

**REGULAR MEETING
OF
BOARD OF DIRECTORS
MONTECITO GROUNDWATER BASIN
GROUNDWATER SUSTAINABILITY AGENCY**

**MEETING LOCATION:
MONTECITO FIRE PROTECTION DISTRICT
595 SAN YSIDRO ROAD
MONTECITO, CALIFORNIA**

**WEDNESDAY, JULY 24, 2019
12:30 P.M.**

AGENDA

1. SWEARING IN OF DIRECTORS

A. Oath of Office, Directors Plough

2. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM

3. PLEDGE OF ALLEGIANCE

4. PUBLIC FORUM

This portion of the agenda may be utilized by any member of the public to address and ask questions of the Board of Directors on any matter not on the agenda within the jurisdiction of the Montecito Groundwater Basin Groundwater Sustainability Agency. Depending upon the subject matter, the Board of Directors may be unable to respond at this time, or until the specific item is placed on the agenda at a future Board meeting in accordance with the Ralph M. Brown Act.

5. CONSENT CALENDAR

Following items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration:

* A. Minutes of April 29, 2019

6. AGENCY OPERATIONS

* A. BOARD ACTION: Approval of a revised Conflict Waiver with Brownstein Hyatt Farber Schreck for special legal services in connection with the Montecito Groundwater Basin Groundwater Sustainability Agency

* B. SGMA Funding

i. INFORMATION ONLY: Overview of possible funding mechanisms for the MGWB GSA. Presentation by Raftelis

ii. INFORMATION ONLY: Potential Proposition 68 grant funding opportunity for Project Implementation

* indicates attachment included for this item

iii. BOARD ACTION: Adoption of Resolution No. 2 designating an the authorized representative and submittal of grant application for DWR Financial Assistance

* C. INFORMATION ONLY: Advisory Committee Formation

* D. INFORMATION ONLY: Groundwater Sustainability Agency Communications

7. AGENCY BUSINESS REPORT

A. INFORMATION ONLY: Unaudited Quarterly Financials;

8. LEGAL MATTERS

A. Legal Counsel – Oral Report

9. DIRECTOR REQUESTS

Requests from Directors for items other than regular agenda items for the next regular Board meeting or any future meeting.

10. ADJOURNMENT

Note: This agenda was posted at the Montecito Water District front counter and outside display case at 5:00 p.m. on July 19, 2019. The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the Agency's programs, services or activities because of any disability. If you need special assistance to participate in this meeting, please contact the Montecito Water District Office at 805-969-2271. Notification at least twenty-four (24) hours prior to the meeting will enable the Agency to make appropriate arrangements.

Supporting documents for agenda items are available at the Montecito Water District front counter during normal business hours, 7:30am to 5:00pm.

Materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the Montecito Water District offices located at 583 San Ysidro Road, Montecito, during normal business hours.

**MINUTES
FIRST REGULAR MEETING
OF
BOARD OF DIRECTORS
MONTECITO GROUNDWATER BASIN
GROUNDWATER SUSTAINABILITY AGENCY**

**MEETING LOCATION:
MONTECITO FIRE PROTECTION DISTRICT
595 SAN YSIDRO ROAD
MONTECITO, CALIFORNIA**

**MONDAY, APRIL 29, 2019
9:30 A.M.**

1. SWEARING IN OF DIRECTORS

A. Oath of Office, Directors Coates, Goebel, Hayman, and Wicks

Secretary Nick Turner swore in Directors Coates, Goebel, Hayman, and Wicks.

2. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM

Director Wicks, as President of the Montecito Water District and Director of the Montecito Groundwater Basin Groundwater Sustainability Agency (GSA) called the meeting to order at 9:30 a.m.

Directors Present:

Directors Coates, Goebel, Hayman, and Wicks

Directors Absent:

Director Plough

Staff Present:

General Manager Nick Turner
Engineering Manager Adam Kanold
Business Manager Daryl Smith

General Counsel Robert Cohen
Public Information Officer Laura Camp
Recording Secretary Lois Werner

Guests Present:

Jane Gray, Dudek
Matt Naftaly, Dudek
Tom Bollay
Donna Senauer

Daniel Krag
Barbara Evans
Matt Young, SB Co Water Agency
Karen Drown

3. PLEDGE OF ALLEGIANCE

Those present recited the Pledge of Allegiance.

4. BOARD OF DIRECTORS

- A. INFORMATION ONLY: Acknowledgment and Introduction of Directors
- B. BOARD ACTION: Appointment of Officers of the Board; President & Vice President & Board Secretary

Director Wicks presented this item and proposed that the officers of the GSA be: President Cori Hayman, Vice President Ken Coates, and Secretary Nick Turner. Roll-call vote on the motion: AYES: Directors Coates, Goebel, Hayman and Wicks; NOES: none; ABSENT: Director Plough

5. PUBLIC FORUM

There were no members of the public present who wished to speak on matters not on the agenda.

6. CONSENT CALENDAR

No items

7. AGENCY OPERATIONS

- A. BOARD ACTION: Adoption of Resolution No. 1, a founding resolution of the Montecito Groundwater Basin Groundwater Sustainability Agency including the adoption of governance bylaws

Mr. Turner presented this item and responded to questions from Directors and members of the public. Following discussion it was moved by Director Goebel, seconded by Wicks and carried with Director Coates, Goebel, Hayman, and Wicks voting in favor to adopt Resolution No. 1, including governance bylaws, as amended.

- B. BOARD ACTION: Appointment of GSA Board Support Personnel; General Manager, Fiscal Agent and Treasurer, and General Legal Counsel

Following discussion it was moved by Director Coates, seconded by Director Goebel and carried, with Directors Coates, Goebel, Hayman and Wicks voting in favor to appoint Nick Turner as General Manager, Daryl Smith as Fiscal Agent and Treasurer, and Cohen and Burge as General Legal Counsel, approving the Cohen and Burge LLP contract amendment noted in Item 7-E ii.

- C. BOARD ACTION: Adoption of a regular board meeting schedule.

A regular quarterly (January, April, July, October) meeting of the GSA was set for 9:30 a.m. on second Tuesdays.

- D. BOARD ACTION: Adoption of the following code or policy of the Montecito Water District, including the current version and any subsequent amendments, modifications and/or revisions.

- i. Conflict of Interest Code (MWD Resolution No. 2170)
- ii. Procurement Policy (Policy Adopted January 17, 2017))
- iii. Records Retention Policy (MWD Resolution No. 2133)
- iv. Signatory Policy (MWD Resolution No. 2144)
- v. Director Compensation Policy (MWD Resolution No. 2174)

Following discussion it was moved by Director Goebel seconded by Director Wicks and carried, with Directors Coates, Goebel, Hayman, and Wicks voting in favor, to adopt the MWD policies listed above as policies of the Montecito Groundwater Basin GSA.

E. BOARD ACTION: Approval of the following professional consulting services

- i. Ratification of Montecito Water District board action to consult with Dudek for professional services to assist with the development of a Groundwater Sustainability Plan.

It was moved by Director Wicks, seconded by Director Coates and carried with Directors Coates, Goebel, Hayman, and Wicks voting in favor to ratify the MWD Board action to consult with Dudek for professional services to assist with the development of a GSP.

- ii. Approval of Contract Amendment with Cohen & Burge, LLP for general legal services in connection with the Montecito Groundwater Basin Groundwater Sustainability Agency.

This item was included in the vote for Section 7-B appointing Cohen and Burge as General Legal Counsel.

- iii. Approval of Engagement Letter and Conflict Waiver with Brownstein Hyatt Farber Schreck for special legal services in connection with the Montecito Groundwater Basin Groundwater Sustainability Agency.

Scott Slater joined the meeting by phone to introduce himself and respond to questions from Directors. Following discussion it was moved by Director Coates, seconded by Director Wicks and carried with Directors Coates, Goebel, Hayman, and Wicks voting in favor to approve the engagement letter and conflict waiver with BHFS for special legal services in connection with the GSA.

