

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Environmental Resources

BOARD AGENDA #: 9:05 a.m.

AGENDA DATE: February 14, 2017

SUBJECT:

Public Hearing to Consider Adoption of the Memorandum of Understanding Forming the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency

BOARD ACTION AS FOLLOWS:

No. 2017-69

On motion of Supervisor Withrow, Seconded by Supervisor Olsen
and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST: 
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No. GSA-1-1

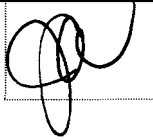
**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Environmental Resources
Urgent Routine

BOARD AGENDA #: 9:05 a.m.

AGENDA DATE: February 14, 2017

CEO CONCURRENCE:



4/5 Vote Required: Yes No

SUBJECT:

Public Hearing to Consider Adoption of the Memorandum of Understanding Forming the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency

STAFF RECOMMENDATIONS:

1. Conduct a Public Hearing to consider adoption of the Memorandum of Understanding forming the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency.
2. Approve and adopt via Resolution the Memorandum of Understanding forming the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency.
3. Authorize the Chairman of the Board of Supervisors to sign and execute the Memorandum of Understanding forming the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency.
4. Direct staff to file any and all such paperwork and maps with the Department of Water Resources as required by State law pertaining to Groundwater Sustainability Agency formation.

DISCUSSION:

In September of 2014, Governor Edmund G. Brown signed into law the Sustainable Groundwater Management Act of 2014 (SGMA), which changed the landscape of groundwater management in California. SGMA is a comprehensive package of legislation that sets the framework for statewide sustainable groundwater management and declares that such authority be given to local public agencies that have either water supply or land use authority, or both. SGMA requires, among other items, the formation of a Groundwater Sustainability Agency (GSA) and the preparation of Groundwater Sustainability Plans (GSPs) with a focus on long-term groundwater sustainability. Formation of a GSA must occur no later than June 30, 2017, and development and adoption of a GSP must be adopted no later than January 31, 2022, for high and medium priority basins, not currently in a condition of critical overdraft as determined by the Department of Water Resources.

Public Hearing to Consider Adoption of the Memorandum of Understanding Forming the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency

The Modesto Groundwater Basin is designated as a high-priority basin, not in a condition of critical overdraft. SGMA authorizes a local agency, or a combination of local agencies, overlying a groundwater basin to form a GSA. Multi-agency GSAs can be formed through either a Joint Powers Agreement, Memorandum of Understanding or other legal contract.

The Stanislaus and Tuolumne Rivers Groundwater Basin Association (STRGBA) member agencies are all local agencies, pursuant to SGMA's definition. The STRGBA member agencies include the cities of Oakdale, Riverbank, Modesto, and Waterford, Stanislaus County, Oakdale Irrigation District, and the Modesto Irrigation District. Since its inception in 1994, STRGBA has provided a forum for local agencies to work cooperatively to provide for coordinated planning in the pursuit of effective and sustainable management of the Basin's water resources. Although the official designated name of the groundwater basin underlying this area is the Modesto Subbasin (DWR Basin No. 5-22.02), the long-standing member agencies of STRGBA wish to retain the full use of the organization's name in the creation of the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency. The STRGBA member agencies also firmly believe that the sustainable management of the Basin pursuant to SGMA may best be achieved through on-going cooperation of the member parties and operating as such, through the structure of a Memorandum of Understanding (MOU), recognizing that this governance structure will likely transition into a more formal structure, such as a Joint Powers Authority, in the future during GSP implementation.

Public Hearings regarding the intended formation of each of the GSAs will be held in early 2017 followed by the formal filing of such intention with the Department of Water Resources. The required 90 day "protest" period will end in mid-May, thereby leaving about six weeks to make any final required edits that may be deemed necessary leading up to the June 30, 2017, deadline.

SGMA requires that formal procedures be followed in order to become a GSA. First, each of the local agencies electing to be a GSA must hold a noticed Public Hearing to receive public comment on the local agency's recommendation to become the GSA for the Basin. At the conclusion of the Public Hearing, it is anticipated that the governing body for each local public agency will authorize the execution of the attached GSA MOU and adopt the attached resolution forming the GSA for the Modesto Groundwater Subbasin.

POLICY ISSUE:

This proposed action is in compliance with State legislation known as the "Sustainable Groundwater Management Act" which mandates that the formation of such described Groundwater Sustainability Agency's be created by June 30, 2017. Failure to create a GSA would result in the groundwater resources of the basin being subject to regulation by the State of California.

Public Hearing to Consider Adoption of the Memorandum of Understanding Forming the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency

FISCAL IMPACT:

There is no fiscal impact associated with the creation of the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency (STRGBA GSA). However, the STRGBA GSA will be working with other members in the development and implementation of a Groundwater Sustainability Plan (GSP) for the entire Modesto Groundwater Subbasin of which funding for such GSP development will need to come from the member agencies as agreed upon and described in the MOU governance document or other such funding agreements. At this time, staff is working to obtain the estimated cost to Stanislaus County so that the funding mechanism can be identified and addressed at a future budget cycle.

BOARD OF SUPERVISORS' PRIORITY:

Approval of these actions is consistent with the Board's priorities of a Safe Community, a Healthy Community, a Strong Local Economy, Effective Partnerships, and a Well Planned Infrastructure System by ensuring a coordinated approach towards regional groundwater resources management.

STAFFING IMPACT:

Existing staff will continue to oversee the work associated with this item.

CONTACT PERSON:

Jami Aggers, Director, Department of Environmental Resources Telephone: 209-525-6770
Walter Ward, Water Resources Manager Telephone: 209-525-6710

ATTACHMENT(S):

1. Memorandum of Understanding (MOU) forming the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency
2. Board Resolution

ATTACHMENT 1



DEPARTMENT OF ENVIRONMENTAL RESOURCES
3800 Cornucopia Way, Suite C,
Modesto, CA 95358-9492
Phone: (209) 525-6700
Fax: (209) 525-6774

MEMORANDUM OF UNDERSTANDING FORMING THE STANISLAUS AND TUOLUMNE RIVERS GROUNDWATER BASIN ASSOCIATION GROUNDWATER SUSTAINABILITY AGENCY

February 14, 2017

1. **PARTIES**. The Parties to this Memorandum of Understanding (MOU) are: the County of Stanislaus, a political subdivision of the State of California; the Oakdale Irrigation District, a California irrigation district; the City of Oakdale, a California public agency; the City of Riverbank, a California public agency; the City of Modesto, a California public agency; the City of Waterford, a California public agency; and the Modesto Irrigation District, a California irrigation district (each referred to individually as a "Party" or collectively as the "Parties").

2. **RECITALS**. This MOU is entered into with regard to the following facts and circumstances, among others:
 - 2.1 Groundwater and surface water resources within the Modesto Sub-basin of the San Joaquin Valley Groundwater Basin (DWR Bulletin 118 No. 5-22.02) ("Sub-basin") are vitally important resources, in that they provide the foundation to maintain and fulfill current and future environmental, agricultural, domestic, municipal and industrial needs, and to maintain the economic viability, prosperity, and sustainable management of the Sub-basin.

 - 2.2 Agriculture has been prominent in making Stanislaus County one of the world's foremost agricultural areas, and has played a major role in the development of the economy of Stanislaus County; in an era of increasing competition for the area's finite water resources, it is important to understand and plan for the local area's economic well-being.

 - 2.3 Although each of the Parties overlies and has rights to extract groundwater from the Sub-basin, each Party's individual surface and groundwater rights, historical groundwater production, and groundwater recharge and conveyance activities vary greatly from one another.

- 2.4 The California Legislature has adopted, and the Governor has signed into law, the Sustainable Groundwater Management Act (“SGMA”), which authorizes local agencies to manage groundwater in a sustainable fashion.
- 2.5 The Parties intend to enter into this MOU in order to ensure that the Sub-basin remains locally and sustainably managed.
- 2.6 SGMA requires groundwater basins designated as either medium or high-priority to be managed by one or more Groundwater Sustainability Agencies (“GSA”) by June 30, 2017 and that GSAs adopt a groundwater sustainability plan (“Plan”) by January 31, 2022.
- 2.7 The Sub-basin is currently designated as a high-priority basin, and thus must comply with the deadlines in the previous recital.
- 2.8 Pursuant to SGMA, a combination of local agencies may form a GSA through a memorandum of understanding or other legal agreement.
- 2.9 Each of the Parties overlies a portion of the Sub-basin and is a local agency as defined by SGMA.
- 2.10 In order to coordinate groundwater management activities and to comply with SGMA, the Parties desire to form a GSA for the portion of the Sub-basin that lies within their collective jurisdictions.
- 2.11 This MOU is intended to be an agreement for formation of a GSA as authorized by section 10723.6(a)(2) of the Water Code.
- 2.12 The Parties further intend and will work cooperatively to develop a separate operating agreement for the Stanislaus and Tuolumne River Groundwater Basin Association (“STRGBA”) GSA (“STRGBA GSA”).
- 2.13 The Parties believe that cooperative and coordinated actions by local agencies and users within the Sub-basin will result in the continued sustainable use of the groundwater within the Sub-basin.

3. **DEFINITIONS.** The following terms, whether in the singular or the plural, and when used herein with initial capitalization, shall have the meanings specified below:

- 3.1 **Annual Budget.** The GSA budget developed annually, pursuant to Section 6.2, to fund certain project(s) to advance the goals and objectives of this MOU.

- 3.2 Committee.** That body, consisting of one representative from each of the Parties, which governs the GSA, as established pursuant to Section 4.3 of this MOU.
- 3.3 Coordinator.** The individual appointed by the Committee pursuant to Section 5.
- 3.4 Funding Percentage.** A Party's Funding Percentage as set forth in Section 7.1 of this MOU.
- 3.5 Governing Bodies.** The governing entities of the Parties to this MOU.
- 3.6 GSA.** A Groundwater Sustainability Agency created pursuant to SGMA.
- 3.7 MOU.** This Memorandum of Understanding creating the STRGBA GSA.
- 3.8 Parties.** Each of those entities named in Section 1 of this MOU, or those Parties added pursuant to Section 4.5 of this MOU.
- 3.9 Plan.** A Groundwater Sustainability Plan developed and adopted pursuant to SGMA.
- 3.10 SGMA.** The Sustainable Groundwater Management Act of 2014.
- 3.11 Stanislaus and Tuolumne River Groundwater Basin Association GSA or STRGBA GSA.** The GSA created pursuant to this MOU to manage the Sub-basin.
- 3.12 Sub-basin.** The Modesto Sub-basin of the San Joaquin Valley Groundwater Basin (DWR Bulletin 118 No. 5-22.02), which is geographically defined as that area in the State of California bounded on the west by the San Joaquin River; on the north by the Stanislaus River, on the east by the base of the Sierra Nevada foothills; and on the south by the Tuolumne River, and includes the area of land overlying that Sub-basin and all tributaries therein as defined by the then-current Department of Water Resources Bulletin 118.
- 3.13 Voting Percentage.** A Party's Voting Percentage as set forth in Section 7.3 of this MOU.

4. THE GSA.

4.1 Creation of GSA. The Parties hereby establish the STRGBA GSA to manage the portion of the Sub-basin within the Parties' collective jurisdictions.

4.2 Purposes and Powers. The purposes and powers of the STRGBA GSA are as follows:

4.2.1 This MOU is entered into by and between the Parties to, consistent with SGMA, exert local control over the management of the Sub-basin and to facilitate a cooperative and ongoing working relationship that will allow compliance with SGMA and state law, as amended from time to time.

4.2.2 The STRGBA GSA shall act on behalf of its members to coordinate the Parties' activities and actions to further the sustainable management of the Sub-basin and facilitate compliance with SGMA. It shall in no way determine or modify the surface water rights or groundwater rights, if any, of any Party.

4.2.3 The STRGBA GSA shall determine and evaluate the Sub-basin's existing groundwater supply;

4.2.4 The STRGBA GSA shall promote coordination of groundwater management planning activities within the Sub-basin;

4.2.5 The STRGBA GSA shall evaluate the Sub-basin's need for additional or improved water extraction, storage, delivery, conservation, and recharge facilities;

4.2.6 The STRGBA GSA shall provide and share information and guidance for the management, preservation, protection and enhancement of groundwater quality and quantity in the Sub-basin; and

4.2.7 The STRGBA GSA shall have the powers and authorities granted to GSAs under SGMA.

4.3 Committee. The STRGBA GSA shall be governed by a Committee whose membership and responsibilities are set forth herein.

- 4.3.1** Each Party shall designate one staff person to serve as a member of the Committee, and one or more alternates. The names of the member and alternates will be submitted to the Coordinator. Each member of the Committee, and each alternate, shall serve at the pleasure of the Party appointing such member. A Party's alternate may serve in the place of that Party's member in the absence of such member and, in such case, the alternate shall have the powers of the member.
- 4.3.2** The Committee shall elect a chair and vice chair from its members at the first meeting of each calendar year. The chair shall be responsible for presiding over meetings of the Committee, and shall notify members and the Coordinator of meetings of the Committee. The Committee shall establish a date, time and place for its regular meetings, and may hold special meetings when required for the proper transaction of business. All meetings of the Committee will be held in accordance with the provisions of the Brown Act, California Government Code Section 54950 et seq. The Committee shall prescribe such procedures for the conduct of its business as it deems appropriate.
- 4.3.3** A quorum will consist of a simple majority of the Parties, subject to the provisions of section 6.5, except that less than a quorum may adjourn meetings of the Committee from time to time. Alternatively, the Coordinator may adjourn a meeting of the Committee to a specified time, date and place if there is less than a quorum of members present for a meeting.
- 4.3.4** The Committee shall have the following duties and responsibilities:
- a. Develop and implement activities designed to achieve the objectives of SGMA.
 - b. Designate a Party that will enter into contracts, and approve all amendments thereto, for and on behalf of the STRGBA GSA, necessary to carry out the powers and duties of the STRGBA GSA.
 - c. Establish an Annual Budget for the STRGBA GSA, and approve proposed revisions to such budget, provided that no action of the STRGBA GSA shall be deemed to bind any

party to contribute such funds absent approval of each Party's Governing Body.

- d. Recommend for approval by each Party's Governing Body's Annual Budget(s) necessary to carry out proposed project(s).
- e. Establish such committees as may be necessary or desirable to carry out the purposes of the STRGBA GSA, and to exercise general supervision over such committees.

4.3.5 Except for actions for which a different approval standard is set forth in this MOU, all actions of the Committee will be approved by a majority of the members present.

4.4 Staff. The staff of the STRGBA GSA shall be composed of staff from each Party. The STRGBA GSA shall also have the authority to hire or retain agents, contractors and consultants as the Committee shall determine necessary and appropriate.

4.5 New Parties. New parties may join the STRGBA GSA, provided that they meet the requirements set forth below:

4.5.1 Any county or local public agency that meets the definition of "local agency" as set forth in SGMA.

4.5.2 Application for membership will be subject to simple majority approval by the Committee.

4.5.3 As a condition of admission to the STRGBA GSA, any new Party to this MOU shall agree to be subject to the terms of this MOU and shall be required to first pay its proportionate share of back contributions or as otherwise determined appropriate by the Committee.

5. COORDINATOR.

5.1 Appointment. The Committee shall appoint a one of the Committee members as the Coordinator, who shall have the duties and responsibilities set forth in this Section 5.

5.2 Duties and Responsibilities. The Coordinator will have the following duties and responsibilities:

- 5.2.1 Develop and submit for review and approval by the Committee a work plan and schedule of activities designed to comply with the requirements of SGMA, or as may be otherwise directed by the Committee.
- 5.2.2 Propose an Annual Budget, and from time to time such revisions as the Coordinator may feel necessary or desirable, to the Committee for its review and approval.
- 5.2.3 Submit to the Committee, as directed by the Committee, a progress report as to the STRGBA GSA's activities and a report which compares actual expenditures with the Annual Budget, as adopted.
- 5.2.4 Execute and administer contracts as directed by the Committee.
- 5.2.5 Maintain proper records and accounts of work performed by the Committee.
- 5.2.6 Receive and disburse funds at or under the direction of the Committee.
- 5.2.7 Act as secretary/treasurer to the STRGBA GSA, and acting in that capacity, prepare, record and distribute minutes of all Committee meetings.
- 5.2.8 Perform such other actions as may be necessary or desirable to promote the work of the Committee and the STRGBA GSA.

6. GSA BUDGET AND COSTS.

- 6.1 **Budget Cycle.** The budget cycle of the STRGBA GSA shall be on a calendar year basis.
- 6.2 **Annual Budget.** The Coordinator shall prepare an Annual Budget for each calendar year that the Committee determines certain projects are necessary. The Coordinator's draft Annual Budget for the following year shall be delivered to the Committee members no later than June 1 of each year. The Committee shall approve or revise the draft Annual Budget and distribute the draft Annual Budget to each Party no later than July 1 of each year. The Committee shall meet to review input from the Parties' Governing Bodies no later than August 1 of each year, and shall approve a final budget no later than September 1 of each year for the following year. The respective Governing Bodies of the Parties shall review the Annual

Budget no later than October 1 of each year and notify the Coordinator that it has allocated or appropriated its respective contribution to the Annual Budget no later than October 15 of each year. The Committee shall adopt and approve the Annual Budget and have it in place and effect by January 1 of each year, or as approved by the Parties.

- 6.3 Allocation of Funds.** Within the Annual Budget adopted pursuant to Section 6.2, the Committee shall have the authority to make minor adjustments in the allocation of funds between budget categories; provided, however, that the cumulative change in the budget category does not exceed ten percent (10%) of the amount authorized in the Annual Budget and the total amount of the Annual Budget is not increased. Other budget adjustments require approval of the Governing Bodies.
- 6.4 Budget Increases.** Increases in the total amount of a budget must be approved by the Governing Bodies of a simple majority of the Parties.
- 6.5 Failure to Pay.** If any Party fails to pay its respective share of any Annual Budget or budget increase when due, whether or not that Party's Governing Body approved the Annual Budget or the budget increase, then that Party shall be ineligible to vote on any subject or issue unless such failure is excused by the Committee through formal action and majority approval of the Committee. During any period of time during which a Party is ineligible to vote on a matter by reason of the application of this Section 6.5, such Party shall not be counted as a Party in determining a quorum, or in determining a "majority" with regard to the approval of any action. In order to restore its eligibility to vote, a Party must be current on all amounts due, including any expenditures approved by the Committee while such Party was ineligible to vote.
- 6.6 Expenditures.** STRGBA GSA funds may be properly expended for all costs approved by the Committee and properly incurred in the performance of the work approved by the Committee, or under such authority as may be delegated to the Coordinator by the Committee.
- 6.7 Non Reimbursable Costs.** Costs incurred by any Party in connection with any functions of the STRGBA GSA, or any committee established by the Committee, and expenses of a Party's personnel including, without limitation, the regular and alternate members appointed by a Party to any committee while performing such functions, shall not be reimbursed by the STRGBA GSA except through formal action and majority approval of the Committee provided that a Party shall be reimbursed for the services

performed by such Party's employees while serving as staff to the STRGBA GSA as approved through the Annual Budget process.

7. FUNDING AND VOTING PERCENTAGES.

7.1 Funding Percentage. Each Party shall be responsible for its proportionate share of the funding requirements of the STRGBA GSA. The proportionate shares of each Party shall be determined by dividing the funding requirements of the STRGBA GSA by the number of Parties. During Committee approval of certain projects that beneficially affect the Parties disproportionately, equitable project funding shall be determined through formal action and majority approval of the Committee.

The Parties shall provide funding consistent with the Annual Budget adopted by the Committee on the schedule set forth in such budgets, or pursuant to the Coordinator's discretion. Funding needs of the STRGBA GSA payable by the Parties shall be determined by the Committee, and such funds shall be transmitted by the Party to the Coordinator within sixty (60) days of project approval. Upon receipt, the Coordinator will immediately deposit funds in an interest-bearing bank account, separate from other accounts of the Parties. The funds in such account shall remain the property of each contributing Party until spent, and interest earned thereon shall belong to each contributing Party.

7.2 Payment Reduction. Each Party agrees that the Parties' respective obligations to make payments hereunder shall not be subject to any reduction, whether by offset, counter claim, recoupment or otherwise. A Party's funding contributions to the STRGBA GSA, or a portion thereof, may be reimbursed upon termination of that Party's participation in the STRGBA GSA and approval by a simple majority vote of the Committee.

7.3 Voting Percentage. Each Party's representative on the Committee shall be entitled to one vote; provided however, that if a matter being decided by the Committee will have a disproportionate effect on the financial obligations of one or more Parties, as contemplated in Section 7.1, each Party shall be entitled to a weighted vote proportionate to the financial obligation or benefit of the Parties. The Voting Percentages set forth in this Section shall remain in effect only until voting percentages are established in the operating agreement for the STRGBA GSA.

