

SOLANO SUBBASIN

GROUNDWATER SUSTAINABILITY AGENCY

BOARD OF DIRECTORS:

Chair:

Supervisor Skip Thomson
Solano County District 5

Vice Chair:

Vice-Mayor Ronald Kott
City of Rio Vista

Mayor Thom Bogue
City of Dixon

Director Jack Caldwell
California Water Services

Director Spencer Bei
Dixon Resource
Conservation District

Director Ryan Mahoney
Maine Prairie Water District

Director Dale Crossley
Reclamation District No. 2068

Supervisor John Vasquez
Solano County District 4

Director John Roteveel
Solano County Farm Bureau

Director Russ Lester
Solano County Agricultural
Advisory Committee

Director Joe Martinez
Solano Resource
Conservation District

SECRETARY/TREASURER:

Roland Sanford
Solano County Water Agency

BOARD OF DIRECTORS MEETING

DATE: Thursday, February 8, 2017

TIME: 5:30 P.M.

PLACE: Berryessa Room
Solano County Water Agency Office
810 Vaca Valley Parkway, Suite 203
Vacaville

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **APPROVAL OF AGENDA**

4. **PUBLIC COMMENT**

Limited to 5 minutes for any one item not scheduled on the Agenda.

5. **ELECTION OF OFFICERS**

6. **CONSENT ITEMS**

(A) Minutes: Approval of the Minutes of the Board of Directors meeting of November 9, 2017 is recommended.

7. **BOARD MEMBER REPORTS** (*estimated time: 5 minutes*)

RECOMMENDATION: For information only.

8. **SECRETARY/TREASURER REPORT** (*estimated time: 5 minutes*)

RECOMMENDATION: For information only.

9. GROUNDWATER SUSTAINABILITY PLAN DEVELOPMENT

(estimated time: 20 minutes)

RECOMMENDATION:

1. Authorize the Chairman to sign amended Memorandum of Understanding for Cooperative Implementation of SGMA for the Solano Subbasin, designating Mr. Chris Lee as the Plan Manager for the Solano Subbasin Groundwater Sustainability Plan.
2. Authorize staff to develop and advertise a Request for Proposals to develop a Groundwater Sustainability Plan for the Solano Subbasin.
3. Authorize staff to submit application for Facilitation Support Services to Department of Water Resources.

10. PROPOSED BASIN BOUNDARY MODIFICATIONS TO SOLANO SUBBASIN

RECOMMENDATION:

1. Receive staff report on proposed basin boundary modifications to the Solano Subbasin.
2. Authorize Chairman to sign letter of Support for Sacramento County Groundwater Sustainability Agency's proposed basin boundary modification.

11. TIME AND PLACE OF NEXT MEETING

Thursday, April 12, 2018 at 5:30 p.m. at the SCWA offices.

The Full Board of Directors packet with background materials for each agenda item can be viewed on the Agency's website at

www.scwa2.com/resources-management/ground-water/solano-gsa-bod

Any materials related to items on this agenda distributed to the Board of Directors of Solano Subbasin Groundwater Sustainability Agency less than 72 hours before the public meeting are available for public inspection at the Agency's offices located at the following address: 810 Vaca Valley Parkway, Suite 203, Vacaville, CA 95688. Upon request, these materials may be made available in an alternative format to persons with disabilities.

SOLANO SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY

MEMORANDUM

Agenda Item No. 5

TO: Board of Directors

FROM: Roland Sanford, Secretary

DATE: February 8, 2018

SUBJECT: Elections of Officers for 2018

At the February Board of Directors meeting the Board will elect a Chair and Vice Chair for the 2018 calendar year. The Chair and Vice Chair for 2017 were Supervisor Skip Thomson and Mayor Norman Richardson, respectively.

Common practice is for the Chair and Vice Chair positions to rotate among the various Board member categories, in this instance; one member from among the “Unincorporated Area Representatives”, one member from the “Municipal Representatives”, and one member from the “Agricultural District Representatives”. Using this approach, Mayor Ronald Kott would become the Chair in 2018 and the Vice Chair would be selected from among the Agricultural District Representatives.

Unincorporated Area Representatives

Solano County District 4
Solano County District 5
Agricultural Advisory Committee
Solano County Farm Bureau

Municipal Representatives

City of Dixon
City of Rio Vista
California Water Service

Agricultural District Representatives

Dixon Resource Conservation District

Maine Prairie Water District

Reclamation District Number 2068

Solano Resource Conservation District

CONSENT ITEMS

**SOLANO SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY
BOARD OF DIRECTORS MEETING MINUTES**

MEETING DATE: November 9, 2017

The Solano Subbasin Groundwater Sustainability Agency Board of Directors met this evening at the Solano County Water Agency Offices. Present were:

Mayor Thom Bogue, City of Dixon
Mayor Ronald Kott, City of Rio Vista
Supervisor John Vasquez, Solano County District 4
Supervisor Skip Thomson, Solano County District 5
Director Mike Jones, California Water Services
Director Spencer Bei, Dixon Resource Conservation District
Director Dale Crossley, Reclamation District 2068
Director John Rotteveel, Solano County Farm Bureau
Director Russ Lester, Solano County Agricultural Advisory Committee
Director Kurt Balasek, Solano Resource Conservation District

CALL TO ORDER

The meeting was called to order at 5:30 P.M. by Chairman Thomson.

APPROVAL OF AGENDA

On a motion by Mayor Bogue and a second by Director Balasek the Board unanimously approved the Agenda.

CONSENT ITEMS

On a motion by Mayor Richardson and a second by Supervisor Vasquez the Board unanimously approved the minutes from the August 10, 2017 Board meeting.

BOARD MEMBER REPORTS

Director Jones reported that Cal Water has assigned staff to attend the Technical Advisory Committee.

PUBLIC COMMENT

There were no public comments.

SECRETARY/TREASURER REPORT

The Secretary/Treasurer noted that pursuant to the recent fires, the Solano Subbasin GSA was given additional time by the Department of Water Resources (new deadline of December 1, 2017) to submit a Proposition 1 Groundwater Sustainably Plan (GSP) grant application.

INITIAL BUDGET

Staff noted that the proposed initial budget (first year of operations) for the Solano Subbasin GSA is based on the revenues received to date and anticipated expenses, and explained that budget revisions would be recommended in the event a pending grant application to the Department of Water Resources is successful. On a motion by Mayor Bogue and a second by Director Jones, the Board unanimously approved the Agency's initial budget.

**MEMORANDUM OF UNDERSTANDING FOR
COOPERATIVE IMPLEMENTATION OF THE
SUSTAINABLE GROUNDWATER MANAGEMENT ACT IN THE SOLANO SUBBASIN**

Staff explained that the GSA's within the Solano Subbasin have discussed, and two GSA's – the Solano Irrigation District GSA and the Vacaville GSA – have already signed a "Memorandum of Understanding for Cooperative Implementation of the Sustainable Groundwater Management Act in the Solano Subbasin". In order to submit a competitive Proposition 1 grant proposal for development of a Groundwater Sustainability Plan (GSP), all of the parties to the Proposition 1 grant proposal should sign the MOU, simply because an MOU signed by all GSA's, or at least the largest GSA's in the Solano Subbasin, would clearly demonstrate to the Department of Water Resources that the local interests were working cooperatively toward a single GSP for the Solano Subbasin.

Solano Subbasin GSA members reviewed the MOU signed by the Solano Irrigation District GSA and the Vacaville GSA and requested that additional language clarifying the mechanism by which policy level decisions are made be included in the MOU. Both the Solano Irrigation District GSA and Vacaville GSA agreed to the revisions proposed by the Solano Subbasin GSA members and signed the revised MOU. However, The Sacramento County GSA, which encompasses that portion of the Solano Subbasin located within Sacramento County, have not yet signed the revised MOU and are unlikely to do so before the Proposition 1 grant proposal must be submitted.

In the interest of time and given the fact that a fully executed MOU – signed by as many of the GSA's within the Solano Subbasin as possible – is a critical ingredient of a successful grant application, staff recommends the Agency sign both the original and revised MOU, with the understanding that the original MOU would be submitted with the grant application, but subsequently terminated once at least the Sacramento County GSA had signed the revised MOU.

On a motion by Supervisor Vasquez and a second by Mayor Bogue the Board unanimously approved signing both versions of the Memorandum of Understanding for Cooperative Implementation of the Sustainable Groundwater Management Act in the Solano Subbasin.

**ASSOCIATION OF CALIFORNIA WATER AGENCIES MEMBERSHIP AND
ASSOCIATION OF CALIFORNIA WATER AGENCIES-JOINT POWERS INSURANCE
AUTHORITY LIABILITY INSURANCE**

Staff reported that the Agency can obtain relatively inexpensive liability insurance through the Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (JPIA), but that to do so, the Agency must first become a member of ACWA. On a motion by Director Lester and a second by Director Crossley, the Board unanimously approved submission of an application to become a member of ACWA and submission of an application for liability insurance through ACWA JPIA.

**PROPOSITION 1 SEVERLY DISADVANTAGED COMMUNITIES GRANT
LETTER OF SUPPORT**

Staff reported that within the Proposition 1 Groundwater Sustainability Plan Grant Program there are funds exclusively for Severely Disadvantaged Communities (SDACS) to develop Groundwater Sustainability Plans (“Category 1 funds”), and noted that because there are SDACS within the Solano Subbasin, the Solano Subbasin can apply for both the so called Category 1 funds and the Category 2 funds that the Solano Subbasin GSA is already seeking.

The Freshwater Trust (FWT), a non-profit based out of Portland, Oregon, has been assisting several Reclamation Districts in the Solano Subbasin with SGMA compliance and is willing to prepare a Category 1 application on behalf of SDACS within the subbasin. Because the opportunity to submit a Category 1 funding application would provide a second opportunity to obtain grant funds without impinging on the ability to obtain Category 2 funding, staff recommend the Board authorize the Chairman to sign a letter of support for the FWT SDAC grant application. On a motion by Director Rotteveel and a second by Director Bei, the Board unanimously approved authorizing the Chairman to sign a letter of support for the FWT SDAC grant application.

TIME AND PLACE OF NEXT MEETING

The time and place of the next meeting was tentatively set for Thursday, January 11, 2018 at 5:30 p.m., at the SCWA offices.

ADJOURNMENT

This meeting of the Solano Subbasin Groundwater Sustainability Agency Board of Directors was adjourned at 6:10 p.m.

Roland Sanford
Secretary to the Solano Subbasin
Groundwater Sustainability Agency

SOLANO SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY

MEMORANDUM

TO: Board of Directors

FROM: Roland Sanford, Secretary/Treasurer

DATE: February 2, 2017

SUBJECT: February 2017 Secretary/Treasurer Report

Proposition 1 Funding Request to Develop a Groundwater Sustainability Plan

On November 29, 2017 the Agency, in cooperation with other Groundwater Sustainability Agencies (GSAs) in the Solano Subbasin, submitted a Proposition 1 grant proposal to the Department of Water Resources (DWR), seeking one million dollars in funding to develop a single Groundwater Sustainability Plan (GSP) for the Solano Subbasin. It is staff's understanding that a total of 78 grant applications were submitted to DWR, collectively requesting \$86.4 million in funds, and that a total of 86.3 million dollars is available in this particular grant cycle. DWR is expected to announce initial funding awards in early February.

Financing Authority for SGMA Implementation

Section 10730 and Section 10730.2¹ of the Sustainable Groundwater Management Act (SGMA) grants GSAs the authority to impose fees to fund the cost of preparing and implementing a GSP. The authority and more specifically the process by which fees may be imposed was recently clarified – somewhat – in a December 4, 2017 California Supreme Court Decision: City of San Buenaventura v. United Water Conservation District, in which the court confirmed that groundwater extraction fees are not subject to Proposition 218. See attached summary for additional information.

¹ Fees imposed under SGMA cannot be imposed upon a “*de minimus extractor*” (meaning a person who extracts for domestic purposes, two acre-feet or less per year) unless the Agency has regulated the user pursuant to this part.

Date: January 23, 2018
To: CHRIS LEE
From: Jeanne Zolezzi
Subject: Updated Financing Authority for SGMA Implementation

GSA FINANCING AUTHORITY

The Sustainable Groundwater Management Act (**SGMA**) grants new authority for Groundwater Sustainability Agencies (**GSA**) to impose fees to fund the costs of preparing and implementing a groundwater sustainability plan (**GSP**). The powers granted in this section are in addition to any powers a GSA has under any other law. SGMA authorizes fees in both Section 10730 and Section 10730.2¹. The authority to impose groundwater extraction fees recently became clearer with the December 4, 2017 California Supreme Court decision in City of San Buenaventura v. United Water Conservation District, which confirmed that groundwater extraction fees are not subject to Proposition 218.

1. **SECTION 10730.**

A. **Authority.** Section 10730 authorizes a GSA to impose fees on groundwater extraction to fund the costs of a groundwater sustainability program. Under SGMA, a “groundwater sustainability program” means activity undertaken to benefit a basin, pursuant to a GSP, and also includes preparation, adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.

B. **Procedural Requirements.** Any action on the fee must be taken by ordinance or resolution. Before imposing fees, a GSA must hold at least one public meeting, and at least *20 days prior* to the public meeting, the GSA must make any data upon which the fee is based available to the public. Notice of the Public Meeting must be provided:

- i. By publication pursuant to Cal. Gov. Code Section 6066;
- ii. By posting on the Internet Website of the GSA; *and*
- iii. By mail to any interested party who files a written request with the GSA or mailed notice of the public fee meeting. The Notice must include the time and place of the

¹ Fees imposed under SGMA cannot be imposed upon a “*de minimus* extractor” (meaning a person who extracts, for domestic purposes, two acre-feet or less per year) unless the agency has regulated the user pursuant to this part.”

meeting, a general explanation of the fee under consideration, and a statement that the data required under SGMA is publically available.

C. Proposition 218 Requirements. Section 10730 is silent on whether or not these fees must comply with Proposition 218; however, in light of the December 4, 2017 California Supreme Court case in City of San Buenaventura v. United Water Conservation District, it appears that imposition of groundwater extraction fees pursuant to Water Code Section 10730 would not be subject to Proposition 218.

In *City of San Buenaventura*, the California Supreme Court concluded that a statutorily authorized groundwater charge imposed by a Water Conservation District to fund “conservation activities such as replenishing groundwater stores and preventing degradation of the water supply” was not subject to Proposition 218 because it was not imposed as an incident of property ownership. The court upheld the appellate court’s conclusion that “a pump fee is better characterized as a charge on the activity of pumping than a charge imposed by reason of property ownership.” The court further reasoned:

. . . charges for the service the District provides – that is, the conservation of limited groundwater stores, and remediation of the adverse effects of groundwater extraction – are not property-related in the same way. The District does not “deliver” water “via groundwater” to any particular parcel or set of parcels, as the City would characterize it. The District instead conserves and replenishes groundwater that flows through an interconnected series of underground basins, none of which corresponds with parcel boundaries. These basins are managed by the District for the benefit of the public that relies on groundwater supplies, not merely for the benefit of the owners of land on which wells are located.

While the ruling concluded that “the groundwater charge authorized by Water Code section 75522 for Water Conservation Districts is not a charge for a “property-related service” that falls within the scope of Proposition 218, the language of the case provides a strong basis to conclude that groundwater extraction fees imposed pursuant to SGMA are also not property related charges, and are exempt from Proposition 218.

D. Proposition 26. A groundwater extraction fee imposed pursuant to SGMA without Proposition 218 compliance must be imposed in a manner to fall within Proposition 26’s exceptions. To qualify as a nontax “fee” under Proposition 26, a groundwater extraction charge must satisfy two requirements:

- i. It must be fixed in an amount that is “no more than necessary to cover the reasonable costs of the governmental activity,” and
- ii. “the manner in which those costs are allocated to a payor [must] bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.”

E. Conclusion. Under current law as set forth by the California Supreme Court, a GSA may impose a groundwater extraction fee under Water Code Section 10730 to fund the cost of preparing its GSP, including the preparation and amendment of a sustainability plan, investigation of groundwater conditions, compliance assistance, enforcement and program administration, without

compliance with the requirements of Proposition 218. The fee must be fashioned in a manner, however, to fall within the exemptions of Proposition 26 described above.

2. **SECTION 10730.2.**

A. **Authority.** Section 10730.2 authorizes a GSA to impose fees on groundwater extraction to fund costs of groundwater management, including, but not limited to, the costs of the following:

- i. Administration, operation, and maintenance, including a prudent reserve.
- ii. Acquisition of lands or other property, facilities, and services.
- iii. Supply, production, treatment, or distribution of water.
- iv. Other activities necessary or convenient to implement the plan.

B. **Procedural/Prop 218 Requirements.** By its terms, unlike Section 10730, Section 10730.2 expressly provides that any fee imposed be adopted in compliance with Proposition 218.

C. **Proposition 26.** A fee that is imposed pursuant to Proposition 218, as required by Section 10730.2, is exempt from any restrictions of Proposition 26.

3. **DISTINCTION BETWEEN 10730 AND 10730.2.** It appears that both sections would allow a GSA to impose groundwater extraction fees to prepare and implement a GSP. If that is the case, the question becomes why would a GSA ever impose a fee under Section 10730.2, which requires Prop 218 compliance, when it could impose a fee under Section 10730 and not comply with Prop 218? There is no ready answer to that question.

4. **INFORMATION ABOUT SGMA EXTRACTION FEES.**

A. Fees may be imposed in the same manner as ordinary municipal ad valorem property taxes. Cal. Water Code § 10730(d).

B. Fees imposed under SGMA cannot be imposed upon a “*de minimus* extractor” (meaning a person who extracts, for domestic purposes, two acre-feet or less per year) unless the agency has regulated the user pursuant to this part.”

C. A fee may be imposed on either an owner or operator of an extraction facility.

D. A local public agency is subject to groundwater fees to the same extent as any private person. Cal. Water Code § 10726.8(d).

5. **NON-SGMA AUTHORITY.** In addition to the powers authorized by SGMA, above, the GSA can use whatever powers its members share to fund both development of and implementation of a GSP. While Irrigation districts can impose per acre assessments, which require compliance with the assessment provisions of Proposition 218, I do not believe that all of the members of the JPA share that power.

ACTION OF
SOLANO GROUNDWATER SUSTAINABILITY AGENCY

DATE: February 8, 2018

SUBJECT: Groundwater Sustainability Plan Development

RECOMMENDATION:

1. Authorize the Chairman to sign the amended Memorandum of Understanding for Cooperative Implementation of SGMA for the Solano Subbasin, designating staff as the Plan Manager for the Solano Subbasin Groundwater Sustainability Plan.

2. Authorize staff to prepare and advertise a Request for Proposals to develop a Groundwater Sustainability Plan for the Solano Subbasin.

3. Authorize staff to submit an application to the Department of Water Resources for Facilitation Support Services

FINANCIAL IMPACT:

None.

BACKGROUND:

The Sustainable Groundwater Management Act (SGMA) has initial notification requirements that Groundwater Sustainability Agencies (GSA) must follow prior to development of a Groundwater Sustainability Plan (GSP). Pursuant to Water Code Section 10727.8(a), before initiating the development of a GSP, the GSA shall make available to the public and the Department of Water Resources (DWR) a written statement describing the manner in which interested parties may participate in the development and implementation of the GSP.

