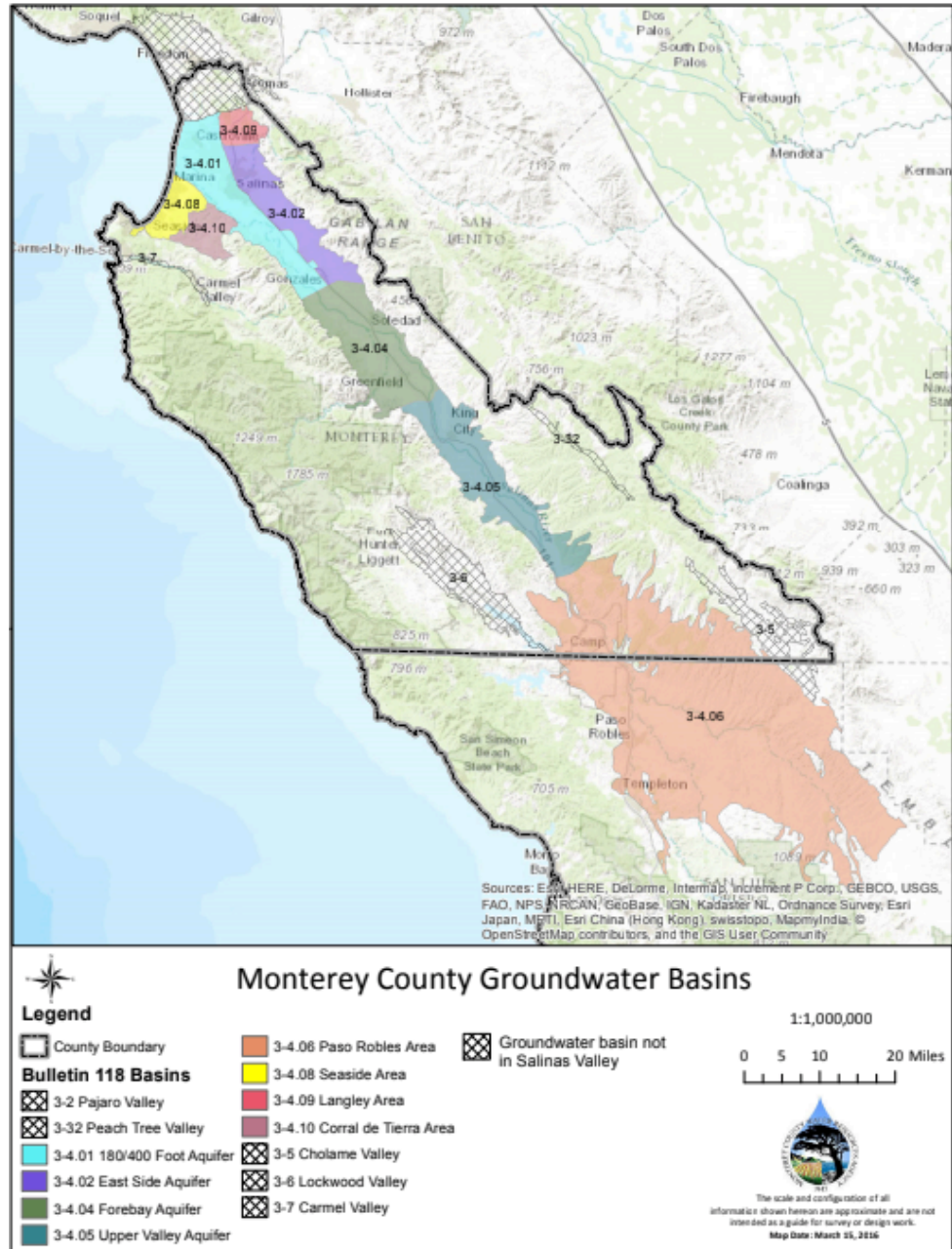


OVERVIEW

Groundwater Sustainability Agency Formation
July 2019

California's Sustainable Groundwater Management Act requires certain groundwater basins to form a public agency to manage groundwater, develop a groundwater management plan, and meet groundwater sustainability requirements.

