

MINUTES

Owens Valley Groundwater Authority

Board Members:

SIERRA HIGHLANDS	John Camphouse	COUNTY OF MONO	Fred Stump
EASTERN SIERRA CSD	Ron Stone	CITY OF BISHOP	Chris Costello
INDIAN CREEK-WESTRIDGE CSD	Luis Elias	COUNTY OF INYO	Dan Totheroh
WHEELER CREST CSD	Glenn Inouye	BIG PINE CSD	BryAnna Vaughan
TRI VALLEY GWMD	Dave Doonan	KEELER CSD	

July 11, 2019

The Owens Valley Groundwater Authority meeting was called to order at 2:04 p.m. at the Whiskey Creek Banquet Room, Bishop, CA.

1. Pledge of allegiance

The Chairman led the pledge of allegiance.

2. Public Comment

The Chairperson opened the public comment period and there was no one wishing to address the Board.

3. Introductions

The Board introduced themselves with two absent, Wheeler Crest and Keeler CSD, and one alternate, Dave Allen, Big Pine CSD.

4. Approval of minutes from the June 13, 2019 OVGA Board meeting

The Chairperson requested a motion to approve the minutes of the June 13, 2019 meeting. Motion to approve the corrected minutes by Dave Doonan, second by Luis Elias. Motion passed 9 yes (34.18 votes) 0 abstentions, 2 absent (5.82 votes).

5. Board Member Reports

Dave Allen called attention to BryAnna Vaughan's letter requesting that Dr. Holly Alpert participate in the OVGA Stakeholder Engagement Plan. Dan Totheroh provided an update on the Southern California Edison power safety shutoff. Fred Stump stated SCE will be holding a meeting in the Mono County Town Hall to discuss the same issues as well as grid resiliency and Mono County continues to receive notification of proposed pump back projects.

6. OVGA staff reports

- a. Financial Report
- b. Report on Indian Wells Valley Groundwater Authority activities
- c. Proposition 68 grant funding

Amy Shepard, Inyo County Auditor provided the financial report and stated the OVGA cash balance is \$186,288.90, with only three transactions since last meeting, 2019-2020 insurance costs, staff billing and a revenue from the City of Bishop for their 2019-2020 OVGA contribution. She stated there will be additional accrual postings to the end of July for the 2018-19 fiscal year. John Vallejo provided an update on the Indian Wells Valley Groundwater Authority activities such as a review of their draft GSP, an upcoming technical report before the end of July regarding pumping water to the Indian Wells Valley, and stated the agency remains underfunded. Earl Wilson stated the water is shut down in the Trona area due to damage from the recent earthquakes. Dr. Steinwand provided a brief update on the Proposition 68 grant funding and that it would be available by application submission in

the summer of 2020. Dr. Holly Alpert stated the IRWMP is working with Proposition 1 funds and currently going through another round of funding for 2021.

7. Status of Keeler CSD participation in the OVGA

Dr. Steinwand stated there is a draft letter for approval for Keeler regarding their participation on the OVGA Board. A motion was made by Chris Costello and a second by Dan Tothoroh to send the letter to Keeler, include a response date prior to the September OVGA meeting, and authorize the Executive Director to sign. Motion passed 9 yes (34.18) 0 abstentions, 2 absent (5.82 votes).

8. OVGA Fiscal Audit Services for 2018-19

Amy Shepard, Inyo County Auditor-Controller stated in order for the OVGA to continue to be eligible to receive grants, the OVGA is required to have an independent auditor audit the OVGA books. She stated three estimates were received; only one formal quote and her staff recommendation is to move forward with the formal quote from Fechter & Company. A motion was made by Luis Elias with a second by Ron Stone to authorize Amy Shepard to obtain the audit services of Fechter & Company with a termination clause in the agreement. Motion passed 9 yes (34.18 votes) 0 abstentions, 2 absent (5.82 votes).

9. Discussion and possible direction to staff concerning the implications of DWR reprioritization of the Owens Valley Groundwater Basin

Dr. Steinwand provided an introduction for Dr. Tim Ross from the California Department of Water Resources (DWR) to discuss the implication of the basin reprioritization. He stated the final basin prioritization should be out by August 2019. The Board requested Dr. Ross go into detail regarding the process of basin prioritization. Dr. Ross provided detail of the rating categories, specific nuances such as critical overdraft, legislation, and the goals of SGMA. The Board and staff discussed this item in detail. April Zrelak asked if there was any internal discussion of low priority basins being required to have a GSP in the future. Philip Anaya inquired if we are rated low, is there a possibility down the line we can end of medium again. Dr. Ross stated yes, the priority can change. Deb Murphy asked if the two counties formed a GSA would that apply to all entities regardless whether they are on the Board or not. Dave Doonan clarified that Tri Valley Groundwater Management District is a separate legislative body.