F. INFORMATION ONLY: Acquisition of General Liability insurance coverage from the Association of California Water Agencies Joint Powers Insurance Agency.

Mr. Turner presented this item. Karen Thesing, from ACWA-JPIA joined the meeting by phone and described the addition of the GSA to MWD insurance coverage through ACWA-JPIA.

- G. **BOARD ACTION:** Discuss options for the establishment and function of committees

Mr. Turner presented this item and he and Ms Gray responded to questions from Directors and members of the public. The Board took no action to establish committees at this time.

- H. **INFORMATION ONLY:** Overview of the Sustainable Groundwater Management Act

Mr. Naftaly presented this item via PowerPoint and he and Ms Gray responded to questions from Directors and members of the public.

8. AGENCY BUSINESS REPORT

- A. **INFORMATION ONLY:** Consider preparation of regular financial reporting

Mr. Turner did not have a financial report but discussed with the Board the process for financial reporting moving forward.

9. COMMITTEE REPORTS

None to report

10. LEGAL MATTERS

- A. Legal Counsel – No Report

11. DIRECTOR REQUESTS

Director Hayman requested that the Board of the MWD and the GSA Board discuss the possibility of streaming meetings online and Director Goebel requested a broader discussion of public outreach for a future agenda of the MWD and/or the GSA.

12. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:07 a.m.

Approved:

Cori Hayman, President

Attest:

Nick Turner, Secretary

**MONTECITO GROUNDWATER BASIN
GROUNDWATER SUSTAINABILITY AGENCY
MEMORANDUM**

SECTION: 6-A

DATE: JULY 24, 2019

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

**SUBJECT: APPROVAL OF REVISED CONFLICT LETTER WITH BROWNSTEIN
HYATT FARBER SCHRECK FOR SPECIAL LEGAL SERVICES IN
CONNECTION WITH THE MONTECITO GROUNDWATER BASIN**

RECOMMENDATION:

1. That the Agency Board approve a revised Conflict Waiver with Brownstein Hyatt Farber Schreck for special legal services in connection with the Montecito Groundwater Basin Groundwater Sustainability Agency.

DISCUSSION:

The Board of Directors approved the Engagement Agreement and Conflict Waiver with Brownstein Hyatt Farber Schreck, LLP (Brownstein) for special legal service in connection with the Montecito Groundwater Basin Groundwater Sustainability Agency (“GSA”) during its Board meeting on April 29, 2019. Revisions requested by the Board concerning the Conflict Waiver have been implemented, including revisions to make reference to the GSA and revisions related to Brownstein’s legal services provided to the Santa Ynez River Water Conservation District, Improvement District No 1. Attached is the revised Conflict Waiver for Special Legal Services with Brownstein. Staff recommends the Agency Board approve the revised Conflict Letter with Brownstein.

ATTACHMENTS:

- A. Revised Conflict Waiver with Brownstein Hyatt Farber Schreck, LLP

July 19, 2019

Nicholas Turner
Montecito Groundwater Basin GSA
583 San Ysidro Road
Santa Barbara, CA 93108

RE: Waiver of Conflict of Interest - Consultation, Disclosure, Informed Consent

Dear Nicholas:

This letter requests a waiver from Montecito Groundwater Basin GSA (the "**GSA**" or "**you**") with regard to conflicts of interest involving Brownstein Hyatt Farber Schreck, LLP's ("**Brownstein**" or the "**Firm**") representation of the GSA and its affiliates, including the Montecito Water District (the "**District**"), in connection with the transactions described in detail below. In accordance with the obligations placed on us by the Rules of Professional Conduct, we ask that you review this letter and carefully consider the risks and benefits of proceeding with Brownstein's representation in this regard.

The Proposed Representation:

The GSA desires to engage us as special counsel expressly for the sole purpose of providing counsel in support of the preparation and implementation of a groundwater sustainability plan ("**GSP**") by the GSA for the Montecito Groundwater Basin ("**Basin**") as required by the Sustainable Groundwater Management Act ("**SGMA**") (the "**SGMA Matter**"). The State of California has identified the Basin as a "medium priority" groundwater basin requiring the completion of a GSP.

The Existing and Future Representations:

Brownstein represents the Central Coast Water Authority ("**CCWA**"), of which the District is a member, in various legal matters, including water management, use and distribution issues involving the District and the areas within the Basin serviced by the District, as well as issues pertaining to water use and transfer agreements between the District and various other members of CCWA. We are requesting this conflict waiver from CCWA and the District to allow Brownstein to represent the District solely on the SGMA Matter while continuing to represent CCWA on all existing and future matters pertaining to the creation, maintenance, management and supply of water resources within the North County, Santa Ynez Valley, and the South Coast areas of Santa Barbara County according to its mandate.

In addition, Brownstein represents the Santa Ynez River Water Conservation District, Improvement District No. 1 ("**ID#1**"), in connection with numerous matters including, but not limited to, the Santa Ynez River, the Santa Ynez Groundwater Basin, the Cachuma Operation and Maintenance Board ("**COMB**"), and the Cachuma Project. The representation of ID#1 has been adverse to the District from time to time, as they both share water from a common water source, and are Cachuma Member Units in the Cachuma Project. However, the scope of the SGMA Matter for the GSA has no bearing or relationship to the Santa Ynez Groundwater Basin and Santa Ynez River Watershed as both are in a distant and hydrologically distinct groundwater basin and watershed. The representation of the GSA on the unrelated SGMA Matter will be disclosed to ID#1. We are requesting this conflict waiver from ID#1 and the GSA / the District to enable

Brownstein to represent the GSA solely on the SGMA Matter while it continues to represent ID#1 in all existing and future matters related to the Santa Ynez River or otherwise. In the event of litigation between the District and ID#1, we request consent to our continuing representation of ID#1 in any manner whatsoever, including in negotiation or litigation against the District on matters other than the SGMA Matter. All attorneys representing GSA in the SGMA Matter will be denied access to all files, attorney work product, and materials concerning the matters in which we represent ID#1. Similarly, all attorneys representing ID #1 will be denied access to all files, attorney work product, and materials concerning the SGMA Matter.

In addition, Brownstein represents the Alisal Guest Ranch ("Alisal"), in connection with the Alisal's diversions from the Santa Ynez River. The scope of the SGMA Matter for the GSA has no bearing or relationship to the Santa Ynez River as both are in a distant and hydrologically distinct groundwater basin and watershed. However, as is the case with ID#1, in the event of a dispute between or among all claimants to the Santa Ynez River, including the Alisal and the District, there is a potential for a conflict of interest between them. In such an event, our representation of the District would be limited and not include any dispute with the Alisal.

Brownstein currently represents and has represented the Magness Investment Group on various legal matters, including recently concluded representations involving due diligence for two polo properties (200 Lambert Road and 201 Toro Canyon) located in the Carpinteria/Toro Canyon area, and in connection with which we provided advice pertaining to the potential impact of the District's implementation of SGMA with respect to fees, reporting, and increased regulation of groundwater. The 200 Lambert Road property currently receives potable and non-potable water supplies from the District. The polo fields are irrigated with non-potable water served directly from a District-owned well located on 200 Lambert Road. The 201 Toro Canyon property is not currently connected to the District's water supply, but at this time, uses groundwater from the Basin to meet its water demands.

Additionally, present and prospective clients of the firm, as well as attorneys employed by Brownstein own land within the boundaries of the Basin. SGMA declares that it has no effect on common law water rights (Water Code § 10720.5(b) and any Groundwater Sustainability Plan ("GSP") will have to adhere to this requirement. However, it is possible that disputes between GSA and landowners may arise in the future regarding implementation of a GSP or other exercise of power pursuant to SGMA. Litigation may also arise between GSA and landowners regarding the respective parties' rights in and to the Basin. Consequently, we can address the potential of defending the GSA in defending a SGMA GSP at a later date and if requested to do so, would provide an additional retainer agreement related to the defense of the GSA.

