

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, SEPTEMBER 22, 2015**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, September 22, 2015, commencing at 7:03 a.m.

Present: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Absent: None

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

NOTE: Council Member Kuehne left the meeting at 8:10 a.m.

NOTE: Council Member Nakanishi left the meeting at 8:15 a.m.

B. Topic(s)

B-1 Receive Information on the Sustainable Groundwater Management Act (PW)

Public Works Director Wally Sandelin provided a PowerPoint presentation on the Sustainable Groundwater Management Act. Specific topics of discussion included legislation, why groundwater is important, explanation of the Sustainable Groundwater Management Act (SGMA), water rights, definition of "sustainable," where Lodi fits in, Lodi historical groundwater use, SGMA timeline, definition of Groundwater Sustainability Agency (GSA), function of GSAs, authority of GSAs, definition of Groundwater Sustainability Plan (GSP), options for governance, staff recommendation, and shared responsibility.

In response to Council Member Mounce, Mr. Sandelin stated the Urban Water Management Plan was last updated in 2011 and staff is currently working on the next update. In further response, Mr. Sandelin stated staff used data from the 2006 Urban Water Management Plan, rather than the 2011 Plan, to determine Lodi's sustainable yield of 14,600 to 15,800 acre feet because the groundwater model had expanded in size and added agricultural and City wells, which caused a decrease in the yield by 10 to 15 percent due to increased irrigation pumping.

In response to Council Member Mounce, Mr. Sandelin stated the purpose of this presentation was to provide Council with different pathways the Council may take in creating the GSP, adding that if the City does not develop a plan, the State will create one for the City. City Manager Schwabauer explained groundwater is governed by State law; however, there is no regulatory board to oversee how much water is pumped from the basins, other than the court system. SGMA is the State's effort to allow local government entities to make those determinations, instead of the courts, and this is Lodi's opportunity to determine how local its agency will be. Mr. Sandelin added that the League of California Cities has been very active on this piece of legislation to positively influence the outcome.

Mayor Johnson questioned how the City can control the impact of outside pumping and water flow, particularly when Lodi manages its groundwater so well. Mr. Sandelin agreed it is a challenge, stating agricultural pumping outside of the City influences how the plumes move under the City, and staff is utilizing that information to manage how the City pumps water out of the wells in order to decrease the need for granular activated carbon filters. An earlier analysis suggests that agricultural pumping increased by 15 percent, and there are lower groundwater levels in the outside areas. In further response, Mr. Sandelin stated he believed it would be wise for the City to form its own GSA and not join with other agencies, such as Cal Water or Stockton East Water District.

In response to Council Member Nakanishi, Mr. Sandelin stated currently there is no pumping restriction on farmers and they can take as much water as they want; however, under SGMA, an agency will have the power to control pumping, or the State will do so if the agency does not create a sustaining condition within 20 years. In further response, Mr. Sandelin stated it is allowable that each agency can implement different conditions.

In response to Mayor Pro Tempore Chandler, Mr. Sandelin explained it is difficult to monitor wells on private properties because most property owners are reserved about divulging how much groundwater is in their wells and some of the data is held by the State.

Council Member Nakanishi stated landowners should volunteer their data on groundwater and a GSA can require them to do so.

Mr. Sandelin explained the options for governance, which include a Centralized GSA, Distributed GSA, or a combination thereof, and he stated that the North San Joaquin Water Conservation District (NSJWCD) opted against a Distributed GSA, primarily due to cost, and is planning to move forward under a Centralized GSA. He stated the Woodbridge Irrigation District (WID) Board extended an offer to both Lodi and NSJWCD to form a local GSA.

In response to Mayor Johnson, Mr. Schwabauer stated there are different ways of viewing the various governance options and that Mayor Johnson's comment to ensure NSJWCD does not pump Lodi's water is a valid point. Staff believes both Lodi and WID are sustainable agencies. Because of the obligation to prove sustainability, if Lodi were to join an agency that included entities with sustainability issues, Lodi could be outvoted and forced to give its water to apply to their overdrafts, which is of major concern to staff. If these other agencies form their own GSA, they would be obligated to prove sustainability on their own without taking Lodi's oversupply. Mr. Schwabauer further explained that a majority vote on a GSA would be two-thirds of a quorum and, as an example, if the GSA included Lodi, WID, and NSJWCD, the board would consist of three individuals. Mayor Johnson stated Lodi has historically had a positive relationship with WID, and he hoped that would continue because that would be a majority vote in this example.

Council Member Mounce stressed that it is Council's responsibility to oversee and protect Lodi's most valuable commodity of water and believed the City should form its own GSA and not depend on anyone else. Lodi is prudent in conserving water and should not lose control of it. She further stated citizens would lose oversight and transparency with any other board.

Council Member Nakanishi expressed his concern that this process will be costly if Lodi forms its own GSA and believed that the San Joaquin County Board of Supervisors would ensure nothing harmful happens to Lodi if countywide safety factors were built into the agency. He added it is difficult to create a law that will tax everyone, but Lodi should be a part of the decision-making process.

Council Member Mounce argued that water will be costly either way moving forward and any decision to tax the public must be done locally and not by other agencies, over which Lodi would have no control.

Council Member Kuehne believed the City should be proactive in its approach and not place itself in a negative position. He stated it may behoove the City to join WID; however, it may also be beneficial to join with the larger entities as part of a Centralized GSA instead of answering to them. He stated he would like to hear further from WID regarding this matter.

