

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION  
EXECUTIVE OFFICER'S REPORT

August 5, 2016 (Agenda)

LAFCO 16-04: Formation of the Cuyama Basin Water District (District)

PROPONENT: Landowners, by Petition of Application

ACREAGE &  
LOCATION

The proposed District is comprised of 83,095.69 acres. The proposed District boundaries encompass portions of Santa Barbara, San Luis Obispo, and Ventura Counties. However, because the majority of the land and assessed value of taxable property is located within Santa Barbara County, Santa Barbara LAFCO as the principal LAFCO is required to give notice in all three counties. Santa Barbara LAFCO is also responsible for holding the formation hearing(s) (**Exhibit A**).

PURPOSE:

The proposed District would provide a public agency with powers and abilities to, among other things, (i) administer, develop, construct and operate projects and programs to enhance water supplies to help stabilize the groundwater conditions in the Cuyama Groundwater Basin, and (ii) advance groundwater management and conservation programs and thereby pursue stabilizing the Basin and sustaining its resources for the beneficial use of all those who use water within the proposed District.

The need for local groundwater management was highlighted with the adoption of the Sustainable Groundwater Management Act of 2014 (Water Code Section 10720, ("SGMA"), which will require for the Cuyama Basin that certain groundwater management action be taken within the next approximately four years. After formation, the District will be financed by the creation of an assessment district pursuant to a Proposition 218 ballot proceeding/election.

CALIFORNIA WATER DISTRICTS:

California Water District are formed pursuant to the California Water Code Sections 34000 – 38501, the California Water Law). Formation proceedings may be initiated by the holders of title to a majority in area of land which is capable of using water beneficially for irrigation, domestic, industrial or municipal purposes and which can be serviced from common sources of supply and by the same system of works. (Water Code Section 35153).

The governing body, which is established by law to administer the operation of a California Water District, is comprised of a five-member elected board of directors, each of whom must be a landowner within the district or the legal representative of a landowner within the district. At any time after four-years from the date of the district's formation, the board may, by resolution,

increase the number of directors from 5 to 7,9, or 11, and may designate the first additional members to serve on the enlarges board (34700, et.seq.)

The specific powers that the board of directors may exercise are the acquisition and operation of works the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes, and any drainage or reclamation works connected with such undertakings (35401). The board of directors may also acquire and operate facilities and services for the collection and disposal of sewage, water, and storm waters (35500)

#### Forming a California Water District:

The process of forming a California Water District consists of these basic steps:

California Water Districts are formed pursuant to the California Water Code, Sections 34000-38501. The law for forming a California Water District was developed in 1951 to allow large landowners to manage the water resources in their area.

Statutory Background: The formation of a California Water District to manage the Cuyama Groundwater Basin, by forming the Cuyama Basin Water District, is a process guided largely by two laws: The California Water District Law - Water Code 34000-38501, and the Cortese-Knox-Hertzberg Act Government Code 56000, et al. Santa Barbara Local Agency Formation Commission (SBLAFCO) has authority to consider the application for forming the District under the Cortese-Knox-Hertzberg Act. Other agencies involved in the processing of the application are the offices of County Assessor and Clerk-Recorder's. The Assessor's Office provides information and verification regarding the landowners and acreage in the area. The Clerk-Recorder's Office conducts the elections that are required to form the District at the direction of the County Board of Supervisors.

#### Formation Process:

##### Petition, Noticing and Public Hearing:

Petition: The formation process for California Water Districts, is initiated by a petition signed by the holders of title to a majority of land that is capable of using water beneficially for irrigation, domestic, industrial, or municipal purposes, and that can be serviced from common sources of supply and be the same system of works.

LAFCO Hearing: When the application is complete, LAFCO conducts a noticed public hearing. After hearing public testimony, the Commission may either approve, modify, or deny the proposed formation. If it is approved, the Commission also will adopt any terms and conditions for the formation, and establish a sphere of influence for the new district.

Protest Hearing: Following LAFCO Approval, the District formation is scheduled for a conducting authority (protest) hearing where no further modifications may be made. At the conducting authority stage, without majority protest, the conducting authority (LAFCO) shall make an order doing the following (34306):

1. Establishing and describing the district boundaries.
2. Describing land to be excluded from the district.
3. Naming the proposed district.

