

**MERCED SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY
RESOLUTION NO. 2020-01**

**RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT REGARDING THE
ACQUISITION OF CERTAIN FLOOD FLOW WATER RIGHTS AND WATER
SUPPLY AMONG THE MERCED IRRIGATION DISTRICT; MERCED SUBBASIN
GROUNDWATER SUSTAINABILITY AGENCY; TURNER ISLAND GROUNDWATER
SUSTAINABILITY AGENCY-1; LE GRAND-ATHLONE WATER DISTRICT;
PLAINSBURG IRRIGATION DISTRICT; AMSTERDAM WATER DISTRICT; SANDY
MUSH MUTUAL WATER COMPANY; LA PALOMA MUTUAL WATER COMPANY;
AND, LONE TREE MUTUAL WATER COMPANY, AND AUTHORIZING ACTIONS
RELATED THERETO**

WHEREAS, Merced Subbasin Groundwater Sustainability Agency (Agency) is a Groundwater Sustainability Agency pursuant to the Sustainable Groundwater Management Act (SGMA).

WHEREAS, Pursuant to SGMA, California's water providers that overlie a groundwater basin are required to develop a comprehensive system to manage groundwater resources at the local level in a sustainable manner. SGMA authorizes Groundwater Sustainability Agency(s) (GSA) to prepare or coordinate in the preparation of a Groundwater Sustainability Plan(s) (GSP) to sustainably manage the local groundwater basin(s). Among other things, the GSA(s) may contemplate the development of water supplies and water projects to assist in sustainable management activities;

WHEREAS, the Agency is one of the parties responsible for the local management, implementation and enforcement of the GSP developed for the Merced Groundwater Subbasin;

WHEREAS, the Agency, together with a number of other local agencies, have determined that there are undeveloped and unappropriated water supplies in the area that may be used beneficially locally, and in particular could be a source of supplemental water to assist in efforts to sustainably manage the Merced Groundwater Subbasin;

WHEREAS, on December 29, 2019, Merced Irrigation District (MID) submitted an Application to Appropriate Water from the Merced River and 11 creeks/streams in eastern Merced County (the Application), contemplating that other local agencies may desire to become more actively involved in the process to obtain the water right, beyond general support;

WHEREAS, a draft agreement through which the parties will work together, in good faith on the development and pursuit of the Application has been developed to set forth the terms and conditions through which the parties may become a co-applicant to the Application as well as pay costs and expenses associated with pursuing the Application through permitting and licensing;

WHEREAS, the Board of Directors for the Agency (Board) has been presented with and reviewed a copy of a draft Agreement Regarding the Acquisition of Certain Flood Flow Water Rights and Water Supply among the Merced Irrigation District; Merced Subbasin Groundwater Sustainability Agency; Turner Island Groundwater Sustainability Agency-1; Le Grand-Athlone

Water District; Plainsburg Irrigation District; Amsterdam Water District; Sandy Mush Mutual Water Company; La Paloma Mutual Water Company; and Lone Tree Mutual Water Company (the Agreement), the key terms of which are:

- Parties – currently contemplated as the Merced Irrigation District; Merced Subbasin Groundwater Sustainability Agency; Turner Island Groundwater Sustainability Agency-1; Le Grand-Athlone Water District; Plainsburg Irrigation District; Amsterdam Water District; Sandy Mush Mutual Water Company; La Paloma Mutual Water Company; and, however the Agreement contemplates the possibility for other parties in the future.

- Term – the Agreement becomes effective upon execution by MID and any other parties that execute within 60 days of execution by MID. The Agreement will remain in effect until it is terminated in writing by the parties.

- Roles of the parties – while the parties to the Agreement will be added as co-applicants to the Application, for a number of reasons, MID shall serve as lead coordinator and primary contact with the State Water Board and other third parties. MID will administer the Agreement; pay costs associated with pursuing the Application (subject to reimbursement provisions in the Agreement); and, MID will be the Lead Agency for purposes of compliance with the California Environmental Quality Act.

- Allocation of costs – the Agreement provides that MID will pay 50% of all costs incurred pursuant to the Agreement, and the remaining parties will pay 50%. The remaining parties shall determine amongst themselves how to distribute, collect and forward to MID their respective percentages of costs. This includes not only costs moving forward, but also reimbursement of costs associated with filing the Application (MID paid a filing fee to the State Water Board in the approximate amount of \$544,000) and developing the Application over the last several months. MID will create and administer a separate balancing account for purposes of holding and tracking costs and expenses incurred and paid in furtherance of the Agreement.

- Allocation of water – MID shall be the sole water right holder, exclusive of any and all other parties to the Agreement, as to water from the Merced River. Water from the local creeks and streams identified in the Application will be allocated amongst the parties through a Water Management Agreement, to be negotiated in good faith and executed at some point in the future. MID will be a party to that future Water Management Agreement.

WHEREAS, the Board desires and hereby determines it to be in the best interests of the Agency to authorize execution of the Agreement, as substantially presented and consistent with the key terms summarized herein.

NOW, THEREFORE, BE IT RESOLVED that the recitals set forth hereinabove are true and correct, and the Board so finds and determines and the Governing Board of the Merced Subbasin GSA hereby authorizes the Board Chair or his designee to complete negotiations and execute an agreement in the substantial form summarized herein, subject to such reasonable modifications, revisions, additions and deletions as such executing officer may approve prior to execution, said execution to provide conclusive evidence of the Board's approval.

BE IT FURTHER RESOLVED THAT the Board Chair or his designee is authorized to execute such additional agreements or documents, and to take such other actions as they deem necessary or appropriate to carry out and implement the intent of this Resolution.

PASSED AND ADOPTED at a special meeting of the Governing Board at Merced, California, this 12th day of June 2020, by the following vote:

AYES: Kelley, Marchini, Gallo, Pareira, Park, Upton

NOES: None

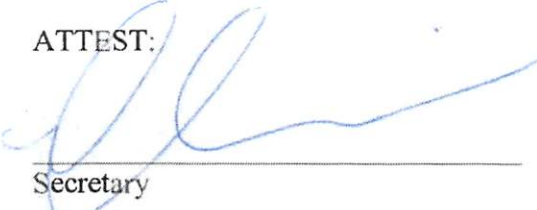
ABSTAINING: None

ABSENT: None

MERCED SUBBASIN GROUNDWATER
SUSTAINABILITY AGENCY

By: *Valent D. Kelley*
Chair

ATTEST:


Secretary