For the Solano Subbasin, with the development of a single GSP to be implemented by multiple GSAs, the

Recommended: _____
Roland Sanford, Secretary

| | | | | | |
|--------------------------|-------------------------|--------------------------|-------------------|-------------------------------------|------------------------|
| <input type="checkbox"/> | Approved as recommended | <input type="checkbox"/> | Other (see below) | <input checked="" type="checkbox"/> | Continued on next page |
|--------------------------|-------------------------|--------------------------|-------------------|-------------------------------------|------------------------|

Modification to Recommendation and/or other actions:

I, Roland Sanford, Secretary to the Solano Groundwater Sustainability Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 8, 2018 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
Secretary to the
Solano Groundwater Sustainability Agency

following must occur:

- If there are multiple GSAs in a basin intending to develop a single GSP, then the GSAs must prepare a single GSP initial notification submitted on behalf of all the GSAs.
- If the GSAs have identified a plan manager in an agreement, the plan manager may submit the GSP initial notification.
- If multiple GSAs in a basin have identified a representative to submit a GSP initial notification on their behalf who is not the agreed upon plan manager, the representative should attach evidence they are authorized to submit said notification.

A plan manager is an employee or authorized representative of a GSA (or GSAs), appointed through a coordination agreement or other agreement, who has been delegated management authority for submitting the GSP and serving as the point of contact between the GSA (or GSAs) and the Department of Water Resources. A plan manager is required for all GSP submittal efforts, whether there is a single GSP or multiple coordinated GSPs in a basin, but is not a mandatory component of the GSP initial notification process.

Staff recommends amending the Memorandum of Understanding (MOU) for the Cooperative Implementation of SGMA for the Solano Subbasin, designating Chris Lee as the Plan Manager for the Solano Subbasin Groundwater Sustainability Plan. If approved, staff will circulate the amended MOU to the other GSAs in the subbasin with the attached cover letter detailing the proposed changes for approval and signature. If the other GSAs approve the amendment to the MOU, staff will proceed with developing the Initial GSP Notification.

Once the Initial GSP Notification is complete, staff requests Board authorization to prepare and advertise a Request for Proposals (RFP) to develop a GSP for the Solano Subbasin. Staff will utilize the work plan that was submitted for the Proposition 1 grant as the basis for the RFP, with the caveat that the scope, schedule, and budget may be refined during development of the GSP. Any contracts with a consultant to develop the GSP will likely be in the form of a “time and materials” agreement.

DWR is offering Facilitation Support Services (FSS) to assist GSAs with the development of GSPs. The purpose of the FSS is to help GSAs and their associated stakeholders reach consensus on potentially contentious water management topics, as GSP development proceeds. Staff is requesting authorization to submit an application to DWR for FSS services, in support of Solano Subbasin GSP development.

**MEMORANDUM OF UNDERSTANDING
FOR COOPERATIVE IMPLEMENTATION OF THE SUSTAINABLE
GROUNDWATER MANAGEMENT ACT IN THE SOLANO SUBBASIN
(February 8, 2018)**

THIS MEMORANDUM OF UNDERSTANDING ("**MOU**") between the SOLANO SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY ("**Solano GSA**"), the CITY OF VACAVILLE GROUNDWATER SUSTAINABILITY AGENCY ("**Vacaville GSA**"), SOLANO IRRIGATION DISTRICT GROUNDWATER SUSTAINABILITY AGENCY ("**SID GSA**"), the NORTHERN DELTA GROUNDWATER SUSTAINABILITY AGENCY ("**ND GSA**"), SACRAMENTO COUNTY GROUNDWATER SUSTAINABILITY AGENCY ("**SAC GSA**"), RECLAMAION DISTRICT 501 ("**501 GSA**"), and RECLAMATION DISTRICT 999 GROUNDWATER SUSTAINABILITY AGENCY ("**999 GSA**"), each of which is referred to as a "**Party**" and collectively "**Parties**," is made and effective as of the last date on which all of the Parties listed below have executed this MOU.

1. RECITALS

- a. In September 2014, the Governor signed three bills (SB 1168, SB 1319, and AB 1739) into law creating the Groundwater Management Act of 2014 (the "**Act**").
- b. The Act requires the formation of one or more Groundwater Sustainability Agencies ("**GSA**") that will be responsible for implementing provisions of the Act as to each groundwater basin and groundwater subbasin falling within the provisions of the Act.
- c. The Parties overlie the Solano Subbasin, identified in the Department of Water Resources' (DWR) Bulletin 118 as Groundwater Basin Number 5-21-66 ("**Basin**"), portions of which underlie the jurisdictional boundaries of each Party.
- d. The Parties can each exercise powers related to groundwater management and/or land use within their jurisdictional boundaries and qualify individually to serve as a GSA under the provisions of the Act;
- e. Under the Act, each Party that has determined to be a GSA and has notified DWR of its intention to become a GSA will be responsible for assuming its regulatory role by June 30, 2017.
- f. Each Party that is a GSA has authority to prepare, adopt and implement a Groundwater Sustainability Plan ("**GSP**"); and the Parties wish to work cooperatively to determine if such action can be jointly accomplished in a mutually beneficial manner.
- g. Those Parties that are GSAs have elected to work collaboratively in order to determine their respective roles and the manner in which they will implement the Act and adopt a proposed single GSP for the Basin.

h. The Parties wish to provide a framework for cooperative efforts relative to implementation of the Act in the Basin, to help ensure that the Act is implemented in the Basin effectively, efficiently, fairly, and at the lowest reasonable cost.

The Parties wish to coordinate to secure and administer grant funds through any available source.

THEREFORE, IT IS AGREED AMONG THE PARTIES:

2. **PURPOSE.** This MOU is entered into by and among the Parties to: (a) facilitate a cooperative and ongoing working relationship that will allow them to explore, study, evaluate and (to the extent the Parties agree) develop and implement mutually beneficial approaches and strategies for implementing the Act in the Basin, (b) allow the Parties to work together to develop one or more GSPs to cover all portions of the Basin within Solano County prior to the deadline set under SGMA and (c) to apply for and administer grant funds.

3. **ADOPTION OF GSP.** The Parties intend that this MOU guide their joint activities while they are exploring, studying, evaluating, and developing GSPs. While each of the Parties reserve the right to adopt and implement its own GSP within its boundaries, the Parties shall regularly confer on the potential for development of one GSP for the Basin, or the coordination of multiple GSPs for the Basin.

4. **SOLANO COUNTY WATER AGENCY.** The Solano County Water Agency (SCWA) shall assume the role of facilitator for the Solano Subbasin. This facilitation shall include;

- a. Coordination of regular or as-needed meetings, including meetings of the GSA Coordination Committee, which will entail setting meeting agendas, facilitating the meeting, and keeping records of the meetings as appropriate.
- b. Coordination of GSP submissions to ensure that GSPs satisfy the requirements of SGMA, which will include assembly and submittal of the final coordinated GSP packages to DWR.
- c. Coordination of grant funding opportunities and administering funding made available through successful grant applications.

5. **GSA COORDINATION COMMITTEE.** Each Party shall designate an appointee for the GSA Coordination Committee to act as a principal contact person for that Party, who may be changed from time to time, to participate on such Party's behalf in activities undertaken pursuant to this MOU. Parties may designate consultants or alternates to participate in the GSA Coordination Committee. Staff or consultants representing members of each GSA that is a Party to this MOU may also attend GSA Coordination Committee meetings.