7.4 Modification by Party. Funding Percentages and/or Voting Percentages may be changed only upon simple majority approval of the Committee.

8. RELATIONSHIP OF PARTICIPANTS.

8.1 Each Party's Action Independent. The obligation of each Party to make payments under Section 7.1 of this MOU is an individual and several obligation and not a joint obligation of the Parties. Each Party shall be individually responsible for its own covenants, obligations and liabilities under this MOU. No Party shall be under the control of or shall be deemed to control any other Party or the Parties collectively. No Party shall be the agent of or have the right or power to bind any other Party without such Party's express written consent, except as expressly provided in this MOU.

8.2 Indemnity. No Party, nor any officer or employee of a Party, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by another Party under or in connection with this MOU. The Parties further agree, pursuant to Government Code Section 895.4, that each Party shall fully indemnify and hold harmless each other Party and its agents, officers, employees and contractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any work delegated to or action taken or omitted to be taken by such Party under this MOU.

In no event, except for any claim, demand, liability, loss or damage arising out of or resulting from any action taken or not taken by one Party at the direction of its directors, officers, or employees of management or administrative responsibility, which is knowingly or intentionally taken or not taken with conscious indifference to the consequences thereof or with the intent that injury or damage would result or would probably result therefrom, shall a Party be liable to any other Party for any indirect or consequential damage claim, demand, liability, loss, expense (including attorney's fees), or damage arising out of or in any way connected with this MOU, including any negligence in connection therewith.

8.3 No Creation of a Joint Powers Authority. The Parties agree that by this MOU they do not intend to provide for the creation of an agency or entity which is separate from the Parties pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, relating to the joint exercise of powers.

9. TERM OF THIS MOU. The term of this MOU shall commence once all named parties have executed this MOU and shall remain in effect unless terminated by the

mutual written consent of all Parties. Upon termination of this MOU, the Committee shall determine the assets and liabilities of the STRGBA GSA, make every effort to satisfy all obligations within sixty (60) days of the termination of this MOU, and equitably distribute any remaining fund balance to each Party in proportion to each Party's Funding Percentage.

10. GENERAL PROVISION GOVERNING MOU.

- 10.1 Severability.** In the event that any of the terms, covenants or conditions of this MOU or the application of any such term, covenant or condition shall be held invalid as to any Party, person or circumstance by any court of competent jurisdiction, all other terms, covenants or conditions of this MOU and their application shall not be affected thereby, but shall remain in full force and effect unless any such court holds that those provisions are not separable from all other provisions of this MOU.
- 10.2 No Third Party Beneficiaries.** This MOU is for the sole benefit of the Parties and shall not be construed as granting rights to any person other than the Parties or imposing obligations on any person other than another Party.
- 10.3 Good Faith.** Subject to the right of a Party to withdraw or terminate its membership in the STRGBA GSA, each Party shall use its best efforts and work wholeheartedly and in good faith for the expeditious completion of the objectives of this MOU and the satisfactory performance of the terms and provisions contained herein.
- 10.4 Withdrawal or Termination of Membership.** Except in the event of the termination of this MOU pursuant to Section 9, a Party who withdraws or terminates its membership in the STRGBA GSA shall not be entitled to a refund of its funding contributions. Any Party may terminate membership and withdraw from the STRGBA GSA upon thirty (30) days written notice of termination to the STRGBA GSA. If a Party withdraws from the STRGBA GSA when the Party is in arrears as to complying with its Funding Percentage, that Party's entitlement to use any groundwater model or other work product of the STRGBA GSA as provided for herein shall be determined by the Committee. Whenever a Party withdraws from the STRGBA GSA, it is the intent of the Parties and of the STRGBA GSA that the withdrawal shall remove the area within the Party's water service area from further management by the STRGBA GSA, provided that the withdrawal shall be in accordance with the requirements of SGMA and shall leave no area within the Basin unmanaged.

- 10.5 Amendment.** Unless provided otherwise, this MOU may be amended upon the affirmative vote of the Governing Bodies of a simple majority of the Parties.
- 10.6 Counterpart Execution.** This MOU may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 10.7 Governance.** This MOU is made under and shall be governed by the laws of the State of California. Venue of any action arising from this MOU shall be in the County of Stanislaus.
- 10.8 Reasonable Delivery of Documents.** The Parties agree to act in good faith to promptly execute any documents that are necessary, or may become necessary, to implement activities approved by the Governing Bodies in the Annual Budget, subject to the authority and the right of the Governing Bodies to terminate participation in this MOU.
- 10.9 Attorney Fees.** If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this MOU, the prevailing Party shall be entitled to reasonable attorney's fees and costs that may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed, each signatory hereto represents that he has been appropriately authorized to enter into this MOU on behalf of the Party for whom he/she signs.

MEMORANDUM OF UNDERSTANDING
Forming the Stanislaus and Tuolumne Rivers Groundwater Basin Association
Groundwater Sustainability Agency

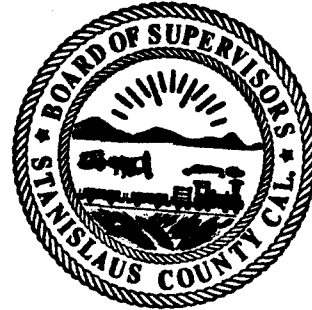
IN WITNESS WHEREOF, the Parties hereto execute this Agreement on the last date written beside each Party representative's signature.

COUNTY OF STANISLAUS

By: *Vito Chiesa*

Vito Chiesa

Chairman of the Board of Supervisors



ATTEST:

By: *Elizabeth A King*

Elizabeth A King

Clerk of the Board of Supervisors

APPROVED AS TO FORM:

By: *Thomas E. Boze*

Thomas E. Boze

Assistant County Counsel

ATTACHMENT 2

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
STATE OF CALIFORNIA

2017-69

Date: February 14, 2017

On motion of Supervisor Withrow Seconded by Supervisor Olsen
and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

Item # 9:05 a.m.