The Chairperson called a break at 3:30 pm and reconvened the meeting at 3:43 pm.

10. Stakeholder Engagement Plan Development Subcommittee

Tony Morgan provided an overview and stated the importance of a stakeholder engagement plan. He stated he required some feedback from the Board and the plan development process should only require approximately three meetings with a working group. The Board directed staff to form the adhoc group for the stakeholder engagement plan.

11. Discussion and possible determination of Board Seats for Associate and Interested Parties

The Board, per staff's recommendation deferred this item to a future meeting. Philip Anaya stated his displeasure at deferring this agenda item.

12. Discussion regarding future agenda items

The Chairperson stated they would continue with the financial reports, the report on Indian Wells Valley, status of Keeler, a report on the conclusion of the audit services, possible DWR basin rating finalization, a discussion with options regarding the continuation of the OVGA including a previous staff report, and a report on the formation of the ad hoc committee for the stakeholder engagement plan.

11. Set next meeting

The next OVGA meeting was tentatively scheduled for August 8, 2019.

12. Adjourn

The Chairperson adjourned the meeting at 4:16 pm.

SHORT ORDER: OBJECT within BUDUNIT

SELECT FUND: 6272

LG BUDGET UNIT	Primary Ref	Transaction Description	SS Ref	Date	Job No	Debit	Credit	NET
GL 621601-1000	YEAREND	3. Balance forward 2017/2018	JE	07/01/18	02379237	199,708.69	0.00	199,708.69
GL 621601-1000	TTLCR	AutoID: CR18709A Job: 2277089	CR	07/09/18	02277089	35,239.77	0.00	234,948.46
GL 621601-1000	JE32179	AutoID: JA18909J Job: 2285810	JE	08/10/18	02285810	245.10	0.00	235,193.56
GL 621601-1000	INTEREST	AutoID: JA18A24A Job: 2306513	JE	10/24/18	02306513	958.25	0.00	236,151.81
GL 621601-1000	IS0918	AutoID: IS18C31B Job: 2311614	JE	11/01/18	02311614	0.00	69.06	236,082.75
GL 621601-1000	JE32887	AutoID: JT18N30I Job: 2329197	JE	11/30/18	02329197	0.00	16,572.98	219,509.73
GL 621601-1000	TTLOH	AutoID: WD18N27A Job:2331549	OH	12/05/18	02331549	0.00	16,693.88	202,815.89
GL 621601-1000	TTLOH	AutoID: WD18N27B Job:2333015	OH	12/06/18	02333015	0.00	1,582.56	201,233.33
GL 621601-1000	IS1218	AutoID: IS1907F Job: 2354487	JE	01/10/19	02354487	0.00	451.46	200,781.87
GL 621601-1000	JE33285	AutoID: JI19118C Job: 2362061	JE	01/18/19	02362061	0.00	9,508.24	191,273.63
GL 621601-1000	INTEREST	AutoID: JA18207C Job: 2372571	JE	02/07/19	02372571	774.15	0.00	192,047.78
GL 621601-1000	JE33696	AutoID: JI19314A Job: 2394365	JE	03/14/19	02394365	0.00	22,370.77	169,677.01
GL 621601-1000	TTLCR	AutoID: JT19326A Job:2400926	JE	03/26/19	02400926	0.00	4,953.90	164,723.11
GL 621601-1000	JE33743	AutoID: WD18409B Job:2415725	OH	04/15/19	02415725	0.00	417.00	164,306.11
GL 621601-1000	TTLOH	AutoID: JH19424A Job: 2422829	JE	04/24/19	02422829	0.00	16,370.11	147,936.00