6. **DECISION MAKING PROCESS.** To promote cooperation, it is the goal of the Parties that all actions undertaken under this MOU are done by unanimous consent of the members of the GSA Coordination Committee. The Parties shall use their best efforts to find a mutually agreeable result; however, in the event of an impasse or disagreement the decision will be made by a majority vote of the members of the GSA Coordination Committee. Decisions from the GSA Coordination Committee would be forwarded as recommendations to the various GSA Governing Board's for

final decision making. If there is an impasse at any of the GSA Boards, the process will be to send back the recommendation to the GSA Coordination Committee for further refinement.

It is the intent of the Parties that the only major decisions to be made at this point are to develop a single GSP for the subbasin and to submit a grant application to help fund those efforts.

The Solano GSA will designate staff, Chris Lee, as the plan manager of the GSP, for the purposes of developing and submitting the GSP Initial Notification and other GSP documents and to serve as the point of contact between the GSAs in the subbasin and the Department of Water Resources.

As described in Section 12.b below, an amendment to this MOU or another legal instrument will be utilized to describe the roles, responsibilities, funding, and detailed elements of the Groundwater Sustainability Plan and how those decisions will be made and codified if a single GSP is developed for the subbasin.

7. **FUNDING.** Each Party shall bear all costs it incurs with respect to its activities under this MOU, including, without limitation, costs relative to adoption of the proposed GSP in which they wish to participate.

8. **GRANT FUNDING.** The Parties shall coordinate to secure and administer grant funding through any available source, including the Sustainable Groundwater Planning Grant Program administered by DWR.

- a. The Parties agree to prepare a joint application for funding from the DWR Sustainable Groundwater Planning Grant Program at the earliest opportunity.
- b. The Parties agree to prepare a joint application for any other funding source where appropriate and in the spirit of furthering sustainable management of groundwater resources in the Basin.
- c. If a GSA's management area is administratively removed from the Basin, or is re-designated as a low-priority basin, said GSA shall not receive any compensation from the Parties for in-kind services or contributed funding towards preparation of a GSP.

9. **ONGOING COOPERATION.** The Parties acknowledge that activities under this MOU will require frequent interaction between them in order to explore opportunities and resolve issues that arise. The Parties agree to cooperate and coordinate on issues relating to the determination of the boundaries of the respective GSAs, in order to ensure that all parcels of land in the Solano Subbasin are included in a GSA, are not included in more than one GSA, and that any parcels annexing to a city are properly detached from a GSA in the unincorporated area and added to the city only GSA. The Parties shall work cooperatively and in good faith. The goal of the Parties shall be to preserve flexibility with respect to the adoption of a GSP to maximize the mutual benefits to the Parties. Notwithstanding the foregoing, nothing in this MOU shall be interpreted to require the Parties to jointly implement a GSP, and each Party reserves the unrestricted authority and right to determine whether it wishes to adopt its own GSP or adopt a GSP with one or more of the other Parties.

10. **CONFIDENTIALITY.** The Parties acknowledge that, in connection with their mutual activities under this MOU, each of them may share sensitive and/or confidential information with the other Parties. To the fullest extent permitted by law, each of the Parties shall maintain any information, documents, or materials shared by the other Parties or mutually developed pursuant to this MOU in confidence and shall not voluntarily provide or reveal such information, documents or materials to any third party. If any Party receives a request or order from a third party that the receiving Party believes requires it to disclose any such information, documents or materials, the receiving Party shall (i) immediately notify the other Parties and provide them with a copy of such request or order, and (ii) notify the other Parties of any disclosure of such information, documents, or materials

11. **NOTICES.** Any formal notice or other formal communication given under the terms of this MOU shall be in writing and shall be given personally, by electronic mail, or by certified mail, postage prepaid and return receipt requested, at the addresses or facsimile numbers beneath the recipient's signature line on this MOU. The date of receipt of the notice shall be the date of actual personal service, or confirmed email transmission, or three days after the postmark on certified mail.

12. **MISCELLANEOUS.**

a. Entire Agreement. This MOU incorporates the entire and exclusive agreement of the Parties with respect to the matters described herein and supersedes all prior negotiations and agreements (written, oral, or otherwise) related thereto.

b. Termination. This MOU shall remain in effect for twenty-four (24) months from the effective date, unless terminated by the mutual written consent of the Parties, or upon thirty (30) days' written notice of termination delivered by one Party to the others that is not withdrawn prior to the specified termination date; provided, that upon termination by one Party, the remaining Parties may by mutual written agreement continue this MOU in effect as between the nonterminating Parties. No Party shall be liable to any other if it elects to terminate this MOU.

It is the intent of the Parties to develop a new agreement, or amend/extend the current agreement prior to the termination of this MOU as development of the GSP components, including, but not limited to, potential Special Management Areas, will better define roles and responsibilities of the GSAs participating in the GSP.

c. Severability. Should any provision of this MOU be determined by a court of competent jurisdiction to be void, in excess of a Party's authority, or otherwise unenforceable, the validity of the remaining provisions of this MOU shall not be affected thereby.

d. Amending the MOU. This MOU may only be amended by a subsequent writing, approved and signed by all Parties.

e. Hold Harmless. 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.

IN WITNESS WHEREOF, the parties have executed this MOU as of the date first above written.

[Signatures and Addresses for Notice on the Following Pages]

Solano GSA

Mayor Ronald Kott
Chair, Solano Subbasin GSA

City of Vacaville GSA



Sacramento County GSA

Solano Irrigation District GSA

SOLANO SUBBASIN

GROUNDWATER SUSTAINABILITY AGENCY

February 8, 2018

Sacramento County GSA
Ms. Linda Dorn,
Environmental Program Manager
Sacramento County Department of Water Resources
827 7th Street
Sacramento, CA 95814

Subject: Designation of Plan Manager for Solano Subbasin GSP and Proposed Amendment to Memorandum of Understanding for the Cooperative Implementation of SGMA for the Solano Subbasin

Dear Ms. Dorn:

The Sustainable Groundwater Management Act (SGMA) has initial notification requirements that Groundwater Sustainability Agencies (GSA) must follow prior to development of a Groundwater Sustainability Plan (GSP). In order to develop this initial GSP notification, a Plan Manager must be identified. The Solano GSA is nominating their staff as the Plan Manager for the Solano Subbasin GSP on behalf of all the GSA's in the subbasin.

A Plan Manager is an employee or authorized representative of a GSA (or GSAs), appointed through a coordination agreement or other agreement, who has been delegated management authority for submitting the GSP and serving as the point of contact between the GSA (or GSAs) and the Department of Water Resources (DWR). A plan manager is required for all GSP submittal efforts, whether there is a single GSP or multiple coordinated GSPs in a basin.

