



STEERING COMMITTEE MEETING

AGENDA

Wednesday, August 11, 2021

8:30 a.m. – 10:00 a.m.

**Teleconference Meeting Only
Call-In Information Provided**

NOTICE: Coronavirus COVID-19

See Attached Notice Regarding COVID-19

- I. **Call to Order/Roll Call** (*Please remember to keep your phone line muted and unmute when announcing yourself for attendance or speaking)
- II. **Scheduled Items – *Presentation materials to be posted on ESJGroundwater.org and emailed prior to the meeting.***
 - A. **Discussion/Action Items**
 1. Approval of the July 14, 2021 Meeting Minutes (attached)
 2. August 5, 2021 TAC Discussion and Model Development
 3. DWR GSP Review and Response Plan and Team
 4. Tracy Subbasin GSP Status (Richard Shatz)
 5. Request for Qualifications for Accounting Framework and Funding/Finance Alternatives Evaluation (Draft Attached)
 6. DWR Facilitation Support Services (Draft Attached)
 7. American River Water Rights Application 29657 GWA Policy Statement for September 8 Board Consideration
- III. **Staff Reports**
 - A. DWR report
- IV. **Public Comment (non-agendized items)**
- V. **Director Comments**
- VI. **Future Agenda Items**
- VII. **Adjournment**

EASTERN SAN JOAQUIN GROUNDWATER AUTHORITY

Steering Committee Meeting

AGENDA

(Continued)

NOTICE: Coronavirus COVID-19

Important Notice Regarding COVID 19 and Closure of Board Chambers to the Public During Eastern San Joaquin Groundwater Authority Steering Committee Meeting

On March 18, 2020, Governor Gavin Newsom issued Executive Order N-29-20 recognizing that COVID 19 continues to spread throughout our community resulting in serious and ongoing economic harm. Governor Newsom has therefore waived certain requirements of the Ralph M. Brown Act relating to public participation and attendance at public meetings.

Based on guidance from the California Department of Public Health and the California Governor's Officer, effective immediately and while social distancing measures are imposed, the meetings of the Eastern San Joaquin Groundwater Steering Committee Meetings are to be conducted via teleconference.

In order to minimize the spread of the COVID 19 virus, the following options are available to members of the public to listen to these meetings and provide comments to the Committee Members before and during the meeting:

1. You are strongly encouraged to listen to the Eastern San Joaquin Groundwater Authority Steering Committee meetings by attending the teleconference:

Microsoft Teams meeting

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

+1 209-645-4071 United States, Stockton

Phone Conference ID: 511 005 914#

[Find a local number](#) | [Reset PIN](#)

[Learn More](#) | [Meeting options](#)

Once connected, we request you kindly mute your phone.

2. If you wish to make a comment on a specific agenda item, please submit your comment via email by 5:00 p.m. on the Tuesday prior to the meeting. Please submit your comment to the Secretary of the Board at ksmith@sjgov.org. Your comment will be shared with the Board members and placed into the record at the meeting. Every effort will be made to read comments received during the

EASTERN SAN JOAQUIN GROUNDWATER AUTHORITY

Steering Committee Meeting

AGENDA

(Continued)

meeting into the record but some comments may not be read due to time limitations. Comments received after an agenda item will be made part of the record if received prior to the end of the meeting.

Next Scheduled Meeting

Wednesday, September 8, 2021

8:30 am to 10:00 am

Location TBD

ESJGWA Steering Committee Meeting Minutes

Wednesday, July 14, 2021

Meeting called to order: at 8:37 a.m.

The meeting was conducted via teleconference using Microsoft Teams. Chairman Winn called the meeting to order. Reminders were provided to the attendees regarding meeting procedures.

Roll Call taken:

Roll call taken of members only.

In attendance were Chairman Winn; Directors Mike Henry; Robert Holmes and Alternate Directors Mel Lytle; Walter Ward; Andrew Watkins.

Also in attendance was Director Tom Flinn who arrived after roll call was completed.

Others in attendance were logged via their sign into Microsoft Teams.

Discussion / Action Items:

1. Approval of the June 2, 2021 Meeting Minutes

No amendments to the minutes requested.

Motion: Alternate Director Mel Lytle

2nd: Director Walter Ward

Chairman Winn asked for any Opposed or Abstains. With none provided, the minutes were approved unanimously.