Election:

After making the order, the Board of Supervisors shall be directed by LAFCO to call and give notice of an election, at which the following are entitled to vote (34400 and 57000):

1. Only the holder of title to land in the proposed district may vote. The vote may be in person or by proxy. (Rule for voting by proxy are set forth in Section 35005 of the Water Code).
2. Each voter shall have one vote for each dollar's worth of land to which he or she holds title.

If after the election, a majority of all of the votes cast favor the formation of the district, the territory shall be formed as a district (34500).

Boundaries:

1. The boundaries of a California Water District may include the following Land located in one or more counties (34153)

Governing Body: The governing body, which is established to administer the operation of a California Water District, is initially composed of a five-member elected Board of Directors, (WC-34708), each of whom must be a landowner within the District. The Board may be modified by the District through a future action. Either expanded to include 7 or 9 members, or changed to be a register voter elected Board of Directors.

Powers/Functions:

The primary powers of a California Water District include:

- the acquisition and operation of water works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial and municipal purposes, and any drainage or reclamation works connected with such undertakings.

- acquire and operate facilities and services for the collection, treatment, and disposal of sewage, waste, and storm waters.

#### Sustainable Groundwater Management Act:

In September 2014, Governor Edmund G. Brown Jr. signed a three-bill package known as the Sustainable Groundwater Management Act. 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.

The three bills that make up SGMA are AB 1739 by Assembly Member Roger Dickinson, and SB 1319 and SB 1168 by Senator Fran Pavley.

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.

“A central feature of these bills is the recognition that groundwater management in California is best accomplished locally. Local agencies will now have the power to assess the conditions of their local groundwater basins and take the necessary steps to bring those basins in a state of chronic long-term overdraft into balance.” –Governor Edmund G. Brown Jr.

#### 1) Provisions of the Sustainable Groundwater Management Act:

- a) Provides for sustainable management of groundwater basins
- b) Enhances local management of groundwater consistent with rights to use or store groundwater
- c) Establishes minimum standards for effective, continuous management of groundwater
- d) Provides local groundwater agencies with the authority, technical, and financial assistance needed to maintain groundwater supplies
- e) Avoids or minimizes impacts for land subsidence
- f) Improves data collection and understanding of groundwater resources and management
- g) Increases groundwater storage and removes impediments to recharge
- h) 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, prior to developing groundwater sustainability plans for groundwater basins or sub-basins that are designated as medium or high priority.

- SGMA Timeline:

The SGMA contains timelines that allows local agencies to customize groundwater sustainability plans to their regional economic and environmental needs. On or before **June 30, 2017**, "A local agency or agencies in each of the high-or medium priority groundwater basins must have officially formed one or more Groundwater Sustainability Agencies (GSA's) for the entire basin (Water Code Section 10724, 10735.2(a)(1). On **June 30, 2107**, the State Water Board can begin to put basins on probation if the basin lacks one or more GSAs that cover the entire basin or no alternative has been approved (Water Code Section 10735.2(a)(1). The GSA is responsible for developing a Groundwater Sustainability Plan (GSP) for the Cuyama Water Basin. GPA's must be adopted by January 31, 2022 for those basins deemed by the State to be critically over drafted, such as the Cuyama Water Basin.

The key dates in SGMA are set forth in **Exhibit B**

Board of Supervisors Action on SGMA:

On July 12, 2016, the Board of Supervisors directed its staff to participate in Groundwater Sustainability Agency Formation in the Cuyama, Santa Ynez and San Antonio Groundwater Basins. The Board of Supervisors was informed that LAFCO is in the formation process for a California Water District by agricultural interests in the Cuyama Valley.

The Board was informed that the County Water Agency will participate in a GSA with the new Water District (pending formation) and the Counties of San Luis Obispo, Ventura and Kern. Additionally, the New Cuyama Community Services District may be a GSA member.

The Board was also informed by its staff that on April 18, 2016, a pre-meeting was held with representatives from all six interested agencies to discuss GSA formation, timeline and the creation of a working group. The first meeting of the working group is scheduled for July.

The purpose of the working group is to build a Memoranda of Understanding/Agreement or Joint Powers Agreement for GSA formation with the support of County Counsel.

At least one public workshop will be held to inform the community of this process.

Proposal Information

1. Land Use, Planning and Zoning - Present and Future:

There are a variety of land uses in the Counties of Santa Barbara, San Luis Obispo and Ventura Counties. A list of land uses, surrounding land uses, and zoning is contained in **Exhibit C**.

2. Topography, Natural Features and Drainage Basins

The area is generally a flat valley and the foothills of the Cuyama Valley. Topography surrounding the area is generally mountainous.

3. Population:

There are approximately 120 dwelling units within the proposal area. No new dwelling units would result from the formation of the district.

4. Governmental Services and Controls - Need, Cost, Adequacy and Availability:

The Cuyama Groundwater Basin is a major agricultural area of the State that is not within an organized water or other similar type of district, and is totally dependent on the use of groundwater. The purpose of forming the district is to provide a public agency with all of the powers and abilities to, among others things, (i) administer, develop, construct and operate projects and programs to enhance water supplies to help stabilize the groundwater conditions in the Cuyama Groundwater Basin, and (ii) advance groundwater management and conservation programs and thereby pursue stabilizing the Basin and sustaining its resources for the beneficial use of all those who use water within the proposed District.

The need for local groundwater management made necessary by the adoption of the Sustainable Groundwater Management Act of 2014 (Water Code Section 10720 et.seq.), which requires that the Cuyama Basin take certain groundwater management action with the next four years. The types of action will be determined by an elected Board of Directors, if the proposed district is approved.

5. Financing of the Cuyama Basin Water District:

The formation of the Cuyama Basin Water District will be conditioned on the new Board of Directors forming an Assessment District, pursuant to Proposition 218. This would require an election to be held before April 30, 2017. The amount of the assessment is unknown at this point.

The principal initial expenses of the district would be to develop, in coordination with the affected counties and the Cuyama CSD, a Groundwater Sustainability Plan, pursuant to SGMA. As part of that Plan, groundwater extraction fees may later be imposed based on groundwater pumping to partial fund the District to implement the Plan.

6. Environmental Impact of the Proposal:

The creation of a District for the purpose of creating a funding mechanism is exempt from CEQA pursuant to CEQA Guidelines Section 15378(b)(4), or alternatively CEQA Guidelines Section 15061 (b)(3), which provides:

“The creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment”.

The Notice of Exemption is included in **Exhibit D**.

7. Boundaries, Lines of Assessment and Registered Voters:

The proposed boundaries are definite and certain. There are no conflicts with lines of assessment or ownership. The boundaries essentially include all irrigated land within the Cuyama Groundwater Basin as well as all adjoining land that could potentially be irrigated. Federal land, which are not irrigated, have been excluded where practical because federal lands are not subject to SGMA compliance. In addition, lands within the Cuyama CSD were excluded, but it is anticipated that the CSD will be part of the Groundwater Sustainability Plan process under SGMA.

The Assessed Value of properties within the proposed District, as of March 4, 2016, are as follows:

|                        |              |
|------------------------|--------------|
| Santa Barbara County   | \$84,313,385 |
| San Luis Obispo County | \$42,145,532 |
| Ventura County         | \$ 4,853,514 |

The largest property owners are as follows:

|                                  |         |
|----------------------------------|---------|
| Bolthouse Properties – 8,023 +/- | (9.8%)  |
| Grimmway Farms – 11,703 +/-      | (14.3%) |

The territory is inhabited; more that 12 registered voters reside in the affected territory.

Determination of an Appropriations Limit:

Government Code Section 56811 requires the Commission to determine an appropriations limit for the formation of a new district. Article XIII B of the California Constitution limits the amount of spending from the “Proceeds of Taxes.” Proceeds of Taxes is defined as follow:

(c) "Proceeds of taxes" shall include, but not be restricted to, all tax revenues and the proceeds to an entity of government, from

(1) regulatory licenses, user charges, and user fees to the extent that those proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service, and (2) the investment of tax revenues. With respect to any local government, "proceeds of taxes" shall include subventions received from the State, other than pursuant to Section 6, and, with respect to the State, proceeds of taxes shall exclude such subventions.

Since the proposed new district will be collecting assessment pursuant to a Proposition 218 election, none of the forgoing "Proceeds of Taxes" will be collected. Therefore, it is not necessary for the Commission to set an Appropriations Limit if the Cuyama Basin Water District is approved. Should the new Board of Directors levy any of the "Proceeds of Taxes," described above, it will be necessary to establish an Appropriations Limit.