Mayor Pro Tempore Chandler requested information on WID's decision behind inviting other agencies to join, and Council Member Mounce requested that the potential costs be provided to Council.

Mr. Sandelin stated the basin boundaries are San Joaquin County and partially into Stanislaus and Calaveras Counties. The staff recommendation is to form a GSA as a partner with WID with further participation in the Centralized GSA. The model of a Centralized GSA is that it performs

investigations and each agency would be a funding partner. SGMA requires that, if there are multiple GSAs, they are planned and coordinated. Mr. Schwabauer added staff is looking for a Centralized GSA to handle the majority of investigations, in which Lodi would participate, but in proving sustainability, Lodi would have that right and not cede it to the Centralized GSA.

Andy Christensen with WID stated he concurs with staff's recommendation, adding that the goal behind the letter of invitation was to retain local authority over the most onerous portions of the legislation, which are local control over use and cost of water into the future, and this recommendation works toward that end. The letter of invitation included NSJWCD and Lodi to form its own GSA primarily because of the positive, long-standing working relationship with Lodi, the shared river source, and Lodi's responsible management of its groundwater basin. The County model is largely sustainable at this time, but beyond Lodi and WID, there is an issue with sustainability and water flowing out of the area. The concern is who ultimately controls the local resources, and both Lodi and WID have done an outstanding job conserving water in this area. Mr. Christensen stated the Groundwater Banking Authority recently discussed forming a GSA that could manage groundwater for the entire area. The law allows agencies, such as Lodi and WID, to form a GSA, and if it chooses not to form its own agency, the responsibility goes to the County; however, the County has indicated it will not do so and is working with the Groundwater Banking Authority to form the agency. The staff recommendation will allow the City to retain local control on wells, how much water to take out of the ground, costs, and definition of sustainability, while also participating with the larger GSA. He stated that being controlled by a larger GSA will reduce Lodi's voting ability and leave it in a defensive position. Mr. Christensen stated partnering with a larger GSA will not save costs; those costs will be the same either way, but Lodi would also lose its local control.

In response to Mayor Pro Tempore Chandler, Mr. Christensen stated that at this point the legislature is addressing groundwater only, but in the future this could expand to surface water or connectivity, and he stressed the importance of maintaining local control while the ability exists and to prohibit larger groups from making sustainable agencies help them meet the goals that they cannot meet on their own.

Council Member Mounce shared her negative experience when attempting to find out who serves on the WID Board and the unreceptive response she received when she contacted one of the members. She stated her overall concern with joining another group is that a board, other than the City Council, will be unaffected by community input on this issue.

Council Member Nakanishi stated he favors the concept of controlling Lodi's water and of a larger GSA handling the major details. He questioned if there has been any discussion about this before the groups vote on it.

In response to Mayor Johnson, Mr. Sandelin stated the next step would be Council action to file the City's intention to form a GSA with the State, which can be rescinded or modified at a later date. He suggested, however, that it would be worthwhile to gather and present Council with additional information about the scope of the GSP, the cost of going in that direction on its own or with a partner, and working with the Groundwater Banking Authority to see what it anticipates in funding participation. Currently, the City pays \$20,000 a year for the Groundwater Banking Authority joint powers agreement. Mr. Sandelin stated he anticipates there would be a sizable initial payment to a larger GSA for data gathering, but he believed more investigating and information gathering was necessary.

Mayor Johnson requested that a subsequent Shirtsleeve Session be held to further discuss this matter before it comes to Council for action.

In response to Mayor Pro Tempore Chandler, Mr. Sandelin explained a GSA has the power, if needed, to limit pumping as measured by meters, but those are provisions of the authority of SGMA and not necessarily what Lodi would demand. SGMA requires that the sustainability goals provided in the plan be achieved 20 years from 2020. With regard to extraction, Mr. Sandelin stated some agencies impose a groundwater charge for water extracted from the ground, and this would be an allowance that could fund activities of the GSA.

In response to Council Member Nakanishi, Mr. Christensen stated WID is in a similar situation as Lodi in trying to determine how it will deal with this legislation, while still protecting its groundwater. The WID board voted to send a letter to other agencies as an invitation to discuss the possible formation of a GSA, yet WID continues to cooperate with the County. The primary goal is to retain the power to make its own decisions and not be at the mercy of the vote of a larger agency on sustainability matters. Council Member Nakanishi stated this plan should be for the entire county and the intentions should be shared with the other entities and the Groundwater Banking Authority.

Myrna Wetzel expressed support for gathering additional information before making a final decision on the matter.

Mike Lusk questioned if the groundwater reserve takes into account the increase in residential expansion in Lodi, as well as industrial; if Lodi would assume authority of groundwater from NSJWCD if the sphere of influence is increased; and how the salt water intrusion from the twin tunnels will affect the water in Lodi's basin, because it is currently dependent upon fresh water. He believed that many of the groundwater requirements today will be negligible to Lodi in the future when trying to utilize surface water.

Council Member Mounce agreed with the premise that the twin tunnels will allow salt water to seep into Lodi's system, stating that it will likely ruin Lodi's groundwater source once they are built.

RECESS

At 8:15 a.m., Mayor Johnson called for a recess, and the City Council meeting reconvened at 8:21 a.m.

B-2 Tour of City Hall Annex Office Space (PW)

At 8:21 a.m., City staff provided a tour of the City Hall Annex office space.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:32 a.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk