



## **Pajaro Valley Water Management Agency Service and Sphere Review**

*Date: November 27, 2017 for December 6, 2017 Agenda*

*Summary: LAFCO staff has drafted a service and sphere review for the Pajaro Valley Water Management Agency.*

*Staff Recommendation: Conduct a public hearing on December 6, 2017 and continue the matter for possible action at the next LAFCO meeting.*

*Submitted by: Patrick McCormick, Executive Officer*

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As part of the Commission's work program, the LAFCO staff has prepared a draft of a service and sphere of influence review for both the Pajaro Valley Water Management Agency and Reclamation District 2049 (College Lake). The document is available at: <http://www.santacruzlafco.org/wp-content/uploads/2017/11/PVWMA-RD2049-Public-Review-Draft.pdf>

The main conclusions concerning the Pajaro Valley Water Management Agency are:

1. The Pajaro Valley Water Management Agency (PVWMA) is addressing one of the major environmental problems in Santa Cruz County—the overdraft of the Pajaro aquifers and the subsequent sea water intrusion into the aquifers.
2. The PVWMA has adopted and prepares updates to a Basin Management Plan, which includes groundwater metrics, water conservation programs, supplemental supply projects, and costs designed to accomplish its mission.
3. The PVWMA maintains a robust website, conducts public meetings, prepares budgets and audits and otherwise functions in a manner that is consistent with state laws and that makes the Agency's activities accessible to the residents of the Pajaro Valley.
4. The PVWMA is designated under the Sustainable Groundwater Management Act as the agency in charge of managing the Pajaro Valley basin, and is working with regional partners to address long-term sustainability of the regional groundwater resources.
5. The PVWMA should consider proposing a Sphere of Influence as part of their next Basin Management Plan Update, and analyzing the Sphere proposal in the environmental document for the Basin Management Plan Update.

### Environmental Review

The staff has conducted environmental review of the proposed sphere amendment pursuant to the California Environmental Quality Act. The conclusion is that the project is exempt from further review.

### Sphere of Influence

Government Code section 56076 defines “sphere of influence” to be a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCO. Government Code section 56425(a) requires LAFCO to prepare and develop a sphere of influence for each city and special district within the county. Government Code section 56425(g) requires LAFCO, as necessary, to review and update each sphere of influence every five years.

The PVWMA has unique circumstances that have resulted in no sphere of influence being adopted to date. The PVWMA was formed by legislation in 1984 which bypassed LAFCO during the formation process; but, after formation, applied LAFCO’s normal review to any proposed annexations, detachments, or other changes of organization involving the PVWMA. The original PVWMA boundary was drafted by local proponents of the PVMWA and included in the formation bill carried by State Senator Mello. The original boundary was based upon a combination of both the political community of interest and the hydrology known at the time. One of the main functions of the PVMWA has been to develop a better understanding of groundwater conditions. The original boundary of the PVWMA does not now accurately match the functional location of the basin as refined by the hydrological studies and models conducted since the agency was formed in 1984. The map is attached to this report, can be found on page 25 of the service review, and is available on the PVWMA’s website at:

[www.pvwater.org/docs/PVWMA\\_Basin\\_Boundary\\_Modification\\_Request\\_20160328.pdf](http://www.pvwater.org/docs/PVWMA_Basin_Boundary_Modification_Request_20160328.pdf)

In 2007, LAFCO conducted a service review of the Pajaro Valley Water Management Agency as part of the Countywide Service Review document. At that time, the PVWMA was defending litigation over its fees, and was seriously considering bankruptcy and dissolution. Preparation of an environmental review document, and hearings before the PVWMA and LAFCO over adopting a sphere influence were both a cost and a peripheral set of issues that the PVWMA did not want to deal with. LAFCO concurred that the PVWMA should focus on its existential issues, and that sphere adoption could be deferred to a later date. The PVWMA weathered the crises and adopted a fee structure that raises adequate revenue and is legally defensible. The PVWMA has updated its master plan know as The Basin Management Plan, and has implemented a variety of conservation programs and supplemental sources. Since 2007, there have been no applications to change the PVWMA boundaries, and neither the PVWMA nor LAFCO have triggered consultations about how to get the PVWMA sphere done.

Any study for adopting a PVWMA sphere would involve consultations with the counties and LAFCOs in the three counties where the PVWMA operates: Monterey, San Benito, and Santa Cruz and with adjacent water agencies. Two obvious alternatives would be

adopting the status quo boundaries as the sphere, and setting the sphere to match the State-defined basin boundaries.

One approach to adopting a sphere of influence for the PVWMA would be to use the next update to the Basin Management Plan to evaluate sphere alternatives and to conduct environmental review. The PVWMA is the lead for preparing Basin Management Plan updates. Each update includes an environmental review document. A sphere component to the environmental document would be a relatively minor addition and a cost-effective approach. After completion of the environmental review document and Basin Management Plan update, the PVWMA could propose its preferred Sphere of Influence, and LAFCO could proceed to review and adopt a PVWMA sphere.

#### Recommendation

LAFCO staff has prepared a single document reviewing the two south county water agencies: the PVWMA and Reclamation District 2049. The newly-expanded Board of Directors of Reclamation District 2049 is meeting the afternoon of December 6<sup>th</sup>, and the LAFCO staff recommendation is to continue the Reclamation District 2049 matter to LAFCO's January meeting in order for the new board to have an opportunity to discuss and respond to the draft document and any comments that are made at LAFCO's December 6<sup>th</sup> public hearing. Therefore, the staff RECOMMENDS that the Commission handle the PVWMA review on the same schedule:

- Conduct the noticed public hearing on December 6, 2017;
- Continue the PVWMA review to LAFCO's next meeting, tentatively scheduled for January 3, 2018; and
- Direct staff to prepare and include a resolution in the next agenda packet to accept the PVWMA Service Review.

cc: Pajaro Valley Water Management Agency  
Reclamation District 2049 (College Lake)

#### Attachments:

--Environmental Exemption  
--Map of PVWMA Boundaries and Modified Bulletin 118 Basin Boundaries  
--Public Hearing Notice

#### Available online:

--Public Review Draft, 2017 Service and Sphere Reviews for the Pajaro Valley Water Management Agency and Reclamation District 2049 (College Lake) at:  
[www.santacruzlafco.org/wp-content/uploads/2017/11/PVWMA-RD2049-Public-Review-Draft.pdf](http://www.santacruzlafco.org/wp-content/uploads/2017/11/PVWMA-RD2049-Public-Review-Draft.pdf)

--PVWMA website:  
[www.pvwater.org](http://www.pvwater.org)