



Board Agenda Item 59

DATE: January 29, 2019

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Central Delta-Mendota Multi-Agency Groundwater Sustainability Agency
Amendments and FY 2019-20 Recommended Budget

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to ratify prior execution of First Amendment to Agreement No. 17-074 Supporting Formation and Operation of Central Delta-Mendota Region Multi-Agency Groundwater Sustainability Agency in the Central Delta-Mendota Region; and**
2. **Adopt Resolution Authorizing Execution of Second Amendment to Central Delta-Mendota Region Multi-Agency Groundwater Services Agency Agreement and Authorizing Related Actions; and**
3. **Approve and authorize the Chairman to execute Second Amendment to Agreement No. 17-074 Supporting Formation and Operation of Central Delta-Mendota Region Multi-Agency Groundwater Sustainability Agency; and**
4. **Approve adoption of the FY 2019-20 Recommended Budget for the Central Delta-Mendota Multi-Agency Groundwater Sustainability Agency for the preparation of a Groundwater Sustainability Plan as required by the Sustainable Groundwater Management Act.**

Approval of the recommended actions will authorize the County's execution of the second amendment between multiple agencies within a portion of the Delta-Mendota (DM) Groundwater Subbasin and the withdrawal of the Oro Loma Water District. Ratification of the proposed first amendment and approval of the proposed second amendment would further the cooperation between the participating local agencies responsible for the implementation of a Groundwater Sustainability Plan (GSP) as required by the Sustainable Groundwater Management Act (SGMA). Adoption of the FY 2019-20 Recommended Budget will facilitate preparation of a GSP prior to the required deadline of January 31, 2020 to meet the requirements of SGMA. This item pertains to locations in District 1.

ALTERNATIVE ACTION(S):

Your Board may choose not to approve the recommended actions; however, it would likely result in increased costs and a delay in the preparation of the State Water Resources Control Board (State) required GSP by the January 31, 2020 deadline. If the GSP is not submitted by the deadline, intervention from the State could occur, which could result in the State managing local groundwater resources in the DM Subbasin.

FISCAL IMPACT:

Approval of the recommended actions would result in an increase in Net County Cost. The Central DM Multi-Agency Groundwater Sustainability Agency (GSA) FY 2019-20 Recommended Budget (March 1, 2019 - February 28, 2020) was reviewed by the Management Committee and recommended for approval by the individual participating local agency boards. The total is \$683,034 with the Central DM Multi-Agency GSA equally sharing the cost with the Northern DM Group, see Exhibit A. Each party will contribute their agreed upon cost share divided equally amounting to \$341,517, for each group. According to the agreed upon participation percentages, the County's cost is anticipated to be responsible for the agreed upon cost share of 13.7% amounting to \$41,182, see Exhibit B. The percentage allocation is comprised of 50% acres in service area plus 50% equal distribution among activity participants, including the Northern DM Region. The purpose of the budget is to facilitate preparation of a GSP prior to the required deadline of January 31, 2020 to meet the requirements of SGMA. Ultimately, the California Department of Water Resources (DWR) will offset a portion of costs of participating in a GSP Group in coordination with other local agencies through the receipt of a portion of the \$1.5 million Proposition 1 Sustainable Groundwater Planning Grant awarded to the West Stanislaus Irrigation District, on behalf of the DM Subbasin. The grant proceeds are not reflected in the proposed budget; however, the Department of Public Works and Planning will bring an agreement with the San Luis and DM Water Authority (Authority) before your Board to distribute the proceeds.

DISCUSSION:

SGMA, was signed into law in September of 2014 and established a new structure for managing California's groundwater resources at a local level by local agencies. SGMA allows the formation of locally controlled GSAs in the State's higher priority groundwater basins. Each GSA is then required to develop and implement a GSP to meet the sustainability goal of the basin to ensure operation within its sustainable yield, without causing undesirable results, by January 31, 2020. Failure to implement a GSP in a groundwater basin could result in the State asserting its power to manage local groundwater resources.