GL 621601-1000	JE33970	AutoID: IS190429 Job: 2426375	JE	04/30/19	02426375	0.00	18.00	147,918.00
GL 621601-1000	IS0319	AutoID: JA18501Z Job: 2428536	JE	05/01/19	02428536	737.95	0.00	148,655.95
GL 621601-1000	INTEREST	AutoID: JI19521A Job: 2441853	JE	05/21/19	02441853	0.00	7,000.00	141,655.95
GL 621601-1000	JE34166	AutoID: WD18606A Job:2457149	OH	06/12/19	02457149	0.00	5,726.71	135,929.24
GL 621601-1000	TTLOH	AutoID: WD18608C Job:2458864	OH	06/13/19	02458864	0.00	2,500.00	133,429.24
GL 621601-1000	IS0619C	AutoID: IS190712 Job: 2481851	JE	06/23/19	02481851	0.00	720.32	132,708.92
GL 621601-1000	JAI8067	AutoID: JRI9716B Job: 2482570	JE	06/23/19	02482570	0.00	4,500.00	128,208.92
GL 621601-1000	JAI8081	AutoID: JH19719D Job: 2484531	JE	06/23/19	02484531	0.00	15,774.00	112,434.92
GL 621601-1000	JAI8141	AutoID: JA18726B Job: 2489837	JE	06/23/19	02489837	50,694.78	0.00	163,129.70
GL 621601-1000	JAI8140	AutoID: JA19726A Job: 2489879	JE	06/23/19	02489879	0.00	28,882.69	134,247.01
GL 621601-1000	JAI8142	AutoID: JA19726C Job: 2489917	JE	06/23/19	02489917	0.00	21,647.78	112,599.23
GL 621601-1000	TTLOH	AutoID: CT19626A Job: 2467437	OH	06/26/19	02467437	52,859.66	0.00	165,458.89
GL 621601-1000	TTLOH	AutoID: WD18628A Job:2483097	OH	07/18/19	02483097	0.00	450.00	165,008.89
GL 621601-1000	TTLOH	AutoID: WD19715A Job:2484520	OH	07/19/19	02484520	0.00	4,450.97	160,557.92
GL 621601-1000	TTLOH	AutoID: OW19723C Job:2487316	OH	07/24/19	02487316	0.00	23,467.45	137,090.47
GL 621601-1000	INTRCBL	AutoID: JAI9902E Job: 2496015	JE	08/02/19	02496015	1,196.59	0.00	138,287.06
*****Total *OBJT 1000		CLAIM ON CASH				342,414.94	204,127.88	138,287.06
GL 621601-1100	YEAREND	3. Balance forward 2017/2018	JE	07/01/18	02379237	35,239.77	0.00	35,239.77
GL 621601-1100	TTLCR	AutoID: CR18709A Job: 2277089	CR	07/09/18	02277089	0.00	35,239.77	0.00
*****Total *OBJT 1100		ACCOUNTS RECEIVABLE				35,239.77	35,239.77	0.00
GL 621601-1140	JE33696	LOANS:GROUNDWATER SUSTAINABILI	JE	03/14/19	02394365	22,370.77	0.00	22,370.77
GL 621601-1140	JE33743	LOAN DUE:GRNDWTR SUSTAIN	JE	03/26/19	02400926	4,953.90	0.00	27,324.67
GL 621601-1140	JE33970	LOANS:OVGA	JE	04/24/19	02422829	16,370.11	0.00	43,694.78
GL 621601-1140	JE34166	LOANS:GROUNDWATER SUSTAINABILI	JE	05/21/19	02441853	7,000.00	0.00	50,694.78
GL 621601-1140	JAI8141	REPAY LOAN	JE	06/23/19	02489837	0.00	50,694.78	0.00
*****Total *OBJT 1140		DUE FROM OTHER FUNDS				50,694.78	50,694.78	0.00
GL 621601-1160	YEAREND	3. Balance forward 2017/2018	JE	07/01/18	02379237	245.10	0.00	245.10
GL 621601-1160	JE32179	4TH QTR INTEREST	JE	08/10/18	02285810	0.00	245.10	0.00
GL 621601-1160	INTRCBL	4th QTR INTEREST	JE	06/30/19	02496014	1,196.59	0.00	1,196.59
GL 621601-1160	INTRCBL	4th QTR INTEREST RVRS	JE	08/02/19	02496015	0.00	1,196.59	0.00
*****Total *OBJT 1160		INTEREST RECEIVABLE				1,441.69	1,441.69	0.00
GL 621601-1200	GS1907100600	GOLDEN STATE RI ACCI#OWENVAL	OH	06/11/19	02455955	2,500.00	0.00	2,500.00

