



Official Memorandum

PO Box 2157
Los Banos, CA 93635
sldmwa.org

To: SLDMWA Board of Directors, Alternates
SLDMWA Water Resources Committee, Alternates

From: Federico Barajas, Executive Director
Rebecca Akroyd, General Counsel

Date: August 3, 2026

RE: Adoption of Resolution Authorizing Execution of Letter Agreement for Westlands Water District Formula for Long Term Water Supply Project and Westlands Water District Formula for Long Term Water Supply Project Activity Agreement

Background

The San Luis & Delta-Mendota Water Authority (Water Authority) has collaborated with the U.S. Bureau of Reclamation (Reclamation) on drought-resiliency objectives identified in the “Memorandum of Understanding between the United States of America Department of Interior Bureau of Reclamation and FWA [Friant Water Authority], SLDMWA, and SJRECWA [San Joaquin River Exchange Contractors Water Authority] for Establishing a South of Delta Drought Resiliency Framework” (Drought Plan MOU), including the need to develop surface and groundwater storage options outside of, and in addition to, the federal share of San Luis Reservoir.

Secretarial Order 3446 directs Reclamation to maximize acquisition flexibility by working with and leveraging the acquisition tools of its partners, including the Authority. Article 35 of the Water Authority’s Transfer Agreement with Reclamation (Contract No. 8-07-20-X0354-X) provides the mechanism for Reclamation to provide cooperation/mutual aid to the Authority to undertake various projects like the Westlands Water District Formula for Long Term Water Supply Project (Project).

Through Section 50233 (Drought Mitigation in the Reclamation States) of Public Law 117-169, and the San Joaquin River Restoration Settlement Act, Pub. L. 111-11, Title X, Subtitle A, Reclamation has made \$25,000,000 of non-reimbursable funds available for the Project. Reclamation recently shared a draft Letter Agreement (Funding Agreement) for the non-reimbursable funds, which would provide the mechanism for Reclamation to provide the non-reimbursable funds to the Water Authority. The Water Authority would concurrently execute a Westlands Water District Formula for Long Term Water Supply Project Activity Agreement (Activity Agreement) with interested member agencies (Activity Agreement Members or Participating Agencies). The Water Authority would then work with Activity Agreement Members to utilize the non-reimbursable funds to carry out activities deemed necessary for completing the Project.

Issue for Decision

Whether the Water Resources Committee should recommend, and the Board of Directors should adopt, the proposed resolution authorizing execution of Letter Agreement for Westlands Water District Formula for Long Term Water Supply Project and Westlands Water District Formula for Long Term Water Supply Project Activity Agreement.



Recommendation

Staff recommends adoption of the proposed resolution.

Analysis

Letter Agreement

Adopting the proposed resolution and executing the proposed Letter Agreement will enable the Water Authority to access the non-reimbursable funds. Accessing these funds is a crucial step for the Authority to work with Participating Agencies to proceed with the Project.

While the draft Letter Agreement has been reviewed by staff and is near final, it is possible that some edits may be required before the document is finalized and executed. For this reason, staff is requesting authorization to execute the Letter Agreement in substantial form.

Activity Agreement

Executing the Activity Agreement will provide the mechanism for the Water Authority to disburse the non-reimbursable funds to Participating Agencies to carry out all activities necessary for completing the Project.

The Funding Agreement clarifies that because the funds are provided under the statutory authority of Section 50233, Inflation Reduction Act, Pub. L. No. 117-169, 136 Stat. 2053 (Aug. 16, 2022), and the San Joaquin River Restoration Settlement Act, Pub. L. 111-11, Title X, consistent with Secretarial Order 3446 and Article 35 of the Transfer Agreement, the Funding Agreement does not constitute a “Federal award”, “Federal financial assistance”, “Grant agreement or grant”, or “Cooperative agreement,” as those terms are defined in 2 CFR 200.1, and is therefore not subject to the requirements of 2 CFR Part 200. However, as a condition to disbursement, the Authority may establish processes and requirements for itself and/or the Activity Agreement Members that are consistent with the Office of Management and Budget’s (“OMB”) Uniform Guidance for intermediaries advancing government funding contained in Code of Federal Regulations Title 2/Subtitle A/Chapter II/Part 200 (see 2 CFR 200.302, 200.305, 200.331–332), OMB Circular A-102, and any other laws, rules, regulations, and guidance the Authority deems appropriate. The Activity Agreement explains that the Authority plans to enter into a separate agreement with the Activity Agreement Members who are to receive the funding for the purpose of detailing the specifics applicable to disbursement of the funds. By executing the Activity Agreement, the Activity Agreement Members who receive the funding agree to enter into such an agreement with the Authority.

Staff worked with member agency Westlands Water District (Westlands) to develop the draft Activity Agreement. It is anticipated that Westlands will be the ultimate recipient of the funding and will be responsible for carrying out all activities necessary for preparing and completing the Project, including, but not limited to, evaluating operational, regulatory, and environmental considerations to determine whether construction and operation of the facilities can support the identified drought-resiliency objectives, and completing the necessary conveyance systems to convey sufficient water from the San Luis Canal or Coalinga Canal into the Aquifer Storage and Recover Wells and Recharge Basin facilities.

While the draft Activity Agreement is near final, it is possible that some edits may be required before the document is finalized and executed. For this reason, staff is requesting authorization to execute the Activity Agreement in substantial form.



August 3, 2026

Execution of the Letter Agreement and the Activity Agreement are administrative and organizational actions that will not result in a direct change in the environment or a reasonably foreseeable indirect change to the environment and, thus, do not constitute projects under the California Environmental Quality Act (CEQA). (CEQA Guidelines, § 15378(b)(5).)

Budget Implications

The OM&R budget is not impacted by adoption of the proposed resolution. However, the Activity Agreement would require an initial collection of \$20,000 from the Activity Agreement Members to initially fund the budget (e.g. Activity Agreement Expenses / staff time) for the Activity Agreement.

Attachments

1. Draft Resolution Authorizing Execution of Letter Agreement for Westlands Water District Formula for Long Term Water Supply Project and Westlands Water District Formula for Long Term Water Supply Project Activity Agreement
2. Draft Letter Agreement for Westlands Water District Formula for Long Term Water Supply Project
3. Draft Westlands Water District Formula for Long Term Water Supply Project Activity Agreement

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2026-

**RESOLUTION AUTHORIZING EXECUTION OF LETTER AGREEMENT FOR
WESTLANDS WATER DISTRICT FORMULA FOR LONG TERM WATER SUPPLY
PROJECT AND WESTLANDS WATER DISTRICT FORMULA FOR LONG TERM
WATER SUPPLY PROJECT ACTIVITY AGREEMENT**

WHEREAS, the San Luis & Delta-Mendota Water Authority (“Water Authority”) has collaborated with the U.S. Bureau of Reclamation (“Reclamation”) on drought-resiliency objectives identified in the “Memorandum of Understanding between the United States of America Department of Interior Bureau of Reclamation and FWA [Friant Water Authority], SLDMWA, and SJRECWA [San Joaquin River Exchange Contractors Water Authority] for Establishing a South of Delta Drought Resiliency Framework” (“Drought Plan MOU”), including the need to develop surface and groundwater storage options outside of, and in addition to, the federal share of San Luis Reservoir; and

WHEREAS, the Westlands Water District (“Westlands”) Formula for Long Term Water Supply Project (“FLOWS Project” or “Project”) is a drought-resiliency initiative that involves Westlands developing water supply alternatives, including but not limited to constructing and operating aquifer storage and recovery wells and recharge basins within the Westside Subbasin to improve dry and critically dry year water supply reliability. These facilities associated with the FLOWS Project will enable the temporary storage (“banking”) of surface water during above-normal and wet hydrologic years and allow recovery of that water during dry and critically dry periods. The FLOWS Project is intended to mitigate subsidence, protect San Luis Canal conveyance capacity, and provide more resilient water supplies for irrigated agriculture for disadvantaged communities, and south-of-Delta CVP contractors; and

WHEREAS, Secretarial Order 3446 directs Reclamation to maximize acquisition flexibility by working with and leveraging the acquisition tools of its partners, including the Water Authority, and Article 35 of the Water Authority’s Transfer Agreement with Reclamation (Contract No. 8-07-20-X0354-X) provides the mechanism for Reclamation to provide cooperation/mutual aid to the Water Authority to undertake various projects like the FLOWS Project; and

WHEREAS, through Section 50233 (Drought Mitigation in the Reclamation States) of Pub. L. 117-169, and the San Joaquin River Restoration Settlement Act, Pub. L. 111-11, Title X, Subtitle A, Reclamation has made \$25,000,000 of non-reimbursable funds available for the Project, and Reclamation has shared a draft Letter Agreement (“Funding Agreement”) for the non-reimbursable funds that would provide the mechanism for Reclamation to provide the non-reimbursable funds to the Water Authority; and

WHEREAS, the Water Authority is in the process of finalizing the Westlands Water District Formula for Long Term Water Supply Project Activity Agreement (“Activity Agreement”) for Water Authority members who desire to participate in the benefits and incur the obligations of

utilizing the non-reimbursable funds to carry out activities deemed necessary for completing the Project; and

WHEREAS, the Board has considered the latest draft of the Letter Agreement and the Activity Agreement, copies of which have been presented to the Board; and

WHEREAS, execution of the Letter Agreement and the Activity Agreement are administrative and organizational actions that will not result in a direct change in the environment or a reasonably foreseeable indirect change to the environment and, thus, do not constitute projects under the California Environmental Quality Act ("CEQA"). (CEQA Guidelines, § 15378(b)(5).)

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 to execute the Letter Agreement for the Westlands Water District Formula for Long Term Water Supply Project in substantially the form presented to the Board, subject to such additions, deletions, and other revisions as the said Executive Director shall approve prior to execution.

Section 3. The Board hereby authorizes the Executive Director to execute Westlands Water District Formula for Long Term Water Supply Project Activity Agreement in substantially the form presented to the Board, subject to such additions, deletions, and other revisions as the said Executive Director shall approve prior to execution.

Section 4. 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



United States Department of the Interior

BUREAU OF RECLAMATION
2800 Cottage Way
Sacramento, CA 95825-1898



IN REPLY REFER TO:

CGB-100
1.3.11

Board of Directors
San Luis & Delta-Mendota Water Authority
842 6th Street
Los Baños, California 93635

Subject: Letter Agreement for the Westlands Water District Formula for Long Term Water Supply Project

Dear Board Members:

This funding agreement (Agreement) made this _____ day of _____, 2026, pursuant to the Reclamation Act of June 17, 1902 (32 Stat. 388), and acts amendatory and supplementary thereto, including but not limited to, Section 50233, Inflation Reduction Act, Pub. L. No. 117-169, 136 Stat. 2053 (Aug. 16, 2022), and the San Joaquin River Restoration Settlement Act, Pub. L. 111-11, Title X, all collectively hereinafter referred to as “Federal Reclamation law”, between THE UNITED STATES OF AMERICA acting by and through the Bureau of Reclamation, hereinafter referred to as the “United States” or “Reclamation”, and the SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, hereinafter referred to as the “Authority”, a joint powers authority duly organized, existing, and acting pursuant to the laws of the State of California and pursuant to that certain transferred works agreement (Contract No. 8-07-20-X0354-X, as amended) hereinafter referred to as the “Transfer Agreement.” Reclamation and the Authority may be referred to individually as a “Party” and collectively as “Parties.” This Agreement identifies the authority, roles, work, and responsibilities associated with disbursement of non-reimbursable funds authorized by Section 50233 (Drought Mitigation in the Reclamation States) of P.L. 117-169, and the San Joaquin River Restoration Settlement Act, Pub. L. 111-11, Title X, for the Westlands Water District (“Westlands”) Formula for Long Term Water Supply Project (“FLOWS Project” or “Project”).

I. Recitals

- A. The Westlands FLOWS Project is a drought-resiliency initiative that involves Westlands constructing and operating aquifer storage and recovery wells and recharge basins within the Westside Subbasin. These facilities will enable the temporary storage (“banking”) of surface water during above-normal and wet hydrologic years and allow recovery of that water during dry and critically dry

periods. The FLOWS Project is intended to mitigate subsidence, protect San Luis Canal conveyance capacity, and provide more resilient water supplies for irrigated agriculture for disadvantaged communities, and south-of-Delta Central Valley Project (“CVP”) contractors.

- B. The Aquifer Storage and Recovery (“ASR”) Wells and Recharge Basin facilities (“Recharge Facilities”) will be located within the Westside Subbasin in areas identified by Westlands as having optimal hydrogeologic characteristics for groundwater recharge, storage, and recovery. The Recharge Facilities include both the rehabilitation of existing idle wells and the construction of new wells and recharge basins designed to temporarily store (“bank”) surface water supplies. When operated in conjunction with existing Westlands conveyance systems, these facilities will allow surface water to be delivered to recharge sites during above-normal and wet hydrologic years and later recovered for delivery or exchange through the San Luis Canal or Coalinga Canal during dry and critically dry periods, thereby enhancing CVP drought-resiliency objectives.
- C. The Recharge Facilities to be planned, constructed, owned, operated, and maintained under the FLOWS Project are non-Federal facilities. Reclamation will not own, operate, maintain, or assume any responsibility for the ASR wells, recharge basins, conveyance features, or related infrastructure developed by Westlands. All long-term operation, maintenance, repair, replacement, and performance of the Recharge Facilities shall remain the sole responsibility of Westlands.
- D. The Parties have collaborated on drought-resiliency objectives, including those identified in the “Memorandum of Understanding Between the United States of America Department of the Interior Bureau of Reclamation and the San Luis & Delta-Mendota Water Authority, Friant Water Authority, and San Joaquin River Exchange Contractors Water Authority for Establishing a South of Delta Drought Resiliency Framework” (“Drought Plan MOU”). These objectives include the need to develop surface and groundwater storage options outside of, and in addition to, the federal share of San Luis Reservoir. The FLOWS Project has been identified by the Parties as one such potential storage option for further evaluation and development in support of long-term drought-resilience strategies.
- E. Reclamation, the Authority, and Westlands have collaborated to identify, evaluate, and advance groundwater recharge and aquifer storage projects within the Westside Subbasin that support drought-resiliency objectives for south-of-Delta CVP contractors. As part of this collaboration, Westlands has conducted preliminary hydrogeologic assessments, conveyance analyses, and land-suitability evaluations to identify optimal locations for ASR wells and recharge basins. These efforts have informed the development of the FLOWS Project, which is intended to create new temporary groundwater storage capacity, improve long-term water supply reliability, and reduce the risk of subsidence that threatens existing CVP conveyance facilities.

- F. The ASR Wells and Recharge Basin facilities are separate from other recharge and groundwater banking programs previously developed or implemented by Westlands and is intended to create new, dedicated facilities that expand the region's ability to store and recover surface water outside of the federal share of San Luis Reservoir. The FLOWS Project is designed to complement, but not interfere with existing groundwater recharge, conveyance, or recovery operations managed by Westlands, and will provide additional drought-resiliency benefits distinct from those achieved under prior or ongoing programs.
- G. The United States Department of the Interior Secretarial Order No. 3446 (November 20, 2025) directs Reclamation to "prioritize the use of partner-led procurement and project management models when such arrangements have the potential to deliver clear cost savings, expedite project timelines, and/or ease the financial burden on partners and the Federal taxpayer. The resulting efficiencies will help lower costs for farmers...."
- H. Consistent with the directive of Secretarial Order No. 3446, Reclamation has determined that the Authority is uniquely positioned to assist in completing the Project under the Mutual Aid (Article 35) provisions of the Transfer Agreement between Reclamation and the Authority (Contract No. 8-07-20-X0354-X).
- I. Pursuant to Section 50233 (Drought Mitigation in the Reclamation States) of Pub. L. 117-169, and the San Joaquin River Restoration Settlement Act, Pub. L. 111-11, Title X, Subtitle A, which together authorize the provision of non-reimbursable funds, the Secretary of the Interior, acting through Reclamation, is authorized to allocate non-reimbursable funds (not subject to repayment by the non-Federal beneficiaries) to the Authority for the FLOWS Project.
- J. Secretarial Order No. 3446 directs Reclamation to maximize acquisition flexibility by working with and leveraging the acquisition tools of our partners and to explore the feasibility of expanding this partner-led approach to other Bureaus and Offices.
- K. This Agreement documents our shared understanding and intent for the Authority, representing member agencies who will collectively share in the costs and benefits of the FLOWS Project ("Participating Agencies") through the Westlands Water District Formula for Long Term Water Supply Project Activity Agreement, as may be amended or supplemented, attached as Exhibit A ("Activity Agreement"), to assist Reclamation by carrying out, coordinating, and, as needed, acquiring the technical, engineering, scientific, environmental, permitting, and professional services necessary to support completion of the FLOWS Project.

NOW, THEREFORE, Reclamation and the Authority agree as follows:

II. Background

A. General Information:

- i. The Parties jointly developed drought-resiliency objectives including pursuant to the Drought Plan MOU, which identified the need to pursue water-storage options outside of, and in addition to, the federal share of San Luis Reservoir to improve long-term water-supply reliability during multi-year drought conditions. As part of this effort, the Parties recognized the potential for groundwater storage within the Westside Subbasin to support drought-pool operations and increase operational flexibility for south-of-Delta CVP contractors. The FLOWS Project has been identified as one such collection of facilities capable of providing temporary storage of surface water supplies during above-normal and wet hydrologic years and recovering those supplies for delivery or exchange during dry and critically dry periods.
- ii. Westlands, located within the service area of the Central Valley Project and managing extensive groundwater infrastructure across the Westside Subbasin, has conducted preliminary hydrogeologic, conveyance, and land-suitability analyses to identify optimal locations for ASR wells and recharge basins. These analyses have demonstrated that portions of the Subbasin possess favorable soil characteristics, aquifer conditions, and conveyance connectivity required to support high-yield recharge and recovery operations. Reclamation identified the emerging need to evaluate whether new or repurposed groundwater-recharge facilities in the Westside Subbasin could reliably and safely provide drought-pool benefits and selected the FLOWS Project to receive Inflation Reduction Act funding to conduct technical, engineering, environmental, and feasibility assessments required for this determination.
- iii. The FLOWS Project will include performing groundwater and geotechnical investigations, evaluating conveyance and operational considerations, conducting environmental compliance reviews, and developing engineering designs to determine whether ASR wells and recharge basins can effectively support the drought-resiliency objectives identified by the Parties. Work related to existing Westlands conveyance systems—such as lateral capacity evaluations, turnout sizing, and alignment assessments—may be evaluated as part of this analysis. However, any implementation or construction activities will occur only after Reclamation has reviewed that evaluation, and has provided concurrence to proceed.

B. Funding to be Provided

- i. Reclamation will provide \$25,000,000 of non-reimbursable funding for the Authority to make available to Participating Agencies pursuant to Section 50233, Inflation Reduction Act, Pub. L. No. 117-169,

136 Stat. 2053 (Aug. 16, 2022), for the FLOWS Project through miscellaneous obligation.

- ii. All non-reimbursable funds made available under this Agreement shall remain available by the United States until obligated through September 30, 2026, which constitutes the expiration of the funds obligation authority provided under Section 50233, Inflation Reduction Act, Pub. L. No. 117-169, 136 Stat. 2053 (Aug. 16, 2022), unless extended by a subsequently applicable appropriations act. Reclamation shall provide written notice to the Authority if any change to this obligation availability period occurs.
- iii. Any amounts obligated on or before September 30, 2026 shall remain available for liquidation through September 30, 2031. At the conclusion of the applicable liquidation period, any unobligated or unliquidated balances shall be de-obligated and returned to the United States.

C. Planned Work

- i. The Authority will provide the means for Participating Agencies to carry out all activities deemed necessary for completing the FLOWS Project. This includes, but is not limited to, technical, engineering, groundwater, hydrogeologic, conveyance, modeling, applicable environmental compliance, project-management, permitting, and implementation tasks. The Authority will oversee activities as described in the Activity Agreement. Reclamation will provide technical input as requested.
- ii. The specific deliverables to be provided to Reclamation under this Agreement include:
 - 1. Progress on objectives;
 - 2. A plan demonstrating how surface water will be temporarily stored and recovered in a manner that does not contribute to overdraft or subsidence;
 - 3. An assessment describing how the ASR Facilities, groundwater recharge, and recovery operations integrate with and support the Parties' drought-resiliency objectives, including anticipated operational impacts, coordination needs, and contributions to drought-pool objectives.

D. Roles and Responsibilities

- i. Authority and/or Participating Agencies
 - 1. Coordinate and implement FLOWS Project
 - 2. Serve as contracting agent related to FLOWS Project

3. Accomplish FLOWS Project deliverables identified in Article II.C.ii, above

ii. Reclamation

1. Provide funding pursuant to this Agreement
2. Provide technical guidance and review as requested by the Authority and/or Participating Agencies
3. Provide quality assurance and compliance, including the identification of applicable Federal laws and regulations governing performance by Authority and/or Participating Agencies under this Agreement
4. Approve Project deliverables described in Article II.C.ii, above

III. **Reporting:** Reclamation and the Authority will each prepare and submit to the other Party a quarterly report of all Project expenditures incurred by such Party during each quarter. The reports will be due not later than thirty (30) days following the end of the previous quarter.

