



Official Memorandum

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To: San Luis & Delta-Mendota Water Authority Board of Directors, Alternates

From: Rebecca L. Harms, Deputy General Counsel
Pablo Arroyave, Chief Operating Officer

Date: August 6, 2026

RE: Adoption of Resolution Authorizing Certain Actions Related to Grassland Basin Drainage Steering Committee Transition of Activities to Grassland Basin Authority

The 2023 Strategic Plan for the San Luis & Delta-Mendota Water Authority (Water Authority) includes Objective 1.7: "Activity Agreements are periodically revisited, and the Water Authority's role relative to specific Activity Agreements is modified or ended as appropriate." For Fiscal Year 2026, staff identified Implementation Measure 1.7.1 as a high priority: "Evaluate future management of Grassland Basin Drainage Management Activity Agreement." Implementation Measure 1.7.1 was completed in Fiscal Year 2026. For Fiscal Year 2027, staff identified Implementation Measure 1.7.2 as a high priority: "If appropriate, develop and initiate transition plan for 1.7.1 [future management of Grassland Basin Drainage Management Activity Agreement]."

Background

1. Grassland Basin Drainage Steering Committee

The Grassland Basin Drainage Management Activity Agreement (GBD Activity Agreement) and its governing body, the Water Authority's Grassland Basin Drainage Steering Committee (GBDSC), was developed primarily so that certain Water Authority member agencies could coordinate on issues related to the control, management, distribution and discharge of agricultural drainage water within the Grassland Drainage Area and to contract with the U.S. Bureau of Reclamation (Reclamation) for the use of the San Luis Drain to convey the drainage water. As such, the Water Authority and Reclamation have entered into a series of use agreements (in 1995, 2001, 2010, 2019, and 2020) pursuant to which the Water Authority is authorized to use the portion of the San Luis Drain needed to carry out the Grassland Bypass Project.

The GBDSC is responsible for managing discharges from the Grassland Drainage Area under waste discharge requirements (WDRs) issued by the Central Valley Regional Water Quality Control Board (Regional Board) to the Water Authority and Reclamation (GBP Surface Water Order)¹ and under the WDR General Order for the Grassland Drainage Area (GDA Groundwater Order)².

¹ WDR for Water Authority and Reclamation, Surface Water Discharges from the Grassland Bypass Project, Order R5-2019-0077 (available at https://www.waterboards.ca.gov/centralvalley/water_issues/grassland_bypass/#wdrsgda).

² WDR General Order for Growers in the Grassland Drainage Area, Order R5-2015-0095-07 (available at link provided in fn. 1).



GBD Activity Agreement members represented on the GBDSC are Firebaugh Canal Water District, Pacheco Water District, Panoche Drainage District, Camp 13 Drainers, and Charleston Drainage District.³

2. Grassland Basin Authority

The Grassland Basin Authority (GBA) is a joint powers authority formed in 2019 to manage drainage and other related activities in the Grassland Drainage Area, including the operation and maintenance of the San Joaquin River Water Quality Improvement Project (SJRIIP). The SJRIIP is an approximately 6,000-acre drainage and water reuse and management area within the Grassland Drainage Area that is operated as a drainage management facility to assist in meeting regulatory and contractual obligations to reduce discharges of selenium and salinity loads.

GBA is a separate entity from the Water Authority; however, GBA was created, in part, with the intent to eventually take over the activities of the Water Authority's GBDSC, and all members of the GBDSC are also members of GBA.

Issue for Decision

Whether the Board of Directors should adopt the proposed resolution authorizing the Water Authority to take the actions necessary to transition (1) its status as a "Discharger" under Order R5-2019-0077 to the GBA, (2) its status as a "third-party representative" under Order R5-2015-0095-07 to the GBA, and (3) its rights and responsibilities under its Use Agreement with Reclamation to the GBA.

Recommendation

At its July 17, 2026 meeting, the GBDSC considered and recommended the adoption of the proposed resolution to the Water Authority Board of Directors. Water Authority staff recommends that the Board of Directors adopt the proposed resolution.

Analysis

1. GBP Surface Water Order

Under the GBP Surface Water Order (see fn. 1), the Regional Board directly regulates the Water Authority and Reclamation as "Dischargers" for surface water discharges from the Grassland Bypass Project. The Order may be transferred to new Dischargers upon submittal of a written application to the Regional Board's Executive Officer requesting transfer of the Order. (Order R5-2019-0077, Section IV, p. 17.) The Executive Officer will submit transfer requests to the Regional Board for consideration at one of its regularly scheduled meetings.

