



Consisting of 240,000 acres on the Westside of the San Joaquin Valley

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December 22, 2015

**JAMES E. O'BANION**  
Chairman

**ROY CATANIA**  
Vice Chairman

**STEVE CHEDESTER**  
Executive Director

**LARRY FREEMAN**  
Water Resources Specialist

**JOANN WHITE**  
Administrative Assistant

**MINASIAN, MEITH,  
SOARES, SEXTON  
& COOPER LLP**  
Legal Counsel

*Via Email & U.S. Mail*

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**CENTRAL CALIFORNIA  
IRRIGATION DISTRICT**

**James E. O'Banion**  
President

**Christopher White**  
General Manager

**SAN LUIS CANAL  
COMPANY**

**James L. Nickel**  
President

**Chase Hurley**  
General Manager

**FIREBAUGH CANAL  
WATER DISTRICT**

**Mike Stearns**  
President

**Jeff Bryant**  
General Manager

**COLUMBIA CANAL  
COMPANY**

**Roy Catania**  
President

**Randy Houk**  
General Manager

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RE: *Notice of the San Joaquin River Exchange Contractors Water Authority's Intent to Serve as Groundwater Sustainability Agency for a Portion of the Delta-Mendota Subbasin*

Gentlemen:

This letter constitutes notice to the Department of Water Resources (DWR), pursuant to Water Code sections 10723(d) and 10723.8, of the San Joaquin River Exchange Contractors Water Authority's (Exchange Contractors) intent to undertake sustainable groundwater management of a portion of the Delta-Mendota Subbasin (the Basin) as a Groundwater Sustainability Agency (GSA) pursuant to the Sustainable Groundwater Management Act (SGMA). The Exchange Contractors are a joint powers authority consisting of two local public agencies as defined by Water Code section 10721(m) (Central California Irrigation District and Firebaugh Canal Water District) and two mutual water companies (San Luis Canal Company and Columbia Canal Company). As an entity organized pursuant to a legal agreement and consisting of local public agencies with water supply and water management responsibilities and mutual

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water companies, the Exchange Contractors Water Authority is eligible to serve as a GSA pursuant to Water Code section 10723.6(b), as amended by SB-13 (2015). This notice of intent is timely filed within 30 days of the date the Exchange Contractors' Board of Directors (Board) approved a resolution electing to serve as a GSA. The resolution is attached hereto as Exhibit A and a map showing the Exchange Contractors' proposed GSA management area (which is coterminous with the Exchange Contractors' service area) is attached to the resolution as an exhibit. No new bylaws, ordinances, or other new authorities were adopted in connection with this resolution to serve as GSA.

As of the date of this notice, no other entity has notified the Exchange Contractors of its intent to serve as GSA for the Basin, nor has DWR posted any such notice pursuant to Water Code section 10733.3. The only comment received was from Westlands Water District, a potential GSA in a neighboring basin, which supported the Exchange Contractors' election. Other entities that would be eligible to serve as GSA in the Exchange Contractors' proposed GSA management area include the Counties of Stanislaus, Merced, Fresno, and Madera. Should they elect to serve as GSAs, the GSA management areas of Grassland Water District, Aliso Water District, Farmers Water District, Panoche Water District, Pacheco Water District, San Luis Water District, Del Puerto Water District and the Cities of Newman, Gustine, Los Banos, Dos Palos, Firebaugh, and Mendota may be near or adjacent to the Exchange Contractors' proposed GSA management area. There are many other potential GSAs that are within the Basin, but outside of the Exchange Contractors' proposed GSA management area.

Interested parties within the Exchange Contractors' proposed GSA management area, determined pursuant to Water Code section 10723.2, include:

(a)  Holders of overlying groundwater rights, including:

(1)  Agricultural users

The Exchange Contractors' proposed GSA management area is composed almost entirely of agricultural users, most of whom have a preexisting relationship with the Exchange Contractors.

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(2) Domestic well owners

There are domestic wells within the proposed GSA management area. However, because SGMA excludes “de minimis extractors” (those that extract no more than two acre-feet per year) from certain regulatory requirements, it is anticipated that the Groundwater Sustainability Plan (GSP) will exclude domestic wells from such requirements.

(b) Municipal well operators

Cities of Newman, Gustine, Los Banos, Dos Palos, Firebaugh, and Mendota; South Dos Palos County Water District, Midway Community Services District, North Dos Palos Water District, Fresno County Service Areas 28A & 38, Crow’s Landing Community Services District, Volta Community Services District, and Santa Nella County Water District.

(c) Public water systems

See Municipal well operators, above. Additional public water systems within the proposed GSA management area may be identified during the SGMA implementation process.

(d) Local land use planning agencies

Stanislaus, Merced, Fresno, and Madera Counties

(e) Environmental users of groundwater

N/A. None within the proposed GSA management area. There is limited environmental use of groundwater in game refuges and private wetlands near, but outside of, the proposed management area.