THE FOLLOWING RESOLUTION WAS ADOPTED:

A RESOLUTION OF THE BOARD OF SUPERVISORS OF STANISLAUS COUNTY AUTHORIZING AND DIRECTING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING FORMING THE GROUNDWATER SUSTAINABILITY AGENCY FOR THE MODESTO GROUNDWATER SUBBASIN

WHEREAS, the California Legislature has adopted, and the Governor has signed into law, the Sustainable Groundwater Management Act of 2014 ("SGMA"), which authorizes local agencies to manage groundwater in a sustainable fashion; and

WHEREAS, the legislative intent of SGMA is to provide for sustainable management of groundwater basins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater; and

WHEREAS, SGMA requires that a GSA be formed for all basins designated by the Department of Water Resources as a high-priority basin, such as the Modesto Sub-basin (designated basin number 5-22.02 in the California Department of Water Resources' CASGEM groundwater basin system) ("Basin"), by June 30, 2017; and

WHEREAS, SGMA permits a combination of local agencies to form a groundwater sustainability agency ("GSA") through a Memorandum of Understanding ("MOU"); and

WHEREAS, the County of Stanislaus, the Oakdale Irrigation District, the City of Oakdale, the City of Riverbank, the City of Modesto, the City of Waterford, and the Modesto Irrigation District ("MOU Agencies") are all local agencies, as SGMA defines that term; and

WHEREAS, the MOU Agencies are committed to sustainable management of the Basin's groundwater resources as shown by, among other actions, the MOU Agencies' creation of the Stanislaus and Tuolumne Rivers Groundwater Basin Association ("STRGBA") in 1994, which was created to ensure coordinated and effective management of the Basin; and

WHEREAS, the MOU Agencies each exercise jurisdiction upon lands overlying the Basin and are all committed to the sustainable management of the Basin's groundwater resources; and

WHEREAS, the MOU Agencies have determined that the sustainable management of the Basin pursuant to SGMA may best be achieved through the cooperation of the MOU Agencies operating through an MOU; and

WHEREAS, notice of a hearing on the MOU Agencies' decision to form a GSA for the Basin ("Notice") has been published in the Modesto Bee as provided by law; and

WHEREAS, a courtesy copy of the Notice was also mailed to the Tuolumne County Board of Supervisors; and

WHEREAS, on this day, the Board of Supervisors of Stanislaus County ("Board of Supervisors") held a public hearing to consider whether it should enter into the Memorandum of Understanding Forming the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency ("GSA MOU") to form the Stanislaus and Tuolumne Rivers Groundwater Basin Association GSA ("STRGBA GSA") for the Basin; and

WHEREAS, it would be in the best interests of the MOU Agencies to form the GSA for the Basin, and to begin the process of preparing a groundwater sustainability plan ("Sustainability Plan"); and

WHEREAS, adoption of this resolution does not constitute a "project" under California Environmental Quality Act Guidelines Section 15378(b)(5), including organization and administrative activities of government, because there would be no direct or indirect physical change in the environment.

THEREFORE, BE IT RESOLVED by the Board of Supervisors of Stanislaus County, as follows:

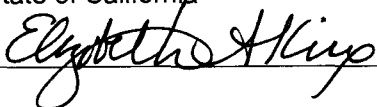
1. All the recitals in this resolution are true and correct and the Board of Supervisors so finds, determines and represents.
2. The Clerk of the Board of Supervisors is hereby authorized and directed to attest the signature of the authorized signatory, and to affix and attest the seal of the Board of Supervisors, as may be required or appropriate in connection with the execution and delivery of the GSA MOU.
3. The Board of Supervisors hereby elects to enter into the GSA MOU with the MOU Agencies to form the GSA for the Modesto Groundwater Subbasin.

4. Within thirty (30) days of the date of this resolution, the Board of Supervisors Chairman is directed to provide notice of the Stanislaus County Board of Supervisors intention to enter into the GSA MOU with the MOU Agencies to form the GSA for the Modesto Groundwater Subbasin ("Notice of GSA Election") to the California Department of Water Resources in the manner required by law.

5. One of the elements of the Notice of GSA Election is the boundaries of the area of the Basin or the portion of the Basin that the MOU Agencies intend to manage. Until further action of the MOU Agencies, the boundaries of the GSA shall be the boundaries of the portion of the Basin within the MOU Agencies' combined jurisdiction.

6. This resolution shall take effect immediately upon passage and adoption.

ATTEST: ELIZABETH A. KING, Clerk
Stanislaus County Board of Supervisors,
State of California



File No. **GSA-1-1**

PowerPoints

for

Agenda Items

9:05 a.m.,

9:10 a.m., and

9:15 a.m.

February 14, 2017

Stanislaus County Board of Supervisors Meeting

February 14, 2017

9:05 Public Hearing

Public Hearing to Consider Adoption of the
Memorandum of Understanding Forming
the Stanislaus and Tuolumne Rivers
Groundwater Basin Association
Groundwater Sustainability Agency

Sustainable Groundwater Management Act (SGMA)

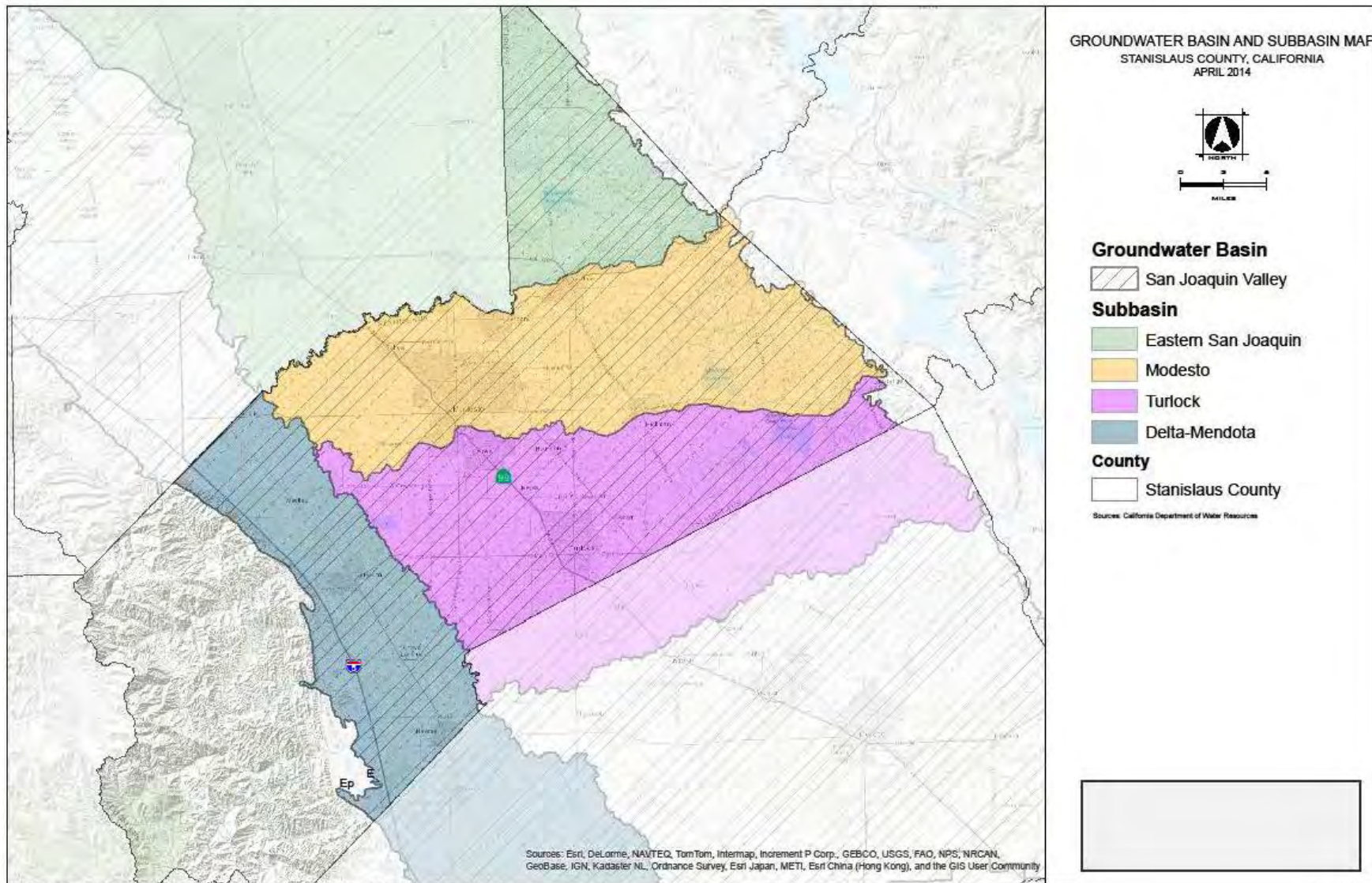
- Sustainable Groundwater Management Act (SGMA) passed in 2014
- Provides a framework for sustainable management of groundwater supplies by local agencies

