



MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: John Brodie, Water Resources Programs Manager

DATE: December 7, 2023

RE: Board of Directors to Consider Approval of a Special Projects Agreement for Development of a Single Groundwater Sustainability Plan for the Delta-Mendota Subbasin

BACKGROUND

In July 2018, the San Luis & Delta-Mendota Water Authority (“Water Authority”) executed the Delta-Mendota Subbasin Coordination Agreement and Cost-Sharing Agreement, which established the Water Authority’s role as a coordinating partner for the 23 Groundwater Sustainability Agencies and 6 Groundwater Sustainability Plans for the Delta-Mendota Subbasin (D-M Subbasin). Since that time, the Water Authority staff has served as the SGMA Point of Contact for the California Department of Water Resources (DWR) and as a facilitator and program management entity for coordinated activities in the D-M Subbasin, including GSP submittal, grant preparation and coordination, and fiscal agent.

In December 2020, the D-M Subbasin parties submitted 6 Groundwater Sustainability Plans to DWR for review and approval. In March 2023, DWR provided a letter to the D-M Subbasin GSP Regions indicating that DWR deemed the GSPs “Inadequate” for a number of reasons detailed in the letter transmitting the determination. In response to the Inadequate determination, the regulatory authority for approving the GSPs has shifted from DWR to the State Water Resources Control Board (SWRCB). On April 4, the SWRCB held an informational hearing on the SWRCB’s process to address the six basins that have been deemed inadequate, with a second meeting of the SWRCB to set the dates of potential probationary hearings for the 6 subbasins deemed “inadequate”. The SWRCB indicated in its June meeting that the D-M Subbasin is proposed for a probationary hearing in September of 2024. In response to the inadequate determination and the probationary hearing date, and with the approval of this Board, the D-M Coordination Committee voted to issue Task Order F24-AA63-007-EKI in the amount of \$1,401,052 to address deficiencies identified by DWR in its inadequate determination letter.

The D-M Coordination Committee members negotiated a cost-share split to pay for the task order. At its November 13, 2023 meeting, the D-M Coordination Committee approved a Special Projects Agreement (SPA) including the negotiated cost-share split for Task Order F24-AA63-007-EKI.

ISSUE FOR DECISION

Whether the Board of Directors should approve the SPA as negotiated by D-M Subbasin Coordination Committee recommendation and cost share split for expenses under Task Order F24-AA63-007-EKI in the amount of \$1,401,052.

RECOMMENDATION

Staff recommends the Board approve the SPA, with the included cost share split, so that it can appropriately invoice the GSAs and member agencies.

ANALYSIS

Members of the D-M Coordination Committee recognize the financial challenges for all members in meeting necessary obligations for compliance with SGMA requirements. The first hurdle is achieving an approved GSP. Committee members agree condensing the six GSPs into a single document is the approach favored by both DWR and the State Water Resources Control Board. In an effort to alleviate the financial burden on smaller GSP groups, Coordination Committee Members negotiated a cost share agreement as part of an overall Special Projects Agreement for this specific Task Order.

BUDGET

The budget for Task Order F24-AA63-007-EKI is unchanged. Only the distribution of costs among existing Coordination Committee members will change from the normal 1/6 split.

EXHIBIT

Special Project Agreement for Development of a Single Groundwater Sustainability Plan for the Delta-Mendota Subbasin

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)

**DEVELOPMENT OF A SINGLE GROUNDWATER SUSTAINABILITY PLAN FOR
THE DELTA-MENDOTA SUBBASIN**

SPECIAL PROJECT AGREEMENT

THIS SPECIAL PROJECT AGREEMENT (this “Special Project Agreement”) is entered into this 24th day of July, 2023 (the “Effective Date”), by and among (i) San Luis & Delta-Mendota Water Authority (the “Authority”); and (ii) the “Special Project Participants” identified on Exhibit “A”, which is attached hereto and incorporated herein by this reference. The Authority and the Special Project Participants may be collectively referred to herein as the “Parties” or individually as a “Party.”

RECITALS

WHEREAS, in order to efficiently coordinate among the large number of groundwater sustainability agencies (“GSAs”) in the Delta-Mendota Subbasin (“Subbasin”), the GSAs desire to develop and adopt one groundwater sustainability plan (“GSP”) for the Subbasin to support sustainable management of the Subbasin in compliance with the Sustainable Groundwater Management Act (“SGMA”); and

WHEREAS, the purpose of this Special Project Agreement is to provide the contractual basis for its signatories to utilize the resources of the Authority to allow for coordinated access to administrative resources, technical resources, and other services, and to provide mechanisms for sharing the benefits and expenses of obtaining such resources for the purpose of developing a single GSP for the Subbasin to comply with SGMA; and

WHEREAS, the Authority and several of the Special Project Participants—Del Puerto Water District (“DPWD”), Patterson Irrigation District (“PID”), West Stanislaus Irrigation District (“WSID”), Oak Flat Water District (“OFWD”), City of Patterson, Merced County, and Stanislaus County, are also parties to that certain Northern Delta-Mendota Region Sustainable Groundwater Management Act Services Activity Agreement, dated August 30, 2021, as amended (“Northern DM SGMA Activity Agreement”); and

