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David K. Luker, General Manager-Chief Engineer
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November 20, 2015

Mark Nordberg, GSA Project Manager
Senior Engineering Geologist
California Department of Water Resources
901 P Street, Room 213A
P.O. Box 942836
Sacramento, CA 94236
Mark.Nordberg@water.ca.gov

Subject: Notice of Election to become a Groundwater Sustainability Agency

Dear Mr. Nordberg:

Pursuant to California Water Code sections 10723(c)(3) and 10723.8 of the Sustainable Groundwater Management Act (SGMA), The Desert Water Agency (DWA) provides this notice of its election to serve as a Groundwater Sustainability Agency (GSA), for the portions of the Indio Sub-Basin (DWR Sub-Basin No. 7-21.01), Mission Creek Sub-Basin (DWR Sub-Basin No. 7-21.02) and San Geronio Pass Sub-Basin (DWR Sub-Basin 7-21.04) shown on Exhibit A. The identified sub-basin areas are unadjudicated and designated as medium priority by DWR.

DWA is one of the statutorily named, exclusive local agencies given the power to comply with SGMA. (Water Code, section 10723(c)(1).) DWA is an independent special district created by a special act of the State Legislature as set forth in chapter 100 of the appendix of the California Water Code. In addition to providing retail water service in a portion of its service area, DWA also has groundwater management powers under its enabling legislation and other applicable law across a large portion of the northwestern Coachella Valley. To this end, DWA manages one replenishment assessment program in the Indio Sub-Basin and another replenishment assessment program in the Mission Creek Sub-Basin. DWA relies on the Indio and Mission Creek Sub-Basins to help meet the water related needs of its customers. Becoming a GSA supports DWA's ongoing efforts to ensure water supply sustainability for not just its own customers, but a large portion of the Coachella Valley.

DWA's Board of Directors has elected to become the GSA for the entire area shown on Exhibit A. This area includes the entirety of the three sub-basins described above situated within DWA's statutory boundaries (shown on Exhibit B). The area also includes an approximately 3-square mile area (Section 1, T.3S.,R.3E., SBM, Section 12, T.3S.,R.3E., SBM and Section 13, T.3S.,R.3E., SBM.) , as identified on Exhibit A, that is almost completely surrounded by DWA and which is located within the Indio and Mission Creek sub-basins. The lands within the 3-square miles are part of the area that receives the benefit of DWA's groundwater replenishment program, which supplies significant volumes of imported SWP water to this groundwater basin. Indeed, DWA operates a major groundwater recharge project only a few miles north (and upgradient) of these lands. In addition, DWA is the only agency in the region with statutory replenishment authority. DWA is thus the entity best suited to manage groundwater throughout the area described in Exhibit A. Any other GSA configuration would compromise DWA's ability to protect replenished water supplies and ensure sustainability of the named basins. The DWA has the "technical, managerial and financial capabilities to sustainably manage basin-wide groundwater resources[.]" (DWR notification, p. 2 of 6.).

DWA has also been notified that the County of Riverside has no interest in becoming the GSA for the areas to be managed by DWA and in fact, the County supports DWA's management of the entire described GSA area.

In accordance with Section 10723(b) of the California Water Code and Section 6066 of the California Government Code, a notice of public hearing was published in a newspaper of general circulation in Riverside County regarding DWA's intent to consider becoming a GSA for the Indio Sub-Basin, Mission Creek Sub-Basin and San Gorgonio Pass Sub-Basin. The notice is enclosed as Exhibit C.

On November 17, the DWA Board of Directors held a public hearing to consider the decision to serve as a GSA for the Indio, Mission Creek Sub-Basins, and San Gorgonio Sub-Basins. One written comment was received prior to the public hearing and five comments were received at the public hearing.

Following the public hearing, DWA's Board of Directors adopted Resolution No. 1123 enclosed as Exhibit D, electing to become a GSA for all of those portions of the Indio Sub-Basin, the Mission Creek Sub-Basin, and the San Gorgonio Pass Sub-Basin shown on Exhibit A. DWA is not proposing any new bylaws, ordinances, or other new authorities associated with this GSA formation.