SORT ORDER: OBJECT within BUDUNIT

SELECT FUND: 6272

Lg BUDGET UNIT	Primary Ref	Transaction Description	SS Ref	Date	Job No	Debit	Credit	NET
GL 621601-1200	JE34537	UA386949:GOLDEN STATE RISK MAN	JE	07/09/19	02475759	0.00	2,500.00	0.00
*****Total *OBJT 1200		PREPAID EXPENSES			DR	2,500.00	2,500.00	0.00
GL 621601-2000	TTLOH	AutoID:WD18N27A Job:2331310	OH	12/04/18	02331310	0.00	16,693.88	16,693.88
GL 621601-2000	TTLOH	AutoID:WD18N27A Job:2331549	OH	12/05/18	02331549	16,693.88	0.00	0.00
GL 621601-2000	TTLOH	AutoID:WD18N27B Job:2332028	OH	12/05/18	02332028	0.00	1,582.56	1,582.56
GL 621601-2000	TTLOH	AutoID:WD18N27B Job:2333015	OH	12/06/18	02333015	1,582.56	0.00	0.00
GL 621601-2000	TTLOH	AutoID:WD18409B Job:2413188	OH	04/10/19	02413188	0.00	417.00	417.00
GL 621601-2000	TTLOH	AutoID:WD18409B Job:2415725	OH	04/15/19	02415725	417.00	0.00	0.00
GL 621601-2000	TTLOH	AutoID:WD18606A Job:2455212	OH	06/10/19	02455212	0.00	5,726.71	5,726.71
GL 621601-2000	TTLOH	AutoID:WD18608C Job:2455955	OH	06/11/19	02455955	0.00	2,500.00	8,226.71
GL 621601-2000	TTLOH	AutoID:WD18606A Job:2457149	OH	06/12/19	02457149	5,726.71	0.00	2,500.00
GL 621601-2000	TTLOH	AutoID:WD18608C Job:2458864	OH	06/13/19	02458864	2,500.00	0.00	0.00
GL 621601-2000	TTLOH	AutoID:WD19715A Job:2484059	OH	06/23/19	02484059	0.00	4,450.97	4,450.97
GL 621601-2000	TTLOH	AutoID:OW19723C Job:2486308	OH	06/23/19	02486308	0.00	23,467.45	27,918.42
GL 621601-2000	TTLOH	AutoID:WD18628A Job:2481900	OH	07/16/19	02481900	0.00	450.00	28,368.42
GL 621601-2000	TTLOH	AutoID:WD18628A Job:2483097	OH	07/18/19	02483097	450.00	0.00	27,918.42
GL 621601-2000	TTLOH	AutoID:WD19715A Job:2484520	OH	07/19/19	02484520	4,450.97	0.00	23,467.45
GL 621601-2000	TTLOH	AutoID:OW19723C Job:2487316	OH	07/24/19	02487316	23,467.45	0.00	0.00
*****Total *OBJT 2000		ACCOUNTS PAYABLE			CR	55,288.57	55,288.57	0.00
GL 621601-2200	CR113320	CITY OF BISHOP	CR	06/26/19	02467437	0.00	52,859.66	52,859.66
GL 621601-2200	JE34553	CR113320:CITY OF BISHOP	JE	07/09/19	02475759	52,859.66	0.00	0.00
*****Total *OBJT 2200		DEFERRED REVENUE			CR	52,859.66	52,859.66	0.00
GL 621601-3000	YEAREND	2. Balance forward 2017/2018	JE	07/01/18	02379237	0.00	235,193.56	235,193.56
*****Total *OBJT 3000		FUND BALANCE AVAILABLE			CR	0.00	235,193.56	235,193.56
GL 621601-4301	INTEREST	1st qtr 18/19 interest	JE	10/24/18	02306513	0.00	958.25	958.25
GL 621601-4301	INTEREST	2ND qtr 18/19 interest	JE	02/07/19	02372571	0.00	774.15	1,732.40
GL 621601-4301	INTEREST	3RD QRT 18/19 INTEREST	JE	05/01/19	02428536	0.00	737.95	2,470.35
GL 621601-4301	INTRCBL	4th QTR INTEREST	JE	06/30/19	02496014	0.00	1,196.59	3,666.94
*****Total *OBJT 4301		INTEREST FROM TREASURY			CR	0.00	3,666.94	3,666.94
GL 621601-4599	JE34553	CR113320:CITY OF BISHOP	JE	07/09/19	02475759	0.00	52,859.66	52,859.66
*****Total *OBJT 4599		OTHER AGENCIES			CR	0.00	52,859.66	52,859.66
GL 621601-5129	IS0918	IS PHOTOCOPIES	JE	11/01/18	02311614	69.06	0.00	69.06
GL 621601-5129	IS1218	IS PHOTOCOPIES	JE	01/10/19	02354487	451.46	0.00	520.52
GL 621601-5129	IS0319	IS PHOTOCOPIES	JE	04/30/19	02426375	18.00	0.00	538.52
GL 621601-5129	IS0619C	IS CANON BILLING Q4	JE	06/23/19	02481851	720.32	0.00	1,258.84
*****Total *OBJT 5129		INTERNAL COPY CHARGES (NON-IS)			DR	1,258.84	0.00	1,258.84
GL 621601-5155	JE34537	UA386949:GOLDEN STATE RISK MAN	JE	07/09/19	02475759	2,500.00	0.00	2,500.00
*****Total *OBJT 5155		PUBLIC LIABILITY INSURANCE			DR	2,500.00	0.00	2,500.00
GL 621601-5265	236020	DANTEL B STEPHE PROJECT#DB18.1	OH	06/23/19	02486308	23,467.45	0.00	23,467.45
GL 621601-5265	JA18140	Inv148-00 DAN STEPH CONTRACT	JE	06/23/19	02489879	28,882.69	0.00	52,350.14
GL 621601-5265	JA18142	TRANS D STEPH CHRG TO OVGA	JE	06/23/19	02489917	21,647.78	0.00	73,997.92
*****Total *OBJT 5265		PROFESSIONAL & SPECIAL SERVICE			DR	73,997.92	0.00	73,997.92