Through adoption of the proposed resolution, the Water Authority will work in coordination with the GBA and the Regional Board to submit an application requesting transfer of the Order to GBA.

³ Panoche Drainage District, Camp 13 Drainers, and Charleston Drainage District are Water Authority members for purposes of the GBD Activity Agreement only. Eagle Field Water District, Mercy Springs Water District, and Oro Loma Water District are located within Panoche Drainage District.



2. GDA Groundwater Order

The GDA Groundwater Order (see fn. 2) does not directly apply to the Water Authority; it applies to the “owners and operators of irrigated lands in the Grassland Drainage Area.” (Order R5-2015-0095-07, Section I, p. 22.) However, the Order identifies the Water Authority’s GBDSC as the third-party representing these owner/operators. (*Id.* at Findings, Paragraph 5, p. 2.) To change the third-party representation identified in the Order, GBDSC must file a request on behalf of itself or its members with the Regional Board’s Executive Officer to modify the Order. (*Id.* at Section VI, p. 29.)

Through adoption of the proposed resolution, the Water Authority will work in coordination with the GBA and the Regional Board to submit a request to change the applicable third-party representation under the Order to GBA.

3. Use Agreement for Use of the San Luis Drain

The Use Agreement with Reclamation authorizes the Water Authority to use the portion of the San Luis Drain needed to carry out the Grassland Bypass Project. The Agreement states that it may be amended to provide for assignment of the obligations and benefits accruing to the Water Authority to a separate joint powers authority representing the members of the GBD Activity Agreement, but only in the event the Regional Board also approves transferring the Authority’s obligations under WDRs to that same joint powers authority. (Use Agreement, Article VII.B, p. 11.) The Water Authority has notified Reclamation of its transition plans.

Through adoption of the proposed resolution, the Water Authority, after the Regional Board has provided the approvals described above, will work in coordination with the GBA and Reclamation to assign its rights and duties under the Use Agreement to GBA.

Next Steps

Water Authority staff will proceed in coordinating with the GBDSC, GBA, and all other necessary parties to accomplish the actions required for transition. Staff will endeavor to ensure that both the GBD Activity Agreement members and GBA feel supported and that the transition proceeds as smoothly as possible.

The transition of GBDSC activities to GBA will occur in phases, and adoption of the proposed resolution only authorizes certain actions required for the transition and does not dissolve the GBDSC or terminate the GBD Activity Agreement. As the actions required for transition are nearing completion, staff will explore the required steps necessary for termination of the Activity Agreement and close-out of Fund 22, the fund associated with the GBD Activity Agreement.

Attachment

Proposed Resolution Authorizing Certain Actions in Furtherance of Transitioning Grassland Basin Drainage Steering Committee Activities to the Grassland Basin Authority

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2026-

**RESOLUTION AUTHORIZING CERTAIN ACTIONS IN FURTHERANCE OF
TRANSITIONING GRASSLAND BASIN DRAINAGE STEERING COMMITTEE
ACTIVITIES TO THE GRASSLAND BASIN AUTHORITY**

WHEREAS, the Grassland Basin Drainage Management Activity Agreement (“GBD Activity Agreement”) and its governing body, the San Luis & Delta-Mendota Water Authority (“Water Authority”) Grassland Basin Drainage Steering Committee (“GBDSC”), was developed primarily so that certain Water Authority member agencies could coordinate on issues related to the control, management, distribution and discharge of agricultural drainage water within the Grassland Drainage Area and to contract with the United States Department of Interior, Bureau of Reclamation (“Reclamation”) for the use of the San Luis Drain to convey the drainage water; and

WHEREAS, formation of the GBDSC was approved by the Water Authority Board of Directors (“Board”) on July 6, 1995 (Resolution No. 1995-97), and the currently operable activity agreement, the First Amended and Restated GBD Activity Agreement, went into effect in April 1996; and

WHEREAS, the Water Authority, acting on behalf of the GBDSC, and Reclamation are regulated by the Central Valley Regional Water Quality Control Board (“Regional Board”) as “Dischargers” for surface water discharges from the Grassland Bypass Project under the following order: “Order R5-2019-0077: Waste Discharge Requirements for the Water Authority and Reclamation, Surface Water Discharges from the Grassland Bypass Project;” and