Sphere of Influence:

If formed, the Commission will establish a sphere of influence for the Cuyama Basin Water District. It is recommended that the sphere of influence be coterminous with the boundaries of the District.

8. GENERAL ANALYSIS

If formed, the Cuyama Basin Water District will participate in a Groundwater Sustainability Agency (GSA), with the County Water Agency, and the Counties of San Luis Obispo, Ventura and Kern. Additionally, the New Cuyama Community Services District may also be a GSA member. The County Water Agency is also responsible for the Santa Ynez and San Antonio Groundwater Basins. If the Cuyama Basin Water District is not formed, the County Water Agency would also be responsible for meeting SGMA requirement for the Cuyama Water Basin.

Although the Cuyama Water Basin would be included in a Groundwater Sustainability Agency, the landowners in the Basin wish to maintain some level of independence in the development of a Groundwater Sustainability Plan (GSP). A portion of the GSP would be financed by a Proposition 218 special assessment, if approved by the voters, levied on landowners within the Cuyama Basin Water District boundaries.

The petition was signed by the holders of title to a majority in area of land which is capable of using water beneficially for irrigation, domestic, industrial or municipal purposes and which can be serviced from common sources of supply and by the same system of works. (Water Code Section 35153). If approved, the proposed District formation will go to a protest hearing followed by a mailed ballot election.

The formation process is clear and there are adequate opportunities for those who may be opposed to this District formation to vote on the matter.

Conclusion:

The proposed District would provide a public agency with powers and abilities to, among other things, (i) administer, develop, construct and operate projects and programs to enhance water supplies to help stabilize the groundwater conditions in the Cuyama Groundwater Basin, and (ii) advance groundwater management and conservation programs and thereby pursue stabilizing the Basin and sustaining its resources for the beneficial use of all those who use water within the proposed District.

The new District would provide some level of local control with landowner approved financing, and establishment of an independently elected Board of Directors. However, the area included in the District would also be part of a Groundwater Sustainability Agency and be part of the development of a Groundwater Sustainability Plan.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted the Commission should consider taking one of the following options:

**OPTION 1** – APPROVE the District Formation as submitted and adopt a resolution (**Exhibit E**) that will take the following actions:

1. Find that the formation is Categorically Exempt based on the creation of a District for the purpose of creating a funding mechanism that is exempt from the California Environmental Quality Act, Public Resources Code section 21000 et. seq. ("CEQA") pursuant to CEQA Guidelines Section 15378(b)(4) and CEQA Guidelines Section 15061 (b)(3).
2. Approve the proposal, known as the Formation of the Cuyama Basin Water District, subject to the following terms and conditions:
  - a. The name of the district shall be the Cuyama Basin Water District.
  - b. The District shall be initially composed of a five-member elected Board of Directors, each of whom must be a landowner within the District.

- c. The District shall have those powers and responsibilities set forth in the California Water District Law, Water Code section 34000 et. seq., including Water Code section 35401 that authorizes the District to acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes, and any drainage or reclamation works connected therewith or incidental thereto.
- d. The District, if formed, shall cease to exist if the Proposition 218 Proceeding is not conducted and an assessment to fund the District is not approved by May 4, 2017, or Santa Barbara LAFCO otherwise extends such deadline.
- e. The District, if formed, shall cease to exist if it does not enter into a joint powers agreement or memorandum of agreement pursuant to the Sustainable Groundwater Management Act, Water Code section 10720 et. seq., for the formation of a groundwater sustainability agency for the Cuyama groundwater basin by December 31, 2017 or later date approved by the State pursuant to the Act.
- f. Should the new Board of Directors levy any of the "Proceeds of Taxes," described above, it will establish an Appropriations Limit.

The effective date shall be the date that the formation is recorded.

#### EXHIBITS

|           |  |
|-----------|--|
| Exhibit A | Map of Cuyama Basin Water District   |
| Exhibit B | Sustainable Groundwater Management Act Timeline  |
| Exhibit C | Land Uses Within the Boundaries of the Proposed District   |
| Exhibit D | Notice of Categorical Exemption  |
| Exhibit E | Resolution Forming of the Cuyama Basin Water District and Establishing a Coterminous Sphere of Influence |

ALTERNATIVES FOR COMMISSION CONSIDERATION

After reviewing this report and any testimony or materials that are presented, the Commission can take one of the following actions:

OPTION 1 – APPROVE the proposal as submitted.