The Solano GSA is recommending an amendment to the Memorandum of Understanding (MOU) for the Cooperative Implementation of SGMA for the Solano Subbasin, designating Chris Lee as the Plan Manager for the Solano Subbasin Groundwater Sustainability Plan. If the other GSAs approve the amendment to the MOU, staff will proceed with developing the Initial GSP Notification which will be circulated amongst the GSA's for review prior to submittal to DWR.

If you have any questions, please contact Chris Lee at 707-455-1105, or clee@scwa2.com, thank you.

Sincerely,

Mayor Ronald Kott,
Chair, Solano Subbasin GSA

SOLANO SUBBASIN

GROUNDWATER SUSTAINABILITY AGENCY

February 8, 2018

Solano Irrigation District GSA
Mr. Cary Keaten
General Manager
810 Vaca Valley Parkway, Suite 201
Vacaville, CA 95688

Subject: Designation of Plan Manager for Solano Subbasin GSP and Proposed Amendment to Memorandum of Understanding for the Cooperative Implementation of SGMA for the Solano Subbasin

Dear Mr. Keaten:

The Sustainable Groundwater Management Act (SGMA) has initial notification requirements that Groundwater Sustainability Agencies (GSA) must follow prior to development of a Groundwater Sustainability Plan (GSP). In order to develop this initial GSP notification, a Plan Manager must be identified. The Solano GSA is nominating their staff as the Plan Manager for the Solano Subbasin GSP on behalf of all the GSA's in the subbasin.

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If you have any questions, please contact Chris Lee at 707-455-1105, or clee@scwa2.com, thank you.

Sincerely,

Mayor Ronald Kott,
Chair, Solano Subbasin GSA

SOLANO SUBBASIN

GROUNDWATER SUSTAINABILITY AGENCY

February 8, 2018

City of Vacaville GSA
Mr. Justen Cole, P.E.
Senior Civil Engineer
City of Vacaville Utilities Department
6040 Vaca Station Road
Vacaville, CA 95687

Subject: Designation of Plan Manager for Solano Subbasin GSP and Proposed Amendment to Memorandum of Understanding for the Cooperative Implementation of SGMA for the Solano Subbasin

Dear Mr. Cole:

The Sustainable Groundwater Management Act (SGMA) has initial notification requirements that Groundwater Sustainability Agencies (GSA) must follow prior to development of a Groundwater Sustainability Plan (GSP). In order to develop this initial GSP notification, a Plan Manager must be identified. The Solano GSA is nominating their staff as the Plan Manager for the Solano Subbasin GSP on behalf of all the GSA's in the subbasin.

A Plan Manager is an employee or authorized representative of a GSA (or GSAs), appointed through a coordination agreement or other agreement, who has been delegated management authority for submitting the GSP and serving as the point of contact between the GSA (or GSAs) and the Department of Water Resources (DWR). A plan manager is required for all GSP submittal efforts, whether there is a single GSP or multiple coordinated GSPs in a basin.

The Solano GSA is recommending an amendment to the Memorandum of Understanding (MOU) for the Cooperative Implementation of SGMA for the Solano Subbasin, designating Chris Lee as the Plan Manager for the Solano Subbasin Groundwater Sustainability Plan. If the other GSAs approve the amendment to the MOU, staff will proceed with developing the Initial GSP Notification which will be circulated amongst the GSA's for review prior to submittal to DWR.

If you have any questions, please contact Chris Lee at 707-455-1105, or clee@scwa2.com, thank you.

Sincerely,

Mayor Ronald Kott,
Chair, Solano Subbasin GSA

**ACTION OF
SOLANO GROUNDWATER SUSTAINABILITY AGENCY**

DATE: February 8, 2018

SUBJECT: Proposed Basin Boundary Modifications to Solano Subbasin

RECOMMENDATION:

1. Receive staff report on proposed basin boundary modifications to the Solano Subbasin.
2. Authorize Chairman to sign letter of support for Sacramento County Groundwater Sustainability Agency's proposed basin boundary modification.

FINANCIAL IMPACT:

None.

BACKGROUND:

The Sustainable Groundwater Management Act (SGMA) established a process for local agencies to request the Department of Water Resources (DWR) revise boundaries of existing groundwater basins or subbasins, including establishing new subbasins. The Basin Boundary Emergency Regulations were adopted on October 21, 2015 and the provisions of the emergency regulation went into effect on November 16, 2015.

The Final 2016 Basin Boundary Modifications (BBM) were developed through DWR's technical review of basin boundary modification requests and public comment made during the submission period, January 1, 2016 through March 31, 2016. DWR then held a series of public meetings to present the Draft Approved Basin Boundary Modifications, provide an overview of the BBMRS and technical review process, answer clarifying questions and receive further public comments on the Draft Approved Basin Boundary Modification submissions. After a technical review of the requests and public comments, DWR developed the list of 2016 Final Basin Boundary Modifications and adopted them into the 2016 Bulletin 118 Interim Update. This update to Bulletin 118 is what dictates the current boundary of the Solano Subbasin (attachment 1).

Recommended: _____
Roland Sanford, Secretary

| | | |
|--|--|--|
| <input type="checkbox"/> Approved as recommended | <input type="checkbox"/> Other (see below) | <input checked="" type="checkbox"/> Continued on next page |
|--|--|--|

Modification to Recommendation and/or other actions:

I, Roland Sanford, Secretary to the Solano Groundwater Sustainability Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 8, 2018 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
Secretary to the
Solano Groundwater Sustainability Agency