WHEREAS, the GBDSC is also the “third-party representative” of the owners and operators that are regulated by the Regional Board under the following general order applicable to groundwater: “Order R5-2015-0095-07: Waste Discharge Requirements General Order for Growers in the Grassland Drainage Area;” and

WHEREAS, the Water Authority and Reclamation have entered into a series of Use Agreements (in 1995, 2001, 2010, 2019, and 2020) pursuant to which the Water Authority is authorized to use the portion of the San Luis Drain needed to carry out the Grassland Bypass Project; and

WHEREAS, the 2023 Strategic Plan for the Water Authority includes Objective 1.7: “Activity Agreements are periodically revisited, and the Water Authority’s role relative to specific Activity Agreements is modified or ended as appropriate,” and for Fiscal Year 2026, Water Authority staff identified implementation measure 1.7.1 as a high priority: “Evaluate future management of Grassland Basin Drainage Management Activity Agreement;” and

WHEREAS, Implementation Measure 1.7.1 was completed in Fiscal Year 2026, and for Fiscal Year 2027, staff identified Implementation Measure 1.7.2 as a high priority: “If appropriate,

develop and initiate transition plan for 1.7.1 [future management of Grassland Basin Drainage Management Activity Agreement];” and

WHEREAS, the Grassland Basin Authority (“GBA”) is a joint powers authority formed in 2019 to manage drainage and other related activities in the Grassland Drainage Area, including the operation and maintenance of the San Joaquin River Water Quality Improvement Project (“SJRIIP”)—a drainage and water reuse and management area within the Grassland Drainage Area; and

WHEREAS, the GBA is a separate entity from the Water Authority; however, the GBA was created, in part, with the intent to eventually take over the activities of the GBDSC, and all members of the GBDSC are also members of GBA;

WHEREAS, the Water Authority and GBA have developed a plan for transitioning all GBDSC activities to the GBA, with the goal of ultimately dissolving the GBDSC and terminating the GBD Activity Agreement; and

WHEREAS, the transition of GBDSC activities to GBA will occur in phases, and adoption of this Resolution only authorizes certain actions required for the transition and does not dissolve the GBDSC or terminate the GBD Activity Agreement; and

WHEREAS, at its July 17, 2026 meeting, the GBDSC considered and recommended the adoption of this Resolution to the Water Authority Board; and

WHEREAS, the Water Authority Board, by adoption of this Resolution, authorizes the Water Authority to take the actions necessary to transition (1) its status as a “Discharger” under Order R5-2019-0077 to the GBA, (2) its status as a “third-party representative” under Order R5-2015-0095-07 to the GBA, and (3) its rights and responsibilities under its Use Agreement with Reclamation to the GBA; and

WHEREAS, the transition actions authorized by this Resolution are administrative actions that do not constitute a project under CEQA Guidelines section 15378.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Board hereby authorizes the Executive Director, Chief Operating Officer, and any Water Authority employees, consultants, or agents directed by the Executive Director to take the actions that are required or reasonably necessary or convenient to transition the Water Authority’s (1) status as a “Discharger” under Order R5-2019-0077 to the GBA, (2) status as a “third-party representative” under Order R5-2015-0095-07 to the GBA, and (3) rights and responsibilities under its Use Agreement with Reclamation to the GBA.

Section 3. The authorizations conferred by this Resolution shall be contingent upon the occurrence of the following actions: (1) the GBDSC’s recommendation to the Water Authority

Board to authorize the actions listed in Section 2 above, and (2) the GBA's approval of the actions listed in Section 2 above.

Section 4. In the event the contingencies described in Section 3 fail to occur, the authorization conferred by this Resolution is revoked *ab initio*.

Section 5. The Executive Director, Chief Operating Officer, or such Water Authority employee or consultant, as either of such officers designate, are further authorized and directed to take such additional steps, and to execute such additional documents, as may be required or reasonably necessary to the completion of the activities authorized by this Resolution.

PASSED, APPROVED AND ADOPTED this 6th day of August, 2026, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

Cannon Michael, Chair
San Luis & Delta-Mendota Water Authority

Attest:

Federico Barajas, Secretary

I hereby certify that the foregoing Resolution No. 2026- was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 6th day of August, 2026.

Federico Barajas, Secretary