2. DWR stakeholder assessment and facilitation support services (staff report attached)

Mr. Matt Zidar presented an overview of the DWR stakeholder assessment and the attached staff report. Alternate Director Andrew Watkins asked for clarification regarding an email about the model and baseline water budget; he stated that he thought a consultant was being hired to look into further detail regarding the accounting framework methodologies. He presented concern regarding the discrepancy between an email on the historical data and recorded minutes. Mr. Zidar clarified that there are three separate but related efforts: 1) the model which produces the water budget, 2) development and discussion of a basin accounting framework, and 3) evaluation of the funding and financing alternatives. Alternate Director Watkins asked what type of data numbers were requested by the email sent to members. Mr. Zidar clarified and stated the email was asking to validate the numbers being used in the model for the historical, calibration period. It was suggested that Alternate Director Watkins and Mr. Zidar meet separately to discuss the matter. Alternate Director Mike Henry discussed interest in participating in the discussion as well. It was noted that the model could also be used to forecast future without project conditions with and without climate changes, or to evaluate the benefits and effects of different project scenarios.

Ms. Mary Elizabeth stated that there needs to be a current water budget to compare the long term water budget and support review of progress towards achieving the long term goals and support monitoring progression towards achieving goals. The group discussed the potential use of graphics to better help explain the topic. It was noted that an overview of any conversations held should be provided to the members.

3. SWRCB potential costs and local revenue concept (attached)

Mr. Zidar gave an overview of the SWRCB potential costs should they assume responsibility under SGMA and in the event the GSP is deemed inadequate, and gave explanations regarding the column categories and any variables provided in the attached spreadsheet. It was noted that the SWRCB could charge a one-time cost of \$300 per large well and an annual fee of \$55/AF pumped, generating over \$40M per year. This money would not be for projects but could be used for force cut backs in pumping to achieve sustainability. This was compared to local assessments of \$5 or \$10 per AF to raise in the order of \$4M or \$8M per year, respectively. The monies could be used to support project development.

Director Flinn sought clarification regarding the Zone 2 Fees column. Mr. Zidar and Mr. Fritz Buchman clarified that the variable accounted for how much constituents pay into Zone 2 within the GSA boundaries.

4. Professional services and contracting

a. Basin accounting framework and budget

It was noted that the basin accounting framework was not a grant-funded activity but can be researched using staff support and consultants. This item would be used to inform the TAC and Board. Work would be to develop, compare and contract the case studies from other areas in the San Joaquin Valley. The budget is to be determined and funds are expected to be available from the GWA reserves. There was no specific budget allocated for this task.

b. Funding and financing alternatives.

Funding and financing alternatives would be needed for both the GSAs and GWA. The GWA budget had \$75K for this activity, of which \$50K would be from the Proposition 68 grant award.

c. Approach to obtaining support

Mr. Zidar noted a key question would be how to get professional services to support these two tasks. He expressed desire for help with developing a RFQ for both the basin accounting framework and funding and financing alternative activities.

Director Walter Ward asked if the bylaws under the hiring policy allows for the group to seek professional services. Mr. Zidar clarified that this was allowed but would confirm with Counsel. Mr. Fritz Buchman asked if the TAC recommending a RFQ to the Steering Committee would be best. Mr. Zidar noted that in the interest of time he would like to compose a small Ad-Hoc group. Brandon Nakagawa, Director Tom Flinn, and Director Walter Ward volunteered to be part of the Ad-Hoc group.

5. American River water right hearing and GWA support request (attached)

Mr. Zidar provided a status update regarding the American River water right hearing. He noted that the work involved in this hearing would help with other water rights filings on the Mokelumne. The need to

document due diligence and the related project planning was also emphasized. The filing is under an watershed of origin claim. Mr. Zidar also highlighted that the State could deny the right, and it can become subject to another agency or county's filing.

Ms. Mary Elizabeth asked if anyone had the water right listed in their urban or agriculture plans in the basin. Mr. Zidar stated that he saw it in the Integrative Conjunctive Use plan through the IRWMP efforts but has not seen any agriculture or urban plans.

Public Comment:

Ms. Mary Elizabeth encouraged all members, including the Environmental Health Department, to promote the DWR dry well reporting site. She noted that the new Environmental Health website has not been recently updated but would like to see a potential inventory of wells. Likewise, the Board of Supervisors budget package for Environmental Health had a list of the number of well permits issued. Ms. Elizabeth highlighted that she was surprised by the high number of wells. She mentioned that they continue to do agricultural conversions and install permanent crops that require permanent water. As a result, it is essential to get an idea of where the wells are going in and how the new wells will be impacting the model since the model reflected a decrease in agriculture water needs. She also hopes that funding and financing alternatives will include some outreach and public participation.

Director's Comments:

None provided.

Future Agenda Items:

None noted.

Adjournment: Meeting was adjourned at 9:50 a.m.

• minute approval

Eastern San Joaquin Groundwater Authority
Steering Committee Meeting Roll Call / Vote
July 14, 2021 **8:30 AM**

Chuck Winn •	San Joaquin County	209-953-1160	cwinn@sjgov.org	
Mel Lytle •	City of Stockton	209-937-5614	mel.lytle@stocktonca.gov	
Mike Henry •	Lockeford Community Services District	209-712-4014	midot@att.net	
Walter Ward •	Eastside San Joaquin GSA	209-525-6710	wward@envres.org	
Robert Holmes •	South San Joaquin GSA	209-484-7678	rholmes@ssjid.com	
Andrew Watkins •	Stockton East Water District	209-948-0333	watkins.andrew@verizon.net	
Tom Flinn • <i>late</i>	North San Joaquin Water Conservation District	209-663-8760	tomflinn2@me.com	

• motion: Mel Lytle
• 2nd: Walter Ward

Eastern San Joaquin Groundwater Authority Steering Committee Meeting Sign-In

July 14, 2021

8:30 A.M.

Chuck Winn •	San Joaquin County	209-953-1160	cwinn@sigov.org	present
Mel Lytle •	City of Stockton	209-937-5614	mel.lytle@stocktonca.gov	present
Mike Henry •	Lockeford Community Services District	209-712-4014	midot@att.net	present
Walter Ward •	Eastside San Joaquin GSA	209-525-6710	wward@envres.org	present
Robert Holmes •	South San Joaquin GSA	209-484-7678	rholmes@ssjid.com	present
Andrew Watkins •	Stockton East Water District	209-948-0333	watkins.andrew@verizon.net	present
Tom Flinn •	North San Joaquin Water Conservation District	209-663-8760	tomflinn2@me.com	present
Kris Balaji	San Joaquin County	468-3100	kbalaji@sigov.org	
Fritz Buchman •	San Joaquin County	468-3034	fbuchman@sigov.org	present
Matt Zidar •	San Joaquin County	953-7460	mzidar@sigov.org	present
Brandon Nakagawa *•	South San Joaquin GSA - Alternate	209-249-4613	bnakagawa@ssjid.com	present
Louis Brichetto				present
Steven Shih	EHD			present
Stacie Ann Silva	NCWL			present
Gary Tofanelli				present
Elba M				present
Joe Valente				present
John David				present



REQUEST FOR QUALIFICATIONS TO SUPPORT FOR DEVELOPMENT OF A BASIN ACCOUNTING FRAMEWORK AND FOR EVALUATION OF FUNDING AND FINANCING ALTERNATIVES

To: Steering Committee

From: Matt Zidar, Water Resources Manager

Date: July 30, 2021

The San Joaquin Public Works Department, Water Resources Division (Division) is seeking qualifications from consultants to inform and support policy development by the East San Joaquin Groundwater Authority (GWA), a Joint Powers Authority comprised of 16 Groundwater Sustainability Agencies (GSA) that collaborated to produce the East San Joaquin Groundwater Sustainability Plan (GSP) for this critically overdrafted basin. A preferred consultant will be selected based on the qualifications statement provided; final scope, schedule and budget will then be negotiated; and an agreement to provide specific anticipated deliverables and services will be authorized. The existing governance and decision structure involve the Technical Advisory Committee (TAC), Steering Committee (SC) and GWA Board. Ad Hoc Committees may be formed by the Board to address specific issues. It is anticipated that the RFQ will be reviewed by an Ad Hoc Committee of GWA Board Members and staff who will review the qualifications; prioritize consultant selection; negotiate scope, schedule, and budget; and make a recommendation to the SC and Board to retain a consultant to provide the requested services.