The first major requirement was to form a groundwater sustainability agency, known as a GSA, by June 30, 2017. Local agencies, stakeholders, and the public met for over a year to develop consensus on the best way to form a GSA to meet the state's deadline.



The GSA now covers most of the Salinas Valley, designated in California's Department of Water Resources Bulletin 118.

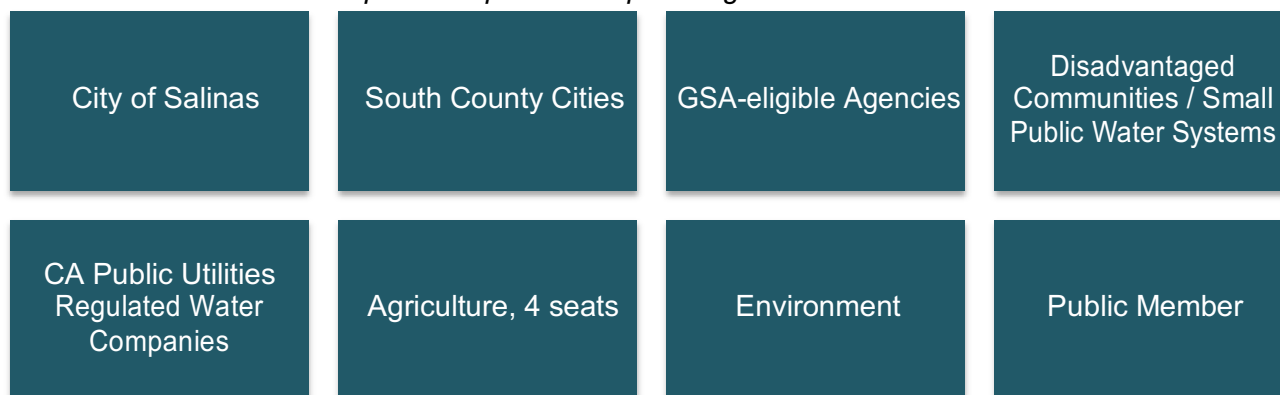
The proposed GSA does not include the adjudicated area of Seaside Basin, nor the Paso Robles sub-basin portion that is in San Luis Obispo County. The Marina Coast Water District, the City of Marina and the City of Greenfield are also proposing to form GSAs in a portion of their service area. The Salinas Valley GSA will coordinate with these other entities, as the law requires.

Groundwater Sustainability Agency Governance

A collaborative work group developed the GSA formation, considering public input at its meetings, briefings at local organizations, and several public workshops called Groundwater Stakeholder Forums. GSA-eligible agencies, represented in the collaborative work group, received recommendations and made the ultimate decision on GSA-formation.

Governing Board with 11 Directors

The Board of 11 directors represents public and private groundwater interests.



Governing Board Director Selection Process



Voting

- One director = one vote
- Simple majority (6 of 11 votes) for routine business
- Supermajority (8 of 11 votes) for major decisions
e.g. the groundwater sustainability plan, annual budget, regulations, and fees
- Supermajority Plus at least 3 Agricultural Directors votes for groundwater extraction restrictions and fees

The supermajority and agricultural voting requirements are intended to **build consensus** within the governing board and among groundwater users, creating **incentives** to come together to solve problems to meet sustainability targets. These voting provisions recognize that agricultural interests are extremely varied across the basin and must build unanimity to advance measures and achieve sustainability.

Funding and Legal Structure

- **The GSA will be a self-funded agency and need to develop a funding structure.** The GSA will pursue grants and other funding opportunities to help offset the local costs associated with implementing SGMA. The GSA governing board will be able to assess **fees** consistent with existing laws for public agencies. This was accomplished in January of 2019.
- The Salinas Valley Groundwater Sustainability Agency's legal structure is a **joint powers authority**. A more permanent agency, with the same governance structure, could be identified by legislative act in the future. Eight (8) GSA-eligible public agencies signed the agreement and contributed initial funding for GSA operations until the GSA developed its funding structure.

State Backstop

- If the Salinas Valley fails to meet the requirements of the law, including forming a GSA by 2017, developing a groundwater sustainability plan by 2020 or 2022, or achieving sustainability within 20 years, the State of California will intervene to manage the groundwater basin.