



COUNTY OF HUMBOLDT

For the meeting of: 11/12/2019

File #: 19-1635

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

SUBJECT:

Sustainable Groundwater Management Planning Grant for the Eel River Valley Groundwater Sustainability Plan and Monitoring Well Installation Project

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the attached resolution authorizing preparation and submittal of an application for a Sustainable Groundwater Management Planning Grant for the Eel River Valley Groundwater Sustainability Plan and Monitoring Well Installation Project and stating the County of Humboldt's commitment to work collaboratively with water users and stakeholders to form a Groundwater Sustainability Agency for the Eel River Valley groundwater basin.

SOURCE OF FUNDING:

Water Management (1100251) and California Department of Water Resources - Proposition 1/Proposition 68 Sustainable Groundwater Management Grant Program Planning Grant (Round 3)

DISCUSSION:

The Sustainable Groundwater Management Act ("SGMA") is intended to achieve sustainable management of groundwater resources for long-term reliability and multiple economic, social, and environmental benefits while avoiding undesirable results. Management responsibility is designated to the local level with state oversight. Compliance with SGMA is mandatory for groundwater basins designated medium or high priority. Within Humboldt County, the Eel River Valley groundwater basin is the only medium-priority basin and there are no high-priority basins. The medium-priority designation indicates that the basin has regional or statewide importance for water supply and does not imply that the basin is overdrafted or being managed unsustainably.

SGMA provides two compliance options. One option was to submit a Groundwater Sustainability Plan ("GSP") Alternative by January 1, 2017, if it can be demonstrated that the basin has operated within its sustainable yield over a period of ten (10) years. The GSP Alternative allows for a more streamlined and efficient management framework and does not require formation of a Groundwater Sustainability Agency ("GSA"). The second option is to form a GSA by June 30, 2017, and prepare a full GSP by January 31, 2022.

The Board of Supervisors approved formation of the Eel River Valley Groundwater Working Group in 2015. The California Department of Water Resources (“DWR”) awarded Humboldt County a grant in 2016 to conduct geologic and hydrogeologic investigation activities. Based on the results of these activities, the Board authorized preparation and submittal of a GSP Alternative in December 2016. Formation of a GSA was deferred because the GSP Alternative could be submitted by a local agency without forming a GSA.

On July 17, 2019, DWR issued a notification letter and staff report stating that DWR intends to not approve the GSP Alternative that was submitted for the Eel River Valley groundwater basin because the GSP Alternative did not contain all the required elements and did not provide sufficient evidence that the requirements for sustainable groundwater management had been performed for a period of ten (10) years. DWR’s primary concern was that the GSP Alternative did not quantify the impacts of groundwater use on surface water systems and did not determine the point at which such impacts would be significant and unreasonable. DWR did not conclude that the basin is, or has been, managed unsustainably. However, SGMA places the burden of proof on local agencies to provide affirmative evidence that undesirable conditions resulting from groundwater use are not present. In September 2019, Public Works met with DWR management in Sacramento to discuss DWR’s review of the GSP Alternative. DWR has not issued a final determination on the GSP Alternative, but Public Works recommends proceeding with the presumption that it will be disapproved. The unexpected disapproval of the GSP Alternative has created an urgent situation for securing funding to develop a full GSP and responding to the regulatory requirements of SGMA.

DWR administers the Sustainable Groundwater Management Grant Program with funding from Proposition 1 and Proposition 68. In September 2019, DWR released guidelines for Round 3 of planning grants. These grants can be used to construct monitoring wells, perform technical studies, conduct groundwater and surface water modeling, and prepare GSPs. The level of effort to prepare a GSP and perform the associated modeling and studies is significant; the maximum grant is Two Million Dollars (\$2,000,000). Following a two (2) week extension due to the statewide emergency declaration resulting from catastrophic wildfires and public safety power shutoffs, applications for Round 3 planning grants are due November 15, 2019. The attached resolution authorizes Public Works to prepare and submit an application for the Eel River Valley Groundwater Sustainability Plan and Monitoring Well Installation Project (“Project”).

SGMA authorizes the State Water Resources Control Board to intervene in a basin that does not have an approved GSP Alternative and is not covered by a GSA after June 30, 2017. State intervention would result in mandatory fees and reporting requirements for groundwater users within the Eel River Valley groundwater basin and loss of local control in management decisions. Further, one of the requirements of the Sustainable Groundwater Management Grant Program is that grantees must be GSAs or member agencies of GSAs. The attached resolution states the County of Humboldt’s commitment to work collaboratively with water users and stakeholders to form a GSA for the Eel River Valley groundwater basin, based on a governance structure that provides appropriate representation for affected water users and stakeholders within the basin, by April 2020. The resolution also states the County of Humboldt’s intent to consider forming an interim GSA prior to

April 2020, while continuing to work toward forming a GSA with a more permanent governance structure, if necessary for grant eligibility or to forestall state intervention.

In 2018, DWR conducted a state-wide reevaluation of groundwater basin priority levels. The Eel River Valley groundwater basin received a score of 14.5 points, which was 0.5 points above the threshold for medium-priority designation. One of the scoring factors was based on a computer model to estimate water use from agricultural irrigation, and these model results were significantly higher than the water use estimate from a 2016 study performed by the Humboldt County Resource Conservation District. One of the goals of the Project will be to improve the estimate of water use within the basin, to ensure that any future reevaluation of groundwater basin priority levels can be based on the best available and most accurate information.

Additional information regarding groundwater in the Eel River Valley basin is available here: <https://humboldt.gov.org/2489/Groundwater>.

FINANCIAL IMPACT:

Costs for Public Works to prepare the grant application will be funded through the Water Management budget unit (251). The estimated cost is approximately \$8,000. The Fiscal Year 2019-20 Water Management budget contains sufficient funds for preparing the application. Public Works anticipated applying for a grant in the amount of at least One Million Seven Hundred Thousand Dollars (\$1,700,000). The proposed project is eligible for a cost share waiver since it benefits an economically disadvantaged community. The costs for forming a GSA have not been determined. The costs for forming a GSA could affect the General Fund.

STRATEGIC FRAMEWORK:

The recommended actions support the Board of Supervisors' Strategic Framework by providing for and maintaining infrastructure and creating opportunities for improved safety and health.

OTHER AGENCY INVOLVEMENT:

California Department of Water Resources, State Water Resources Control Board, UC-Cooperative Extension, City of Fortuna, City of Rio Dell, Bear River Band of Rohnerville Rancheria, Hydesville County Water District, Loleta Community Services District, Palmer Creek Community Services District, Riverside Community Services District, Scotia Community Services District.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to authorize an application to the Sustainable Groundwater Management Planning Grant Program for funds to prepare a GSP. If grant funding is not secured to prepare a GSP, then the County of Humboldt and water users within the basin would need to develop sufficient local funds.

The Board could choose not to support forming a GSA for the Eel River Valley groundwater basin. If a GSA is not formed by early 2020, then the State Water Resources Control Board would likely intervene and initiate mandatory water use fees and reporting requirements.

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ATTACHMENTS:

1. Resolution Regarding SGMA Grant Application
2. Eel River Notification Letter (July 19, 2019)
3. Eel River Staff Report (July 19, 2019)
4. Humboldt County, Alternate Response Letter (September 30, 2019)

PREVIOUS ACTION/REFERRAL:

Board Order No.: E-1

Meeting of: December 13, 2016

File No.: N/A