Short
 --req: TTILLEMA--leg: GL ----loc: AUD-----job:2496746 J2307-----prog: GL440 <1.61>--report id: GLFLTR02

[T R A N S A C T I O N L I S T I N G]

07/01/2018 - 08/05/2019

SELECT FUND: 6272

GL 621601-5291

Lg BUDGET UNIT	Primary Ref	Transaction Description	SS Ref Date	Job No	Debit	Credit	NET
GL 621601-5291	10117	WHISKEY CREEK R 7/11/19 OVGA M OH 07/16/19 02481900			450.00	0.00	450.00
*****Total *OBJT 5291		OFFICE, SPACE & SITE RENTAL			450.00	0.00	450.00
GL 621601-5311	11900152	GOLDEN STATE RI ACCT#OWENVAL OH 04/10/19 02413188			417.00	0.00	417.00
*****Total *OBJT 5311		GENERAL OPERATING EXPENSE			417.00	0.00	417.00
GL 621601-5539	JE32887	I#00002 STAFF SVCS	JE 11/30/18	02329197	16,572.98	0.00	16,572.98
GL 621601-5539	201801	MONO COUNTY 9/17-11/18 OVGA ST OH 12/04/18 02331310			16,693.88	0.00	33,266.86
GL 621601-5539	111418	BISHOP, CITY OF 7/18-9/18 OVGA OH 12/05/18 02332028			1,582.56	0.00	34,849.42
GL 621601-5539	JE33285	I#00003 STAFF SVCS	JE 01/18/19	02362061	9,508.24	0.00	44,357.66
GL 621601-5539	20181903	MONO COUNTY 01/19-03/19/19 OVGA OH 06/10/19 02455212			5,726.71	0.00	50,084.37
GL 621601-5539	JAL8067	APR-JUN19 STAFF SERVICES	JE 06/23/19	02482570	4,500.00	0.00	54,584.37
GL 621601-5539	100118-063019	BISHOP, CITY OF OVGA STAFF SER OH 06/23/19 02484059			4,450.97	0.00	59,035.34
GL 621601-5539	JAL8081	I#4 010119-063019 STAFF	JE 06/23/19	02484531	15,774.00	0.00	74,809.34
*****Total *OBJT 5539		OTHER AGENCY CONTRIBUTIONS			74,809.34	0.00	74,809.34
*****Total *BUDG 621601		OVGA-OWENS VALLEY GROUNDWATER			693,872.51	693,872.51	0.00

** G R A N D T O T A L **

DR-CR DR-CR

693,872.51 693,872.51 0.00

COUNTY OF INYO
Budget to Actuals with Encumbrances by Key/Obj

Ledger: GL

As Of 8/5/2019

Object	Description	Budget	Actual	Encumbrance	Balance	%
Key: 621601 - OVGA-OWENS VALLEY GROUNDWATER						
Revenue						
4301	INTEREST FROM TREASURY	4,000.00	0.00	0.00	4,000.00	0.00
4498	STATE GRANTS	261,551.00	0.00	0.00	261,551.00	0.00
4599	OTHER AGENCIES	249,195.00	52,859.66	0.00	196,335.34	21.21
Revenue Total:		514,746.00	52,859.66	0.00	461,886.34	10.26
Expenditure						
5129	INTERNAL COPY CHARGES (NON-IS)	1,500.00	0.00	0.00	1,500.00	0.00
5155	PUBLIC LIABILITY INSURANCE	2,500.00	2,500.00	0.00	0.00	100.00
5263	ADVERTISING	2,000.00	0.00	0.00	2,000.00	0.00
5265	PROFESSIONAL & SPECIAL SERVICE	309,771.00	0.00	0.00	309,771.00	0.00
5291	OFFICE, SPACE & SITE RENTAL	1,500.00	450.00	0.00	1,050.00	30.00
5311	GENERAL OPERATING EXPENSE	500.00	0.00	0.00	500.00	0.00
5539	OTHER AGENCY CONTRIBUTIONS	97,500.00	0.00	0.00	97,500.00	0.00
5901	CONTINGENCIES	13,290.00	0.00	0.00	13,290.00	0.00
Expenditure Total:		428,561.00	2,950.00	0.00	425,611.00	0.68
621601	Key Total:	86,185.00	49,909.66	0.00	36,275.34	