DWA is not electing to be the GSA for those portions of the Indio and Mission Creek sub-basins within the water service boundaries of Coachella Valley Water District (CVWD), Indio Water Authority (IWA), and Coachella Water Authority (CWA). DWA initiated periodic coordination meetings with these agencies and supports their efforts to become GSAs. We understand that CVWD has already filed its notice to become a GSA. It is anticipated that IWA and CWA will in short order file notices of election to become a GSA for the portion of the Indio Sub-basin underlying their respective service areas, thus covering the sub-basin and leaving no gaps. DWA has also initiated a coordination meeting with the San Gorgonio Pass Water Agency and has supported its intention to become a GSA. It is anticipated that other local agencies overlying the San Gorgonio Pass Sub-Basin outside of the area overlaid by DWA may elect to become GSA's within the boundaries of the San Gorgonio Pass Water Agency (SGPWA). DWA will continue to coordinate with the SGPWA and any other local agency that elects to become a GSA within the San Gorgonio Pass Sub-Basin.

The DWA Board of Directors authorized the General Manager to negotiate an MOU, other necessary cooperative agreements, or other forms of agreement with CVWD, IWA, CWA and SGPWA or other agencies or entities utilizing groundwater in the Indio, Mission Creek and San Gorgonio Pass Sub-Basins, as necessary for the purpose of implementing a cooperative, coordinated governing structure for the management of the Indio Sub-Basin, Mission Creek Sub-Basin and San Gorgonio Pass Sub-Basin under SGMA.

An initial list of interested parties is included as Exhibit E, and will be used to ensure that DWA will consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing Groundwater Sustainability Plans (GSPs), Pursuant to California Water Code section 10723.2.

If you have any questions, or require further information, please contact Mark Krause at (760) 323-4971 extension 110.

Sincerely,



David K. Luker
General Manager-Chief Engineer

Enc. 5

cc: James Barrett
General Manager
Coachella Valley Water District
P.O. Box 1058
Coachella, CA 92236

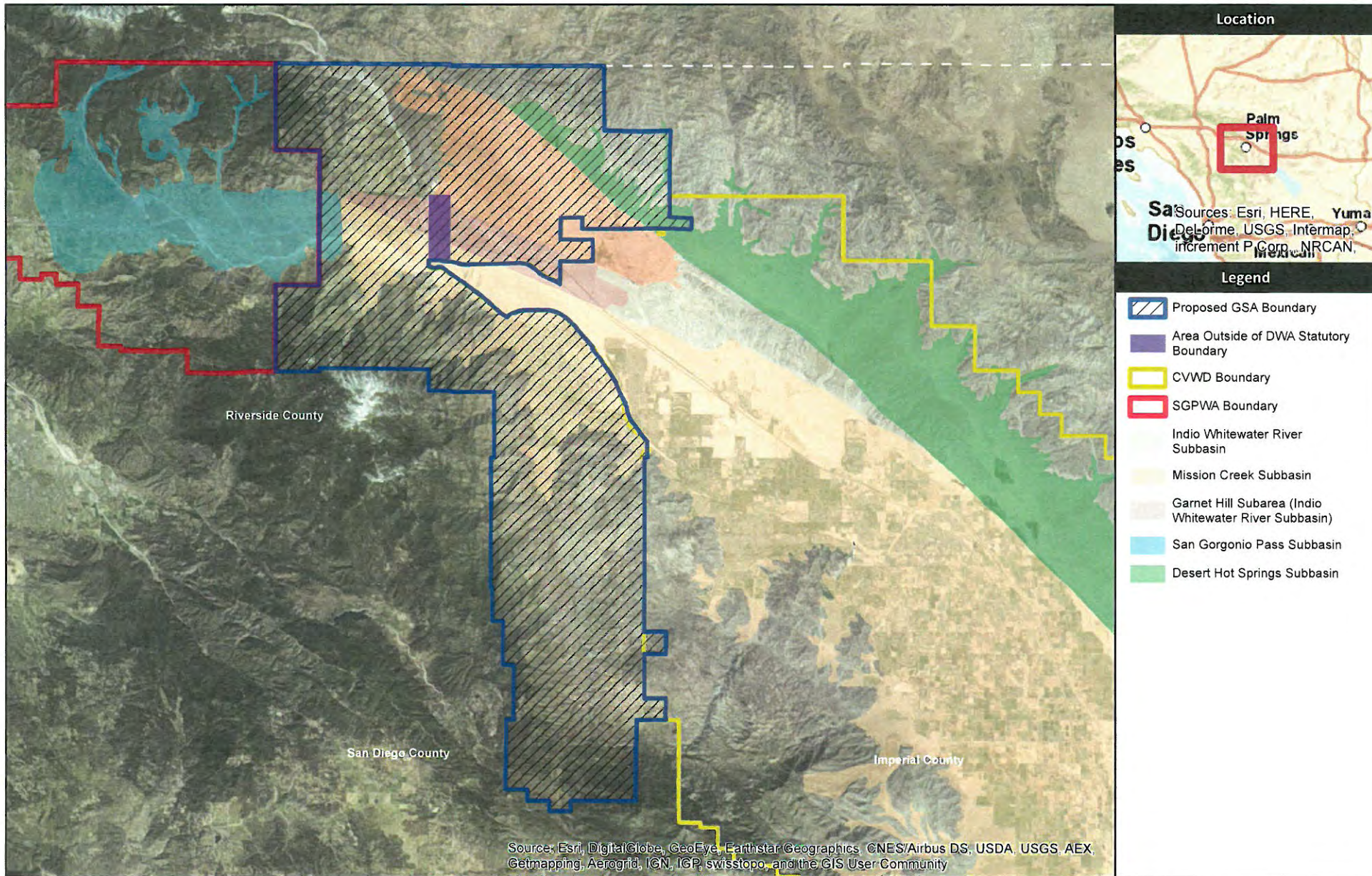
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Desert Water Agency