IV. **General Provisions**

- A. Drafting Considerations: This Agreement has been negotiated and reviewed by the Parties, each of whom is sophisticated in the matters to which this Agreement pertains, and neither Party will be considered to have drafted the Agreement or any of the articles.
- B. Contracts with Third Parties: The Authority and/or Participating Agencies shall have exclusive authority over all procurement activities conducted under this Agreement. All acquisitions, contracts, and purchasing decisions will be governed by the applicable procurement laws, regulations, and policies of the State. The Parties agree to comply with all applicable state procurement requirements, including competitive bidding procedures, contract oversight, and ethical standards. Any disputes arising from procurement activities will be resolved according to state law and applicable regulatory provisions.
- C. Professional Responsibility and Indemnification: The Authority and/or Participating Agencies shall be solely responsible for all technical, engineering, modeling, environmental, project management, and implementation work once approved by Reclamation completed in carrying out the Project by or on their behalf. To the fullest extent permitted by law, the Authority shall hold harmless and indemnify the United States from any and all claims arising from errors, omissions, or deficiencies in such work, except for intentional torts committed by employees of the United States. This obligation survives termination of this Agreement.
- D. Failure to Complete Work: In the event that the Authority fails to complete the work to be performed pursuant to this Agreement for any reason other than the failure of the United States to appropriate and allocate funds, the Authority shall,

upon receipt of written notice from the Contracting Officer, suspend payment on all current contracts and return to the United States any unexpended balance of funds advanced by the United States and contributed by the Contractor in such amounts as determined to be equitable by the Contracting Officer.

- E. Assignment Limited – Successors Assigns Obligated: The provisions of this Agreement will apply to and bind the successors and assigns of the Parties, but no assignment to transfer of this Agreement or any part or interest therein by the Authority shall be valid until approved by the United States. Such approval shall not be withheld unreasonably.
- F. Rules, Regulations, and Determinations: The Regional Director shall have the right to make determinations necessary to administer this Agreement that are consistent with the expressed and implied provisions of this Agreement, the laws of the United States and the State of California, and the rules and regulations promulgated by the Secretary of the Interior. Such determinations shall be made in consultation with the Authority.
- G. Term of Agreement: This Agreement shall be effective on the date it has been signed by both Parties, and shall terminate on the Project completion date as announced in writing by the Contracting Officer or by September 30, 2031 when authorization for the non-reimbursable funds provided under this Agreement pursuant to Section 50233, Inflation Reduction Act, Pub. L. No. 117-169, 136 Stat. 2053 (Aug. 16, 2022) has expired, whichever comes sooner.
- H. Compliance with Legal Requirements: The Authority, the Participating Agencies, and relevant contractors shall comply with all applicable Federal, State, and local laws, executive orders, rules and regulations applicable to its performance under this Agreement as directed by Reclamation. As these funds are provided under the statutory authority of Section 50233, Inflation Reduction Act, Pub. L. No. 117-169, 136 Stat. 2053 (Aug. 16, 2022), and the San Joaquin River Restoration Settlement Act, Pub. L. 111-11, Title X, consistent with Secretarial Order 3446 and Article 35 of the Transfer Agreement, this Agreement does not constitute a “Federal award”, “Federal financial assistance”, “Grant agreement or grant”, or “Cooperative agreement,” as those terms are defined in 2 CFR 200.1, and is therefore not subject to the requirements of 2 CFR Part 200.
- I. Incorporation of Transfer Agreement Provisions: The Parties acknowledge and agree that Articles of the Transfer Agreement are applicable to this Agreement and are incorporated into this Agreement by reference, including the following: Articles 10 (Resolution of Disputes), 15 (Books, Records, and Reports), 21 (Contingent on Appropriation or Allotment of Funds), 22 (Officials Not to Benefit), 24 (Compliance with Civil Rights Laws and Regulations), 26 (Notices), 29 (Changes in Organization), and 35 (Cooperation/Mutual Aid).

- J. Non-Waiver: The Parties acknowledge and agree that by the Authority entering into this Agreement, that approval does not cause any San Luis Unit, Delta Division, or San Felipe Division Contractor (CVP Contractor) to waive or release any rights or obligations under their applicable Water Delivery Contract (as such term is defined in the Transfer Agreement) or with respect to the implementation of the Project. The Parties acknowledge that each CVP Contractor expressly preserves its right to make any and all claims it may have now or in the future pursuant to such CVP Contractor's Water Delivery Contract, including but not limited to, the obligation to make payments with respect to the Project under their respective Water Delivery Contract beyond their respective share of Project OM&R costs budgeted and approved by the Authority Board.

Sincerely,

Adam Nickels
Acting Regional Director

The San Luis & Delta-Mendota Water Authority hereby agrees to the foregoing terms.

SAN LUIS & DELTA-MENDOTA WATER
AUTHORITY

By: _____
Chair, Board of Directors

Attest:

By: _____
Secretary of the Board of Directors

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
WESTLANDS WATER DISTRICT FORMULA FOR LONG TERM WATER SUPPLY
PROJECT ACTIVITY AGREEMENT

This **WESTLANDS WATER DISTRICT FORMULA FOR LONG TERM WATER SUPPLY PROJECT ACTIVITY AGREEMENT** (“**Activity Agreement**”) is entered into and made effective as of this ____ day of _____ 2026 (“**Effective Date**”), by and among the San Luis & Delta-Mendota Water Authority (“**Authority**”), a joint powers agency of the State of California, and any member or members who execute this Agreement, who are hereinafter referred to jointly by the term “**Activity Agreement Members**.” Capitalized terms used in this Activity Agreement shall have the meanings set forth in Section 2 below.

1. RECITALS

A. The Activity Agreement Members, together with certain other local agencies, are parties to the Second Amended and Restated Joint Exercise of Powers Agreement for the San Luis & Delta-Mendota Water Authority, dated July 8, 2024 (the “**JPA**” or “**JPA Agreement**”), by and among the parties indicated therein, establishing the Authority for the purpose of exercising the common powers of the Activity Agreement Members, including those powers described in this Activity Agreement.

B. The Activity Agreement Members are each empowered, among other powers, to provide water service to lands within their boundaries; to operate and maintain works and facilities for the development, distribution, and use of water for irrigation and for any drainage or reclamation works connected therewith or incidental thereto and/or to operate and maintain works and facilities for the development, distribution and use of water for municipal and industrial use; to contract with the United States, the State and other public agencies and, effective January 1, 1995, with mutual water companies, for such purposes; to control the quality of water accepted into their respective systems; to exercise powers related to the construction, operation, or maintenance of water storage and delivery facilities; and to adopt rules and regulations necessary to the exercise of such powers.

C. The Activity Agreement Members have each entered into contracts with the United States Bureau of Reclamation (“**Reclamation**”) for water service and/or the use of Central Valley

Project (“CVP”) storage and/or conveyance facilities including, but not limited to, the Delta-Mendota Canal, the San Luis Canal, the Pleasant Valley Pumping Plant, and Coalinga Canal.

D. The Westlands Water District (“**Westlands**”) Formula for Long Term Water Supply Project (“**Flows Project**”) is a drought-resiliency initiative that involves Westlands developing water supply alternatives, including but not limited to constructing and operating aquifer storage and recovery wells and recharge basins within the Westside Subbasin to improve dry and critically dry year water supply reliability. These facilities associated with the Flows Project will enable the temporary storage (“**banking**”) of surface water during above-normal and wet hydrologic years and allow recovery of that water during dry and critically dry periods. The Flows Project is intended to mitigate subsidence, protect San Luis Canal conveyance capacity, and provide more resilient water supplies for irrigated agriculture for disadvantaged communities, and south-of-Delta CVP contractors.

E. The Aquifer Storage and Recovery (“**ASR**”) Wells and Recharge Basin facilities (“**Recharge Facilities**”) will be located within the Westside Subbasin in areas identified by Westlands as having optimal hydrogeologic characteristics for groundwater recharge, storage, and recovery. The Recharge Facilities include both the rehabilitation of existing idle wells and the construction of new wells and recharge basins designed to temporarily store (“**bank**”) surface water supplies. When operated in conjunction with existing Westlands conveyance systems, these facilities will allow surface water to be delivered to recharge sites during above-normal and wet hydrologic years and later recovered for delivery or exchange through the San Luis Canal or Coalinga Canal during dry and critically dry periods, thereby enhancing CVP drought-resiliency objectives.

F. The Recharge Facilities to be planned, constructed, owned, operated, and maintained under the Flows Project are non-Federal facilities. Reclamation will not own, operate, maintain, or assume any responsibility for the ASR wells, recharge basins, conveyance features, or related infrastructure developed by Westlands. All long-term operation, maintenance, repair, replacement, and performance of the Recharge Facilities shall remain the sole responsibility of Westlands.

G. The Authority and Reclamation have collaborated on drought-resiliency objectives, including those identified in the “Memorandum of Understanding Between the United States of America Department of the Interior Bureau of Reclamation and the San Luis & Delta-Mendota

Water Authority, Friant Water Authority, and San Joaquin River Exchange Contractors Water Authority for Establishing a South of Delta Drought Resiliency Framework” (“**Drought Plan MOU**”). These objectives include the need to develop surface and groundwater storage options outside of, and in addition to, the federal share of San Luis Reservoir. The FLOWS Project has been identified as one such potential storage option for further evaluation and development in support of long-term drought-resilience strategies.

H. Reclamation, the Authority, and Westlands have collaborated to identify, evaluate, and advance groundwater recharge and aquifer storage projects within the Westside Subbasin that support drought-resiliency objectives for south-of-Delta CVP contractors. As part of this collaboration, Westlands has conducted preliminary hydrogeologic assessments, conveyance analyses, and land-suitability evaluations to identify optimal locations for ASR wells and recharge basins. These efforts have informed the development of the FLOWS Project, which is intended to create new temporary groundwater storage capacity, improve long-term water supply reliability, and reduce the risk of subsidence that threatens existing CVP conveyance facilities.

I. Reclamation identified the need to support development and implementation of the FLOWS Project to safely utilize flood-space storage for drought-pool purposes and selected the FLOWS Project to receive \$25,000,000 in non-reimbursable Inflation Reduction Act funding (“**Non-Reimbursable Funding**”), authorized by Section 50233 (Drought Mitigation in the Reclamation States) of Pub. L. 117-169, and the San Joaquin River Restoration Settlement Act, Pub. L. 111-11, Title X, Subtitle A, to conduct the necessary technical, engineering, environmental, and feasibility assessments required for this determination.

J. The FLOWS Project will include evaluating operational, regulatory, and environmental considerations to determine whether construction and operation of the facilities can support the identified drought-resiliency objectives, and completing the necessary conveyance systems to convey sufficient water from the San Luis Canal or Coalinga Canal into the Recharge Facilities.

K. The Project is more fully described in Exhibit “B” to this Agreement.

L. The United States Department of the Interior Secretarial Order No. 3446 (November 20, 2025) directs Reclamation to “prioritize the use of partner-led procurement and project management models when such arrangements have the potential to deliver clear cost savings,

expedite project timelines, and/or ease the financial burden on partners and the Federal taxpayer. The resulting efficiencies will help lower costs for farmers....”