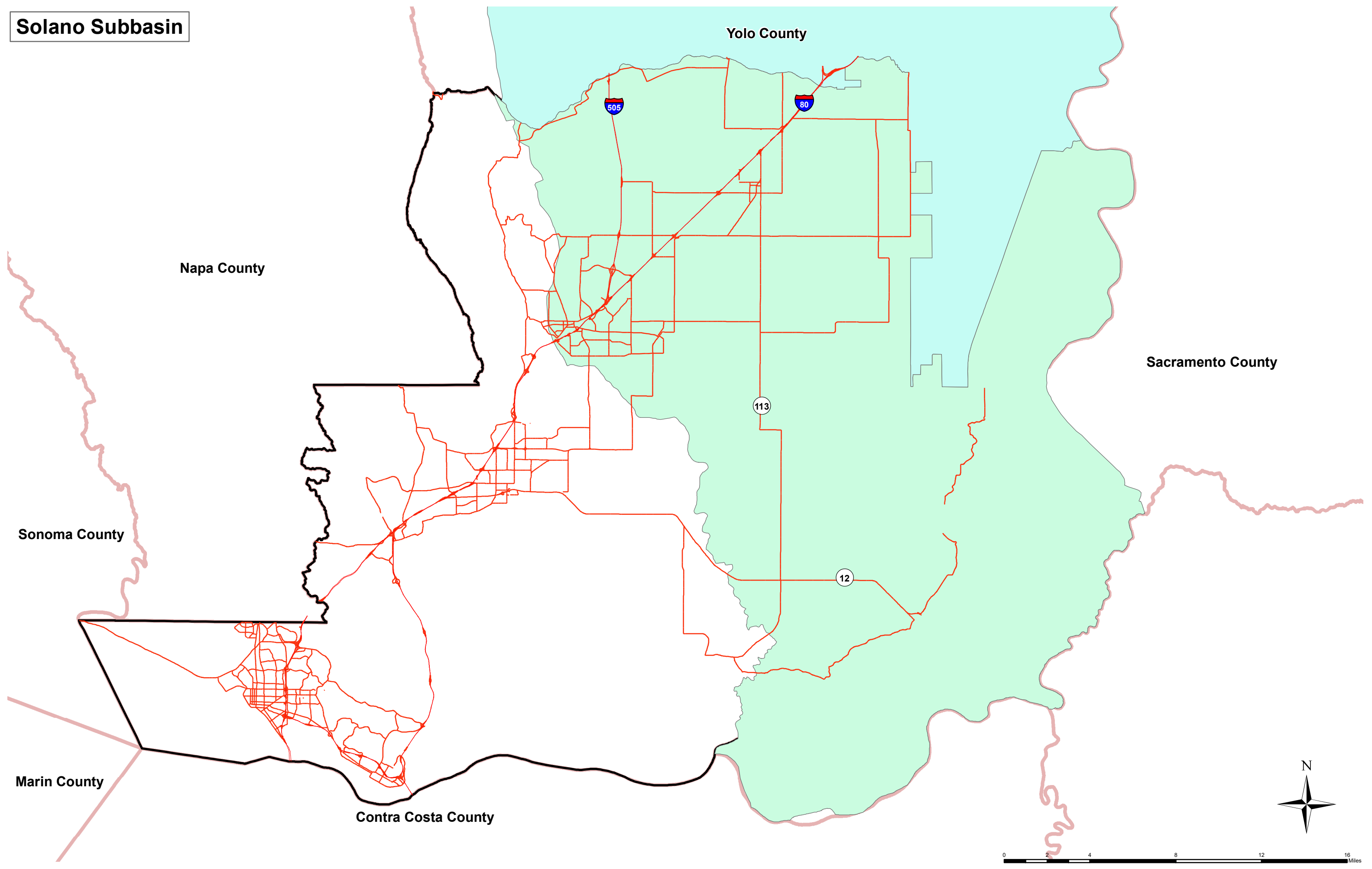
There is a new update to Bulletin 118, with a submission period that opened on January 1, 2018 for a six-month window, closing on June 30 for new BBM. There will be a 30-day public comment period and then draft BBM will be released in the fall by DWR. Final BBM are anticipated to be released by DWR in the winter of 2018.

The Yolo Subbasin Groundwater Agency is currently working with Reclamation Districts 150 and 999 and submitted a BBM request to DWR to modify the Yolo Subbasin boundaries. Incorporating RD 150 and RD 999 into the Yolo Subbasin facilitates holistic, effective management of groundwater in Yolo County, and allows for greater economies of scale in complying with SGMA, according to their initial notification. As shown on the attached map (attachment 2), staff believe it actually splinters the subbasin and merits further discussion.

Staff will meet with the Yolo Groundwater Agency and the aforementioned Reclamation Districts to understand this BBM request. Staff believe it be more prudent for both Reclamation Districts to remain in the Solano Subbasin for continuity. As both Reclamation Districts rely wholly on surface water, we do not anticipate any rigorous monitoring on their parts for SGMA or GSP compliance. If staff cannot come to some agreement with the Yolo Groundwater Agency and the Reclamation Districts, it is recommended that the Board submit a letter to DWR stating their opposition to this BBM. Staff will provide regular updates to the Board on this matter.

The Sacramento County GSA also submitted a BMM request to DWR affecting the Solano Subbasin. Staff have reviewed their BBM request to add approximately 600 acres of water and land of West Island to the Solano Subbasin (attachment 3), removing it from the Tracy Subbasin. This would reduce the number of overall groundwater basins in Sacramento County from five to four. The general information provided to the DWR from Sacramento County's initial notification request appears to be a reasonable jurisdictional modification. The proposed boundaries represent an area that has a *de minimus* impact for managing groundwater sustainability in the Solano subbasin. Therefore, staff would recommend authorizing the Chair to sign a letter of support for the Sacramento County BBM.

