

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The County is expected to contribute a 1/15th share (\$2,830) towards the costs incurred by the Authority to coordinate, prepare, and submit the grant application (\$42,440). SGMA invoices are paid through the County Administrative Office (CAO) utilizing Interest and Miscellaneous Expenditures Org 2540, the grant awards are expected in March 2020 and would be deposited within the same Org. Sufficient appropriations and estimated revenues are included in the Interest and Miscellaneous Expenditures Org 2540 FY 2019-20 Adopted Budget. If a Budget Resolution is necessary, Department staff will return to the Board once the grant award is received to accept funds.

DISCUSSION:

SGMA was signed into law in September 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 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 Department of Water Resources (DWR) asserting its power to manage local groundwater resources. Whereby Department of Public Works and Planning staff will be presenting the GSP before your Board, prior to the 2020 deadline.

The County is the GSA for two areas designated as Management Areas A and B in the DM 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 DM Subbasin. Within the Subbasin, the Authority has been assisting agencies with SGMA compliance. The Authority and the Authorizing Agencies that include:

Aliso Water District GSA, Central DM Region Multi-Agency GSA, City of Patterson GSA, DM-II GSA, Farmers Water District GSA, the County of Fresno (for Fresno County Management Areas A & B), Grasslands Water District GSA, Merced County (DM) GSA, Northwestern DM GSA, Oro Loma Water District GSA, Patterson Irrigation District GSA, San Joaquin River Exchange Contractor Water Authority GSA, Turner Island Water District GSA, West Stanislaus Irrigation District GSA, Widren Water District GSA

agree that the Authority will coordinate, prepare, and submit the grant application package to DWR on behalf of the agencies, and that each Authorizing Agency will reimburse the Authority 1/15th of the actual cost to coordinate, prepare, and submit the application, see Exhibit A.

DWR is the agency administering the SGM Grant Program's Planning Grant - Round 3 using funds authorized by the Proposition 68 - California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Water Code, section 79775 et seq.) and the Proposition 1 - Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Code, section 79700 et seq.), to encourage sustainable management of groundwater resources that support SGMA. Grant awards are anticipated in March 2020.

Through the SGM Grant Program's Planning Grant - Round 3, DWR will solicit proposals to award funding of up to \$500,000 on a competitive basis for projects, which include activities associated with the development or implementation of a GSP(s) that will comply with and meet DWR requirements and GSP regulations. In October 2018, the Coordination Committee was still evaluating projects to recommend one or more that will score high enough to be awarded. The Committee is looking at projects or studies that provide a regional benefit that may directly affect one or more GSP groups.

One project under consideration is a Subsidence Characterization and Project Feasibility Determination. This

project will further the Subbasin's understanding of regional subsidence causes and risks, as well as identify opportunities to address this sustainability indicator. Examination and improved understanding of the causes and factors influencing subsidence is paramount with critical regional infrastructure in the Subbasin, including the California Aqueduct and the DM Canal, at risk with the potential to directly impact the availability of surface water supplies in the Subbasin. A detailed well census, to be included in the project, will help improve the overall understanding of regional groundwater pumping and groundwater characteristics in each principal aquifer within the DM subbasin.

The proposed letter is intended to memorialize the agreement that each Authorizing Agency authorizes the Authority to coordinate, prepare, and submit the grant application with an understanding that each agency will reimburse the Authority the apportioned share of costs associated with the coordination, preparation, and submittal of the application to DWR.

REFERENCE MATERIAL:

BAI #13 May 2, 2017

BAI #11 May 2, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A

On file with Clerk - Cost Share Letter of Agreement

On file with Clerk - Grant Application

CAO ANALYST:

Sonia M. De La Rosa