OPTION 2 - CONTINUE this proposal to a future meeting for additional information.

OPTION 2 - DENY the proposal .

RECOMMENDED ACTION:

Approve OPTION 1.

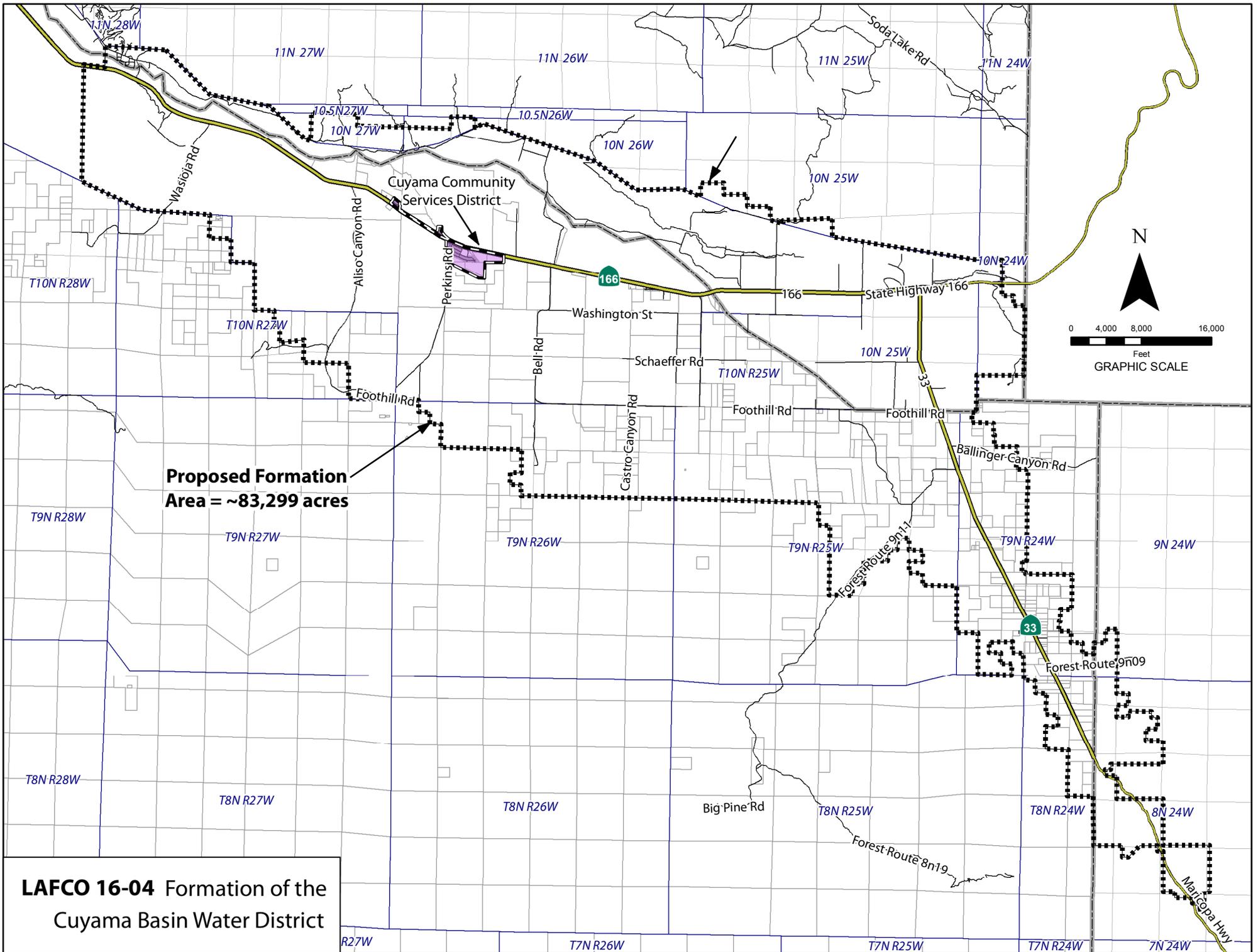


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PAUL HOOD

Executive Officer

LOCAL AGENCY FORMATION COMMISSION



**Proposed Formation Area = ~83,299 acres**

**LAFCO 16-04 Formation of the Cuyama Basin Water District**

## **Sustainable Groundwater Management Act Timeline**

### **Sept, 16, 2014: Groundwater management legislation becomes law**

Gov. Brown signs Senate Bill 1168, Assembly Bill 1739, and Senate Bill 1319, which made up the groundwater management legislation package.