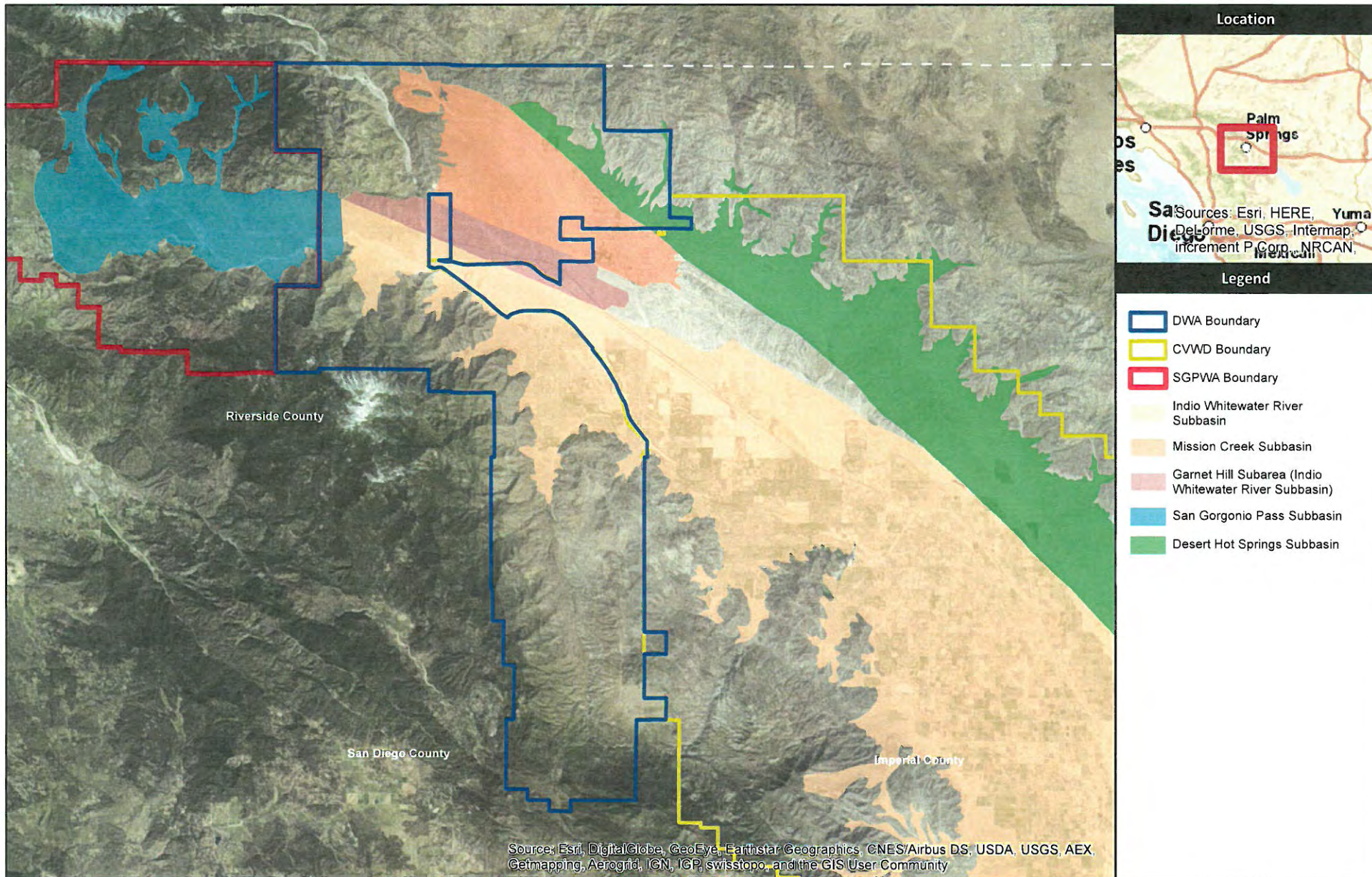
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Exhibit A Proposed GSA Boundary