Finally, from time to time, the Firm has represented businesses and individuals before the District in connection with real estate and land use matters that may require the advice, consent and approval of the District. We request that the GSA waive any existing or potential legal conflict associated with representation of landowners and businesses, and with self-representation by any Brownstein attorneys who own property within the boundaries of the Basin, in relation to the District's policies, ordinances, decisions, and water service that currently exist and that may be established from time to time with the exception of policies, Ordinances, decisions and water service that currently exist and that may be established, relating to SGMA matters. By providing the requested waiver, we may continue to represent both the GSA in the SGMA Matter and Firm clients and attorneys in the manner indicated above without the need to seek additional waivers from the GSA.

For the purposes of this letter, the existing and potential future clients referenced under the Existing and Future Representations section of this letter will be referred to collectively as the "**Other Clients**", and the matters referenced wherein we represent or may represent the Other Clients as the "**Other Matters**".

Analysis under the Ethics Rules:

Our representation of the GSA in the SGMA Matter and our existing and potential future representations of the Other Clients in the Other Matters arguably constitutes a conflict of interest under the applicable Rules of Professional Conduct. Under the Rules of Professional Conduct, we may not represent a client in a manner that is adverse to another client unless both clients agree to the proposed representation after being adequately informed, in writing, of the relevant circumstances and the material, reasonably foreseeable ways that the conflict could have adverse effects on their interests.

You should consider whether there is any material risk that Brownstein will be less zealous or eager on your behalf due to Brownstein's existing or potential future representations of the Other Clients in the Other Matters, or whether the professional judgment of Brownstein attorneys working on your matter could be affected by the interests of the Other Clients. We do not believe that our present, ongoing or potential future representations of the Other Clients in the Other Matters will limit or adversely affect our representation of the GSA in the SGMA Matter, or, likewise, that our representation of the GSA in the SGMA Matter will limit to any extent or adversely affect in any way our present, ongoing or potential future representations of the Other Clients in the Other Matters. Therefore, we are requesting this written conflict waiver so that we may continue to represent the GSA and the Other Clients, respectively, in connection with the matters as described above without the need to seek additional waivers from the GSA. The GSA will be represented by other counsel where the Firm represents the Other Clients adverse to the GSA concerning Other Matters, and the Other Clients will be represented by other counsel other than the Firm in the SGMA Matter. We will continue to represent the Other Clients in matters that are unrelated to our representation of the GSA and also to represent the GSA in the SGMA Matter.

There is also a possibility that litigation could develop between the GSA and the Other Clients regarding the SGMA Matter, or between the GSA and the Other Clients related to the Other Matters. In the event of threatened litigation, we will further evaluate potential conflicts associated with that litigation at that time, except as to ID#1 as stated above. However, should litigation or a dispute arise in connection with the Other Matters, we will not be obligated, and you agree you will not seek for us to withdraw from representing the Other Clients in non-litigated Other Matters unrelated to the SGMA matter.

Independent Advice:

If you have any questions or concerns about the circumstances described herein, please contact me. We also recommend that you seek independent counsel regarding the effect of this letter. You are free to seek the advice of independent counsel at any time following your execution of this letter. If you determine, based on the advice of your independent counsel or otherwise, that our representation as described herein will be detrimental to your interests, you should not consent to it.

If you wish to consent to this waiver after such review as you believe appropriate, please sign a copy of it in the space provided and return it to the undersigned. Your execution of this letter will confirm that we have provided you with adequate information and explanation about the material risks of our proposed representation.

Sincerely,



Scott S. Slater

READ AND AGREED TO THIS _____ DAY OF _____, 2019.
[EXECUTED IN COUNTERPART]

MONTECITO GROUNDWATER BASIN GSA

By: _____

Its: _____

MONTECITO WATER DISTRICT

By: _____

Its: _____

**MONTECITO GROUNDWATER BASIN
GROUNDWATER SUSTAINABILITY AGENCY
MEMORANDUM**

SECTION: 6-B

DATE: JULY 24, 2019

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: SGMA FUNDING

RECOMMENDATION:

Information Only.

DISCUSSION:

This agenda item provides information on funding options for Sustainable Groundwater Management Act (SGMA) related activities. SGMA-related expenses included development of the Groundwater Sustainability Plan (GSP) and projects that assist in achieving sustainability for the Montecito Groundwater Basin.

Representatives from Raftelis will be in attendance to present various fee structures and funding options for the GSA. The Raftelis presentation is provided in Attachment 1.

Additionally, District staff and Dudek have prepared project descriptions (Attachment 2) and Resolution (Attachment 3) for the submittal of a grant application to the California Department of Water Resources' (DWR) 2019 Sustainable Groundwater Management (SGM) Grant Program Planning Grant (Proposition 68) for projects related to groundwater management in the Montecito Groundwater Basin.

ATTACHMENTS:

- A. Fee Evaluation and Funding Options Presentation by Raftelis
- B. Draft Project List for Proposition 68 Grant Application
- C. Resolution 2 – Designating an Authorized Representative for DWR Financial Assistance

Montecito Basin GSA

Fee Evaluation and Funding Options

Board of Directors Presentation

July 24, 2019

Agenda

- Study Objectives
- Raftelis GSA work in California
- Overview on Fee Methodology/Structures
- Overview of funding mechanisms:
 - › fees, assessments, and taxes
- GSA Case Studies
- Discussion



Study Objectives

- Identify annual costs
- Evaluate fee bases (methodology)
- Evaluate fee mechanisms for recovering costs
- Document financing plan for:
 - › GSP Submittal
 - › Administrative record of the GSA
- Workshops with the GSA Board/GSP Advisory Committee/Basin Stakeholders



Raftelis GSA Work To Date

- Borrego Valley Basin GSA
- Santa Rosa Plain GSA
- Petaluma Valley GSA
- Sonoma Valley GSA
- Santa Cruz Mid-County GSA
- Madera County GSAs
- GRAC GSA Summit and webinars

