

# Santa Barbara LAFCO

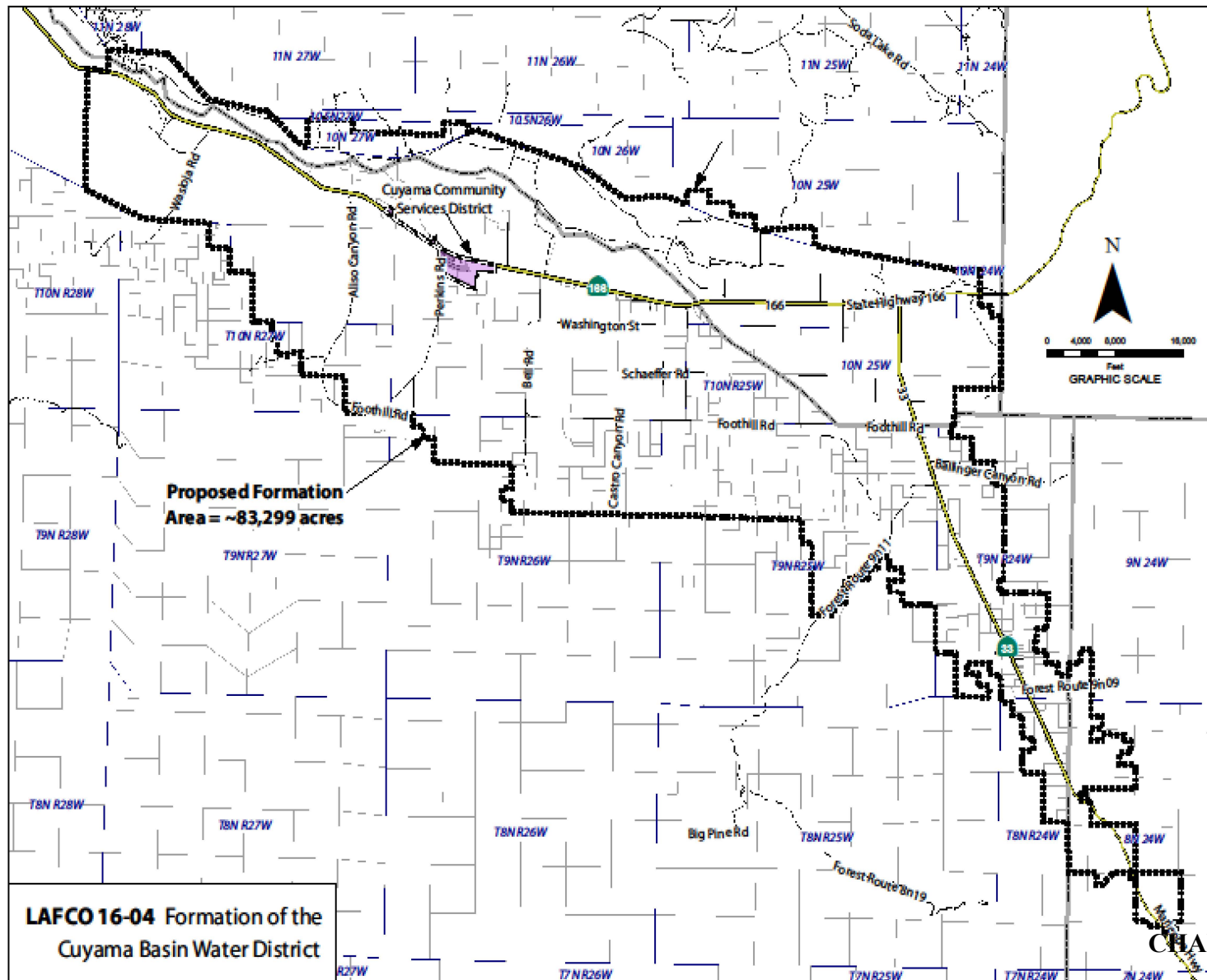
## Formation of the Cuyama Basin Water District

August 5, 2016

# Background

- Applicant: Landowners, by Petition of Application
- 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.

# Map of Proposed District



# Sustainable Groundwater Management Act of 2014 (Water Code Section 10720, (“SGMA”)),

- The need for local groundwater management was highlighted with the adoption of the Sustainable Groundwater Management Act, 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.
- 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.

# California Water Districts

- California Water Districts are formed pursuant to the California Water Code. 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.
- 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, or designee, of a landowner within the district.

# California Water Districts (Cont'd)

- Powers: 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.

# 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.

# Environmental Determination

- 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”.



# 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.

# General Analysis (Cont'd)

- 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.

# Recommendation

- 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 proposal as submitted.
  - OPTION 2 - CONTINUE this proposal to a future meeting for additional information.
  - OPTION 2 - DENY the proposal

# Recommendation (Cont'd)

- **OPTION 1** – APPROVE the District Formation as submitted and adopt a resolution that will take the following actions:
- 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).
- Approve the proposal, known as the Formation of the Cuyama Basin Water District, subject to the following terms and conditions:
- The name of the district shall be the Cuyama Basin Water District.
- The District shall be initially composed of a five-member elected Board of Directors, each of whom must be a landowner within the District.

# Recommendation (Cont'd)

- 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.
- 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.
- 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.
- Should the new Board of Directors levy any of the "Proceeds of Taxes," described above, it will establish an Appropriations Limit.