File Name: Exhibit A GSA Boundary.mxd
File Location: E:\SGMA\Presentations\11-3-2015 MSX DWA board presentation\GIS Maps\Letter Size\ Date Updated: Thursday, November 12, 2015 @ 12:30:18 PM
Updated By: mayo
Department: CVWD Engineering - GIS/CAD



Proof of Publication
In Newspaper
STATE OF CALIFORNIA
County of Riverside

1. I am a citizen of the United States, a resident of the City of La Quinta, County of Riverside, State of California, and over the age of 18 years.

2. I am the Administrator of Production of The Public Record, a newspaper of general circulation printed and published in the City of Palm Springs, County of Riverside, State of California. Said The Public Record is a newspaper of general circulation as that term is defined in Government Code section 6000, its status as such having been established by judicial decree of the Superior Court of the State of California in and for the County of Riverside in Proceeding No. Indio 49271, dated March 31, 1987, entered in Judgment Book No. 129, page 355, on March 31, 1987.

3. The Public Record is a newspaper of general circulation ascertained and established in the City of Palm Springs in the County of Riverside, State of California, Case No. RIC 358286, Filed June 8, 2001.

4. The notice, of which the annexed is a true printed copy was published in the newspaper on the following publication dates to with:

October 27, 2015
November 3, 2015

I Certify under penalty of perjury that the above is true and correct.

Dated at La Quinta, California, this
3rd Day of November 2015.



The Public Record
Administration

Admin@desertpublicrecord.com

NOTICE OF PUBLIC HEARING Notice is hereby given that the Board of Directors of Desert Water Agency (DWA) will conduct a public hearing on November 17, 2015 at 8:00 a.m. at 1200 South Gene Autry Trail, Palm Springs, California, to hear comments from the public regarding DWA's proposed election to be the Groundwater Sustainability Agency (GSA) within portions of the Indio, Mission Creek and San Geronimo Pass sub-basins. Pursuant to Water Code Section 10723, DWA has been designated as the exclusive local agency that may do so within its service area and boundaries. After the public hearing, the Board may elect to submit a notice of intent for DWA to become a GSA to the California Department of Water Resources. The notice of intent shall be posted pursuant to Water Code Section 10733.3 and will include a description of the proposed boundaries of the portions of the sub-basins for which DWA will be the GSA. Said hearing will be conducted pursuant to Water Code Section 10723(b).
Dated: October 23, 2015 Sylvia Baca Assistant Secretary to the Board TPR15-2099 October 27, November 3, 2015

EXHIBIT D
RESOLUTION NO. 1123

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
DESERT WATER AGENCY ELECTING TO BECOME A GROUNDWATER
SUSTAINABILITY AGENCY FOR PORTIONS OF THE INDIO/WHITEWATER SUB-
BASIN, THE MISSION CREEK SUB-BASIN AND SAN GORGONIO PASS SUB-BASIN**