Background and Statement of the Problems

The GSP was adopted in January 2020 and is awaiting review by the California Department of Water Resources (DWR) whose comments on the GSP are due in January 2022. The GWA is working to implement the GSP. During development of the GSP, several of the more complicated issues were deferred to the early stages of the GSP implementation. This was due to the complexity of the issues, need to complete the GSP on time, additional time needed for stakeholders to negotiate, potential for conflicts and a desire to achieve consensus on the water budget, basin accounting framework and funding strategy. There had been a lack of consensus on the relative responsibility for overdraft, need for a basin accounting framework to create accountability and funding mechanisms and financing strategies. Each of the GSAs are implementing the GSP projects within their region.

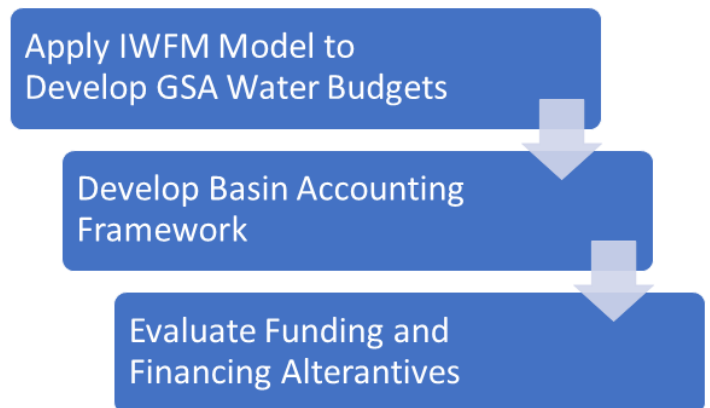


Figure 1 Initiatives

Three separate but interrelated initiatives are currently planned or being scoped to overcome these challenges. Figure 1 show these initiatives and linkages. The initiatives are discussed below. It is anticipated that DWR will be supporting this effort through the Facilitation Support Services (FSS) program, and that the selected consultant project manager would be part of the staff/consulting team to coordinate agendas and calendars to deliver work products and participate in TAC, SC, and Board discussion. The role of the selected consultant or consulting team is to inform policy development by the GWA Board.

Initiatives

Apply IWFM Model to Develop GSA Water Budgets

The GWA has contracted with Woodard & Curran to update the East San Joaquin Basin Integrated Water Flow Model (IWFM), which included recalibrating the model with new data, producing GSA or management area specific water budgets, and participating in meetings of the GWA TAC -- which would evaluate the results and help inform the SC and Board. The outputs of this task serve as inputs to the discussion of the Basin Accounting Framework. Staff and the engineering consultant would explain the model results, water balance in the GSA areas, and basin current and future conditions; they would bring the results of TAC input and review back to the Steering Committee and Board. The output of this task is to be input to develop the basin accounting framework. This work is being conducted under separate contract.

Develop Basin Accounting Framework

This work is to provide **case studies** of other groundwater basins and the alternative approaches and policies for basin accounting. The staff and consulting team would present information on up to six areas where a basin accounting framework has been established to allocate resource, manage the framework being implemented, support water exchanges and marketing. The SC had previously been presented broad overview of approaches used in the Kings, Kaweah, Kern, Tule subbasins and it is expected these would be the starting point. The similarity and differences between basins/regions will be described and a pro/con analysis developed to support the SC and GWA Board in understanding alternatives and selecting a preferred approach for the ESJ groundwater subbasin. The effort will review the “scale” for which accounting may occur, whether at the grower/landowner level, GSA or possibly management areas scale. It is not expected that the systems of basin accounting ultimately adopted would be used to allocate water supplies or determine reduction in pumping. The basin accounting framework would help document basin safe yield, account for overdraft, and assign credit for prior or proposed investments in developing water supplies and achieving GSP sustainability goals. The output of this work will be used to inform the discussion of funding and financing alternatives. The work would be shepherded through the Steering Committee or Ad Hoc with results and recommendations made to the Board. This work is to be funded by the GWA and possibly other local funding.

Funding and Financing Alternatives

Local control implies local funding and policies to effectively implement the GSP projects and management actions, collaborate across the basin and meet the goals and objectives identified in the GSP. The purpose of this work is to evaluate alternatives to fund GWA activities for the long term, generate revenues for GSA projects, define how the GWA and individual member’s powers and authorities may be applied pursuant to SGMA to achieve stable funding and finance projects. Basic economic principles (equity, beneficiary pays, externalities, quantification of benefits) will be described and discussed. Financing and revenue generation approaches would be presented (land-based assessments, groundwater charges, sales tax, fees, public/public, and public private partnerships, water sales, etc.) and compared. It is anticipated that revenue scenarios would be prepared to inform the process. The work would be shepherded through the Steering Committee or Ad Hoc with final recommendations made to the Board. This work element is to be partially funded with Proposition 68 Grant funds awarded to the GSA and possibly other local funding.

