



Board Agenda Item 48

DATE: April 23, 2019

TO: Board of Supervisors

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

SUBJECT: Local Project Sponsor Agreement for Delta-Mendota Subbasin Planning Grant Management, Proposition 1 Sustainable Groundwater Planning Grant

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute a Local Project Sponsor Agreement with West Stanislaus Irrigation District and Local Project Sponsors, for Delta-Mendota Subbasin Grant Management, Proposition 1 Sustainable Groundwater Planning Grant in the amount of \$207,505, for Fresno County Management Areas A and B, and other areas under County jurisdiction through the Central-Delta Mendota Multi-Agency Groundwater Sustainability Agency, within the Delta-Mendota Groundwater Subbasin.

Approval of the recommended action will authorize an agreement to receive grant funding made available through the Proposition 1 Sustainable Groundwater Planning Grant (Proposition 1 Grant), awarded by the Department of Water Resources (DWR), with West Stanislaus Irrigation District (WSID) and Local Project Sponsors (Groundwater Sustainability Agencies), within the Delta-Mendota Subbasin. This item pertains to locations in District 1.

ALTERNATIVE ACTION(S):

Your Board may determine not to approve the recommended action; however, it would likely result in increased overall costs as grant reimbursement would not be awarded.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. If the recommended action is approved, the County is expected to receive \$207,505 for GSP Planning and Development from the \$2,678,500 Proposition 1 Grant awarded to WSID by DWR. Agreement No. 18-189 provides \$581,186 to Luhdorff and Scalmanini, Consulting Engineers for GSP preparation, minus the grant award of \$207,505, resulting in an overall consultant cost of \$373,681. The agreement will be funded over FYs 2018-19 & 2019-20. Although the agreement includes a contingency, it may not be needed. SGMA invoices are paid through the County Administrative Office (CAO) utilizing Interest and Miscellaneous Expenditures Org 2540, the grant funds would be deposited within the same Org. Sufficient appropriations and estimated revenues are included in the CAO's Org 2540 FY 2018-19 Adopted Budget and will be included in the FY 2019-20 budget request.

DISCUSSION:

The Sustainable Groundwater Management Act (SGMA) signed into law in September of 2014, established a

new structure for managing California's groundwater resources at a local level by local agencies. SGMA allows the formation of locally controlled Groundwater Sustainability Agencies (GSAs) in the State's higher priority groundwater basins. Each GSA is then required to develop and implement a Groundwater Sustainability Plan (GSP) to meet the sustainability goal of the subbasin to ensure operation within its sustainable yield, without causing undesirable results, by January 31, 2020. Failure to implement a GSP in a groundwater subbasin could result in the DWR asserting its power to manage local groundwater resources. The Delta-Mendota Subbasin has been classified by DWR as a critically-overdrafted high-priority subbasin. Therefore, a GSP or multiple GSPs must be coordinated, developed, and adopted by the 2020 deadline, with the goal of reaching sustainability by 2040.

The County is the GSA for two areas designated as Management Areas A and B in the Delta-Mendota Groundwater Subbasin, approved by the Board on May 2, 2017, to provide sustainable groundwater management and to serve as the exclusive GSA in those portions of the Delta-Mendota Subbasin. The County, through the Central Delta-Mendota Multi-Agency GSA, also serves as the GSA for other areas within the Delta-Mendota Groundwater Subbasin. For that reason, the County would sign this agreement twice, to represent both of those roles.

The Proposition 1 Grant was designed to provide funding to local agencies to support SGMA and encourage sustainable management of groundwater resources. Funding from the grant, pursuant to Proposition 1 - Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Wat. Code, section 79700 et seq.), is available through DWR for projects that will improve sustainable groundwater management, promote Disadvantaged Community involvement, and assist in GSP development. Twenty-three participating GSAs within the Delta-Mendota Subbasin are collaborating to adopt six coordinated GSPs within the Subbasin. The WSID submitted a single application for Proposition 1 Grant funding on behalf of the GSAs on November 13, 2017 for the preparation of GSPs, and for projects identified by cooperating stakeholders, including severely disadvantaged communities within the Delta-Mendota Subbasin, see Exhibit A.

WSID was notified of an award on May 7, 2018 and entered into a Grant Agreement with DWR for funding through Proposition 1 Grant in late November of 2018. The maximum grant amount payable to WSID by DWR is \$2,678,500. The Grant Agreement outlines the eligible projects, payment processes, reporting requirements, and standard provisions for participating agencies. Two categories of projects will be implemented using grant funding: Category 1 - funding for Severely Disadvantage Communities (\$1.178 million), and Category 2 - GSP Development (\$1.5 million).

For each participating GSA to receive grant funding, a Local Project Sponsor Agreement has been developed outlining WSID's role as the Grantee and the San Luis Delta-Mendota Water Authority's (Water Authority) role acting on behalf of WSID. The Local Project Sponsor Agreement includes the responsibilities of the participating Local Project Sponsors: Aliso Water District GSA, Farmers Water District GSA, Fresno County Management Areas A and B, Grassland GSA, Northern and Central Delta-Mendota Region GSAs, (including the Central Delta-Mendota Multi-Agency GSA, of which the County is a participant), and the San Joaquin River Exchange Contractors GSA, see Exhibit B. The Water Authority provides SGMA support services in accordance with the terms and funding mechanisms described in the Delta-Mendota Subbasin Coordination Agreement, approved by the Board on August 21, 2018.

The Local Project Sponsor Agreement allows that the Local Project Sponsors will act on WSID's behalf to fulfill each party's respective Local Project(s) and responsibilities, as outlined in the Work Plan of the Grant Agreement, see Exhibit C. The responsibilities given to Local Project Sponsors may include "individual project management, oversight, compliance, and operations and maintenance," with each Local Project Sponsor separately executing the Local Project Sponsor Agreement, at which time the agreement will become effective for that Local Project Sponsor, WSID, the Water Authority, and any preceding Local Project Sponsor.

Of the \$2,678,500 grant amount, the Department is expected to receive \$207,505 from the Proposition 1 Grant (Category 2), with a 100% cost share waiver that will offset the Department's costs in continuing

efforts towards development and adoption of a GSP by the DWR mandated deadline.

Executing the Local Project Sponsor Agreement will confirm that the Local Project Sponsors have coordinated access to Water Authority administrative and technical resources and that the Water Authority will act on WSID's behalf to disburse funding. The recommended agreement requires all Local Project Sponsors to comply with terms and conditions and to act on behalf of WSID and the Water Authority to fulfill WSID's responsibilities as the Grantee. The Local Project Sponsor Agreement includes specific record-keeping and reporting requirements, and methods of payment related to reimbursement.

REFERENCE MATERIAL:

BAI #45, August 21, 2018

BAI #47, April 17, 2018

BAI #11, May 2, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A - C

On file with Clerk - Local Project Sponsor Agreement with West Stanislaus Irrigation District and Local Project Sponsors

CAO ANALYST:

Sonia M. De La Rosa