M. Consistent with the directive of Secretarial Order No. 3446, Reclamation has determined that the Authority is uniquely positioned to assist in completing the Project under the Mutual Aid (Article 35) provisions of the Transfer Agreement between Reclamation and the Authority (Contract No. 8-07-20-X0354-X).

N. The Authority and Reclamation entered into a “Letter Agreement for the Westlands Water District Formula for Long Term Water Supply Project,” dated [REDACTED], 2026, which identifies the authority, roles, work, and responsibilities of the Authority and Reclamation associated with disbursement of the Non-Reimbursable Funding for the Project (“**Letter Agreement**”).

O. This Activity Agreement, along with any future agreement entered into between the Authority and any Activity Agreement Member who receives disbursement of the Non-Reimbursable Funding from the Authority, governs the Authority’s disbursement of the Non-Reimbursable Funding to the Activity Agreement Members.

P. The Activity Agreement Members may enter into a separate agreement among themselves to govern the activities undertaken in furtherance of the Project.

Q. Each of the Activity Agreement Members desire to participate in the benefits and is willing to incur the obligations of this Activity Agreement through the joint exercise of their common powers.

R. The Authority and each of the Activity Agreement Members have shared, and continue to share, a common interest in sharing information and resources reasonably necessary to accomplish the purpose in this Activity Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the true and correct facts recited above, and of the covenants, terms, and conditions set forth herein, the Activity Agreement Members and the Authority agree as follows:

2. DEFINITIONS

A. “**Activity Agreement**” or “**Agreement**” shall mean this Westlands Water District Formula for Long Term Water Supply Project Activity Agreement.

B. **“Activity Agreement Expenses”** shall mean all expenses directly incurred by the Authority pursuant to this Activity Agreement and any agreements executed in conjunction with this Activity Agreement, together with a share of Authority Administration Costs allocable to Activity Agreement Members.

C. **“Activity Agreement Member”** shall mean a member of the Authority who is signatory to this Activity Agreement. The Activity Agreement Members are listed in Exhibit “A” attached hereto.

D. **“Administration Agreement(s)”** shall mean those certain agreements between the Authority and Activity Agreement Members for the undertaking of activities and sharing of costs and benefits pursuant to Sections 22 and 23 of the JPA.

E. **“Authority”** shall mean the San Luis & Delta-Mendota Water Authority.

F. **“Authority Administration Costs”** shall mean the Authority’s general administration expenses, including rent and other occupancy charges, acquisition costs of office furniture and equipment, including telephone, telecopy, photocopy, cost of cars and other vehicles, insurance premiums, salaries and wages of employees including payments in connection with retirement programs and other benefit programs, fees of creditors, lawyers, engineers and other consultants, travel, telephone, telecopy, and photocopy expenses, and any other general administrative expenses, a percentage of which will be allocated to this Activity Agreement by the Authority.

G. **“Board of Directors”** shall mean the Board of Directors of the San Luis & Delta-Mendota Water Authority.

H. **“Fiscal Year”** shall mean the Authority’s March 1 – February 28/29 fiscal year.

I. **“JPA” or “JPA Agreement”** shall mean that certain Second Amended and Restated Joint Exercise of Powers Agreement effective July 8, 2024, establishing the Authority, as it has been and may be amended or restated over time.

J. **“Letter Agreement”** shall mean the Letter Agreement, dated [REDACTED], 2026, described in Section 1.N. above.

K. **“Non-Reimbursable Funding”** shall mean the \$25,000,000 in government-provided non-reimbursable funding provided pursuant to Section 50233 (Drought Mitigation in the Reclamation States) of Pub. L. 117-169, and the San Joaquin River Restoration Settlement Act,

Pub. L. 111-11, Title X, Subtitle A, for the Westlands Water District Formula for Long Term Water Supply Project.

L. “**Project**” or “**FLOWS Project**” shall mean the Westlands Water District Formula for Long Term Water Supply Project, as more specifically described in Exhibit “B” to this Agreement, including preliminary work elements of performing a Special Study, evaluating hydrogeology, distribution system operations, regulatory, and environmental considerations to determine whether construction and operation of the Recharge Facilities can support the identified drought-resiliency objectives, implementing recommendations resulting from the Special Study and preliminary engineering, and completing the necessary distribution system expansions to convey sufficient water from the San Luis Canal or Coalinga Canal into the Recharge Facilities.

M. All other capitalized terms used herein will have the meanings ascribed to them in this Activity Agreement.

3. PURPOSE OF AGREEMENT

A. The purpose of this Activity Agreement is to provide the contractual basis by which the Authority will disburse and the Activity Agreement Members will receive the Non-Reimbursable Funding for the Project.

5. ORGANIZATION

The business of this Activity Agreement shall be conducted by the Authority at large and therefore governed by the Board of Directors of the Authority.

6. ROLE OF THE AUTHORITY

A. Role of the Authority. The role of the Authority under this Activity Agreement will be to provide, through Authority staff or contracts with consultants, coordinated services to assist the Activity Agreement Members in conducting the activities contemplated by this Agreement. The Authority will provide only those services supported with funding from the Activity Agreement Members or other means that will not impose costs on members of the Authority that are not Activity Agreement Members, in accordance with budgets recommended by staff, and approved by the Activity Agreement Members and the Board of Directors, as more specifically provided under the terms of this Agreement.

B. Authorized Activities of the Authority under the Activity Agreement. The types of activities authorized to carry out the purposes of this Activity Agreement shall specifically include, but shall not be limited to, the following:

i. To allocate and disburse the Non-Reimbursable Funding to Activity Agreement Members utilizing Authority staff or contracts with consultants.

ii. To establish a standardized process for regulatory compliance, financial accountability, and completion of audit trails.

iii. To provide accounting and billing services to collect from the Activity Agreement Members the costs of services incurred under the Activity Agreement pursuant to the terms of this Activity Agreement.

C. Limitations on Authority Role. Notwithstanding this Activity Agreement, it is the intent of the Parties to this Agreement that the Activity Agreement Members are responsible for carrying out all activities necessary for preparing and completing the Project, including, but not limited to, technical, engineering, modeling, environmental, project management, implementation, and related tasks and that the Activity Agreement Members maintain complete control and autonomy over any eventual purpose or use of the Project. Nothing in this Agreement authorizes the Authority to commit the Activity Agreement Members to study actions within their respective boundaries.

7. POWERS RESERVED TO BOARD OF DIRECTORS AND LIMITATIONS THEREON

A. The Board of Directors shall have ultimate approval authority over all Activity Agreement annual budgets based upon the recommendation of staff and approval of the Activity Agreement Members; provided, the Board of Directors may not modify the Activity Agreement annual budgets without staff's review and recommendation and Activity Agreement Members approval of such modification.

B. The Board of Directors shall have the right, upon recommendation of or in consultation with staff and Activity Agreement Members, to approve all amendments to this Activity Agreement, including any amendment terminating the Activity Agreement, provided, that no amendment of this Activity Agreement shall be required to add new Activity Agreement Members.

C. The Board of Directors shall have the right, upon the recommendation of or in consultation with staff, to act on any claims and to make decisions concerning the prosecution of, defense of, or other participation in actions or proceedings at law brought against the Authority arising from this Activity Agreement.

D. The Board of Directors delegates to staff the authority to conduct the activities described in this Activity Agreement pursuant to the terms of this Activity Agreement, without the required approval of the Board of Directors except as specifically provided in this Section 7. This delegation will specifically include, but not be limited to, the power to enter contracts within approved Activity Agreement budgets.

8. BUDGETARY RESPONSIBILITIES

A. To the extent that the Authority prepares budgets for this Activity Agreement, the Activity Agreement members agree to cooperate with the Authority in the development of any such budgets for the activities authorized by this Activity Agreement, annually or more frequently as needed, for presentation to the Board of Directors in accordance with Section 22 of the JPA Agreement. Budgeted amounts for this Activity Agreement will be collected through the invoicing process described in Section 9 of this Activity Agreement, and formal amendment of such budgets through Board of Directors approval is not required for adjustments that are fully collected as described in Section 9 of this Activity Agreement.

B. Initial Budget. To initially fund the budget for this Activity Agreement, the Activity Agreement Members agree to contribute a total of \$20,000 in equal shares. In the event the Activity Agreement Members have contributed initial funding for purposes of the Activity Agreement through a separate form of agreement then the amounts paid under such agreement shall be credited against the initial costs for all Activity Agreements required by this Section, with appropriate adjustments for any overpayments.

C. Budget to Actual Adjustments. The Authority shall true up budgeted amounts for Activity Agreement Expenses collected from the Activity Agreement Members annually following the end of each fiscal year. Any over-payments shall be credited or refunded to each Activity Agreement Member for the period through February 28, 2027, and for each year thereafter. Each Activity Agreement Member shall be billed for any under-payment following the true-up, with payment due thirty (30) days after the invoice is received.

9. ACTIVITY AGREEMENT EXPENSES AND ALLOCATION OF ADMINISTRATION COSTS

A. Each member of the Authority has entered into an Administration Agreement which authorizes an agreement by and among the Authority and any of its members or other entities to provide for undertaking and sharing costs and benefits of any authorized activity of the Authority. The Authority and the Activity Agreement Members agree that all Activity Agreement Expenses incurred by the Authority under this Activity Agreement are the costs of the Activity Agreement Members, and not of the Authority, and shall be paid by the Activity Agreement Members based upon the terms of this Agreement.

B. The Authority shall bill each Activity Agreement Member for Activity Agreement Expenses on the same schedule as it utilizes for collecting membership dues to implement the Authority budget for reach March 1 through February 28/29 fiscal year, generally twice yearly in mid-March and August. Activity Agreement Members shall make payment to the Authority within thirty (30) days of receipt of invoice from the Authority.

C. The Activity Agreement Members further agree that the Board of Directors is authorized to allocate a share of Authority Administration Costs to cover the cost to the Authority of administering this Activity Agreement.

10. DISBURSEMENT OF FUNDS

A. As a condition to disbursement, and to the extent applicable, the Authority may establish processes and requirements for itself and/or the Activity Agreement Members that are consistent with the Office of Management and Budget's ("OMB") Uniform Guidance for intermediaries advancing government funding contained in Code of Federal Regulations Title 2/Subtitle A/Chapter II/Part 200 (see 2 CFR 200.302, 200.305, 200.331–332), OMB Circular A-102, and any other laws, rules, regulations, and guidance the Authority deems appropriate.

B. The Authority may require the Activity Agreement Members who are to receive the funding to enter into an agreement with the Authority for the purpose of detailing the specifics applicable to disbursement of the funds. The Activity Agreement Members who receive the funding agree to enter into such an agreement with the Authority if so required by the Authority.

11. LETTER AGREEMENT OBLIGATIONS

A. The Activity Agreement Members will utilize the Non-Reimbursable Funding to carry out all activities deemed necessary for completing the FLOWS Project and to provide all specific deliverables to Reclamation specified in Article II of the Letter Agreement.

