWH, 2007. Western Placer County Groundwater Management Plan.