WHEREAS, the Authority and several of the Special Project Participants—San Luis Water District (“SLWD”), Panoche Water District, Tranquillity Irrigation District (“TID”), Fresno Slough Water District (“FSWD”), Eagle Field Water District (“EFWD”), Pacheco Water District (“Pacheco WD”), Mercy Springs Water District (“MSWD”), Santa Nella County Water District (“SNCWD”), Fresno County, Merced County, Widren Water District (“Widren WD”), and Oro Loma Water District (“OLWD”), are also parties to that certain Central Delta-Mendota Region Sustainable Groundwater Management Act Services Activity Agreement, dated November 1, 2018, as amended (the “Central DM SGMA Activity Agreement”); and

WHEREAS, like this Special Project Agreement, a purpose of the Northern DM SGMA

Activity Agreement and the Central DM SGMA Activity Agreement (the “Activity Agreements”), is to provide a contractual basis for its participants to realize coordinated access to the administrative and technical resources of the Authority, and to provide a mechanism for sharing the benefits and expenses of obtaining such resources; and

WHEREAS, Section 16 of each of the Activity Agreements provides that participants may enter into a Special Project Agreement to achieve any of the purposes or activities authorized by the Activity Agreement and to share in the expenses and costs of such activity; and

WHEREAS, pursuant to that certain Delta-Mendota Subbasin Coordination Agreement effective December 12, 2018, entered into by all of the GSAs in the Delta-Mendota Subbasin, Parties that are not Activity Participants, as defined in the Activity Agreements, may enter into a cost sharing agreement with the Authority for the performance of designated functions; and

WHEREAS, the Special Project Participants each desire to enter into this Special Project Agreement with the Authority for the purposes of identifying a methodology for sharing single GSP development expenses, consistent with the Coordination Agreement and as appropriate, the Activity Agreements, and pursuant to the terms described herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, in the Coordination Agreement and Activity Agreements, and the above stated Recitals, which are deemed true and correct and incorporated herein, the Parties hereto agree as follows:

1. **Title**. The title of this special project is “Delta-Mendota Subbasin Single GSP Development Project” (the “Special Project”).

2. **Funding Source**. The Authority shall provide accounting and billing services to collect from the Special Project Participants in accordance with this Special Project Agreement, all applicable terms of the Coordination Agreement, and as appropriate, the Activity Agreements.

3. **Funding Shares**. Costs for single GSP development services provided by EKI Environment and Water, Inc. (EKI) will be divided by Special Project Participants based on shares approved by Coordination Committee members at the October 9, 2023 regular meeting of the Coordination Committee. The total approved funding amount for EKI’s services to develop the single GSP is one million four hundred one thousand fifty-two and no/100 dollars (\$1,401,052.00). Additional support and coordination will be provided by Baker, Manock & Jensen, PC and Authority staff with such costs to be split proportionally by all Special Project Participants in compliance with this Special Project Agreement.

4. **Description**. EKI will coordinate gathering and compiling the necessary information and documents to address DWR’s “Inadequate Determination of the Revised 2020 Groundwater Sustainability Plans Submitted for the San Joaquin Valley Basin – Delta-Mendota Subbasin” dated March 2, 2023, in the development of the Special Project. The Parties agree EKI shall serve as the lead for this Special Project, and other consultants employed by GSAs in the Subbasin shall assist by supplying EKI with requested information in as timely a manner as possible. Costs for the work of other GSA consultants shall be the sole responsibility of

employing/contracting GSA.

5. **Participation.** The Authority will assist the Special Project Participants by soliciting and accepting a proposal from EKI. The Authority has previously entered into a master services agreement with EKI. The Authority will provide all administrative services to the Special Project Participants in accordance with the Coordination Agreement and as appropriate, the Activity Agreements. The Parties shall cooperate with each other to achieve the purposes of this Special Project Agreement.

6. **Special Project Expense Share.** The Special Project Participants shall pay, in shares as memorialized in Exhibit “B” attached hereto and incorporated herein by this reference, and as unanimously approved by all Coordination Committee members at the October 9, 2023 regular meeting, all of the expenses and costs of activities performed pursuant to this Special Project Agreement. The Special Project Participants agree that all expenses and costs incurred by the Authority under this Special Project Agreement are the expenses and costs of the Special Project Participants only, and not of the Authority or of any other party not participating in this Special Project.

7. **Participation Obligations.** The Special Project Participants shall hold the Authority, and all Authority members and other third-parties that are not participating in this Special Project Agreement, free and harmless from liability and shall indemnify each of them against any and all costs, losses, damages, claims and liabilities arising from performance of this Special Project Agreement.

8. **Term and Termination.** This Special Project Agreement shall commence upon execution by the Authority and all of the Special Project Participants, and remain in effect for the duration of the single GSP development process and performance of Special Project services. This Special Project Agreement shall terminate at the conclusion of implementation of the Special Project services pursuant to the submittal of a single GSP for the Delta-Mendota Subbasin to the State Water Resources Control Board.