In an effort to assure compliance with SGMA within the DM Groundwater Subbasin, Department staff has participated in regular meetings with representatives from the local participating GSAs. As a result of this collaborative effort it was determined that, the group would form a multi-agency GSA and enter into an agreement to coordinate efforts. Therefore, the agreement to establish the Central DM Multi-Agency GSA for a portion of the DM Region was approved by the Board of Supervisors on March 7, 2017 along with the Memorandum of Agreement and Activity Agreement. Under the Activity Agreement, the Central DM Multi-Agency GSA has engaged the San Luis-Delta Mendota Water Authority to provide services for SGMA implementation.

The agreement serves as a framework providing principles and terms under which the parties have organized themselves to cooperate as a single multi-agency GSA while developing efficient means to prepare, submit, and implement a GSP, which will sustainably manage groundwater resources within a portion of the subbasin, in accordance with SGMA. As part of the agreement, a Steering Committee was formed with one appointed member and an alternate from each of the participating local agencies. Agencies participating in the agreement include the Eagle Field Water District; the County of Fresno; Fresno Slough Water District; the County of Merced; Mercy Springs Water District; Oro Loma Water District; Pacheco Water District; Panoche Water District; San Luis Water District; Santa Nella County Water District; Tranquillity Irrigation District; and, Widren Water District, refer to Exhibit C. The purpose of the Steering Committee is to coordinate, advise, and recommend actions required for the implementation of SGMA to be submitted for approval by each of the participating local agencies.

Twenty-three GSAs have formed within the DM Groundwater Subbasin. The agencies, other interested parties, and Department staff have coordinated since August 2017 to develop a Coordination Agreement pursuant to SGMA, approved by the Board on August 21, 2018 to further facilitate and coordinate GSP development among the local GSP Groups within the basin. To reduce costs and further coordination efforts, the Northern/Central GSP Group, comprised of local GSAs within the Northern/Central DM Subgroup

and the Central DM Multi-Agency GSA, is one of six GSP Groups formed within the Subbasin.

The proposed second amendment authorizes and formally confirms that the participating agencies to the Central DM Multi-Agency GSA, for the purpose of preparation of a GSP, will be part of the Northern/Central GSP Group, see Exhibit A. The proposed second amendment also authorizes each member of the Steering Committee and Alternate member to select and approve the representatives of the Central DM Multi-Agency GSA to serve on the Coordination Committee for the DM Subbasin as required by the Coordination Agreement. Additionally, The amendment will authorize the Chairman and Secretary of the Steering Committee to execute a Memorandum of Understanding with San Benito County, regarding a portion of unmanaged de minimis area of land to be included into the GSA and into the Northern/Central GSP Group to further development and implement the required GSP.

Due to time constraints and the minor nature of the first amendment (acknowledging the withdrawal of a participating member), the first amendment was executed by the Board of Supervisors' appointed representative. The first amendment is now before your Board for ratification.

In addition to the Steering Committee, a Management Committee was also formed as part of the Activity Agreement, with one member being appointed by each of the participating local agencies.

With your Board's approval, the Chairman will (1) ratify the first amendment; (2) execute a resolution authorizing his signature on the agreement; (3) execute the second amendment between multiple agencies within a portion of the DM Groundwater Subbasin; and, (4) adopt a recommended budget to facilitate the preparation of a GSP furthering the cooperation between the participating local agencies responsible for the implementation of a GSP as required by SGMA.

REFERENCE MATERIAL:

BAI #45 August 21, 2018

BAI #12 March 7, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A

Exhibit B

Exhibit C

On file with Clerk - First Amendment to Agreement 17-074 with Central DM GSA

On file with Clerk - Resolution

On file with Clerk - Second Amendment to Agreement 17-074 with Central DM GSA

CAO ANALYST:

Sonia M. De La Rosa