B. The Activity Agreement Members will prepare and submit to the Authority a quarterly report of all Project expenditures incurred by the Activity Agreement Members during each quarter during the term of the Letter Agreement. The reports will be due not later than thirty (30) days following the end of the previous quarter, and will be used to satisfy requirements in Article III of the Letter Agreement.

12. APPROVAL BY AN ACTIVITY AGREEMENT MEMBER

A. When the terms of this Agreement or applicable law require the approval of an Activity Agreement Member, written documentation of such approval, whether by Resolution, motion, or other form of authorization, must be provided to the Authority and to each of the other Activity Agreement Members.

B. For actions requiring the approval of only a particular Activity Agreement Member, approval by such Activity Agreement Member is required. When approval of the Activity Agreement Members is required for a particular action, the approval of a majority of the Activity Agreement Members will constitute approval of the action.

C. Approval by the Activity Agreement Member or the Activity Agreement Members as appropriate shall be required for: (i) Approval of an annual budget; and (ii) Amendment of this Agreement, including but not limited to, for purposes of adding a new Member or the replacement of this Agreement with an alternative form of agreement.

13. ACCOUNTABILITY, REPORTS, AND AUDITS

A. The Activity Agreement Members understand that implementation of Secretarial Order No. 3446 is “subject to the availability of appropriated funds and must comply with all applicable laws. All financial transactions and partner reimbursements shall be recorded, audited, and reported in accordance with the Department’s financial management standards and Office of Management and Budget guidance. No agreement entered pursuant to this Order shall permit a partner obligate Federal funds beyond what is legally available or appropriated for that purpose.” (Secretarial Order No. 3446, Section 7.)

B. Full books and accounts for this Activity Agreement shall be maintained by the Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for public entities. The books and records shall be open to inspection by the Activity Agreement Members at all reasonable times, and by bondholders and lenders as and to the extent provided by resolution or indenture.

C. There shall be strict accountability of all funds deposited on behalf of the Activity Agreement with the Authority. The Treasurer of the Authority, directly or acting through its Accounting Department, shall provide regular reports of Activity Agreement accounts. Funds of the Activity Agreement shall be subject to audit by the official auditor of the Authority. An Activity Agreement Member may request an independent audit of the Activity Agreement funds; any such audit shall be conducted at the expense of the requesting Activity Agreement Member.

14. SOURCE OF PAYMENTS

Each Activity Member agrees that it will timely take actions necessary to provide sufficient money to meet its obligations hereunder.

15. INDEMNIFICATION

A. The Activity Agreement Members shall hold the Authority and each of its members who are not Activity Agreement Members, free and harmless from and indemnify each of them against any and all costs, losses, damages, claims and liabilities arising from actions or inactions taken under this Activity Agreement and the Letter Agreement. This indemnification obligation includes the obligation of the Activity Agreement Members to defend the Authority, and all members of the Authority that are not Activity Agreement Members, at the sole expense of the Activity Agreement Members, in any action or proceeding brought against the Authority or any of its members that are not Activity Agreement Members, to recover any such costs, losses, damages, claims or liabilities arising from this Activity Agreement or the Letter Agreement, as well as the obligation to pay for any and all costs of litigation incurred by the Authority as a result of entering into this Activity Agreement or the Letter Agreement. Such costs may include, but are not limited to, attorneys' fees and costs incurred by the Authority pursuant to approved budgets to defend its provision of services under this Activity Agreement.

B. Any Activity Agreement Member that withdraws from the Activity Agreement agrees that it shall indemnify the Authority and all other Activity Agreement Members from costs,

losses, damages, claims or liabilities incurred as of the date of its withdrawal or arising from its withdrawal from the Activity Agreement, without increasing the indemnification obligation of other Activity Agreement Members.

C. Any Activity Agreement Member that fails to perform its financial obligations under the Activity Agreement agrees that it shall indemnify the Authority and all other Activity Agreement Members from costs, losses, damages, claims, or liabilities arising from its failure to perform such financial obligations.

16. TERM

This Activity Agreement shall take effect following execution by at least one (1) Authority member (“**Effective Date**”), will be retroactive for costs incurred in pursuit of the Letter Agreement and development of this Activity Agreement, and shall remain in full force and effect through the term of the Letter Agreement, or until all obligations arising under this Activity Agreement and the Letter Agreement have been satisfied, whichever comes later.

17. WITHDRAWAL FROM FURTHER PARTICIPATION

A. An Activity Agreement Member may withdraw from this Agreement at any time by obtaining the agreement of one or more other Activity Agreement Members to fully assume the benefits and obligations pertaining to the withdrawing Activity Agreement Member and by satisfying the process and requirements set forth in this Section 16.

B. Notice and Effective Date. An Activity Agreement Member may withdraw from this Activity Agreement at any time by providing written notice to the Authority and the other Activity Agreement members. The withdrawal shall be effective thirty (30) days after sending the written notice.

C. Payment Obligations. Withdrawal is conditioned upon the withdrawing Activity Agreement Member ensuring to the satisfaction of the other Activity Agreement Members that there are no adverse impacts to those members from the withdrawal. This may occur via the withdrawing Activity Agreement Member’s payment or agreement to pay its share of all debts, liabilities, and obligations of the Authority pursuant to this Activity Agreement and any agreement with the Authority described in Section 10.B and incurred prior to the effective date of such withdrawal and reimbursement to the Authority of any unused Project funds disbursed to the withdrawing member by the Authority. A withdrawing party shall, within thirty (30) days of the

withdrawal date, pay all such Activity Agreement Member's financial obligations incurred prior to such withdrawal date pursuant to the terms of this Activity Agreement and reimburse unused funds to the Authority or enter into an agreement acceptable to the Authority for continuing payment of such obligations until fully paid.

D. Rights Following Withdrawal. As of the withdrawal date, all rights of participation in this Activity Agreement shall cease for the withdrawing Activity Agreement Member.

E. Obligations Following Withdrawal. Withdrawal shall not excuse the withdrawing Activity Agreement Member's performance of obligations imposed upon that party by any judgment which has been entered by a court of competent jurisdiction or regulation to which the Authority or the Activity Agreement Members are subject and that arise from or are related to activities of the Activity Agreement conducted during the period when the withdrawing Activity Agreement Member participated in this Activity Agreement. Furthermore, the indemnification obligations set forth in Section 13 of this Activity Agreement shall survive a party's withdrawal from this Activity Agreement for activities under this Activity Agreement conducted during the period when the withdrawing Activity Agreement Member participated in this Agreement.

18. ADMISSION OF NEW MEMBERS

After thirty (30) days from Effective Date of this Agreement, no additional members of the Authority may become participants of this Agreement without the written consent of all of the other Activity Agreement Members and of the Board of Directors. The written consent of the other Activity Agreement Members and of the Board of Directors will include terms, if necessary, to ensure the Activity Agreement Members do not bear undue financial obligations, e.g. payment of an equal share of the costs previously paid by Activity Agreement Members. The admission of any Activity Agreement Member pursuant to this section shall be documented by that new Activity Agreement Member signing this Activity Agreement. Upon admission of a new Activity Agreement Member, the parties shall agree to any necessary modifications to the Activity Agreement as may be required.

19. MISCELLANEOUS

A. California Environmental Quality Act. Each potential activity subject to this Activity Agreement or other related agreements has been or will be fully evaluated in compliance with CEQA, as applicable. This Activity Agreement does not, and is not intended to, bind any party

to a definite course of action or limit in any manner the discretion of the Authority and/or Activity Agreement Members, or any other public agency, as applicable, in connection with the Project. Executing the Activity Agreement is an administrative and organizational action that will not result in a direct physical change in the environment or a reasonably foreseeable indirect change to the environment and thus is not a project as defined by CEQA Guidelines section 15378(b)(5).

B. Amendments. This Agreement may be amended in writing by the Authority and the Activity Agreement Members.

C. Contracts with Third Parties. Activity Agreement Members agree that all acquisitions, contracts, and purchasing decisions made in furtherance of the Project will be governed by the applicable procurement laws, regulations, and policies of the State. The Activity Agreement Members agree to comply with all applicable state procurement requirements, including competitive bidding procedures, contract oversight, and ethical standards in any activities undertaken in furtherance of the Project.

D. Assignment; Binding on Successors. Except as otherwise provided in this Activity Agreement, the rights and duties of the Activity Agreement Members may not be assigned or delegated without the written consent of the Authority and other Activity Agreement Members. Any attempt to assign or delegate such rights or duties in contravention of this Activity Agreement shall be null and void. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities, and other obligations of the Authority then in effect. This Activity Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Authority and the Activity Agreement Members.

E. Counterparts. This Activity Agreement may be executed by the Authority and the Activity Agreement Members in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

F. Governing Law. This Activity Agreement shall be governed by the laws of the State of California.

G. Severability. If one or more clauses, sentences, paragraphs or provisions of this Activity Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by

the Activity Agreement Members and the Authority that the remainder of the Activity Agreement shall not be affected thereby.

H. Headings. The titles of sections of this Activity Agreement are for convenience only and no presumption or implication of the intent of the parties as to the construction of this Activity Agreement shall be drawn therefrom.

I. Reasonable Cooperation. Activity Agreement Members will reasonably cooperate with each other and the Authority to perform the obligations under this Activity Agreement and to carry out the purpose and intent of this Activity Agreement.

IN WITNESS WHEREOF, the Members and the Authority have executed this Activity Agreement as of the date appearing next to their respective signature lines:

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

By: _____

Name: _____

Title: _____

Date: _____

ACTIVITY AGREEMENT MEMBERS

Westlands Water District

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT “A”
ACTIVITY AGREEMENT MEMBERS

Westlands Water District

DRAFT

EXHIBIT “B”
PROJECT DESCRIPTION

DRAFT

WESTLANDS WATER DISTRICT FORMULA FOR LONG TERM WATER SUPPLY (FLOWS) PROJECT DESCRIPTION AND STATEMENT OF WORK (SOW)

Westlands Water District

The following describes the portion of the Westlands Water District Formula For Long Term Water Supply (FLOWS) Project to be funded by \$25 million in Inflation Reduction Act (Public Law 117-169) funds pursuant to the Letter Agreement between the United States Bureau of Reclamation (Reclamation) and the San Luis & Delta Mendota Water Authority (SLDMWA) to be executed concurrently with the Formula for Long Term Water Supply Project Activity Agreement between SLDMWA and Westlands (Activity Agreement).

1. Background:

In March 2024 a Memorandum of Understanding (MOU) was entered into between Reclamation, Friant Water Authority, SLDMWA, and the San Joaquin River Exchange Contractors Water Authority (Parties) to cooperate and collaborate on implementation of drought resiliency projects south of the Delta. This agreement is referred to as the South of Delta Drought Resiliency Framework (Framework). The State had recently experienced significant multi-year droughts that brought to light the need for more dependable water supplies and additional drought resiliency measures for the Central Valley Project (CVP) south of the Delta. The Parties collectively identified projects and potential actions aimed at improving drought resiliency south of the Delta, including storage options outside San Luis Reservoir.