Solano Subbasin



Yolo County

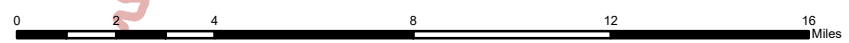
Napa County

Sacramento County

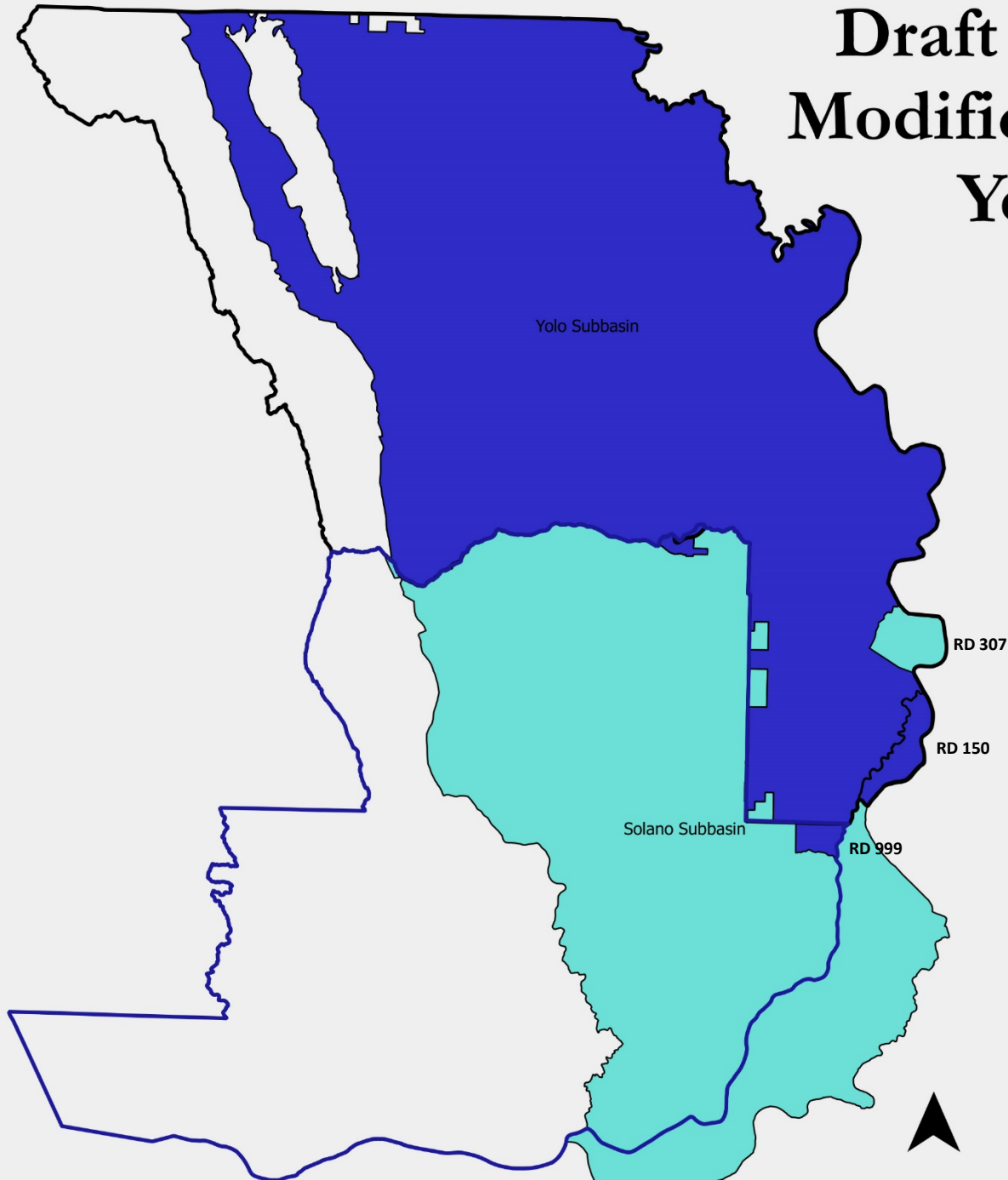
Sonoma County

Marin County

Contra Costa County



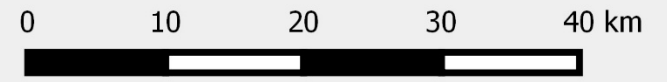
Draft Basin Boundary Modification Request for Yolo Subbasin

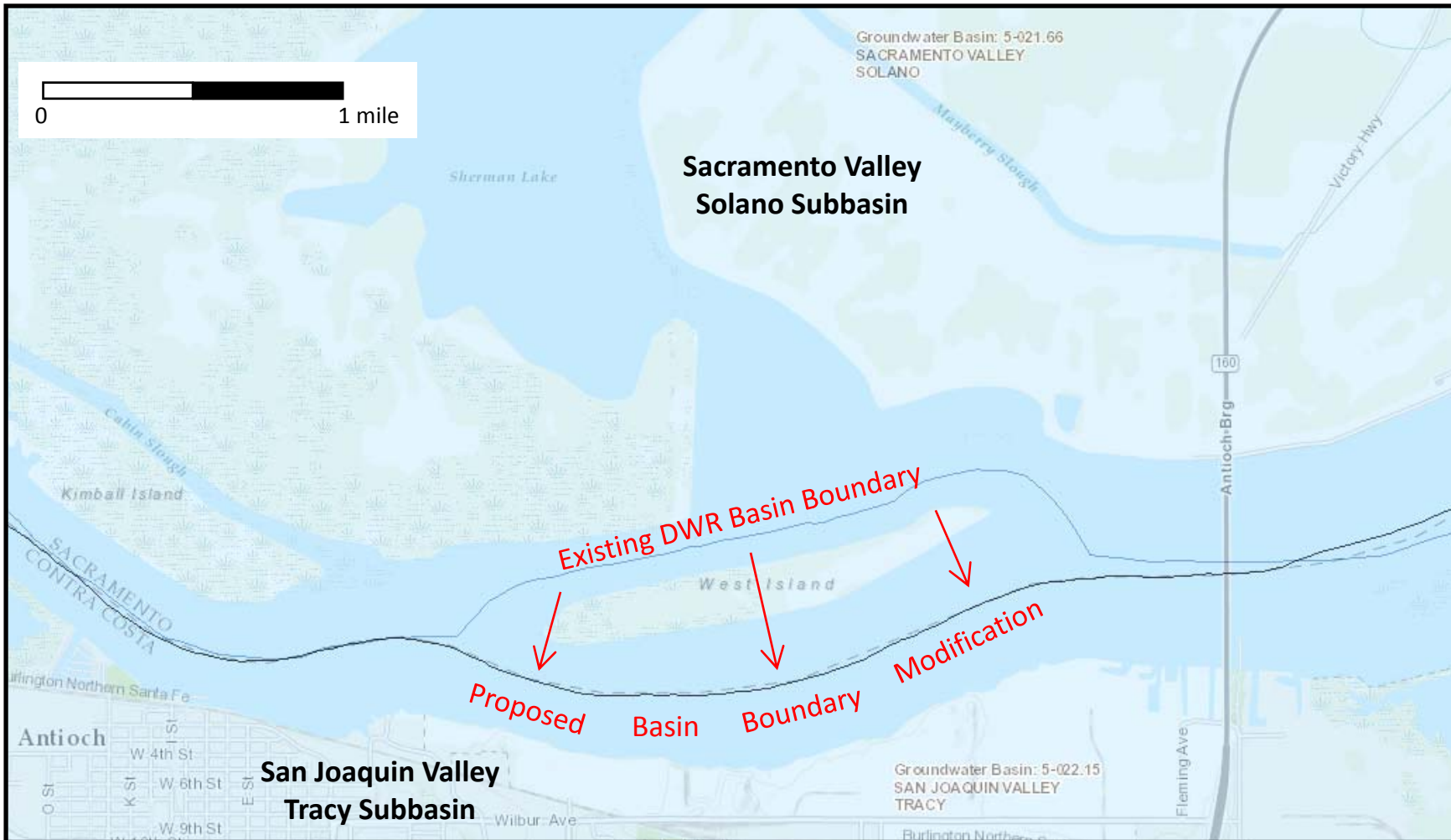


Legend

- Solano County
- Yolo County
- Solano Subbasin
- Yolo Subbasin BBM

October 13, 2017 Draft





Explanation

- 2016 Basin Boundary – DWR Bulletin 118
- Sacramento County Boundary – SGMA Website
- - - Sacramento County Boundary – Base Map
- ➔ Proposed Modification

Source: DWR GSA Interactive Map



**Location Map
Basin Boundary Modification
Solano and Tracy Subbasins**

January 2018