(f) Surface water users, if there is a hydrologic connection between surface and groundwater bodies

The Exchange Contractors hold the surface water rights that are used within the proposed management area. The interests of other nearby holders of surface water rights will be considered in the development of the GSP.

(g) The federal government, including, but not limited to, the military and managers of federal lands

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N/A. The US Fish and Wildlife Service owns land near, but outside of, the proposed management area (Grasslands Wildlife Management Area and San Luis National Wildlife Refuge).

(h) California Native American tribes

N/A. None within the proposed GSA management area.

(i) Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems

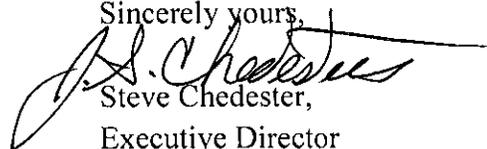
There are disadvantaged communities near and adjacent to the proposed management area: Cities of Newman, Gustine, Los Banos, Dos Palos, Firebaugh, and Mendota; and the Census Designated Places of Crow's Landing, Santa Nella, Volta, Dos Palos Y, and South Dos Palos.

(j) Entities listed in Section 10927 that are monitoring and reporting groundwater elevations in all or a part of a groundwater basin managed by the groundwater sustainability agency

Exchange Contractors; San Luis and Delta-Mendota Water Authority; Broadview Water District.

Under Water Code section 10723.8(a)(4), this notice must explain how the interests of the interested parties identified above will be considered in the development and operation of the GSA and the development and implementation of the GSP. The Exchange Contractors are committed to an open and inclusive process to implement SGMA. Interested parties will have opportunities, both formal and informal, to provide input to the Exchange Contractors throughout the process of developing, operating, and implementing the GSA and GSP. Such opportunities may include, but are not limited to, public comment periods required by SGMA (e.g., Water Code section 10728.4); opportunities for public comment during the Exchange Contractors' regular and special board meetings; and at other times to be determined and noticed pursuant to Water Code section 10727.8(a)).

Sincerely yours,

  
Steve Chedester,  
Executive Director

Enclosures

## EXHIBIT "A"

### RESOLUTION NO. 2015-03 ELECTION TO SERVE AS GROUNDWATER SUSTAINABILITY AGENCY

WHEREAS, the Sustainable Groundwater Management Act of 2014, Water Code sections 10720-10736.6 ("SGMA") was signed into law on September 16, 2014; and

WHEREAS, SGMA requires that each California groundwater basin or subbasin be managed by a Groundwater Sustainability Agency (GSA), or multiple GSAs, and that such management be implemented pursuant to an approved Groundwater Sustainability Plan (GSP) or multiple GSPs; and

WHEREAS, the San Joaquin River Exchange Contractors Water Authority (the "Exchange Contractors") is a joint powers authority duly organized pursuant to the Joint Exercise of Powers Act and consisting of four member agencies: Central California Irrigation District (a local public agency as defined in section 10721(m) of SGMA), Firebaugh Canal Water District (a local public agency as defined in section 10721(m) of SGMA), San Luis Canal Company (a mutual water company), and Columbia Canal Company (a mutual water company); and

WHEREAS, Water Code section 10723.6 permits a combination of local public agencies to form a GSA, and also permits mutual water companies to participate in GSAs, such that the Exchange Contractors is eligible to serve as a GSA; and

WHEREAS, the Exchange Contractors' combined service area overlies a subbasin of the San Joaquin Valley Groundwater Basin known as the Delta-Mendota Subbasin (Basin No. 5-22.07 in the Department of Water Resources' CASGEM system), an unadjudicated groundwater basin overlying portions of Stanislaus, Merced, Madera, San Benito, and Fresno Counties (the "Basin"); and

WHEREAS, the Exchange Contractors, a joint powers authority formed pursuant to a legal agreement by two local public agencies (as defined in section 10721(m) of SGMA) and two mutual water companies, all of whose service areas overly the Basin, is authorized to be a GSA for the Basin pursuant to section 10723.6 of SGMA; and

WHEREAS, notice of a public hearing to consider whether the Exchange Contractors should become a GSA for the Basin, a copy of which is attached hereto as Exhibit A, was published in the Modesto Bee on December 4, 2015 and December 11, 2015, the Merced Sun Star on December 4, 2015 and December 11, 2015, the Madera Tribune on November 28, 2015 and December 5, 2015, the Hollister Free Lance on December 4, 2015 and December 11, 2015, and

the Fresno Bee on November 27, 2015 and December 4, 2015, pursuant to section 6066 of the Government Code, as required by section 10723(b) of the Water Code; and

WHEREAS, a good faith effort was made to provide courtesy copies of the hearing notice to the Basin's other potential GSAs, including the boards of supervisors of the overlying counties, the cities that overly the Basin, and various irrigation, water, community services, and other districts that overly the Basin; and