In 2024 Westland Water District's FLOWS Project was selected to receive funding under Section 50233 of the Inflation Reduction Act, Public Law 117-169, specifically the construction of aquifer storage and recovery (ASR) wells and recharge basin groundwater recharge facilities, which are critical features of a broader long-term water supply reliability program. The IRA funding will support constructing aquifer storage and recovery (ASR) wells that will inject surface water into the aquifer to recharge the Upper or Lower Aquifers or recharge basins to percolate surface water into the unconfined portion of the Westside Subbasin, whichever facility provides the greatest benefit. It is anticipated that the project will slow and may prevent further land subsidence, protect San Luis Canal/California Aqueduct conveyance capacity, and provide more resilient water supplies for irrigated agriculture and disadvantaged communities and increase operational flexibility that facilitates adaptive management. Westlands will prepare a Special Study pursuant to CMP 09-01, that will present how the project will slow and may prevent further land subsidence. Building ASR wells and recharge basins are critical elements of a broader recharge program pursued by Westlands within the larger Formula for Long Term Water Supply (FLOWS) program. Other potential projects include land repurposing programs to temporarily fallow land or build solar generation and creek

recharge. Westlands is also pursuing long term water supply acquisitions, flood flow diversion and recharge projects, surface water storage, and drainage management water supply projects to increase water supply.

The FLOWS program includes the construction of conveyance, recharge and recovery projects that will create new wet year sources of supply, increase temporary storage of surface water during above normal and wet hydrologic years, and create a dry year source of supply. This concept will be analyzed and presented in the Special Study, but Westlands will store water in the Westside Subbasin when flows are available, and surface water will be returned via direct pumping or exchange during critically dry years. When completed, the FLOWS principal facilities will include a distribution of recharge basins, ASR wells, creek recharge, and a new surplus water pumping plant and transmission main in Westlands Water Districts' service area. This SOW will focus on the ASR wells and recharge basin components of FLOWS facilities, and how they may be used to fill the Drought Pool and used to make improvements as necessary to maximize use of assets and ensure efficient operations.

Temporary Water Storage for Use in Dry and Critically Dry Years

Westlands plans to build a dispersed network of recharge basins over the unconfined or semi-confined portion of the Corcoran Clay or ASR wells to recharge the Westside Subbasin (Subbasin). Both facility types will be used to temporarily recharge and store water supplied by Westlands. Westlands owns multiple idle wells that could be retrofitted and rehabilitated to develop 50,000 AF dry year supply, and could acquire or lease land to develop 110,000 AF to 130,000 AF of recharge capacity. Because funding is limited to \$25M, only a portion of the idle groundwater wells can be retrofitted to recharge wells and only a portion of the land can be acquired or leased and converted into recharge basins. A distributed network of groundwater wells will recover the stored water and pump it into the San Luis Canal or Coalinga Canal for delivery. Additionally, new headworks, turnouts and pipeline conveyance from the Coalinga Canal may be needed and could be constructed to increase the delivery capacity of the existing Pleasant Valley system. The extent of new District facilities would be determined based on the recharge basin location.

Westlands developed a water management strategy that creates opportunities to temporarily store surface water supplies during above normal and wet years, for use in dry and critically dry years. This temporary storage of surface water addresses dry year water shortages through groundwater banking, which will be described in the Special Study report. ASR wells and recharge basins provide the facilities for recharging water into the Lower and Upper Aquifers where it is temporarily stored, or "banked", in the aquifer and later recovered as a dry year source of supply. Based on preliminary

calculations, the assumed average infiltration rate of 0.3 feet per day, and available distribution capacity, approximately 160 acres could be built with the available funding. Based on preliminary assumptions and performance of other ASR wells, the assumed average recharge rate is about 1.4 acre-feet per day per ASR well. The recharge basin and ASR well recharge rates and calculations will be explained in detail in the Special Study report.

Westlands has existing idle groundwater wells available for ASR well conversion. To identify potential recharge basin locations, Westlands conducted a preliminary study of lands within the southwest portion of the District's service area to identify viable locations for groundwater recharge. Criteria will be developed to consider soil recharge capability (porosity). Westlands will use a GIS mapping tool to spatially screen against and analyze these different criteria for purposes of locating optimal conditions for ASR wells. Criteria were developed to consider crop status (permanent verses annual verses fallow), soil recharge porosity, and conveyance capacity. Westlands used a GIS mapping tool to spatially screen against and analyze these different criteria for purposes of locating optimal conditions for recharge basins. Once potential lands were identified, secondary recharge basin criteria were developed to further screen these locations. The secondary criteria include encumbrances (easements and utility corridors), permitting feasibility, and ownership. The parcels were then grouped into tiers of ranking based on the aforementioned criteria. These findings will be presented in the Special Study report.

ASR Well or Recharge Basin Selection Criteria

While many wells within Westlands are possible sites for recharge, some have characteristics both physically and operationally that make them more ideal. These include proximity to existing District laterals and soil recharge potential. Recharge potential, soil porosity, and potential for infiltration were key criteria. Data sources used to determine optimum soil conditions and potential recharge, include digitized Well Completion Reports (WCRs). These reports are used to identify wells with sands/gravels strata that promote recharge.

While many lands within the southwest portion of Westlands are possible sites for recharge basins, some have characteristics both physically and operationally that make them more ideal. These include proximity to existing District laterals and soil recharge potential. Recharge potential, soil porosity, and potential for surface water infiltration were key criteria. The suitability of sites that may be under consideration will be discussed more in the Special Study, and other data sources used to determine optimum soil conditions and potential recharge. The Corcoran Clay layer is a significant and pervasive aquitard that spans most of the District and creates stratification between the Upper and Lower Aquifers due to its very low permeability. The southwest area of the

District is not overlaid by the Corcoran Clay layer and is therefore ideal for siting recharge basins. Other data sources were used to determine optimum soil conditions and potential recharge, including digitized Well Completion Reports. These reports were used to identify lands with sands/gravels in the upper 100 feet. The Soil Agricultural Groundwater Banking Index (SAGBI) ratings and Known Recharge Capacities from other approved recharge projects were also reviewed. Westlands selected locations that are:

- Outside of the Corcoran Clay Boundary
- Intersecting Areas with Lower Aquifer Recharge Potential
- SAGBI Ratings (UC Davis data)
- Known Recharge Capacities from other recharge basins

Conveyance Capacity

Another factor for analysis was turnout sizing and demand capacity. This analysis was completed to determine the amount of water available along each lateral based on known demands and lateral turnout sizes along the Coalinga and San Luis Canals. Westlands analyzed both lateral sizing and demands for each month of the 2017 water year because this year was a wet hydrologic year and represented one of the largest agricultural water delivery years in recent history, and illustrates a typical year when water is available for recharge. This available capacity, which exceeds the capacity needed to serve agricultural demands, may be used for Drought Pool operations to benefit Westlands.

For a recharge basin to be used to its full potential, the connecting water distribution pipeline capacity should at least meet the basin's recharge capacity without impacting agricultural demand delivery. Using turnout restrictions and existing lateral demands, a rough calculation was completed that identifies the maximum potential acres of recharge basins that can be supplied by each lateral. These calculations are based off an assumed 0.3-inch per day infiltration rate. In most cases, existing agricultural demands limit the lateral's ability to supply water to identified parcels and thus limits use of these lands to low ag-demand winter months when excess water is available. Further analysis will be presented in the Special Report.

To evaluate the conveyance criteria, Westlands considered the headworks and pipelines with the greatest capacity and then sized the recharge basin acres to match the available capacity. This approach factored the relevant criteria, relied on existing capacity and "right sized" the facilities. The attached figure illustrates the laterals and lands outside the Corcoran Clay where the recharge basins should be located for basins.

Optimum Locations Meet the Following Criteria

The optimum recharge basins would be located where:

- Soil Recharge Capability: Intersects most or all its area with Lower Aquifer Recharge Potential; is entirely outside of Corcoran Clay boundary
- Conveyance Criteria: Property is located adjacent to a larger pipeline from the Coalinga Canal or San Luis Canal and is served by a headworks with available capacity after agricultural demands are met
- Fallowed Land: Preferably the land has been fallowed historically

Acquiring up to 160 acres in these optimum locations could cost \$1,600,000 (\$1.6M), but acquisition is not being considered for this funding. The cost to build 160 acres of recharge basins and appurtenant facilities (new turnouts, pipelines, control valves) could reach \$238,000 per acre, based on Westlands recently completed Pasajero Recharge Project, or a total cost of \$38,000,000 (\$38M), including planning, permitting, design, legal and construction management costs. Because funding is limited to \$25M, no more than 160 acres of the land would be proposed for recharge basins.

Recovery of Stored Water for Use in Dry and Critically Dry Years

Recovery of stored water would likely be accomplished by exchange or by extracting a portion of the recharged water. The exact mechanism for recovering the stored water will be explored further in the Special Report.

2. Public Purpose.

Investment in the FLOWS Project is intended to support CVP contractors by providing a reliable source of alternative supply, ensuring greater than a zero percent effective allocation, increasing groundwater recharge in the Westside Subbasin, and protecting critical infrastructure like the San Luis Canal from further subsidence. The recharged surface water will result in a net increase in Westside Subbasin stored groundwater because a portion of the recharged water will remain in the subbasin and the facilities will also be used by Westlands to recharge excess supplies. The subbasin and subsidence mitigation benefits will be expanded on in the Special Study report. The ASR wells and recharge basins would provide new storage and banking facilities to temporarily hold approximately 30,000 AF of storage per year. The new surface water recharge facilities, combined with the ASR wells, will create the network of facilities needed to recover the water from the aquifer and place in the San Luis Canal for delivery or to exchange for water stored in San Luis Reservoir.

Over the last 10 years, Reclamation and CVP contractors have experienced a cycle of wet and critically dry periods, so the prospect of alternating from 100 percent allocation with flood water in one year, and zero percent allocation and calls on Friant water two years later are real possibilities. These boom-and-bust cycles create the need for infrastructure that captures the flood and available excess water, which is the purpose behind the ASR wells. The 13 ASR wells (3 new and 10 repurposed) could create 18,000 AF of new supply (depending on duration of available supply) that could be used for the South of Delta Drought Resiliency program and preserve precious supplies in San Luis Reservoir for direct delivery to CVP contractors.

This capital improvement program targets and benefits the general public, as well as local, state, and federal officials, by improving water supply reliability, supporting agricultural jobs and workforce, protecting critical water infrastructure that serves the most populous regions of the state, improving water resource management for the entire state.