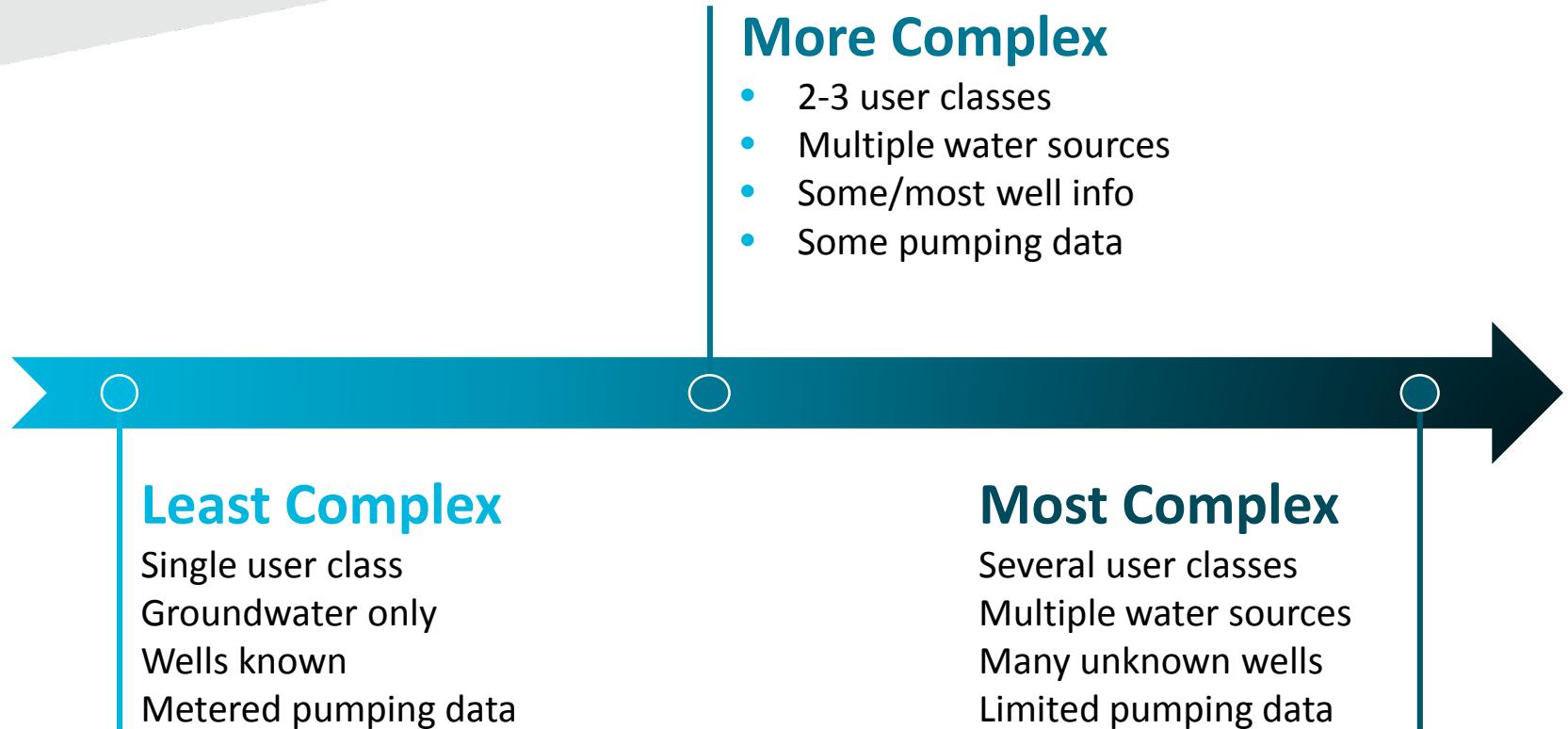


Fee Structure Options

Broad categories of options to develop fees and recover costs of funding or implementing the GSP:

- Acreage (total acreage or irrigated acreage)
- Parcel basis (all or non-de minimis)
- Well basis (counts or capacity)
- Pumping/Extraction (gross or net)
- Restoration costs
- Municipal entities only
- Flat fee
- Hybrid/layered approach
 - › Example: parcel basis for management fee plus pumping charges for non de-minimis extractors

Fee Spectrum



Funding Options

Three basic options available to fund the GSA and implement the GSP:

- Fees (Proposition 218 rates and Proposition 26 regulatory fees)
- Assessments (special benefit nexus)
- Taxes (approval from electorate)



Legal Framework

Propositions 13, 218, and 26, constitutionally define a fee versus a tax

- Taxes and assessments ALWAYS need voter approval
 - › Approval process differs between the two
- Some fees (Prop 26) can be passed by the vote of the governing board of the agency imposing the fee
 - › Ex. Groundwater pumping charge
- Other fees (Prop 218) require a protest vote process for those paying the fees
 - › Water rates



Fee versus Tax

Proposition 26: Everything is a tax under the California Constitution Article XIII C, section 1, except:

1. Fees for benefits and privileges (parking permits)
2. Fees for service or products (wholesale water)
3. **Reasonable regulatory fee (building permits)**
4. Fee for use of government property (park entrance fees)
5. Fines and penalties (parking fines)
6. Conditions of property development (capacity fees)
7. Assessments and property-related fees subject to Proposition 218 (water rates)

Assessments

Property owners can be assessed to pay for a public improvement or service *if it provides a special benefit* to the properties. To assess, local governments must:

- › Develop Special Benefit methodology to determine each parcel's assessment
- › Insure that each owner's assessment does not exceed its proportional share of total costs when compared to total project costs
- › Only special benefits are assessable
- › All parcels which benefit are assessable
 - No government exemptions
- › Prepare an engineer's report that determines the amount of special benefit to each property
- › Notify all affected property owners by mail with mail-in ballot form.
- › Hold Public Hearing to determine if Majority Protest exists
 - Protest ballots are tabulated and weighted based on the amount of each assessment

Taxes

- Everything that doesn't meet the exceptions defined in Proposition 26 is considered a tax and must be approved by 2/3 of voters (if special tax)
 - › Still need a reasonable relationship between tax and affected parcels (no discrimination)
 - › Tax could be spread based on acreage, parcel, or possibly another method
 - › Government Property is exempt

Special Tax Timeline

Election Day 2019: November 5

Task No.	Description	Deadline	Days to Election
1	Consolidation Deadline, Measures	8/9	E-88
2	Tax Rate Statements Deadline, Bond Measures	8/9	E-88
3	Measure Letter Assignment	8/10	E-87
4	Deadline to Amend/Withdraw Measure	8/14	E-83
5	Argument Deadline	8/19	E-78
6	Impartial Analysis Due	8/19	E-78
7	Rebuttal Deadline (if opposing arguments are submitted)	8/29	E-68
8	Vote by Mail Opens	10/7	E-29
9	Registration Deadline	10/21	E-15
10	Deadline to Request Vote by Mail Ballots	10/29	E-7
11	Election Day	11/5	E-0

Timeline

- Fees
 - › 4-6 months on average
 - Prop 26: 30 day notice
 - Prop 218: 45 day notice
- Assessments
 - › Similar to increasing utility rates
 - GSA has complete control
 - Once Engineer's Report is approved, notices must be mailed 45-days prior to public hearing
 - Notice include protest ballot
 - Total Project timeline – 6 months
- Tax
 - › Include measure with general election



Raftelis' View of Prop 26/218 and GSA

- GSP can be funded relying on Proposition 26
 - › This implies some flexibility: funds the study and administrative costs of the agency
 - › Everyone benefits from the GSP as a management action
- GSA funded by Proposition 218
 - › The cost to implement the plan and solutions
 - › Requires a nexus between costs and benefits
 - › SGMA/water code says GSA fees must meet Prop 218
 - › **Question: Are future GSA management and administrative costs regulatory? If so we can adopt those fees with a Board action (no voter authorization required)**
- *Disclaimer: Raftelis is not a law firm and the agency should discuss these views with Counsel*

Case Studies



SONOMA COUNTY GSAs - OVERVIEW

- One basin, three separate GSAs
 - › Medium Priority Basin
 - › Petaluma Valley, Santa Rosa Plain, Sonoma Valley
 - › Extensive community involvement
- Multiple categories of well users in all three GSAs
 - › Municipal/Other Water Service Providers
 - › Agricultural Users
 - › Rural Residential Users
- Limited data for most categories
- Multiple Water Sources
 - › Groundwater
 - › Surface Water
 - › Recycled Water (not available in all areas)

SONOMA COUNTY GSAs ALTERNATIVE FUNDING APPROACHES CONSIDERED – GSP DEVELOPMENT

- Grant funding
 - › Funding applied for and received by all three GSAs
- Proposition 218 Water Charges
 - › Removed from consideration for Phase I funding after *San Buenaventura* ruling
- Parcel Tax
 - › Addresses “broader benefit of groundwater”
 - › Expensive to put on ballot, especially compared to remaining funds needed
- Proposition 26 Regulatory Fees
 - › Several benefit and allocation approaches were considered
 - › Board adopted a regulatory fee in Spring 2019 (\$19.90/AFY)

BORREGO VALLEY BASIN GSA - OVERVIEW

- One basin, one GSA
 - › High/Critical Priority Basin
 - › County/BWD have MOU as lead agencies
 - › Stakeholder involvement (Advisory Committee includes WD, Agriculture, Recreation, and Community Groups)
- Three categories of users
 - › Municipal (BWD) – 10% pumping
 - › Agricultural Users – 80% pumping
 - › Rural Residential Users – 10% pumping
- Very good data for municipal and recreation and good estimation for agriculture
- Single groundwater source

BORREGO VALLEY BASIN GSA ALTERNATIVE FUNDING APPROACHES CONSIDERED – GSP IMPLEMENTATION

- Proposition 218 Water Charges
- Assessment
 - › Addresses “special benefit of groundwater to pumpers”
- Parcel Tax
 - › Addresses “broader benefit of groundwater”
 - › Expensive to put on ballot
- Proposition 26 Regulatory Fees
 - › Several benefit and allocation approaches under consideration

Legal and political assessments are on-going, financing plan assumes adoption under Proposition 218

SANTA CRUZ MID-COUNTY BASIN GSA - OVERVIEW

- One basin, one GSA
 - › High/Critical Priority Basin – Seawater intrusion a major concern
 - › County as lead agency
 - › Advisory Committee includes three municipal agencies (six members), County (two members), and private well representatives (three members)
- Three categories of users
 - › Municipal ~ 80% pumping
 - › Non-de Minimis Users ~ 10% pumping
 - › Rural Residential Users (de minimis) ~ 10% pumping
- Very good data for municipal production and good estimation for private pumpers from parcel data and groundwater modeling
- Single groundwater source w/ municipal IPR project as supplemental supply
- Raftelis work presented May 2019



Proposition 68 Grants

- Funding for GSP development and implementation
- Can also pay for related items
 - › Example: Data gathering on seawater intrusion (i.e., sensors, sampling, etc.)
- Grant funding would offset annual costs over GSP horizon
- Can develop fees that account for any grant funding while mindful of GSA management and administration costs during the implementation period



Questions?