### **Jan. 1, 2015: Legislation goes into effect**

The Sustainable Groundwater Management Act becomes effective.

### **Jan. 31, 2015: DWR must establish initial groundwater basin priority**

California Department of Water Resources (DWR) establishes the initial priority – high, medium, low or very low – for each groundwater basin in the state by the end of January 2015 (Water Code § 10722.4).

### **Jan. 1, 2016: DWR must set emergency regulations for basin boundary revisions**

DWR adopts emergency regulations for groundwater basin boundary revisions by Jan. 1, 2016. The regulations must include the methodology and criteria used to evaluate proposed boundary revisions, including the establishment of new subbasins (Water Code § 10722.2).

### **June 1, 2016: DWR must establish emergency regulations for evaluating plans**

DWR adopts emergency regulations for evaluating Groundwater Sustainability Plans (GSPs), their implementation and coordination agreements among local agencies for groundwater sustainability planning. The regulations must identify GSP components and information to assist plan and coordination agreement development and implementation (Water Code § 10733.2).

### **Dec. 31, 2016: DWR estimate of water available for groundwater replenishment due**

DWR publishes its estimate of the water available for groundwater replenishment on its website (Water Code § 10729(c)).

### **Jan. 1, 2017: Basin deadline to submit alternative to a GSP**

Medium- and high-priority basins choosing to meet sustainability objectives by ways other than groundwater sustainability planning (which includes not forming a Groundwater Sustainability Agency (GSA)) must submit their alternatives to DWR (and then again every five years). (Water Code § 10733.6).

### **Jan. 1, 2017: DWR will establish best management practices for sustainable management**

DWR publishes best management practices for the sustainable management of groundwater on its website (Water Code § 10729(d)).

### **June 30, 2017: Deadline to form a GSA**

A local agency or agencies in each high- or medium-priority groundwater basin must have officially formed one or more (GSAs) for the entire basin (Water Code §§ 10724, 10735.2(a)(1)).

**June 30, 2017: State Water Board can begin to put basins on probation**

The State Water Resources Control Board (State Water Board) can initiate probationary status to a medium- or high-priority basin if the basin lacks one or more GSA(s) that covers the entire basin or no alternative has been approved (Water Code § 10735.2(a)(1)).

**July 1, 2017: Those pumping in a probationary basin must report extractions**

Pumping groundwater in a basin that either has been designated as a probationary basin or lies outside a GSA's management area must be reported to the State Water Board. These reporting requirements do not apply to those extracting for domestic purposes 2 acre-feet per year or less, and some others (Water Code §§ 5202, 10724).

**Jan. 31, 2020: GSPs required for critically overdrafted basins**

Basins designated as high- or medium-priority and subject to critical conditions of overdraft must be managed under a GSP or GSPs. The State Water Board can initiate probationary status for all or part of a basin if there is no GSP, if the GSP is inadequate, or the GSP implementation will not likely achieve sustainability (Water Code § 10720.7(a)(1), 10735.2(a)(2), 10735.2(a)(3) ).

**Jan. 31, 2022: GSPs required for all remaining high- and medium- priority groundwater basins**

All remaining basins designated as high- or medium-priority must be managed under a GSP or GSPs. The State Water Board can initiate probationary status in 2022 for all or part of a basin if there is no GSP, if the GSP is inadequate, or the GSP implementation will not likely achieve sustainability except for basins where groundwater extractions result in significant depletion of interconnected surface waters (Water Code § 10720.7(a)(2), 10735.2(a)(4), and 10735.2(a)(5)(A)).

**Jan 31, 2025: State Water Board actions where extractions impact surface waters**

The State Water Board can initiate probationary status for those medium- or high-priority basin where the GSP is inadequate or implementation is not likely to achieve sustainability AND the basin is in a condition where groundwater extractions result in significant depletion of interconnected surface waters (Water Code § 10735(a)(5)(B)).