**COUNTY OF INYO
UNDESIGNATED FUND BALANCES**

AS OF 06/30/2020

	Claim on Cash	Accounts Receivable	Loans Receivable	Prepaid Expenses	Accounts Payable	Loans Payable	Deferred Revenue	Computed Fund Balance	Fund Balance	
									Encumbrances	Undesignated
WDIR - WATER										
6272 OVGA-OWENS VALLEY	(27,172)	(1,197)	1140	(2,500)	(27,918)	2140	(52,860)	49,909		49,909
WDIR Totals	(27,172)	(1,197)	1140	(2,500)	(27,918)	2140	(52,860)	49,909		49,909
Grand Totals	(27,172)	(1,197)		(2,500)	(27,918)		(52,860)	49,909		49,909

OWENS VALLEY GROUNDWATER AUTHORITY

Big Pine CSD — City of Bishop — County of Inyo — County of Mono — Eastern Sierra CSD — Indian Creek-Westridge CSD — Keeler CSD —
Sierra Highlands CSD— Tri Valley Groundwater Management District — Wheeler Crest CSD

P.O. Box 337
135 Jackson Street
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www.inyowater.org

Staff Report

Date: August 8, 2019
Subject: Groundwater Basin Re-Prioritization

Introduction

The Department of Water Resources (“DWR”) released its final 2019 SGMA Basin Prioritization Process and Results. DWR reprioritized the Owens Valley Groundwater Basin (“Basin”) as a “low priority” basin. This agenda item is before your Board to provide an overview of what this reprioritization means to the OVGA in terms of its obligations and options moving forward.

Effects of low priority designation on OVGA and Owens Valley stakeholders.

A fundamental difference between the prior designation as a medium priority basin and the current low priority basin is that the threat of State intervention no longer exists if the OVGA does not comply with SGMA in the eyes of DWR. So even though SGMA encourages low priority basins to prepare groundwater sustainability plans (GSPs), the OVGA is not required to prepare a GSP. This and a number of additional issues are set forth on Table 1, below.

Table 1. Effect of low priority on various issues of interest to the OVGA and stakeholders.

Issue	Low Priority Effect
Requirement for formation of a GSA and preparation and implementation of a GSP.	No requirement for a GSA or GSP. GSA formation and GSP implementation is at the discretion of local agencies in very-low and low priority basins.
Potential for state intervention in Owens Valley.	SGMA provides no authority for the state to intervene in very-low and low priority basins.
Financial burden imposed by SGMA.	If no GSP is in place, SGMA imposes no costs on Owens Valley groundwater users (or others). If a GSP is prepared, the OVGA will have to fund the preparation and implementation of the GSP through the fee levying authority provided by SGMA or some other source of funds (e.g., grant funds, property tax assessment, member contributions, etc.).
Access to state funds for groundwater projects and studies.	Likely to be ineligible or lower priority for future grant funds for SGMA-related activities. DWR has indicated that basins reprioritized from high or medium to low that were approved for a Sustainable Groundwater Planning Grants will still be eligible for the grant if they pursue the work plan that was submitted in the grant application.

Issue	Low Priority Effect
Effect on Inyo/LA Water Agreement.	No effect on lands subject to the Water Agreement. Even if a GSP is prepared, the Water Agreement would retain its adjudicated status and thereby be exempt from GSA and GSP authority. If no GSP is prepared, there would be no SGMA-based process for groundwater management on Owens Lake.
Effect on tribes.	Tribes are exempt from SGMA; however, SGMA allows that tribes “may voluntarily agree to participate in the preparation or administration of a groundwater sustainability plan.”
Effect on OVGA.	The OVGA could withdraw its GSA notice, because a GSA and GSP would not be required. Or, the OVGA could remain in place to prepare and implement a GSP, or remain in place but not prepare a GSP unless the basin is reprioritized as medium or high priority.
Effect on private agricultural pumpers or other businesses (e.g., water bottling).	No effect or cost, unless OVGA elects to prepare a GSP, in which case the OVGA may decide to make groundwater users subject to fee, metering, reporting, and other GSA regulations as determined by the OVGA.
Effect on environmental users of groundwater.	No effect, unless OVGA elects to prepare GSP, in which case the OVGA may decide to make groundwater users subject to fee, metering, reporting, and other GSA regulations as determined by the OVGA.
Effect on public water systems.	No effect, unless OVGA elects to prepare GSP, in which case the OVGA may decide to make groundwater users subject to fee, metering, reporting, and other GSA regulations as determined by and the OVGA.
Disadvantaged communities.	No effect, unless OVGA elects to prepare GSP, in which case groundwater users could be subject to fee, metering, and reporting, and other GSA authorities as determined by GSA and GSP.
Effect on domestic well owners. SGMA defines “de minimis extractors” as “a person who extracts, for domestic purposes, two acre-feet or less per year.”	No effect, unless OVGA elects to prepare GSP and regulates domestic well owners, which is unlikely in Owens Valley.