SGMA Implementation

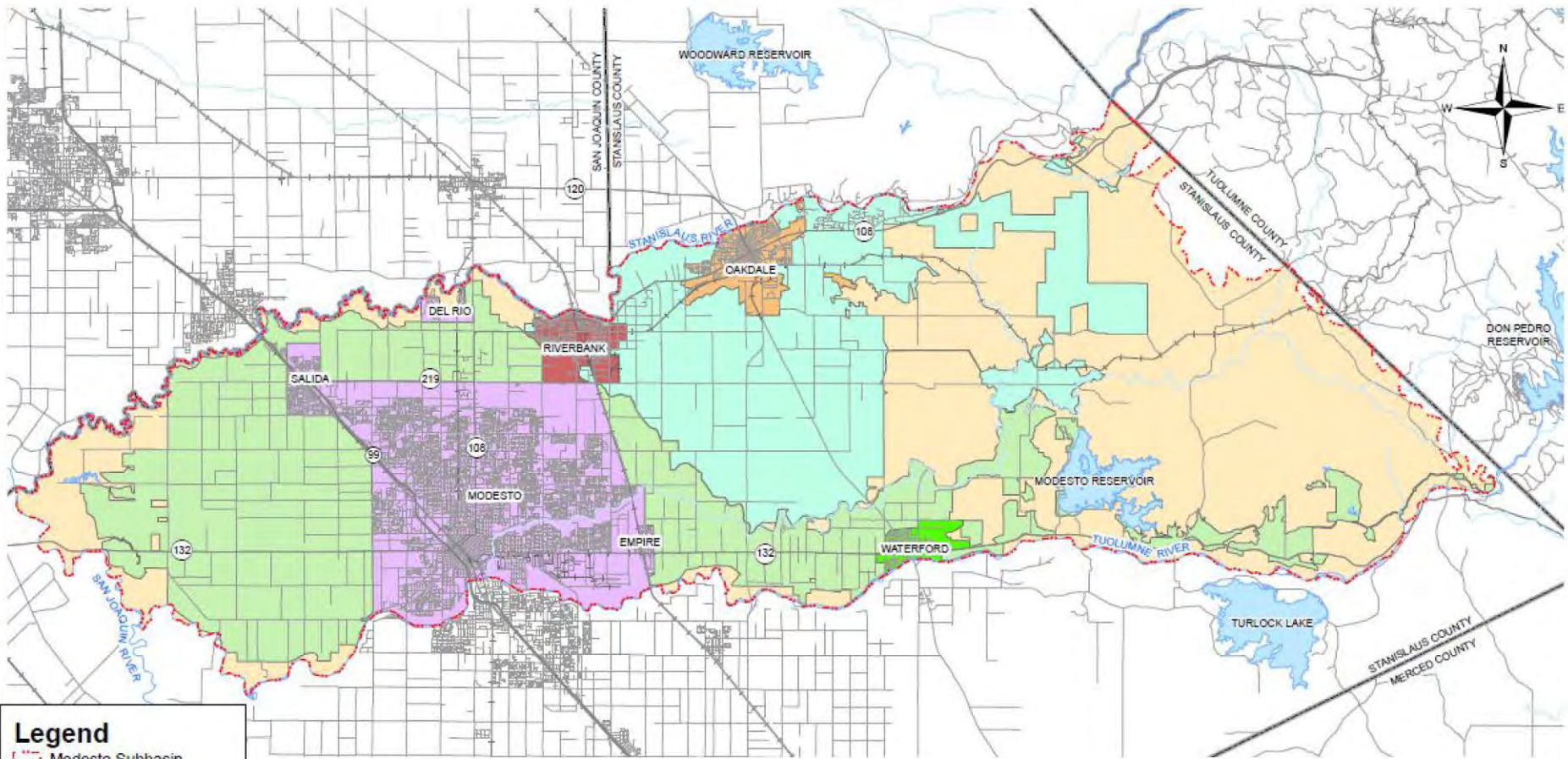
- Formation of Groundwater Sustainability Agencies (GSA) by June 30, 2017
 - Published Notice (1/30/17 and 2/6/17)
 - Hold Public Hearing
- GSA coverage must be Basin-wide
 - One or more (coordination)
 - No Gaps or Overlaps

GSA Responsibilities

- GSAs must prepare and implement Groundwater Sustainability Plans (GSPs)
 - 50 Year Planning Horizon with 20 Year Implementation Period



Modesto Subbasin Agencies



Legend

- Modesto Subbasin
- County Lines
- Stanislaus County
- City of Modesto
- City of Oakdale
- City of Waterford
- City of Riverbank
- Oakdale Irrigation District
- Modesto Irrigation District

0 3 6 12 Miles

Stanislaus & Tuolumne Rivers Groundwater Basin Association GSA

City of Modesto

City of Oakdale

City of Riverbank

City of Waterford

Oakdale ID

Modesto ID

Stanislaus County

Principles of GSA MOU

- Meets the requirements of SGMA and DWR approval
- Develop the Basin GSP in coordination with other GSAs
- Execute future “Operations Agreement” for GSP implementation & Enforcement

Staff Recommendations

- After the Public Hearing:
 - Approve and adopt via Resolution the Memorandum of Understanding forming the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency.

Staff Recommendations

- Authorize the Chairman of the Board of Supervisors to sign and execute the Memorandum of Understanding forming the Stanislaus and Tuolumne Rivers Groundwater Basin Association Groundwater Sustainability Agency.