**Jan. 31, 2022 -2024: DWR completes evaluation of all GSPs**

DWR must evaluate and issue an assessment of a GSP within two years of submission by a GSA. DWR may include recommendations for addressing any deficiencies in the GSP (Water Code § 10733.4(d)).

**Jan. 31, 2040 - 2042: Basins must achieve sustainability**

A GSP must include measurable objectives and milestones in increments of five years to achieve sustainability within 20 years of GSP adoption (Water Code § 10727.2(b)(1)).

## Santa Barbara County

### Land Uses:

- a. A-I (Ag/5 or more Acres)
- b. A-I Educational Facility
- c. Agriculture II (A-II)
- d. Agriculture Commercial (AC)
- e. Utility-Scale Solar Photovoltaic Facility Overlay (Only Over A-II & AC)
- f. General Commercial
- g. Highway Commercial
- h. Industrial Park
- i. Institutional/Government Facility
- j. Light Industrial
- k. Recreational/Open Space
- l. Residential – 12.3 Units/Ac
- m. Residential – 4.6 Units/Ac
- n. Residential – 8.0 Units/Ac

### *Surrounding Land Uses:*

- a. *A-II (Open Land Uses)*

### Zoning:

- a. Limited Agriculture/Minimum Parcel Size 10 Acres (Ord. 661)
- b. General Agriculture/Minimum Parcel size 100 Acres (Ord. 661)
- c. General Agriculture/Minimum Parcel size 50 Acres (Ord. 661)
- d. Single Family/Minimum Lot Size- 8,000 sq. feet net
- e. Agriculture I/Minimum Lot Size- 10 Acres gross
- f. Agriculture II/Minimum Lot Size- 40 Acres gross
- g. Agriculture II/Minimum Lot Size- 100 Acres gross
- h. Unlimited Agriculture/Minimum Parcel Size- 10 Acres unless Parcel already exists (Ord. 661)
- i. Retail Commercial
- j. Retail Commercial
- k. Highway Commercial
- l. Design Residential 6 units/acre gross
- m. Light Industry
- n. Industrial Research Park
- o. Public Works Utilities and Private Services Facilities
- p. Recreation

## **San Luis Obispo County**

### Land Uses:

- a. Agriculture
- b. Rural Lands (Large Lot Rural)

### *Surrounding Land Uses:*

- a. *Rural Lands (Large Lot Rural)*

### Zoning:

- a. Info not available via GIS

## **Ventura County**

### Land Uses:

- a. Open Space (10 Acre Min.)

### *Surrounding Land Uses:*

- a. *Open Space (10 Acre Min.)*

### Zoning:

- a. Unable to obtain\*\*

*\*Land Use and Zoning Designations have been pulled from each County's General Plan and Zoning Ordinance.*

## ***NOTICE OF EXEMPTION***

### **Filing of Notice of Exemption in Compliance with Section 21108 of the Public Resources Code**

**TO:** County Clerk  
County of Santa Barbara  
105 East Anapamu Street  
Santa Barbara CA 93101

**FROM:** Local Agency Formation Commission  
105 East Anapamu Street, Room 407  
Santa Barbara CA 93101  
805/568-3391

**PROJECT TITLE:** **LAFCO 16-04** Formation of the Cuyama Basin Water District

#### **PROJECT LOCATION AND DESCRIPTION:**

##### Project Location:

Within the boundaries of the Cuyama Valley, including portions of Santa Barbara County, San Luis Obispo County, and Ventura County.

##### Description of Nature, Purpose, and Beneficiaries of Project:

The Cuyama Valley is a valley along the Cuyama River in central California, in northern Santa Barbara, southern San Luis Obispo, southwestern Kern, and northwestern Ventura counties. The Cuyama Groundwater Basin is a major agricultural area of the State that is not within an organized water or other similar type of district, that is totally dependent on the use of groundwater.

The proposed District boundaries encompass portions of Santa Barbara, San Luis Obispo, and Ventura Counties. However, because the majority of the land and assessed value of taxable property is located within Santa Barbara County, Santa Barbara LAFCO as the principal LAFCO is required to give notice in all three counties. Santa Barbara LAFCO is also responsible for holding the formation hearing(s).

