

AGENDA
SANTA MARGARITA WATER DISTRICT
WATER POLICY AND INNOVATION COMMITTEE MEETING
August 17, 2015

CALL TO ORDER: 4 p.m., Conference Room, District Office
26111 Antonio Parkway, Rancho Santa Margarita, California

COMMITTEE MEMBERS: Director Betty H. Olson, Director Charley Wilson

1. PUBLIC FORUM

Persons wishing to address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request To Be Heard" forms are available at the entrance to the Board Room. Comments are limited to three minutes, unless further time is granted by the Presiding Officer. Please submit the form to the Recording Secretary or Committee Chair prior to the beginning of the meeting.

Those wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary or Committee Chair before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

2. ACTION ITEMS

2.1 Establish Meeting Dates and Times for September and October 2015.

Recommendation: WPI Committee to determine future meeting dates.

3. DISCUSSION ITEMS

3.1 San Juan Basin Authority Governance Planning.**Page 2**

Recommendation: Development of a District vision for the future of the Authority.

4. INFORMATION ITEMS

4.1 Fenner Valley Water Authority Update.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 26111 Antonio Parkway, Rancho Santa Margarita, California 92688, during regular business hours. When practical, these public records will also be made available on the District's Internet Web Site, accessible at <http://www.smwd.com>.

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Kelly Radvansky Secretary, Board of Directors, at (949) 459-6642 at least 48 hours before the meeting if possible.

President, Betty H. Olson
Vice President, Charley Wilson
Finance Committee Chair, Charles T. Gibson
Engineering Committee Chair, Justin McCusker
Director, Sandra F. Jacobs
General Manager, Daniel R. Ferons

Santa Margarita Water District



MEMORANDUM

TO: Water Policy and Innovation Committee **DATE:** August 17, 2015
FROM: Dan Ferons
SUBJECT: San Juan Basin Authority Governance Planning

SUMMARY

Issue: At the August 2015 San Juan Basin Authority (Authority) Board meeting, the Board authorized a two-part work effort leading to a workshop and discussion on governance of the Authority. The Authority engaged Doug Evertz as Special Counsel to work with the member agencies to review the current agreements for water rights, and operations as part of an Agreement Committee. The second component was to establish a governance committee to develop a clear framework for potential changes. The committee would be supported by a consultant engaged to survey the member agencies and others in the watershed for background information and the vision of each party.

Recommendation: Development of a District vision for the future of the Authority.

Fiscal Impact: Direct cost for the study and revision to the governance or Authority structure may result in fiscal impacts in the future.

Previously Related Action: The Authority is currently developing a Basin Optimization Plan and a review of the governance structure may be part of the project.

DISCUSSION

The Authority was formed in 1971 and over the years has had various member agencies, formed various project committees and has entered into a number of agreements. The current members are:

- City of San Juan Capistrano
- Moulton Niguel Water District
- Santa Margarita Water District
- South Coast Water District

In recent years, the Authority has worked to review the options for management of the Basin which culminated in the adoption of the San Juan Basin Groundwater Management and Facilities Plan (SJBGMFP) in 2014. The plan provided the framework for the San Juan Basin Optimization planning effort that is underway with a Foundational Action Funding grant from Metropolitan

Water District of Southern California through Municipal Water District of Orange County. During the development of the SJBGMFP, the Authority discussed the issues of governance several times, concluding that changes in governance would likely be dependent on the final project assessments.

The scale and scope of any project provides the linkage with governance questions. The issues include identifying potential participants, stakeholders, cost impacts, water right impacts, facility ownership and operations. The current schedule is for conclusion of the FAF project by December 2015, which will provide the Authority an opportunity to determine its next steps for Basin optimization.

The conversations on governance have included the expansion of the Authority, and the changing of the Authority's role, including consideration of provisions from the Sustainable Groundwater Management Act of 2014. To help provide a clear vision of the future, a keen understanding of the current situation is important. A number of questions have been raised concerning the Authority's role in allocations, its water rights and its existing agreements and obligations.

Both Joyce Crosthwaite and I will work on the scope of work. I will represent the District on the Governance committee with Joyce as an alternate. While I have been involved with the history and projects of the Authority, I believe Joyce will be an asset due to her extensive background in local governance and structure. Don Bunts will remain involved with the water rights, agreements and project developments.