Anticipated Outcome

It is expected that a project team of the selected consultant, current engineering consultant, staff and FSS provider would be conducted at least monthly to plan and coordinate schedules, meeting agendas and deliverables. Deliverables would include selective written briefings and presentations to the TAC, SC and Board which are to be used to stimulate discussion at public meetings and to get decisions. Meeting minutes summarizing the discussion,

direction and actions would be prepared by staff and/or the FSS consultant. A final technical memorandum would be used to document the findings, conclusions and recommendations and any minority opinions of the TAC and SC and would serve as the final deliverable to the Board. The ultimate outcome of the work initiatives would be firm GWA decisions on the policy and program for basin accounting framework to be implemented; and the approach to provide stable long-term funding for GWA and GSAs. It would also be to provide information for the GSAs to make further funding commitments and establish GWA/GSP financing plans that will be implemented and support the basin in achieving sustainability.

Qualifications

The Division is seeking statements of qualifications showing how a **single firm or team** of firms and/or individual contractors would coordinate the work under later two initiatives. Consultants must demonstrate staff and corporate experience working as part of a team that includes **engineering, modeling, economics, finance/funding, and policy development** experts focused on groundwater management. Ideal candidates will have demonstrated individual and corporate experience:

- working with stakeholder groups, board and/or commissions to develop and implement GSP or policies, projects and programs for conjunctive use, groundwater banking and storage.
- Program and policy development for overdrafted basins seeking to track and create accountability for water use, overdraft and crediting for historic and planned investments which increase overall yield and support achieving sustainability goal;
- Tools and technology to support implementation of an accounting framework;
- Funding and financing alternatives available to GSAs for conjunctive use, groundwater banking and storage projects,
- Developing and presenting alternatives revenue generating scenarios;
- Proposition 218, SGMA and the powers and authorities required to raise revenues and to conduct voter initiatives;
- Economic evaluation of groundwater banking and storage, quantification of benefits and allocation of costs;
- Developing public/private, public/public partnerships for project development. This includes costing for capital formation, operations, and maintenance, and for water transfers and sales.

Submittal and Selection Process

The response to this RFQ will demonstrate project understanding; identify roles and responsibilities; organizational chart; present an overall approach to project delivery; and document the requisite knowledge, skills, and abilities by providing representative project descriptions and individual resumes. Three references should be provided for the prime and subcontractors. Submittals are to be provided electronically. Schedule is as follows;

- Release of RFQ August 13, 2021
- Statement of interest August 20, 2021
- Pre-submittal August 26, 2021. 10:00 AM (virtual; mandatory)
- Deadline for submittal September 17, 2021 at 5:00 PM
- Start Date November 10, 2021 (SC meeting)

Statement of interest must be submitted to the Division so that a virtual meeting notice may be sent to all prospective submitters. Send statement of interest and final RFQ responses to Kristy Smith (ksmith@sjgov.org). Calls or email inquiry to the Division are not appropriate and will not be accepted. Selection will be based primarily on the written submittal. Questions will be addressed at a pre-submittal meeting. There will be no oral interviews. A preferred team will then be selected based on the qualifications submitted and scope, schedule, and budget will be negotiated. The If

terms cannot be reached, the second ranked firm will then be selected to negotiate scope, schedule, and budget. Division reserves the right to reject all submittals at its discretion and rebid if a consultant cannot be selected. It is anticipated that the work would be conducted over one year with an option to renew, and that there is an estimated budget of between \$100-200K.



Memo

To: TAC and Steering Committee

From: Matt Zidar, Water Resources Manager

RE: DWR SGMA Facilitation Support Services Implementation Service Plan (ISP)

Date: August 11, 2020, Agenda Item II.A.5

The Department of Water Resources (DWR) is offering Facilitation Support Services (FSS) to assist the Groundwater Authority (GWA) and Groundwater Sustainability Agencies (GSAs) foster discussions that contribute towards implementing the Sustainable Groundwater Management Act (SGMA). DWR will issue a task order under the DWR/Stantec agreement to support the ESJ GWA by providing facilitation and related services during development of the Basin Accounting Framework and the Funding/Financing Alternatives Evaluation.