Thank you!

Contact: Kevin Kostiuk

213 262 9309/ kkostiuk@raftelis.com

Contact: Sanjay Gaur

213 262 9304/ sgaur@raftelis.com



MEMORANDUM

To: Nick Turner, MWD General Manager
From: Matt Naftaly, Jane Gray, Dudek
Subject: Proposition 68 Grant Application – Potential Project Funding
Date: July 18, 2019
cc: Adam Kanold, MWD Engineering Manager

Proposition 68 affords the Montecito Groundwater Basin Groundwater Sustainability Agency (GSA) an opportunity to obtain substantial funding related to the implementation of the Sustainable Groundwater Management Act. As an eligible GSA preparing a Groundwater Sustainability Plan (GSP) for a medium priority Basin, there is funding available for projects and tasks that assist with development and/or implementation of a GSP. The tasks and projects recommended in this memo are relevant to the completion and implementation of the GSP. As described below, many of the recommended projects have additional benefits for water management and supply within the Basin. This memo presents options and recommendations for the Montecito Groundwater Basin GSA Prop 68 Grant application. The combination of projects to pursue and grant request amounts may be adjusted as directed by the Board. Note that the information provided in this memo is approximate and will be refined with project selection and scope preparation for the grant application.

Request Amount

The minimum grant funding amount is \$400,000 dollars. The Department of Water resources (DWR) may consider several factors in determining award amounts including total grant funds available, size, priority, and economic status of the basin. The following projects would result in a grant request amount of between \$1 million and \$1.73 million dollars. In addition to the costs associated with the projects described below, we have estimate an additional \$30,000 to \$53,000 for overall grant management. Note that the match requirement for the GSA is 25 percent of the funded amount. It is to the GSA's advantage that they did not receive funding from the earlier round of Prop 1 funding as DWR has indicated that high and medium priority basins that did not previously obtain funding under Proposition 1 would be given preference under Proposition 68.

Project Options

There are several options for projects that would be eligible for the Prop 68 Grant funding. We recommend applying for a combination of options with a funding request not to exceed \$750,000 to \$1,000,000. Projects that would be highly beneficial in the Basin and/or would alleviate data gaps are listed below.

1. Groundwater metering extraction pilot program
2. Seawater intrusion determination and monitoring
3. Installation of groundwater monitoring well clusters

4. Preparation of a Basin numerical model
5. Installation of stream flow gages for recharge calculations
6. Partial reimbursement for GSP preparation costs
7. Determination of boundary conditions

Project 1 – Partial Reimbursement for GSP Preparation

Eligible grant costs include those required to prepare the GSP. We recommend limiting grant request to half of the total preparation cost and using the remainder toward the 25% match requirement.

Approximate Cost for Project 1.....\$320,000 to \$640,000

Project 2 – Groundwater Extraction Metering Pilot Program

Metering could be configured either with Advanced Metering Infrastructure (AMI) or without. A project without AMI would require installation of well meters and either self-reporting by well owners or physical data collection by MWD. Although more costly, we recommend AMI especially since the Montecito Water District is already pursuing AMI for their operations. By working with existing equipment brands and vendors, there could be a substantial cost reduction to implement this project. In addition, self-reporting by well owners has proven to be problematic and inaccurate. An AMI configuration will provide flexibility and accuracy to the system.

Due to the significant cost of a comprehensive program and the need to evaluate and adjust system performance, we recommend a phased approach to program implementation. The first phase may be a voluntary incentive program consisting of participation of approximately 20 of the largest water users (golf courses, cemeteries, large residential). Cost will depend largely on the size of the program and integration with the existing MWD AMI equipment.

Approximate Cost for Project 2.....\$110,000 to \$213,000

Project 3 – Seawater Intrusion Monitoring

There has been conflicting opinion in the historic studies regarding the occurrence of sea water intrusion. Of particular concern is the extent to which the offshore Rincon Creek Fault prohibits or prevents sea water from intruding on fresh-water aquifers. In addition, there is anecdotal and other historic evidence of seawater intrusion in near-shore groundwater wells. Sea water intrusion is one of the Sustainable Groundwater Management Act's undesirable results and potentially very detrimental to the Basin. Development of the sustainability goals and options for basin projects and management actions depend on the extent to which sea water intrusion is occurring and can be monitored.

This option assumes the availability of four existing and accessible monitoring wells and monitoring quarterly for a period of approximately 3 years (the amount of time required to prepare the GSP) and a suite of baseline metals and isotopes analysis. The cost will be near the higher end of the range if provision of temporary pumps is required.

Approximate Cost for Project 3.....\$180,000 to \$191,000

Project 4 – Groundwater Monitoring Well Construction

Critical information for GSP development and implementation includes groundwater elevation, groundwater flow direction, and water quality data. Existing groundwater wells may be used to acquire this data when available. However, even where present and accessible, these wells may not be suitable to acquire some types of data due to poor condition or inadequate screened intervals. The type and cost of constructing monitoring wells depends on several factors including depth, screened intervals, casing material, and drilling method.

Well clusters are typically multiple monitoring wells constructed close together or within the same boring to monitor groundwater at multiple depths within the aquifer. Well clusters help to determine aquifer properties and hydrogeologic conditions where little or no data currently exists. They may be used in perpetuity to monitor groundwater conditions and allow for the acquisition of targeted information including the origin of recharge to the aquifer (bedrock, imported water, surface water, sea water, etc), vertical groundwater movement, and discrete water quality at different depths. Seasonal pressure gradients driving flow direction may also be monitored. In addition to water level measurements and groundwater sampling, isotopic analysis and temperature logging can be used to gather information from the well clusters. The reason for constructing dedicated monitoring wells in addition to existing wells is that existing wells are often completed without distinction between individual aquifers, lack adequate construction information, are frequently pumped thus obscuring actual conditions, and lack owner permission or ease of access.

Our tentative recommendation is to install two clusters of three wells (shallow, intermediate, and deep) and one single well installation to monitor water levels in critical areas not currently monitored. Cost reflects estimate for one standard monitoring well at the low end to two cluster wells and one standard well at the high end.

Approximate Cost for Project 4..... \$70,000 to \$373,000

Project 5 – Basin Numerical Model

Task 5.5 of Dudek's proposal for GSP preparation is an optional task for the development of a numerical groundwater model for the Basin. We recommend inclusion of this task in the Prop 68 application because it affords a significant tool for understanding the Basin and complying with best practices for SGMA implementation. The scope of the model preparation as integrated with GSP preparation is included in the Dudek GSP proposal as Optional Task 5.5.