Options Moving Forward

Assuming the low priority designation becomes final, there are a range of options available to your Board. Broadly speaking, they range from moving forward without regard to the priority designation to completely disbanding the OVGA. Some specific options are listed below to help guide your Board’s discussion, but the list below does not represent all possible options available.

- Option 1: Make No Changes

Although a GSP is not required for a low-priority basin, your Board could continue to move forward with a GSP and the Board as if no priority change was made. Alternatively, the Board could discuss with the GSP consultant what a GSP for a low-priority basin might look like, including the GSP remaining “dormant” while the Basin is rated a low-priority and then activated through performance-based standards or if it were ever to be reprioritized as a medium- or high-priority basin.

- Benefit(s):

An obvious benefit of this option is that the development of the GSP will be funded by the current grant and the Basin will have an enforceable GSP. A GSP may be beneficial to issues regarding the Owens Dry Lake as well as possible concerns relating to water use and long-term availability in discrete areas within the Basin. Additionally, if the State were to later change the Basin priority back to medium or high, all of the required SGMA implementation steps will already be in place (aside from any required GSP updates).

- Downside(s):

A possibility exists to craft the GSP to minimize costs and monitoring and reporting requirements. However, the continuation of the OVGA and implementation of a GSP will probably subject Basin water users to some degree of fees, metering, reporting, and other OVGA regulations and GSP mandates, depending on the structure of the GSP. There is the additional indirect cost of resources required by the Member agencies in continuing in this process.

- Option 2: Continue with GSP development but change approach to OVGA membership

Your Board, and the individual Members, may consider the low priority designation's underlying significance to be a reason to reduce the size and complexity of the Board while continuing to develop the GSP.

- Benefit(s): Same as Option 1. Additionally, a smaller governing body will streamline the OVGA's functionality and result in some cost savings. As set forth in prior staff reports, advisory committees are available to facilitate informed public engagement in the GSP development.
- Downside(s): Same as Option 1. Any qualitative difference of a smaller Board and/or use of advisory committees is unclear. The exit of any Member providing some funding to the OVGA will require agreement among the members, possibly require a change in contribution from remaining Members, and will affect vote share.
- Hypothetical Regarding Basin Coverage: In theory, only Mono County and Inyo County need to remain members of the OVGA in order for the OVGA to have regulatory authority over the entire Basin. Without their participation, any GSP developed by the OVGA can only be enforced within the remaining Members' jurisdictional boundaries. For example, if only the City of Bishop and Tri-Valley Groundwater Management District remained in the OVGA, any GSP could only be enforced within the boundaries of those two Member entities. While the State would likely reject any such GSP, the State could not thereafter intervene in the Basin.

- Option 3: Discontinue GSP development


Your Board could stop GSP development but retain the OVGA in a relatively dormant state in case a GSP is desired and/or required in the future.

- Benefit(s): The most obvious benefits to this approach are that the groundwater users of the Basin will not be subject to any GSP requirements, which are unknown at this time. Maintaining the OVGA in existence will also be of benefit if DWR was to later change the Basin priority back to medium and/or high, since formation of the OVGA as the Groundwater Sustainability Agency (GSA) will already be complete.
- Downside(s): There will be some loss of funds that have been spent toward development of the GSP and if a GSP were required in the future, grant funds may not be available. The OVGA has not received reimbursement yet from DWR and no funds have been drawn from the advance payment, and therefore no funds need to be reimbursed at this time. However, approximately \$102,000 has been expended on GSP development that would not be recouped through the grant under this option. There probably will be no interest penalty on the grant repayment. There will be some cost for maintaining the OVGA, but those could be limited by significantly reducing the number of regular Board meetings. More substantively, issues regarding the Owens Dry Lake as well as possible concerns relating to water use and long-term availability within the Tri-Valley will not be addressed.

- Option 4: Disband

A low-priority basin is not required to have a GSA and not required to develop a GSP.