9. **Information Access.** The Special Project Participants shall have reasonable access to all compiled data, draft documents, reports, records and other such information that is developed and submitted to the Authority as a part of the single GSP development.

10. **Interpretation of Documents.** As to matters addressed by this Special Project Agreement, in the event of any conflict or inconsistency between the terms of the Special Project Agreement and Coordination Agreement, or the terms of the Special Project Agreement and the Activity Agreements, this Special Project Agreement shall govern. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them by the Coordination Agreement and/or Activity Agreements.

NOW, THEREFORE, the duly authorized undersigned representatives have executed this Special Project Agreement as of the Effective Date.

IN WITNESS WHEREOF, the Parties have executed this Special Project Agreement as of the Effective Date.

Dated: _____

ALISO WATER DISTRICT GSA

Print Name: _____

Print Title: _____

Dated: _____

CENTRAL DELTA-MENDOTA GSA

Print Name: _____

Print Title: _____

Dated: _____

CITY OF DOS PALOS GSA

Print Name: _____

Print Title: _____

Dated: _____

CITY OF FIREBAUGH GSA

Print Name: _____

Print Title: _____

Dated: _____

CITY OF GUSTINE GSA

Print Name: _____

Print Title: _____

Dated: _____

CITY OF LOS BANOS GSA

Print Name: _____

Print Title: _____

Dated: _____

CITY OF MENDOTA GSA

Print Name: _____

Print Title: _____

Dated: _____

CITY OF NEWMAN GSA

Print Name: _____

Print Title: _____

Dated: _____

CITY OF PATTERSON GSA

Print Name: _____

Print Title: _____

Dated: _____

COUNTY OF MADERA-3 GSA

Print Name: _____

Print Title: _____

Dated: _____

**COUNTY OF MERCED DELTA-MENDOTA
GSA**

Print Name: _____

Print Title: _____

Dated: _____

DM II GSA

Print Name: _____

Print Title: _____

Dated: _____

FARMERS WATER DISTRICT GSA

Print Name: _____

Print Title: _____

Dated: _____

**FRESNO COUNTY MANAGEMENT AREA A
GSA**

Print Name: _____

Print Title: _____

Dated: _____

**FRESNO COUNTY MANAGEMENT AREA B
GSA**

Print Name: _____

Print Title: _____

Dated: _____

GRASSLAND GSA

Print Name: _____

Print Title: _____

Dated: _____

NORTHWESTERN DELTA-MENDOTA GSA

Print Name: _____

Print Title: _____

Print Name: _____

Print Title: _____

Dated: _____

ORO LOMA WATER DISTRICT GSA

Print Name: _____

Print Title: _____

Dated: _____

PATTERSON IRRIGATION DISTRICT GSA

Print Name: _____

Print Title: _____

Dated: _____

**SAN JOAQUIN RIVER EXCHANGE
CONTRACTORS WATER AUTHORITY GSA**

Print Name: _____

Print Title: _____

Dated: _____

TURNER ISLAND WATER DISTRICT-2 GSA

Print Name: _____

Print Title: _____

Dated: _____

**WEST STANISLAUS IRRIGATION DISTRICT
GSA 1**

Print Name: _____

Print Title: _____

Dated: _____

WIDREN WATER DISTRICT GSA

Print Name: _____

Print Title: _____

Dated: _____

**SAN LUIS & DELTA-MENDOTA WATER
AUTHORITY**

Print Name: _____

Print Title: _____

EXHIBIT “A”

Special Project Participants

Special Project Participants	
1	Aliso Water District GSA Aliso Water District GSA
2	Farmers Water District GSA Farmers Water District GSA
3	Fresno County Management Area A and B GSAs Group Fresno County Management Area A GSA Fresno County Management Area B GSA
4	Central Delta-Mendota GSAs Group Central Delta-Mendota GSA Oro Loma Water District GSA Widren Water District GSA
5	Northern Delta-Mendota GSAs Group City of Patterson GSA DM-II GSA Northwestern Delta-Mendota GSA Patterson Irrigation District GSA West Stanislaus Irrigation District GSA
6	Grassland GSAs Group Grassland GSA Merced County Delta-Mendota GSA
7	San Joaquin River Exchange Contractors GSAs Group
	San Joaquin River Exchange Contractors GSA

EXHIBIT “B”

Cost-Sharing Allocation

GSA Group	Acres	Allocated %	Scaled Approach	Acreage (%)
San Joaquin River Exchange Contractors GSA	291,069	16.70%	\$233,976	38.17%
Central Delta-Mendota GSAs Group	163,787	16.70%	\$233,976	21.48%
Northern Delta-Mendota GSAs Group	152,140	16.70%	\$233,976	19.95%
Grassland GSAs Group	104,137	15.20%	\$212,960	13.66%
Aliso Water District GSA	26,636	12.70%	\$177,934	3.49%
Fresno County Management Area A and B GSAs Group	22,519	11.00%	\$154,116	2.95%
Farmers Water District GSA	2,214	11.00%	\$154,116	0.29%
Total	762,502	100.00%	\$1,401,052	