The proposed District would provide a public agency with powers and abilities to, among other things, (i) administer, develop, construct and operate projects and programs to enhance water supplies to help stabilize the groundwater conditions in the Cuyama Groundwater Basin, and (ii) advance groundwater management and conservation programs and thereby pursue stabilizing the Basin and sustaining its resources for the beneficial use of all those who use water within the proposed District.

The need for local groundwater management was highlighted with the adoption of the Sustainable Groundwater Management Act of 2014 (Water Code Section 10720, ("SGMA"), which will require for the Cuyama Basin that certain groundwater management action be taken within the next approximately four years. After formation, the District will be financed by the creation of an assessment district pursuant to a Proposition 218 ballot proceeding/election.

##### Name of Person or Agency Carrying Out the Project:

Santa Barbara Local Agency Formation Commission

The creation of a CSD that does not involve any commitment to a CEQA project is a funding mechanism is exempt from CEQA pursuant to CEQA Guidelines Section 15378(b)(4), which provides:

“Section 15378 (b) Project does not include: (4) The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.”

The Santa Barbara Local Agency Formation Commission approved the above-referenced project on August 5, 2016 and has determined it to be exempt from further environmental review requirements of the California Environmental Quality Act (CEQA) of 1970, as defined in the State and local Guidelines for the implementation of CEQA.

Exempt Status:

- Ministerial
- Statutory
- Categorical Exemption:  
Project is a funding mechanism is exempt from CEQA pursuant to CEQA Guidelines Section 15378(b)(4).
- Emergency Project
- No Possibility of Significant Effect [Sec. 15061 (b,3)]

By: \_\_\_\_\_  
**Commission Secretary**

Date: \_\_\_\_\_

LAFCO XX-XX

RESOLUTION OF THE SANTA BARBARA LOCAL AGENCY FORMATION  
COMMISSION MAKING DETERMINATIONS AND APPROVING THE FORMATION OF  
THE CUYAMA BASIN WATER DISTRICT AND ESTABLISHING A COTERMINOUS  
SPHERE OF INFLUENCE

WHEREAS, the above-referenced proposal has been filed with the Executive Officer of the Santa Barbara Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Government Code); and

WHEREAS, at the times and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, existing Spheres of Influence and applicable General and Specific Plans; and

WHEREAS, the Local Agency Formation Commission finds the proposal to be in the best interests of the affected area and the total organization of local governmental agencies within Santa Barbara County.

NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED by the Local Agency Formation Commission of Santa Barbara County as follows:

1. Find that the formation is Categorically Exempt based on the creation of a District for the purpose of creating a funding mechanism that is exempt from the California Environmental Quality Act, Public Resources Code section 21000 et. seq. ("CEQA") pursuant to CEQA Guidelines Section 15378(b)(4) and CEQA Guidelines Section 15061(b)(3).
2. Approve the proposal, known as the Formation of the Cuyama Basin Water District, subject to the following terms and conditions:
  - a. The name of the district shall be the Cuyama Basin Water District.

- b. The District shall be initially composed of a five-member elected Board of Directors, each of whom must be a landowner within the District.
- c. The District shall have those powers and responsibilities set forth in the California Water District Law, Water Code section 34000 et. seq., including Water Code section 35401 that authorizes the District to acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes, and any drainage or reclamation works connected therewith or incidental thereto.
- d. The District, if formed, shall cease to exist if the Proposition 218 Proceeding is not conducted and an assessment to fund the District is not approved by May 4, 2017, or Santa Barbara LAFCO otherwise extends such deadline.
- e. The District, if formed, shall cease to exist if it does not enter into a joint powers agreement or memorandum of agreement pursuant to the Sustainable Groundwater Management Act, Water Code section 10720 et. seq., for the formation of a groundwater sustainability agency for the Cuyama groundwater basin by December 31, 2017 or later date approved by the State pursuant to the Act.
- f. Should the new Board of Directors levy any of the "Proceeds of Taxes," described above, it will establish an Appropriations Limit.

This resolution was adopted on August 5, 2016, and is effective on the date signed by the Chair.

AYES:

NOES:

ABSTAINS:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Chair  
Santa Barbara Local Agency  
Formation Commission

ATTEST

\_\_\_\_\_  
Jacquelyne Alexander, Clerk  
Santa Barbara Local Agency Formation Commission