- Benefit(s): The most obvious benefits to this approach are that the groundwater users of the Basin will not be subject to any GSP requirements, which are unknown at this time.
- Downside(s): If the basin is re-rated to a medium or high priority basin in the future, a GSA would need to be re-formed and grant fund availability for GSP development is unknown. The OVGA has not received reimbursement yet from DWR and no funds have been drawn from the advance payment, and therefore no funds need to be reimbursed at this time. However, approximately \$102,000 has been expended on GSP development that would not be recouped through the grant under this option. There probably will be no interest penalty on the grant repayment. Issues surrounding the Owens Dry Lake as well as possible concerns relating to water use and long-term availability in discrete areas within the Basin will not be addressed.



**Implications of SGMA Prioritization
for the Owens Valley
Groundwater Basin**

**Owens Valley Groundwater Authority
August 8, 2019**



Implications of Low Priority Designation

SGMA Implementation	Low Priority	Med. or High Priority
GSA and GSP	Not Required, OVGA can elect to prepare GSP	Required for entire Owens Valley Basin
State Intervention	No	Maybe
Costs to residents for SGMA	None, unless GSP adopted has fees	Fees or other funding to implement GSP
Effect on Proposition 1 grant	None, unless GSP work halted	None
Access to future grants	Probably less likely	More likely

Implications of Low Priority Designation

Groundwater Management	Low Priority	Med. or High Priority
OVGA	Several options	Implement a GSP
LADWP pumping subject to Water Agreement (LTWA)	Exempt from SGMA	Exempt from SGMA
Private GW pumping (e.g. agriculture)	Subject to GSP if adopted	GSP

Implications of Low Priority Designation

Groundwater Users	Low Priority	Med. or High Priority
Public Water Systems	None, unless GSP sets fees	Pumping regulation and fees possible
Domestic wells (<2 acre feet/year)	None, GSP regulation unlikely	GSP regulation unlikely unless State intervenes
Disadvantaged Communities	None or GSP may include fees	Pumping regulation unlikely. Fees possible

Implications of Low Priority Designation

Groundwater Users (cont.)	Low Priority	Med. or High Priority
Owens Valley Tribes	Exempt from SGMA but can participate voluntarily	Same
Environmental GW users	None, unless GSP adopted	Subject to GSP unless exempt in the statute

Options If Low Priority Designation Remains

OVGA proceeds with GSP

- JPA, funding agreements, budget, bylaws, policies, and staff contracts are in place
- Prop. 1 grant and advance obtained to fund GSP development
- GSP consultant work on GSP is underway

Advantages

- Enforceable GSP with no threat of State intervention
- Local groundwater (GW) management to address concerns of residents

Disadvantages

- Fees to implement GSP
- Staff and Member resources required to participate in OVGA
- Another regulatory body

Options If Low Priority Designation Remains

OVGA continues, GSP prepared but not implemented

- GSP approved by DWR (no grant implications if GSP submitted)
- Management and fees triggered if milestones not met or priority changes
- Monitoring and reporting necessary to retain DWR approval

Advantages

- OVGA and GSP available to manage GW if needed
- Minimal fees or costs, unless milestones not being met
- Delayed or no regulation

Disadvantages

- Probably not much different than proceeding with GSP
- Experience and GSP may go stale
- If no GW management, why waste taxpayer funds on the grant?

Options If Low Priority Designation Remains

Modified OVGA proceeds with GSP

- Members can request termination if not in their interest to continue
 - majority vote (Inyo and Mono required to cover basin)
- Amend some JPA provisions, funding agreements, and procedures
- GSP consultant proceeds as planned

Advantages

- Enforceable GSP with no threat of State intervention
- Potentially could streamline local GW management

Disadvantages

- Fees to implement GSP
- Staff and resources required to participate in OVGA
- Another regulatory body

Options If Low Priority Designation Remains

OVGA continues, GSP work halted

- Grant repayment required
- JPA, funding agreements, and bylaws modified to add “hibernation” procedures
- GSP consultant contract modified to provide work completed?

Advantages

- Minimal costs, if any
- No regulation

Disadvantages:

- No GW management, no new Basin information or models
- Existing funds expended on GSP not recoverable (\approx \$102,000 to date)

Options If Low Priority Designation Remains

OVGA disbands

- JPA, Article VI, section 4: unanimous vote to disband
- Grant repaid and other fiscal matters settled

Advantages

- No fees or costs
- No regulation

Disadvantages

- OVGA and GSP unavailable and lost opportunity for local control of GW
- Start over if Basin priority, pumping, or groundwater conditions change
- Loss of progress to date and SGMA expertise in leadership and staff