3. **Objectives:**

Evaluate and identify available groundwater wells, specifically wells near laterals or the San Luis Canal (SLC), which can recover stored water and pump into the SLC or lateral for delivery and exchange and/or evaluate and identify available land along the Pleasant Valley System, specifically laterals off the Coalinga Canal, which are Pleasant Valley (PV) 6, PV 8, and PV 9, and right bank laterals off the San Luis Canal, specifically Laterals 22R, 24R, 25R, 27R, and 28R. The table below presents the potential distribution and acreage of land by lateral. Up to 160 acres of recharge basins could be sited along the laterals listed in Table 4.

Table 4: Lateral and Acreage Target

Lateral	Acres
PV 6	160
PV 8	160
PV 9	320
22R	220
24R	160
25R	160
27R	160
28R	280

Evaluate existing facilities, conveyance capacity, site topography, geological and soil records, and design recharge facilities, conveyance pipelines, and canal turnouts (if necessary) to optimize the basin size and recharge rates, while also delivering surface water to growers without impacting their irrigation schedule.

When completed, the new ASR and recharge facilities could provide up to 30,000 AF of annual recharge capacity. Reclamation will benefit because it will have access to “storage” outside of San Luis Reservoir, which will expand water resources management flexibility and commitments made in the South of Delta Drought Resiliency Framework MOU.

Westlands and its growers will be able to recharge their allocated CVP supply and other water types in the Westside Subbasin and create groundwater credits for use in dry and critically dry years. This conjunctive use approach is critical to farming in Westlands and compliance with the State’s Sustainable Groundwater Management Act (SGMA). Recharging the Westside Subbasin was identified in the District’s Groundwater Sustainability Plan as a best management practice for achieving sustainability.

The ASR wells will serve a dual purpose by also functioning as new groundwater supply wells. The ASR wells would either pump banked water directly into the San Luis Canal or Coalinga Canal and inventoried and allocated as CVP water. Depending on the ASR well locations, additional work may be needed to build discharge piping into the canals or existing storage tanks that can drain water into the canals.

4. Benefits:

The benefits to be derived from the Project include: Westlands developing a network of facilities that create new surface water supplies south of Delta, increase storage and conjunctive operation with San Luis Reservoir, and improve water resource management by producing water in years when the CVP allocation would be zero. When completed, these facilities will provide additional storage and banking for contractors to store water outside of San Luis Reservoir and avoid loss of water at risk of spill. Because the unconfined portion of the Westside Subbasin in Westlands is large, has the right soil types to promote rapid percolation, has access to water conveyance pipelines, and can support recovery of banked water, this is an ideal location to store water in support of the South of Delta Drought Resiliency Program. When fully operational, Reclamation’s supply will be improved, and the south of Delta CVP contractors should avoid a zero percent allocation going forward. Collectively, this project increases supply by 30,000 AF in one year, and 90,000 AF over a ten-year period, assuming above normal and wet hydrologic conditions follow historic patterns.

Benefits to South of Delta Drought Plan	Estimated Benefits
Aquifer Storage and Recovery Wells could store 10,000 AF or 160 acres basins can recharge 20,000 AF in the Westside Subbasin during an above normal or wet hydrologic year.	30,000 AF in one year provides nearly 90 percent of the water contributions from the Drought Plan's Common Pool.
Reclamation can have access to "storage" outside of San Luis Reservoir to meet its obligations to Contractors and providing 5% SOD allocations during drought years.	Reclamation can exchange water banked in the Westside Subbasin for surface water stored in San Luis Reservoir, which can be directly delivered to Parties of the Framework.
Strategically located ASR wells and recharge basins can increase the Lower Aquifer's piezometric head and prevent subsidence.	Since the adoption of the Westside Subbasin's Groundwater Sustainability Plan (GSP), San Luis Canal subsidence has slowed significantly or stopped. Safeguarding ground elevation will reduce the extent that the aqueduct needs to be raised to preserve conveyance capacity, saving millions of dollars.
The new ASR wells could also function as recovery wells to create new supply conveyed to the San Luis Canal for direct delivery or exchange.	Creating "new" water by recovering the banked supply is analogous to using the Westside Subbasin like an expansion to San Luis Reservoir. Delivering the water to Westlands users via the San Luis Canal preserves San Luis Reservoir storage for use by Reclamation for Drought Plan purposes.

5. **Period of Performance:** (date of execution through month/date/year). Five years from October 1, 2026 through September 31, 2031.

6. **Scope of Work:**

The project approach includes the scope of work for building ASR wells or recharge basins to temporarily store Drought Pool supply. The scope of work is divided into identifying production wells to convert to ASR wells, identifying sites to drill new ASR wells or lease land and designing/building the ASR wells or recharge basins.

Group 1: Identify Groundwater Wells, new ASR sites, or Land in the Westside Subbasin to Optimize Recharge and Recovery

Evaluate and Identify Preferred ASR or Recharge Sites

Compile and review hydrogeologic literature, well driller logs, and pipeline conveyance capacity to identify up to 10 wells to convert to ASR wells, three new ASR sites or up to 160 acres to lease, if suitable sites on District-owned land are not identified to design and build new ASR wells or recharge basins. District will conduct and interpret results from driller logs, groundwater modeling, hydrogeology and landowner experience, and a towed Electromagnetic Survey (tTEM). The analysis will indicate the presence of favorable subsurface conditions for recharge.

The District will interpret results to draw meaningful conclusions with respect to recharge favorability within the study area. This will include:

1. Integration of hydrogeologic and tTEM data.
2. Comparison of results collected with the conceptual hydrogeologic model of the area including available textural logs, electric resistivity logs, cone penetration tests (CPT) and water quality data.
3. Identification of areas with higher groundwater recharge potential and corresponding maps, tables, cross sections or other relevant analysis.

The identified areas with higher groundwater recharge potential will be superimposed over the lateral distribution system, and a match will be made to join the optimum surface water conveyance to the greatest recharge potential.

If Necessary, Prepare Real Estate Lease Agreement

Westlands will execute agreements to lease up to 160 acres of land, if Westlands does not identify suitable lands already owned by the District.

Deliverables

- Special Study prepared pre the Reclamation Manual Directives and Standards CMP 09-01

Objective Group 1 Outcomes:

Complete bibliography of available literature and other documents that were obtained and reviewed for the ASR well selection or land leasing, tTEM and hydrogeologic findings, and executed lease agreements.

Group 2: Investigate and Complete Preliminary Engineering for up to 10 repurposed ASR Wells, 3 new ASR wells, or up to 160 acres of Recharge Basins and Appurtenant Facilities

The attached figures illustrate the types of ASR well or recharge basins that would be designed and built. The scope description below identifies the design and construction management tasks needed to prepare plans and specifications for well or basin construction. The following tasks would be performed for each recharge site.

Task Group 2 – Preliminary Engineering

Task 2.1- Field Investigation and Data Review

Perform a field investigation of each site and potential pipeline alignments to document aboveground conditions and obstructions that may be in conflict or cause constructability issues. Review relevant existing information and record drawings of the existing District laterals.

Task 2.2 - Utility Research

Based on the utilities identified during the field investigation and utilities known by the District, contact the utility owners (e.g. PG&E, telecom companies, etc.) and request record drawings or plats of their facilities to develop a utility basemap for evaluating the alignments and final design.

Task 2.3 - Topographic and Boundary Survey

Perform a topographic and boundary survey of each site. The survey will include locating permanent trees, power lines, and above grade surface features on the site. Following completion of the topographic and boundary survey, the project team will meet with the District to discuss the survey findings and review potential conflicts or discrepancies from the record drawings.

Task 2.4- Geotechnical Investigation

Perform supplemental geotechnical investigations to classify the hydrogeology of the site and the geotechnical design of the proposed infrastructure improvements. Drill shallow borings for geotechnical design at the basins (number of borings depends on the basin size). Borings will be drilled on the recharge site and continuously sampled. Percolation test holes will be drilled at each of the borings to conduct falling-head percolation tests. Deep borings will be drilled to 100 feet or refusal, whichever occurs first. Conduct laboratory testing of the recharge site samples and provide a summary report of the findings.

Task 2.5 - Groundwater Calculations and Modeling

Review the findings of the geotechnical investigation and perform groundwater recharge calculations and modeling to determine site characteristics and optimal layouts.

Task 2.6 - Recharge Design Alternatives

Evaluate recharge design alternatives. Design alternatives will consider resistance to long-term plugging and ease of removing accumulated solids from the recharge zone interface. Alternative well rehabilitation designs will be developed for consideration.

Task 2.8 – Preliminary Design Plans

Prepare preliminary design plans, technical specifications, and a preliminary estimate of probable construction cost for the project and selected pipeline alignment. The design plans will cover the following elements:

- Background
- Geotechnical and Hydrogeological Evaluation
- Utility Investigation and Agency Coordination
- Design Criteria
- Preliminary Design Plans
- Preliminary Engineer's Estimate
- Preliminary Construction Schedule

Group 3 - Design Development Phase

Task 3.1- Environmental Services, CEQA and Permitting

The purpose of the Environmental Services task is to clear the project environmentally. This task includes the following activities:

- Initial Study- Mitigated Negative Declaration: Prepare environmental analysis and documentation to obtain necessary California Environmental Quality Act (CEQA) compliance for the project. This will include: preparation of a project-level CEQA document, which is assumed to be an Initial Study/Mitigated Negative Declaration (IS/MND). Subtasks include:
 - Develop Project Description

- Administrative Draft Initial Study
- Draft Initial Study and Notice of Intent to Adopt a MND
- Final MND and Administrative Record

Deliverables

- Draft and Final Project Descriptions per CEQA guidelines Section 15124
- Administrative draft IS/MND
- Screen-check draft IS/MND and draft NOI and NOC
- Public draft IS/MND and NOI to adopt a MND
- Notice of Completion (NOC)
- Draft and final responses to comments and Mitigation Monitoring and Reporting Program
- NOD and NOC
- Administrative Record

Biological Resources Evaluation: Review available materials regarding existing site conditions and biological resources for the project site prior to field work. A biologist will conduct a pedestrian-level biological survey within a 25-foot buffer around each proposed location and disturbed area. Upon completion of the biological survey, a Biological Resources Evaluation will be prepared.

Deliverables

- Draft Biological Resources Evaluation
- Final Biological Resources Evaluation

Cultural Resources Report:

To determine the cultural resources sensitivity of the proposed project's Area of Potential Effects (APE), District shall complete a cultural resources study. The study will include a records search at the Southern San Joaquin Valley Information Center (SSJVIC) to identify previously recorded cultural resources and studies near the APE. District will complete a mixed strategy survey of the APE (combining intensive surface survey and reconnaissance "windshield" survey) to identify cultural resources and to report on existing site conditions. District shall prepare a Cultural Resources Survey Report that

identifies cultural resources. If applicable, recommendations for additional work will be provided, and could include site evaluation, cultural resources monitoring during project implementation, and/or actions to follow in the event of an inadvertent discovery of cultural materials or human remains.