Approximate Cost for Project 5..... \$160,000

Project 6 – Surface Water Flow Gages

DWR may fund a permanent streamflow gage in the Basin with the intent of facilitating estimates of recharge. Currently, there is only one stream gage located on Montecito Creek and maintained by Santa Barbara County. (Another Santa Barbara County gage, located on upper San Ysidro Creek, provides only high flow stage data, not flow data). To obtain accurate estimates of stream recharge, it is necessary to locate flow gages at two points along a creek to determine infiltration rates. Therefore, it would be beneficial to place additional temporary or permanent flow gages (approximately 4) on major creeks within the Basin. Collecting such data will provide greater accuracy

Memorandum

Subject: Proposition 68 Grant Application – Potential Project Funding

for the GSP water budget and basin groundwater model. As additional benefits, such gages may provide flood control and environmental data.

Approximate Cost for Project 6.....\$160,000 to \$196,000

Next Steps

It is our understanding that the potential for grant funding will be presented to the GSA at the July 24, 2019 meeting. We will refine the cost and scope of the selected projects with the GSA's direction. This will enable timely preparation of the application which DWR estimates will be due October or September, 2019. Approximately one month should be allowed for the preparation of the application. Awards are expected to be announced December 2019 or January 2020.

Please contact us with any questions you have.

RESOLUTION NO. 2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTECITO GROUNDWATER BASIN GROUNDWATER SUSTAINABILITY AGENCY DESIGNATING AN AUTHORIZED REPRESENTATIVE AND SUBMITAL OF GRANT APPLICATION FOR DWR FINANCIAL ASSISTANCE

WHEREAS, the Board of Directors of the Montecito Groundwater Basin Groundwater Sustainability Agency wishes to pursue grant funding through the California Department of Water Resources' (DWR) 2019 Sustainable Groundwater Management (SGM) Grant Program Planning Grant pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) for projects related to groundwater management in the Montecito Groundwater Basin; and

WHEREAS, the DWR requires the District to pass a resolution identifying an Authorized Representative and authorizing the submittal of an application for financial assistance.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Montecito Groundwater Basin Groundwater Sustainability Agency:

1. That application be made to the California Department of Water Resources to obtain a grant under the 2019 Sustainable Groundwater Management (SGM) Grant Program Planning Grant pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68), and
2. To enter into an agreement to receive a grant for the: Montecito Groundwater Basin Groundwater Sustainability Agency Grant Application. The General Manager of the Montecito Groundwater Basin Groundwater Sustainability Agency, or designee is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application, and execute a grant agreement with California Department of Water Resources, and to prepare and execute such other documents as may be necessary and/or required to effectuate the purposes of this Resolution.

PASSED AND ADOPTED by the Board of Directors of the Montecito Groundwater Basin Groundwater Sustainability Agency this 24th day of July, 2019 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Cori Hayman
President Board of Directors

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Directors of the Montecito Groundwater Basin Groundwater Sustainability Agency held on July 24, 2019.

Nicholas Turner, P.E.
Secretary

**MONTECITO GROUNDWATER BASIN
GROUNDWATER SUSTAINABILITY AGENCY
MEMORANDUM**

SECTION: 6-C

DATE: JULY 24, 2019

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: ADVISORY COMMITTEE FORMATION

RECOMMENDATION:

Information Only.

DISCUSSION:

Advisory Committees are commonly formed by Groundwater Sustainability Agencies (GSAs) to encourage stakeholder involvement, provide process transparency, and provide a structure for peer review for technical information. The Department of Water Resources (DWR) encourages the formation of such committees; however, committee formation is not required. Santa Barbara County Groundwater Basins in which advisory committees have been, or are being formed, include Cuyama Valley, Santa Ynez, and San Antonio.

Attachment 1 provides information about the formation and function of advisory committees in general and the value of such a committee for the Montecito Groundwater Basin (MGWB) Groundwater Sustainability Plan (GSP) preparation.

ATTACHMENTS:

1. Memorandum - GSP Technical Advisory Group Formation

MEMORANDUM

To: Nicholas Turner, General Manager, MWD
From: Matt Naftaly and Jane Gray, Dudek
Subject: GSP Technical Advisory Group Formation
Date: July 11, 2019

Advisory Committees are commonly formed by Groundwater Sustainability Agencies (GSAs) to encourage stakeholder involvement, provide process transparency, and provide a structure for peer review for technical information. The Department of Water Resources (DWR) encourages the formation of such committees, however, committee formation is not required (Water Code Section 10727.8). Santa Barbara County Groundwater Basins in which advisory committees have been, or are being formed, include Cuyama Valley, Santa Ynez, and San Antonio. This memo provides information about the formation and function of advisory committees in general and the value of such a committee for the Montecito Groundwater Basin (MGWB) Groundwater Sustainability Plan (GSP) preparation.

Types of Advisory Committees

There are multiple types of advisory committees, the most common being Stakeholder Advisory Committees and Technical Advisory Committees. Stakeholder Advisory committees often have representatives from each major land use sector within the basin and are appropriate for basins in which there are multiple land use sectors and GSA agency members. Technical Advisory Committees (TACs) are focused mainly on peer review of technical data and products and are particularly useful in basins with complex geology, hydrogeology, and/or water resource systems. While the MGWB has few individual stakeholder groups and sectors, it is relatively complex in its technical aspects and has limited recent technical analyses and reports. Therefore, a TAC is recommended for the MGWB. The value of TAC formation for the MGWB GSA is the vetting of GSP data, analyses, and conclusions and increased legitimacy for stakeholder groups and DWR review.

Role and Function of the TAC

The primary task of a TAC is to assist the GSA and consultant with developing the GSP. Primary duties include meetings, review and comment on draft technical memoranda, GSP chapters, and key analyses. TAC members may have particular experience or be uniquely suited to provide information or data to the consultant that may be otherwise unavailable to the process. The TAC functions should include frequent communication and periodic meetings with TAC members, consultants, and potentially the GSP project manager. TAC members may also attend or present at public workshops and may advise the GSA regarding technical issues and decisions. It is highly recommended that the TAC be guided by a charter that details their function and process. For example, a charter may specify how many rounds of review and comment they may have for each work product, how TAC decisions and recommendations are made, and the process for dealing with disagreement between TAC members or TAC

members and the consultant. It is Dudek's experience with advisory groups in other basins that such a document is essential to prevent the GSP development process from being delayed or unnecessarily stymied.

TAC Member Selection

Because the TAC function is technical in nature, it is recommended that the members have specific and germane qualifications. Such qualifications may include a degree in hydrology, geology, engineering, or a related discipline; a certification or license in geology, hydrology, or a related technical discipline; and a history of involvement and/or residency in the MGWB. Because the MGWB is relatively small and the GSA structure uncomplicated, a three member TAC is recommended. Three members will ensure an efficient process and minimize the time required to process GSP products. TAC members are commonly appointed by the GSA Board or invited to apply for the position. For the MGWB GSA, an application process is recommended to avoid the appearance of a biased TAC selection process.

Let us know if you have questions or need additional information.

**MONTECITO GROUNDWATER BASIN
GROUNDWATER SUSTAINABILITY AGENCY
MEMORANDUM**

SECTION: 6-D

DATE: JULY 24, 2019

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: GROUNDWATER SUSTAINABILITY AGENCY COMMUNICATIONS

RECOMMENDATION:

Information Only.

DISCUSSION:

Under the Sustainable Groundwater Management Act (SGMA), Groundwater Sustainability Agencies (GSAs) are required to consider the interests of all beneficial uses and users of groundwater. GSAs developing a Groundwater Sustainability Plan (GSP) must weigh the effects of decisions on stakeholders and the public in and around the implicated groundwater basin. Specifically, these interests include, but are not limited to, holders of overlying water rights (including agricultural well owners and domestic well owners), public water systems, local land use planning agencies, environmental users, surface water users, federal government, and California Native American Tribes.

To encourage community engagement in the SGMA process, Dudek has developed the Draft Communication and Engagement Plan (Plan) provided as Attachment 1. The Plan is a tool to support the GSA, stakeholders, and the public and is intended to provide a guide for the GSP process as well as outlining how and when stakeholders and the public can actively engage in the development of the GSP.