Key activities supported by this ISP include conduct of stakeholder surveys; preparation of a stakeholder assessment focused on water accounting methods and principals; case studies of water accounting practices among California agencies engaged in sustainable groundwater management; and editorial support for preparation of the *ESJGWA Water Accounting Framework Strategy Document (Strategy Document)*. The agency will manage and direct implementation of these activities:

Stakeholder Assessment

Activities provided under this task include Process Initiation, GSA Survey, Stakeholder Assessment Interviews, Water Accounting Assessment Memo, and Board Presentation. Task includes:

- **Process Initiation:** Includes establishment of a project work plan in coordination with ESJGWA staff, technical support and other staff, as appropriate, to define data needs, goals and objectives as they are associated with 1) current – and potential future – water budgets for East San Joaquin Subbasin GSAs; 2) facilitate development of a basin accounting framework, and 3) approaches for GSA and GSP funding strategies. The project work plan is anticipated to include a draft project schedule, purpose and need statement, and list of participants.
- **GSA Survey:** Drawing from results of Process Initiation, staff will prepare and distribute an electronic survey to subbasin GSA officers, managers and other stakeholders as identified by the Steering Committee. The survey is anticipated to collect responses attributable to individual GSAs on topics such as water budgeting, water use/supply, water accounting, and project financing and will include up to 12 questions.
- **Stakeholder Assessment Interviews:** Applying results of the GSA Survey and the subbasin's updated Water Budget¹, the consultant will prepare and conduct up to 16 small group interviews with representatives of each GSA. Participants may include a GSA board member, manager, counsel

¹ Task prepared under separate contract managed by the agency.

and/or technical staff. Interviews will be guided by a common questionnaire prepared by consultant staff and approved by the Steering Committee.

- Stakeholder Assessment Memo and Presentation: Results of interviews are to be compiled into a memorandum that discloses topics of mutual understanding among participants and topics where opinions diverge. A summary overview in PowerPoint form will be provided to the ESJGWA Board during a regularly scheduled meeting.

Deliverables:

- Project Workplan
- Interview Questionnaire
- GSA Survey and Results
- Stakeholder Assessment Memo
- Board Presentation

Meetings and Water Accounting Framework Strategy Document

Activities under this task include preparation of case studies, facilitation of Committee Workshops, and editorial support for preparation of the *ESJGWA Water Accounting Framework Strategy Document (Strategy Document)*. Task includes:

- Case Studies: Contractor to prepare case studies that describe water accounting methods and approaches for up to four California GSAs or Groundwater Management Agencies (GMA). Case studies to be prepared through a desktop review of published GSPs or similar documents.
- Committee Workshops: Contractor to plan and facilitate up to six workshops of the ESJGWA Steering Committee and/or Technical Advisory Committee. Each workshop will be supported by a detailed Facilitation Plan and an Issue Briefing Paper.
- *Strategy Document*: The *Strategy Document* describes the methods and approaches GSA officers and managers select for water accounting and GSA/GSP funding strategies for their region. Editorial content for the *Strategy Document* is expected to be developed through facilitated processes of Committee Workshops and supporting documents prepared through this and other task orders (see list below). Editorial support includes technical editing and formatting of the final document based on content prepared by member agencies during workshops or other follow-on work by member agencies. Data inputs to support this effort include:
 - Annotated Outline: *ESJGWA Water Accounting Framework Strategy Document*
 - GSA Survey Results
 - Stakeholder Assessment Memo and Presentation
 - Workshop Facilitation Plans and Issue Briefing Papers
 - GSA Water Accounting Framework Case Studies
 - SP-04: GSA Financing Case Studies (see below assumptions)
 - East San Joaquin Subbasin Water Budget (see below assumptions)
- Board Presentation: A summary overview of the *Strategy Document* to be provided to the ESJGWA Board during a regularly scheduled meeting in PowerPoint form.

Deliverables:

- Facilitation Plans (up to six)
- Briefing Papers (up to six)
- GSA Water Accounting Framework Case Studies (up to four)
- Water Accounting Framework Strategy Document (Annotated Outline)
- Water Accounting Framework Strategy Document (Technical Edit)

Contract Management

Activities anticipated under this task include:

- Prepare and submit monthly progress reports of activities in support of this ISP.
- Submittal of deliverables identified in this ISP.

Deliverables:

- Monthly Progress Report
- Submittal of deliverables identified in this ISP