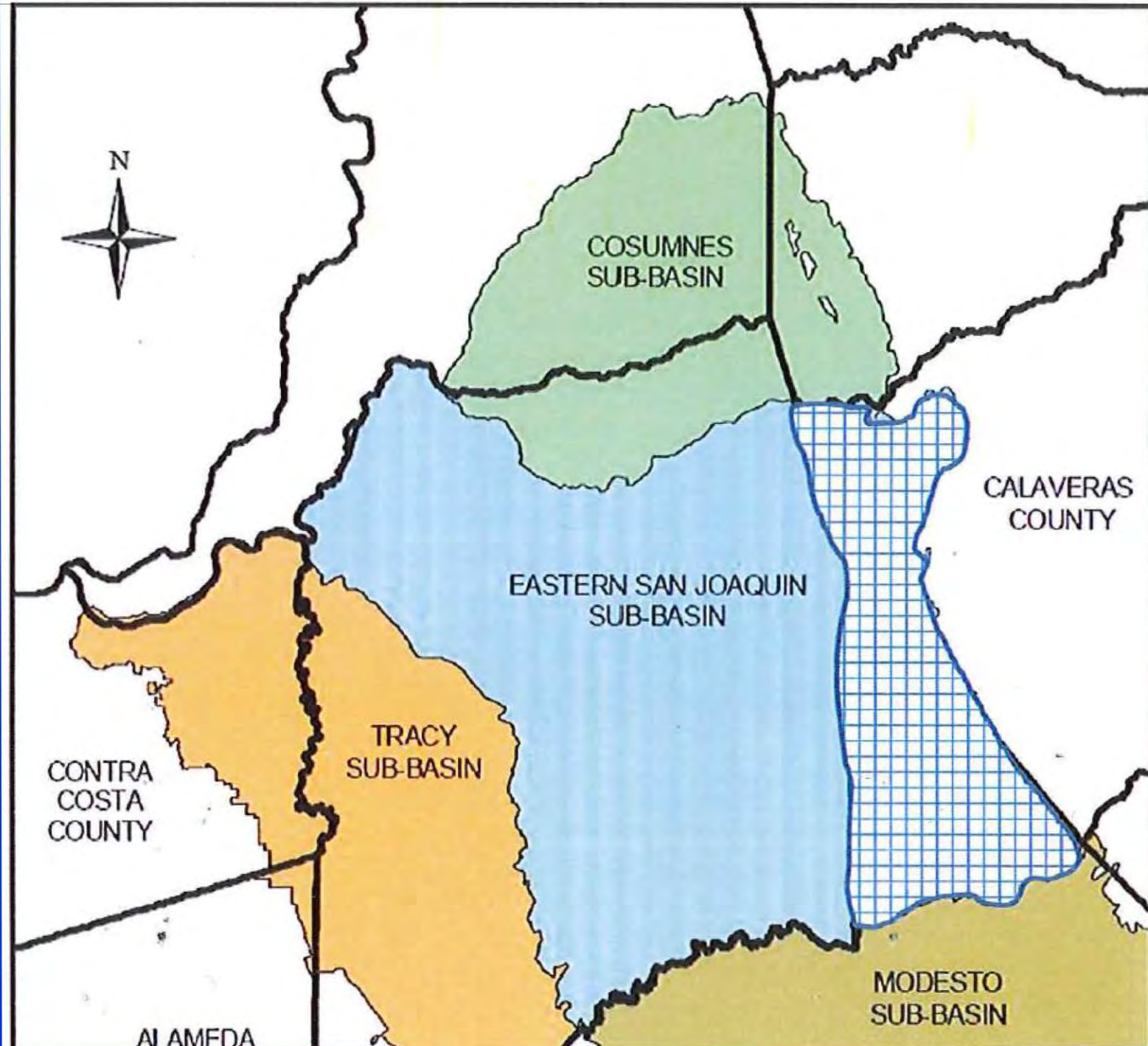
Staff Recommendations

Direct staff to file any and all such paperwork and maps with the Department of Water Resources as required by State law pertaining to Groundwater Sustainability Agency formation.

- **QUESTIONS & DISCUSSION**

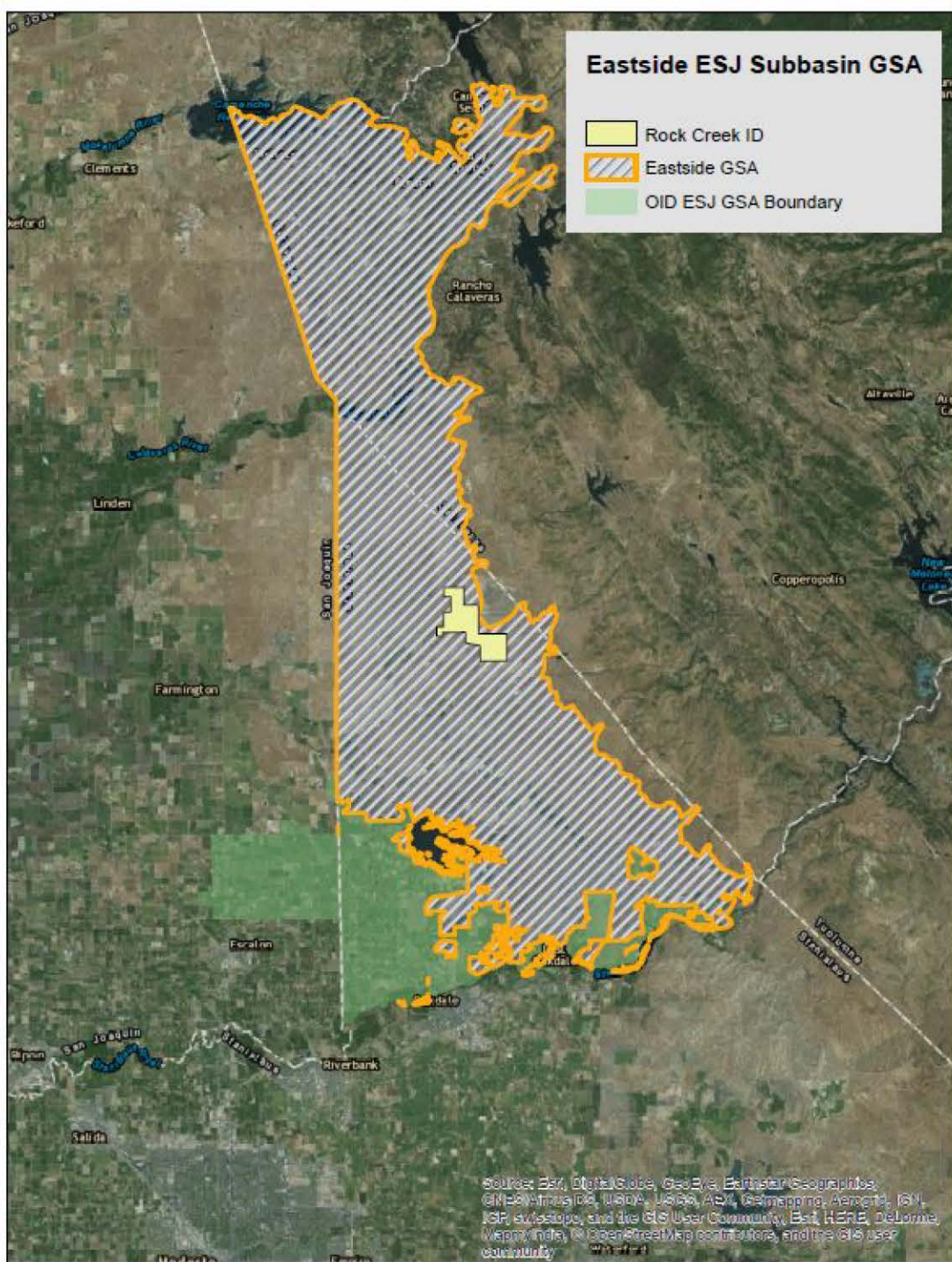
9:10 Public Hearing

Conduct a Public Hearing to consider adoption of the Memorandum of Understanding forming the Eastside San Joaquin Groundwater Sustainability Agency.