In January 2018, DWR released a Guidance Document for Groundwater Sustainability Plan Stakeholder Communication and Engagement that details best practices, including the development of Communication and Engagement Plans, to increase transparency in the GSP development process. The Draft Communication and Engagement Plan provided conforms to the January 2018 DWR guidance document.

ATTACHMENTS:

1. Draft Community Engagement Plan

COMMUNICATION AND ENGAGEMENT PLAN

Prepared for:

Montecito Groundwater Basin Groundwater Sustainability Agency

Prepared by:

DUDEK

621 Chapala Street
Santa Barbara, California 93111

JULY 2019

DRAFT

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE NO.</u>
GLOSSARY OF TERMS/ABBREVIATIONS	III
1 BACKGROUND ON THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT	1
1.1 SGMA Requirements for Public and Stakeholder Engagement	1
1.2 Public and Stakeholders in the Montecito Groundwater Basin.....	3
2 MONTECITO GROUNDWATER BASIN GSA FORMATION.....	5
2.1 Stakeholder Engagement in GSA Formation	5
2.2 GSA Decision-Making Process	5
3 MONTECITO GROUNDWATER BASIN GSP	7
4 PURPOSE OF THE DOCUMENT	9
5 OPPORTUNITIES FOR PUBLIC INVOLVEMENT AND ENGAGEMENT	11
5.1 Meeting Opportunities.....	11
5.1.1 Notification to All Users in the Montecito Groundwater Basin	11
5.1.2 Public Notices – In Compliance with the Brown Act and General Public Notices on Meetings and Workshops.....	11
5.1.3 Leveraged Communications	12
5.2 Collaborative Opportunities	12
5.2.1 Formalized Agency Collaboration.....	12
5.2.2 Community Collaboration.....	12
5.3 Stakeholder Email List	13
5.4 Online Resources	13
5.5 Social Media	13
6 CONTACT US	15

DRAFT

INTENTIONALLY LEFT BLANK

Glossary of Terms/Abbreviations

Acronym/Abbreviation	Definition
Aquifer	An underground layer of water-bearing permeable rock, rock fractures, or unconsolidated material (gravel, sand, or silt) that yields significant amounts of groundwater to wells or springs (DWR Bulletin 118)
DWR	California Department of Water Resources
Engagement	Efforts made to understand and involve stakeholders and their concerns in the activities and decision-making of the MGB-GSA
Groundwater Basin	An important source of water stored in the earth beneath our feet, in spaces between sand, soils, and fractured rock known as an aquifer. Layers of aquifers make up a groundwater basin.
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
MGB-GSA	Montecito Groundwater Basin Groundwater Sustainability Agency
SGMA	Sustainable Groundwater Management Act
Stakeholder	An individual with interest in the Montecito Groundwater Basin GSP
TAC	Technical Advisory Committee

DRAFT

INTENTIONALLY LEFT BLANK

1 Background on the Sustainable Groundwater Management Act

The Sustainable Groundwater Management Act (SGMA), signed into law by Governor Jerry Brown on September 16, 2014, created a new framework for groundwater management in California. The framework includes a structure and schedule to achieve sustainable groundwater management within 20 years. The California Department of Water Resources (DWR) has historically managed the state's central repository for groundwater data. Under SGMA, DWR provides guidance, financial assistance, and technical support for compliance with state requirements. The State Water Resources Control Board provides the regulatory backstop under SGMA, taking over basin management and assessing fees if local groundwater management is not successful in complying with the requirements of SGMA.

SGMA established a new structure for local groundwater management through Groundwater Sustainability Agencies (GSAs). The formation of GSAs for all basins that DWR designated as high- and medium-priority groundwater basins was required by July 1, 2017. Each GSA for these high- and medium-priority basins must then develop a Groundwater Sustainability Plan (GSP) that details how sustainable groundwater management will be achieved within 20 years of implementing the GSP. *Sustainable groundwater management* is defined by SGMA as “the management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.” This avoidance of undesirable results is measured through six sustainability indicators:

1. Chronic lowering of groundwater levels indicating a **significant and unreasonable** depletion of supply if continued over the planning and implementation horizon
2. **Significant and unreasonable** reduction of groundwater storage
3. **Significant and unreasonable** seawater intrusion
4. **Significant and unreasonable** degradation of water quality
5. **Significant and unreasonable** land subsidence

Depletion of interconnected surface water and groundwater that has **significant and unreasonable** adverse impacts on beneficial uses of the surface water

The GSP is a tool used to help the GSA sustainably manage the basin. The criteria for sustainable management, including determining what is **significant and unreasonable** within the parameters of SGMA for the groundwater basin managed by that GSA, must be assessed, with input from stakeholders, before the GSP can be adopted.

1.1 SGMA Requirements for Public and Stakeholder Engagement

Under SGMA, GSAs are required to consider the interests of all beneficial uses and users of groundwater. Therefore, GSAs developing a GSP must weigh the effects of decisions on stakeholders and the public in and around the implicated groundwater basin. Specifically, these interests include, but are not limited to, holders of overlying water rights (including agricultural well owners and domestic well owners), public water systems, local land use planning

agencies, environmental users, surface water users, federal government, California Native American Tribes, and disadvantaged communities (California Water Code 10723.2).

Moreover, public and stakeholder engagement serves an important function in the successful development and implementation of a responsive and well-supported GSP. Effective communication and engagement provides a structure and forum for the following process and outcomes: (1) a public forum to respectfully share and discuss a wide variety of views and opinions; (2) an opportunity to impart messages, grow understanding, manage differences, improve trust, and build consensus; and (3) transparency in governance. Participation by the public can also improve the GSA's understanding of the potential impacts of their decisions.

The various phases of SGMA and public and stakeholder tasks are outlined below. It should be noted that Phase 1 has been completed for the Montecito Groundwater Basin GSA (MGB-GSA), as has the first bullet under Phase 2.

Phase 1: GSA Formation and Coordination (*complete*)

- Establish and maintain a list of interested parties.
- Provide public notice of the GSA formation.
- Conduct a GSA formation public hearing.
- Notify DWR of the GSA formation.
- Provide a written statement to DWR as well as cities and counties within the GSA boundary describing how interested parties may participate in the GSP development.

Phase 2: GSP Preparation and Submission

- Submit initial notification. (*complete*)
- Prepare a GSP that considers beneficial uses and users of groundwater when describing undesirable results, minimum thresholds, projects, and actions.
- Ensure that the GSP includes a communication section that includes the following:
 - An explanation of the GSA's decision-making process.
 - Identification of opportunities for public engagement and a discussion of how public input and response will be used.
 - A description of how the GSA encourages the active involvement of diverse social, cultural, and economic elements of the population within the basin.
 - The method the GSA will follow to inform the public about progress implementing the GSP, including the status of projects and actions.
- Provide public noticing and hold a public meeting before adopting or amending a GSP.

Phase 3: GSP Review and Evaluation

- After adoption of the GSP and submitting it to DWR, ensure that the GSP is available on the DWR website for a 60-day comment period for any person to provide comments to DWR before the DWR completes evaluation and assessment of the GSP.

Phase 4: Implementation and Reporting

- Ensure that the SGMA-required assessments and reevaluation of the GSP occur at least every 5 years, making sure to provide public notice and hold public meetings prior to amending the GSP.
- Provide the required public notice before imposing or increasing fees.

SGMA also has general requirements that apply to all phases. Each GSA must encourage active involvement of diverse social, cultural, and economic elements of the population within the groundwater basins. The GSA must also allow for voluntary participation by Native American Tribes and the federal government. The GSA may appoint and consult with an advisory committee and must consider the interests of all beneficial uses and users of groundwater within the basin.