District shall assist the District with Assembly Bill (AB) 52 consultation by contacting the Native American Heritage Commission (NAHC) to request information on any known sacred sites in the project vicinity and to request a list of contacts for Native American tribes who may have an interest in the Proposed Project. District shall initiate consultation through distribution of correspondence to the tribes and individuals identified by the NAHC, however government to government consultation will be conducted between the tribes and the District, as the CEQA lead agency. Based on the results of the cultural resources study and consultation, District will draft the Cultural Resources and Tribal Cultural Resources sections of the CEQA documentation. The sections will include background setting, the regulatory framework, and an analysis of potential impacts to cultural and tribal cultural resources. It is noted that the Santa Rosa Rancheria Tachi Yakut and Dumna Wo Wah Tribes requested formal notification.

District assumes the APE can be surveyed by one archaeologist in a one-day field effort and that no cultural resources will be identified. Under this scope, cultural resources will not be evaluated for potential legal significance; if determined necessary a site evaluation can be completed under a separate scope and budget. This scope does not include any subsurface survey, such as an Extended Phase I (XPI) Survey. If determined necessary, an XPI Survey to test for the presence or absence of buried archaeological resources can be completed under a separate scope and budget. District also assumes that no historic-era architectural or structural resources are in the APE; if determined necessary, architectural resources can be recorded and evaluated under a separate scope and budget.

Deliverables

- Phase I Cultural Resources Survey Report
- AB 52 Compliance Letter

Organize and attend meetings with permitting agencies during the 50% design phase of the project. Prepare and coordinate permit applications requirements. The following permits are anticipated to be required during the design development phase:

- Fresno County Encroachment Permit
- Fresno County Building Permit

Task 3.2 Final Design

Prepare final plans, specifications, and cost estimates. Major facilities including the distribution piping and mechanical facilities will be depicted. Details of facilities, equipment, and connection points will also be developed and included. Technical specifications will be developed. An opinion of probable construction cost estimate will be prepared. The project team will submit the Plans, Specifications, and Estimate (PS&E).

Prepare the Final construction plans, technical specifications, and engineer's estimate of probable construction cost to be used for bidding. The Final PS&E will include the construction contract documents/general provisions using the standard front-ends, bid schedule, and special conditions.

Task Group 4 – Contractor Support Services

During bidding, respond to questions from prospective bidders and prepare addenda, if necessary, during the bidding phase. Addenda will clearly identify additions, deletions, or modifications by specification section or drawing number to facilitate bidder understanding. Attend the pre-bid meeting and the bid opening, review the bids for responsiveness and general conformance with the contract documents, and assist with identifying the apparent low bidder.

Group 5 - Engineering Services During Construction

Provide the following services during construction:

- Attend preconstruction meeting and provide an overview of the project components.
- Construction site visits and field observation notes.
- Review contractor's shop drawings and submittals. Coordinate with Contractor to prioritize review of critical path items.
- Review and respond to requests for information (RFI) from the contractor.
- Attend final walk through and prepare punch list.
- Prepare record drawings based on the contractor's redlined as-builts. Design changes issued via addenda or change orders will also be incorporated into the record drawings.
- Prepare an operations plan for the intake, distribution, and recharge facilities or ASR wells. The operations plan will include information on performance criteria, operations, maintenance, monitoring and reporting, records management,

emergency procedures, and operations staff responsibilities. It is anticipated that the plan will include the following sections:

- Overview
- Water Supply
- Intake Facilities
- Transmission and Distribution Systems
- Startup and Shutdown Procedures
- Emergency Shutdown Procedures
- Reliability, Monitoring, and Reporting
- Records Management
- Operations Staff and Outside Contacts
- Appendices

Group 6 - Project Management

Task 6.1- Project Management and Project Coordination Meetings

District will coordinate all District activities and participate in meetings throughout the project, arrange for attendees, prepare and distribute agendas, conduct coordination meetings, and prepare meeting notes throughout the duration of the project. Meetings are anticipated to be conducted monthly.

Task 6.2 - Quality Management

Review to ensure work products meet the requirements of the executed scope of services and stipulated requirements of the District.

Task Group 7 - Construction Management

Task 7.1- Construction Management

The following tasks represent services performed as part of the construction management effort.

- Conduct a pre-construction conference with the District, design team, and contractor's team prior to the construction mobilization,

- Review the Contractor's progress pay estimates in accordance with the contract documents. Maintain a current estimate of overall construction costs based on the contractor's bid and the earned value of the work performed.
- Develop a database using excel to manage the ASR well or recharge basin construction.
- Maintain a log of, manage, and circulate contractor submittals and shop drawings for review and response.
- Maintain a log of, manage, and circulate contractor RFIs for review and response.
- Investigate proposed change orders submitted by the Contractor or requested by the District. Evaluate potential impacts on the project schedule and budget, and recommend approval or rejection.
- Implement observation guidelines for monitoring the quality of the Contractor's work, conduct field observation, and prepare documentation of construction tasks. Upon witnessing materials, installation process, or levels of quality that do not meet the requirements of the construction contract documents, issue a Non-Conformance Report notifying the Contractor of such deviation, and inquire about the Contractor's proposed corrective action.
- Conduct bi-weekly construction meetings with the Contractor at the job site to review project schedule and to coordinate special inspection if required.
- Provide materials testing and special inspections during construction.
- Participate in system startup to observe the Contractors startup and testing program to assure compliance with the requirements of the project construction documents.
- Evaluate the near-completed facilities to confirm general compliance and/or identify discrepancies and deficiencies in the work performed by the Contractor. Prepare the necessary punch list to identify such items.
- Receive the Contractor's redlines and review for completeness and accuracy based on observation reports, photos, RFIs and approved change orders. Provide redlines for development of Record Drawings.
- Prepare and submit a final Construction Report that includes the operations and maintenance manuals for equipment furnished by the Contractor and compiles the testing records.

- Prior to the Contractor's one-year warranty period, visit the project with the District to observe any apparent defects. Recommend any required replacements or corrections that are identified.

Deliverables

Group 1 Deliverables:

- Special Study technical investigation

Group 2 Deliverables:

- Topographic and boundary survey files
- Utility basemaps
- Boring logs and permeability test results
- Preliminary Design Plans
- Engineer's estimate of construction cost
- Copies of formal letter correspondences with utility companies or regulatory agencies

Group 3 Deliverables:

- Copies of any permit applications
- CEQA Mitigated Negative Declaration and all documents pertaining to CEQA
- Final Design plans, technical specifications, and estimate
- Final Design Review Meeting Agenda and Notes

Group 4 Deliverables:

- Addenda issued during the bidding phase

Group 5 Deliverables:

- Progress reports following each site visit
- Record drawings in AutoCAD .dwg and electronic .pdf format
- Operations Plan

Group 6 Deliverables:

- Project Coordination Meeting Agendas and Notes
- Monthly Progress Reports and Invoicing
- Action-Items/Decisions Made Log

Group 7 Deliverables:

- Progress reports following each site visit
- Construction documents database
- Redlined contractor as-built drawings
- Final Construction Report
- Construction staking records

Objective Group 2 through 7 Outcomes:

Completed set of design plans and specifications for up to 10 repurposed ASR wells, three new ASR wells, or up to 160 acres of recharge basins and appurtenant facilities, and fully constructed and operational recharge wells or recharge basins built according to the goals and requirements of the South of Delta Drought Resiliency program, with the capacity to bank 30,000 AF.

7. **Milestones/Timeline/Schedule**: The project plan must describe, in detail, the activities to be undertaken, including the proposed work, reporting, major tasks, and project milestones including the identification of the anticipated start and ending dates of all major stages/tasks of the project proposal. It is highly recommended that the milestones within the SOW are constructed around the reporting frequency. For example, if the reporting frequency is semi-annual, then there would be milestones for each semi-annual period.

See the SOW for detailed description of tasks and work to be completed. The Project timeline below summarizes the major tasks for each objective described in the Scope of Work.

Milestone / Task / Activity	Planned Start Date	Planned Completion Date
Task 1- Identify up to 10 Existing Wells for ASR Conversion, and three new wells for ASR, or up to 160 acres of recharge basins	09/01/2026	06/30/27
Task 2 - Preliminary Engineering and Investigation for up to 10 ASR Wells, three new ASR wells or up to 160 acres of Recharge Basins and Appurtenant Facilities	07/01/27	06/30/28
Task 2.1- Field Investigation and Data Review	07/01/27	06/30/28
Task 2.2 - Utility Research	07/01/27	06/30/28
Task 2.3 - Topographic and Boundary Survey	07/01/27	06/30/28
Task 2.4- Geotechnical Investigation	07/01/27	06/30/28
Task 2.5 - Groundwater Calculations and Modeling	07/01/27	06/30/28
Task 2.6 - Recharge Design Alternatives	07/01/27	06/30/28
Task 2.8 – Preliminary Design Plans	07/01/27	06/30/28
Task 3 – Design Development	07/01/28	06/30/29
Task 3.1- Environmental Services, CEQA and Permitting	07/01/28	06/30/29
Task 3.2 Final Design	07/01/28	06/30/29
Task 4 – Contractor Support Services	07/01/29	12/31/31

Milestone / Task / Activity	Planned Start Date	Planned Completion Date
Task 5 – Engineering Services During Construction	07/01/29	12/31/31
Task 6 – Project Management	09/01/26	12/31/31
Task 6.1- Project Management	09/01/26	12/31/31
Task 6.2 - Quality Management	09/01/26	12/31/31
Task 7- Construction Management	09/01/29	12/31/31

Project Timeline

Year 1 – Site identification (October 2026 – June 2027)

- Evaluate and identify preferred recharges sites by reviewing existing hydrogeologic information and collecting tTEM on potential sites.
- Determine conveyance capacity and recharge potential.
- Negotiate land lease with willing landowners, if suitable sites on District-owned land are not identified.
- Perform Environmental Site Assessment.
- Complete any land lease.
- Initiate Preliminary Engineering

Years 1 through 2 – Preliminary Design and Complete CEQA/Permitting for up to 10 repurposed ASR wells, three new ASR wells or up to 160 acres of Recharge Basins

- Complete Preliminary Engineering (Group 1 and 2).
- Complete Environmental Services, CEQA and Permitting from Group 3.

Years 2 through 3 – Complete Design and Initiate Construction for up to 10 repurposed ASR wells, three new ASR wells, or up to 160 acres of Recharge Basins

- Complete Final Design for Group 3.
- Complete Task Group 4, Contractor Services.
- Start construction of up to 10 repurposed ASR wells and three new ASR wells.
- Initiate Task Group 5, Engineering Services During Construction.
- Initiate Task Group 7, Construction Management.

Years 3 through 5 – Complete Construction for up to 10 ASR wells, three new ASR wells or up to 160 acres of Recharge Basins

- Complete construction of multiple bid packages to build up to 160 acres of recharge basins or up to 10 repurposed ASR wells and three new ASR wells.
- Run performance test to demonstrate recharge capacity.
- Complete final construction report and operations plan.
- Complete Task Group 4 through 7.