WHEREAS, in September 2014 the Sustainable Groundwater Management Act (SGMA) was signed into law, with an effective date of January 1, 2015; and

WHEREAS, the legislative intent of SGMA is, among other goals, to provide for sustainable management of groundwater basins and sub-basins defined by the California Department of Water Resources (DWR), to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide specified local agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater; and

WHEREAS, Water Code Section 10723(a) authorizes a local agency with water supply, water management or local land use responsibilities overlying a groundwater basin to elect to become a Groundwater Sustainability Agency (GSA) under SGMA; and

WHEREAS, under Water Code Section 10723(c)(1)(C), DWA has been deemed the exclusive local agency with the power to implement SGMA within its statutory boundaries, unless it elects to opt out of being the exclusive groundwater management agency for such area; and

WHEREAS, groundwater management of high and medium priority basins as designated by DWR is now required; and

WHEREAS, DWA overlies portions of the Indio/Whitewater sub-basin (DWR Bulletin 118, Basin No. 7-21.01) ("Indio Sub-Basin"), the Mission Creek sub-basin (DWR Bulletin 118, Basin No. 7-21.02) ("Mission Creek Sub-Basin") and the San Gorgonio Pass sub-basin (DWR Bulletin 118, Basin No. 7-21.04) ("San Gorgonio Pass Sub-Basin") all of which are unadjudicated and designated as medium priority sub-basins by DWR; and

WHEREAS, Water Code Section 10723(c)(3) provides that "A local agency listed in paragraph (1) may comply with this part by . . . electing to become a groundwater sustainability agency pursuant to this section"; and

WHEREAS, Water Code Section 10723(d) provides that a local agency "that elects to be a groundwater sustainability agency shall submit a notice of intent to the [D]epartment [of Water Resources]"; and

WHEREAS, California Water Code Section 10723.8 requires that a local agency electing to serve as a GSA notify DWR within 30 days of the local agency's election to become a GSA authorized to undertake sustainable groundwater management within a basin; and

WHEREAS, California Water Code Section 10723.8 mandates that 90 days following the posting by DWR of the local agency's notice of election to become a GSA, that entity shall be presumed to be the exclusive GSA for the area within the basin the agency is managing as described in the notice, provided that no other GSA formation notice covering the same area has been submitted to DWR; and

WHEREAS, in accordance with Water Code Section 10723(b) and Government Code Section 6066, a notice of public hearing was published in a newspaper of general circulation regarding DWA's intent to consider becoming a GSA for the Indio Sub-Basin, Mission Creek Sub-Basin and San Gorgonio Pass Sub-Basin, as described above; and

WHEREAS, becoming a GSA supports DWA's ongoing efforts to conduct groundwater management in the region and to ensure water supply sustainability within the area served by DWA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Desert Water Agency as follows:

1. DWA hereby elects to be the GSA for the geographical areas depicted on the map attached to this Resolution as Exhibit A, including all of those portions of the Indio Sub-Basin, the Mission Creek Sub-Basin and the San Gorgonio Pass Sub-Basin underlying (or within) the jurisdictional boundaries of DWA.

2. DWA staff is directed to submit to DWR, within thirty (30) days of the approval of this Resolution, the notice and supporting documentation required by Water Code sections 10723(d), 10723.8(a) and any other materials required by SGMA to support DWA's formation of a GSA.

3. The DWA General Manager is authorized to negotiate a memorandum of understanding, other necessary cooperative agreements or other forms of agreements with the Partners, or other agencies or entities utilizing groundwater in the Indio, Mission Creek and San Gorgonio Pass Sub-Basins, for the purpose of implementing a cooperative, coordinated governing structure for the management of the Indio, Mission Creek and San Gorgonio Pass Sub-Basins under SGMA.

4. The approval of this Resolution and the actions described herein are categorically exempt from the requirements of the California Environmental Quality Act (CEQA) since: (1) the Resolution results in the formation of an agency only and not the approval of any project or proposal containing enough "meaningful information for environmental assessment" (State CEQA Guidelines 15004); and (2) it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. (State CEQA Guidelines 15061(b)(3).) Staff is directed to file and post within five (5) business days the attached Notice of Exemption with the Clerk of the Board of Supervisors of Riverside County.