1.2 Public and Stakeholders in the Montecito Groundwater Basin

The public and stakeholder groups within the Montecito Groundwater Basin include the following users:

- Domestic well owners
- Agricultural well owners
- Mutual water companies
- Residential customers of the Montecito Water District
- Institutional customers of the Montecito Water District
- Governmental customers of the Montecito Water District
- Commercial customers of the Montecito Water District
- Agricultural customers of the Montecito Water District

The community of Montecito, which is located in unincorporated Santa Barbara County, and the population overlying the basin is a relatively small community, with a population of approximately 9,000 people according to the 2000 U.S. Census.

DRAFT

INTENTIONALLY LEFT BLANK

2 Montecito Groundwater Basin GSA Formation

2.1 Stakeholder Engagement in GSA Formation

Text TBD.

2.2 GSA Decision-Making Process

The roles and responsibilities of the MGB-GSA are clarified in the Agency By-Laws adopted at the April 29, 2019, MGB-GSA Board meeting.

DRAFT

DRAFT

INTENTIONALLY LEFT BLANK

3 Montecito Groundwater Basin GSP

DWR has designated the Montecito Groundwater Basin as a medium-priority basin; therefore, a GSP must be developed within 5 years. This GSP will detail a pathway to sustainable groundwater management by 2042 in accordance with SGMA.

DRAFT

DRAFT

INTENTIONALLY LEFT BLANK

4 Purpose of the Document

This Communication and Engagement Plan (Plan) is a tool to support the GSA, stakeholders, and the public. This Plan is intended to provide a guide for the GSP process as well as outlining how and when stakeholders and the public can actively engage in the MGB-GSA's development of the GSP. In January 2018, DWR released a Guidance Document for Groundwater Sustainability Plan Stakeholder Communication and Engagement that details best practices, including the development of Communication and Engagement Plans, to increase transparency in the GSP development process. This Communication and Engagement Plan conforms to the January 2018 DWR guidance document. The MGB-GSA will prepare a GSP in accordance with SGMA that will guide future management decisions.

DRAFT

DRAFT

INTENTIONALLY LEFT BLANK

5 Opportunities for Public Involvement and Engagement

The MGB-GSA encourages members of the public to participate in the GSP development and implementation process through attending public meetings and workshops, providing comments on the Draft GSP, and communicating directly with member agency staff and MGB-GSA. The GSA will also engage in direct outreach through mailings, emails, social media posts, and participation in community events.

5.1 Meeting Opportunities

The MGB-GSA Board holds regular meetings quarterly, on the second Tuesday of January, April, July, and October, to conduct routine business matters. During the development of the GSP, the Technical Advisory Committee (TAC) will meet XXXXXX. All Board and TAC meetings are open to the public and each meeting agenda includes an item where members of the public can speak to the Board or the TAC. All meeting agendas and minutes are posted on the MGB-GSA website.

5.1.1 Notification to All Users in the Montecito Groundwater Basin

The GSA is the governing authority for the Montecito Groundwater Basin. The western portion of the basin is within the jurisdiction of the City of Santa Barbara, and a Memorandum of Understanding with the City is in place to coordinate on GSA overlap areas. As occurred for GSA formation, all parties within the basin received written notification of public involvement and engagement opportunities relating to the GSP. Initial notification of the commencement of the GSP went out in the form of a postcard with a link to the GSA webpage and the GSA email address so those interested could be added to the public/stakeholder list and continue to be contacted over the course of GSP development.

5.1.2 Public Notices – In Compliance with the Brown Act and General Public Notices on Meetings and Workshops

Board meetings and Board workshops are noticed in accordance with the Brown Act. These are noticed on the webpage, in print publications such as *Santa Barbara News Press* and *Montecito Journal*, and in online publications such as *Noozhawk* and *EdHat*.

In addition to publicly noticing meetings, the MGB-GSA maintains a list of interested parties and distributes electronic newsletters via email. Newsletters include notices of MGB-GSA Board meetings and other updates, including updates on the progress of GSP development and implementation. Interested parties can subscribe to the list to receive email notifications through the “subscribe” link at the bottom of the website home page or by emailing a request to sgma@montecitowater.com.

Further, flyers and notices (not related to compliance with the Brown Act) may be posted in public gathering places such as, but not limited to, libraries, YMCAs, Post Offices, and local businesses. The MGB-GSA may also choose to include notices and notifications in items that go out to all Montecito Water District (District) customers, such as bill messages.

5.1.3 Leveraged Communications

MGB-GSA is a single agency GSA, formed under the authority of the Montecito Water District. Initial communication efforts were conducted by the District. With the formation of the GSA, ongoing leveraging of District communication vehicles will continue in consideration of best reaching of stakeholders and best use of funds. While interested parties extend beyond the boundaries of the District, all parties within the District are within the MGB-GSA boundary; therefore, ongoing communication to these constituents is warranted.

5.2 Collaborative Opportunities

5.2.1 Formalized Agency Collaboration

The GSA has Memoranda of Understanding in place for the coordination of groundwater boundary discussions and open dialogue on all SGMA issues with the Carpinteria Valley Water District and the City of Santa Barbara, the only two basins adjacent to the Montecito Groundwater Basin. It is anticipated that the GSA will collaborate on the development of the GSP with the Carpinteria Valley Water District and the City of Santa Barbara, as well as with the County of Santa Barbara, which is the land use agency with jurisdiction over the community of Montecito.

5.2.2 Community Collaboration

The MGB-GSA will also work with community organizations and stay abreast of other opportunities to collaborate on SGMA- and GSP-related items, such as, but not limited to, presenting at meetings, tabling at events, and writing for a newsletter or community organizational publication. The community organizations listed below provide opportunities for GSA collaboration:

- The Montecito Association
- Assessors Real Estate Services
- Santa Barbara County Board of Supervisors Hearings
- Montecito Board of Architectural Review
- Montecito Planning Commission
- Santa Barbara County Planning Commission
- Historic Landmarks Advisory Commission
- All Saints by the Sea
- Cold Springs School
- Crane County Day School
- El Montecito Early
- Laguna Blanca School
- Montecito Union School
- Our Lady of Mount Carmel
- Westmont College
- MarBorg Industries
- Montecito Sanitary District
- Santa Barbara County Vector Control
- Montecito Fire Protection District
- History Committee
- Montecito Library
- Montecito Community Foundation:
- Montecito Trails Foundation
- Montecito YMCA
- Metropolitan Transit District

5.3 Stakeholder Email List

The MGB-GSA maintains a list of stakeholders interested in the GSP process. The electronic newsletter, meeting notices, and notices of GSP documents available for review are sent electronically to stakeholders on the list. There are currently more than 150 individuals subscribed to the list. The public and stakeholder list is updated frequently and will continue to be updated with individuals who request to be placed on the listserve or subscribe through the MGB-GSA website. Interested parties can subscribe to the list to receive email notifications through the “subscribe” link at the bottom of the website home page or by emailing a request to sgma@montecitowater.com.

5.4 Online Resources

The MGB-GSA has created a webpage (<http://www.montecitowater.com/our-water/sgma/>) that includes information about the GSA, relevant documents, a calendar of meetings and important events, and the agendas and minutes for all MGB-GSA meetings.

5.5 Social Media

The MGB-GSA may also elect to communicate through social media platforms such as Twitter, Facebook, and Instagram.

DRAFT

INTENTIONALLY LEFT BLANK

6 Contact Us

This document serves as a tool for facilitating public engagement in the GSP development process. It is designed to be a living document that is updated as needed to reflect current mechanism of engagement. The GSP implementation notification and communication phase will begin once the MGB-GSA submits the final GSP to DWR. This phase will include engagement with the public and beneficial users regarding the progress of monitoring and report, establishment of fees, and the development and implementation of management strategies, including projects and actions as needed. The MGB-GSA will continue to use the communication tools outlined in this document as necessary through the implementation phase of the GSP.

For additional information regarding the MGB-GSA and the GSP, please contact the MGB-GSA as follows:

Mailing Address:

Montecito Groundwater Basin GSA
583 San Ysidro Road
Santa Barbara, California 93108

Web Page:

www.Montecitowater.com/our-water/sgma

Phone Number:

805.969.2271

DRAFT

INTENTIONALLY LEFT BLANK