Eastside ESJ Subbasin GSA

- Rock Creek ID
- Eastside GSA
- OID ESJ GSA Boundary



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroX, IGN, IGR, swisstopo, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community

Eastside San Joaquin GSA

Calaveras County WD

Stanislaus County

Rock Creek WD

Principles of GSA MOU

- Meets the requirements of SGMA and DWR approval
- Develop the Basin GSP in coordination with other GSAs
 - Joint Powers Authority
 - ❖ future action item
- GSP Funding

Staff Recommendations

- After the Public Hearing:
 - Approve and adopt via Resolution the Memorandum of Understanding forming the Eastside San Joaquin Groundwater Sustainability Agency.

Staff Recommendations

- Authorize the Chairman of the Board of Supervisors to sign and execute the Memorandum of Understanding forming the Eastside San Joaquin Groundwater Sustainability Agency.

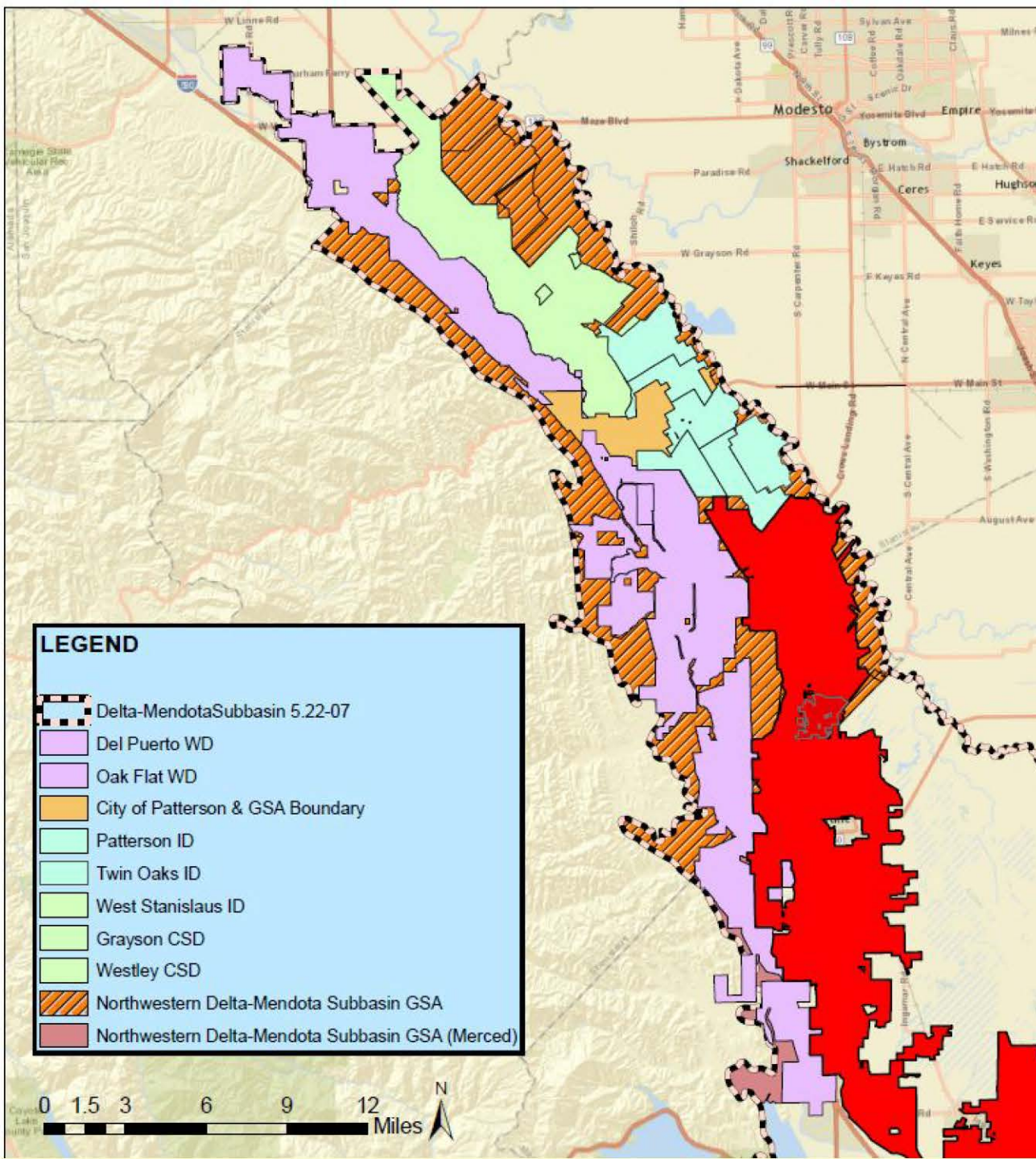
Staff Recommendations

Direct staff to file any and all such paperwork and maps with the Department of Water Resources as required by State law pertaining to Groundwater Sustainability Agency formation.










- **QUESTIONS & DISCUSSION**

9:15 Public Hearing

Conduct a Public Hearing to consider adoption of the Memorandum of Understanding forming the Northwestern Delta-Mendota Groundwater Sustainability Agency.



LEGEND

-  Delta-Mendota Subbasin 5.22-07
-  Del Puerto WD
-  Oak Flat WD
-  City of Patterson & GSA Boundary
-  Patterson ID
-  Twin Oaks ID
-  West Stanislaus ID
-  Grayson CSD
-  Westley CSD
-  Northwestern Delta-Mendota Subbasin GSA
-  Northwestern Delta-Mendota Subbasin GSA (Merced)



Northwestern Delta-Mendota Subbasin GSA

Stanislaus County

Merced County

Stanislaus County “Default” Coverage

“White” areas

El Soyo WD

Blewett MWC

Whitelakes MWC

Crows Landing CSD

Eastin WD

China Island WR

Stevinson WD

Principles of GSA MOU

Meets the requirements of SGMA

Develop a basin-wide GSP w/ other GSAs

SGMA Services Agreement

- ❖ San Luis & Delta Mendota Water Authority
- ❖ Future action item

GSP Funding

Staff Recommendations

- After the Public Hearing:
 - Approve and adopt via Resolution the Memorandum of Understanding forming the Northwestern Delta-Mendota Groundwater Sustainability Agency.

Staff Recommendations

- Authorize the Chairman of the Board of Supervisors to sign and execute the Memorandum of Understanding forming the Northwestern Delta-Mendota Groundwater Sustainability Agency.

Staff Recommendations

- Direct staff to file any and all such paperwork and maps with the Department of Water Resources as required by State law pertaining to Groundwater Sustainability Agency formation.

- **QUESTIONS & DISCUSSION**