5. This resolution shall become effective immediately.

APPROVED AND ADOPTED this 17th day of November, 2015.



James Cioffi, Vice President
Board of Directors

ATTEST:



Joseph K. Stuart, Secretary-Treasurer
Board of Directors

Exhibit E

Indio, Mission Creek, and San Gorgonio Pass Sub-Basins **Initial List of Beneficial Uses and Users of Groundwater for the** **Desert Water Agency Groundwater Sustainability Agency (DWA-GSA)**

As required by the Sustainable Groundwater Management Act (SGMA), DWA will consider all beneficial uses and users of groundwater, as well as those responsible for implementing Groundwater Sustainability Plans (GSPs). An initial list of interested parties is provided in accordance with California Water Code sections 10723.2 and 10723.8(a)(4). This list will continue to be updated during the implementation of DWA's GSPs for the Indio, Mission Creek, and San Gorgonio Pass Sub-Basins.

- (a) Holders of overlying groundwater rights: The Indio, Mission Creek and San Gorgonio Pass Sub-basins are unadjudicated and the majority of users exercising overlying groundwater rights within DWA's boundaries report their water use to DWA pursuant to Sections 15.3 and 15.4 of the Desert Water Agency Law (Chapter 100 of the California Water Code Appendix), which authorize DWA to levy and collect replenishment assessments for the purpose of replenishing groundwater supplies within DWA boundaries. These overlying users include the following:
- Domestic Users
 - Resort Industry Users such as Golf Courses and Homeowners Associations
 - Institutional Users
 - Public and Private Land Owners
- (b) Municipal well operators:
- Desert Water Agency (DWA) (exclusive GSA per Water Code section 10723.(c)(1))
 - Mission Springs Water District (MSWD) (within DWA Boundary)
 - Various State Small Water Systems regulated by the State Water Resources Control Board and Riverside County Department of Public Health
- (c) Public water systems: All public water systems within the portions of the sub-basins for which DWA will be the GSA rely on groundwater and are listed under (b) Municipal well operators.
- (d) Local land use planning agencies:
- County of Riverside
 - City of Desert Hot Springs (within DWA Boundary)
 - City of Palm Springs (within DWA Boundary)
 - City of Cathedral City
- (e) Surface water users: Sources and users of surface water include the following:
- State Water Project water exchanged for Colorado River water for recharge,
 - Local stream flow from several mostly ephemeral rivers and streams including the Whitewater River, Snow Creek, Falls Creek, Chino Creek, Andreas Creek, Tahquitz Creek and a number of smaller creeks and washes, all of which naturally recharge the groundwater basin.

Exhibit E

- Desert Water Agency diverts a small amount of surface water from the Whitewater River, Snow Creek, Falls Creek, and Chino Creek for direct urban water uses.
- (f) The federal government: The DWA GSA will coordinate with federal agencies that hold or manage land overlying the groundwater basins including, but not limited to the following:
- U.S. Bureau of Land Management
 - U.S. Bureau of Reclamation
 - U.S. Fish and Wildlife Service
 - U.S. Department of Agriculture
 - Natural Resources Conservation Service
- (g) California Native American Tribes: The DWA GSA will coordinate with the federally recognized Native American tribe located within the DWA's GSA boundary.
- Agua Caliente Band of Cahuilla Indians
- (h) Disadvantaged Communities: Several Disadvantaged Communities exist within the DWA GSA boundary including portions of the Cities of Palm Springs, Cathedral City, Desert Hot Springs and unincorporated communities within Riverside County. DWA actively works with these communities via the Coachella Valley Integrated Regional Water Management Group and will coordinate with these and other Disadvantaged Communities within the DWA GSA boundary.
- (i) Entities listed in California Water Code Section 10927 that are monitoring and reporting groundwater elevations in all or part of a groundwater basin managed by the DWA GSA: Coachella Valley Water District, DWA, Indio Water Authority, Coachella Water Authority, and Mission Springs Water District participate in the California Statewide Groundwater Elevation Monitoring Program.