



Frequently Asked Questions The Proposed Groundwater Fairness Act (Initiative) October 11, 2016

1. Why did YCWA reject this proposed groundwater initiative?

YCWA rejected the Initiative because it is illegal. The California Supreme Court has determined that local agencies have a duty to reject an Initiative that is illegal. If enacted, it would require YCWA to impose a new, illegal tax on some Yuba County landowners and citizens, and to then give the tax receipts to other interests, using an unexplained formula. The Initiative would also require the Agency to illegally take private property without compensation.

The proposed Initiative would also conflict with YCWA's responsibilities to the people of Yuba County. The Agency's authorized responsibilities are to improve flood protection, provide water supplies for local farmers and ranchers, generate renewable hydropower, maintain recreational opportunities, and protect and restore salmon habitat in the Yuba River. YCWA is not authorized to levy a new tax or allocate funds to various entities under an illegal, unexplained formula. Doing so would interfere with YCWA's authorized activities and expose the Agency to lawsuits.

2. Does YCWA have the authority to reject the proposed Initiative?

Yes. In fact, YCWA is required to reject this proposed Initiative. The Initiative's proponents submitted it to YCWA so the Agency could issue a ballot title and summary before either submitting the proposed Initiative to the voters, or possibly adopting the proposed Initiative as a YCWA ordinance. Due to the fact that significant parts of the proposed Initiative are illegal, because it would impose an illegal tax and take private property without any compensation, the Board may not submit it to the voters. Earlier this year, the Yuba County Superior Court approved a settlement among the County of Yuba, YCWA and the same proponents that the Agency was the appropriate entity to process a previous version of the initiative. The Court did not rule on the legality of that initiative.

3. Does YCWA have a groundwater management program?

Yes. YCWA has successfully managed Yuba County's groundwater resources since its creation in 1959. The Yuba County Water Agency Act authorizes YCWA to develop and promote water supplies and storage in the County. In 2005, YCWA developed a comprehensive, responsible

Groundwater Management Plan to maintain groundwater as a viable resource for all citizens of Yuba County. The Plan includes extensive monitoring of groundwater basin levels and measuring of groundwater quality. YCWA updated the Plan in December 2010.

In 2015, YCWA elected to become a groundwater sustainability agency after the state legislature passed the Sustainable Groundwater Management Act. This will allow YCWA to continue coordinating and cooperating with other local water agencies and landowners to effectively meet the water resource needs of Yuba County. Because of YCWA's special authorization and expertise, the County of Yuba has relied upon YCWA to manage groundwater in the county. The Initiative, however, would not provide any new authority for YCWA to address groundwater issues in the county. In fact, it would complicate the management and use of groundwater resources.

4. What would this proposed Initiative do if it were to be implemented?

The proposed Initiative, if enacted, would require YCWA to impose a new tax on certain landowners and farmers in Yuba County. The Agency would then be required to distribute those tax proceeds to another group of interests using an unexplained formula. The Initiative would only benefit landowners who pay property taxes and would also benefit a number of agencies that do not have anything to do with managing groundwater. Renters (for example many Air Force service members stationed at Beale Air Force Base), and other citizens in the County who don't pay property taxes would get nothing. The Initiative would not improve groundwater supplies or regulate its use. In addition, the Initiative does not mandate that any of the funds generated by the illegal tax be used for groundwater preservation and improvement.

5. Who filed the Initiative?

Five Yuba County residents filed the Initiative: Charlie Mathews (Cordua Irrigation District director); Jenny Cavaliere (North Yuba Water District director); Bill Simmons (Marysville city councilmember); Dale L. Whitmore (Marysville city councilmember); and Joan C. Saunders (Linda County Water District board member).

Cordua would be exempt from being taxed by the Initiative. North Yuba Water District uses surface water and is located far uphill from the groundwater basin protected by YCWA. Marysville does not provide water service and has no role in managing or protecting the groundwater basin. Only Linda County Water District actually pumps groundwater, but it sells that groundwater to its customers and receives all of the revenues from its sales. Linda's groundwater pumping would not be taxed, but for some unexplained reason would get other peoples' money.

6. Could the Initiative affect groundwater management in Yuba County?

No. The proposed Initiative, if enacted, would require YCWA to impose a new tax on certain landowners and farmers in Yuba County. The Agency would then be required to distribute those tax proceeds to another group of interests using an unexplained formula. It would not provide any responsible direction or management of groundwater use in Yuba County.

7. Who would receive the funds from this Initiative?

The proposed Initiative would require YCWA to pay portions of the tax revenues received from certain water transfers to three categories of interests:

- one-third to Yuba County (for distribution to landowners that pay property tax only)
- one-third to various public agencies in Yuba County (including Olivehurst Public Utility District, Linda County Water District, City of Marysville, Cordua Irrigation District, Hallwood Irrigation Company, North Yuba Water District, Reclamation District 10, City of Wheatland, and Browns Valley Irrigation District)
- one-third to local water districts and water companies that deliver irrigation water supplies and pump groundwater (including Brophy Water District, Cordua Irrigation District, Hallwood Irrigation District, South Yuba Water District, Wheatland Water District, Browns Valley Irrigation District, Ramirez Water District, and Dry Creek Mutual Water Company)

Nearly 28% of the funds re-allocated under the Initiative would go to Cordua Irrigation District. The Board Chair and largest landowner of Cordua is one of the Initiative's proponents. Cordua would also be exempt from paying the tax on water transfers in spite of the proponents' public statements that Cordua would be subject to the Initiative.

8. How much groundwater exists in Yuba County and how much is actually pumped for transfer each year?

The Yuba County groundwater subbasins, which extend both north and south of the Yuba River, encompass an area of approximately 270 square miles. Groundwater levels vary year-to-year, depending on factors including precipitation amounts. In December 2010, the amount of freshwater stored in the Yuba County groundwater basin was estimated to be 7.5 million acre-feet, and the amount within the upper 200 feet of the aquifer, which is where most wells pump water from, is 2.8 million acre-feet. (One acre-foot equals about 326,000 gallons, or enough water to cover an acre of land, about the size of a football field, one foot deep. According to the Water

Education Foundation, an average California household uses between one-half and one acre-foot of water per year for indoor and outdoor use.)

The amount of water transferred through groundwater transfer programs out of Yuba County depends on numerous factors, including the condition of the groundwater basin and the water conditions both in Yuba County and throughout the state. In 2015, 30,000 acre-feet of surface water was made available by groundwater pumping and transferred to users outside of Yuba County. This amount was required under YCWA's water-right permits, and was also used to benefit fisheries on the Yuba River and downstream.