WHEREAS, the Exchange Contractors held a public hearing at which its Board of Directors considered whether the Exchange Contractors should become a GSA for the Basin; and

WHEREAS, it would be in the best interest of the Exchange Contractors to become a GSA for the Basin;

NOW, THEREFORE, BE IT RESOLVED, ORDERED, AND DIRECTED that:

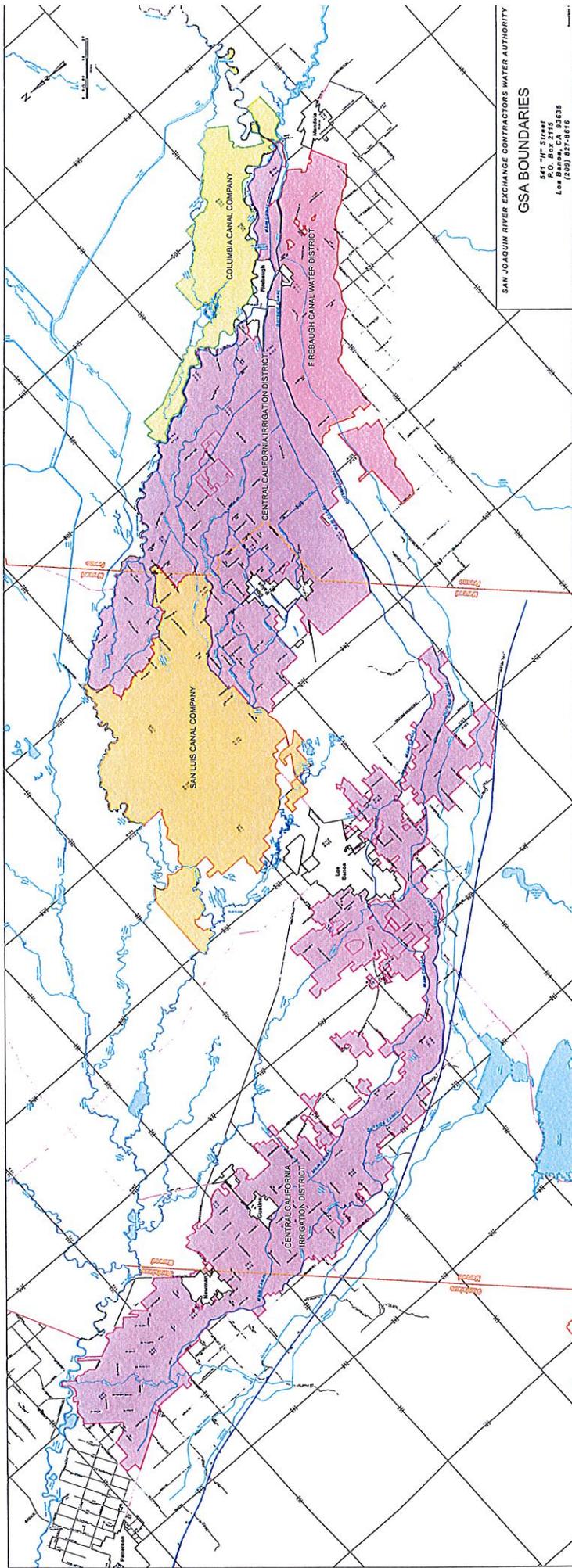
1. The San Joaquin River Exchange Contractors Water Authority hereby elects to be the exclusive Groundwater Sustainability Agency for at least that portion of the Delta-Mendota Subbasin that is shown the map attached hereto as Exhibit B and incorporated herein-by this reference.
2. Within 30 days of the date of this Resolution, the Executive Director is directed to submit a notice of intent to the Department of Water Resources, pursuant to Water Code section 10723.8(a).
3. The Executive Director shall, after complying with Water Code section 10727.8, begin the process of developing the Exchange Contractors' Groundwater Sustainability Plan for the Basin in accordance with all applicable statutes and regulations.
4. The Executive Director shall create and maintain a list of persons interested in receiving notices concerning the Exchange Contractors' SGMA process pursuant to section 10723.4 of the Water Code.
5. The Executive Director shall provide regular progress reports on the SGMA implementation process to the Board at least quarterly.

## **EXHIBIT “A”**

SAN JOAQUIN RIVER EXCHANGE CONTRACTORS WATER AUTHORITY Notice of Public Hearing-Election to Become Groundwater Sustainability Agency Under the Sustainable Groundwater Management Act NOTICE IS HEREBY GIVEN that, pursuant to Water Code section 10723, the San Joaquin River Exchange Contractors Water Authority (Authority) will hold a public hearing during a special meeting on December 18, 2015, commencing at 10:00 AM at the Authority's office at 541 H Street, Los Banos, CA, to determine whether the Authority will become a Groundwater Sustainability Agency for a portion of the Delta-Mendota Subbasin of the San Joaquin Valley Groundwater Basin. Written comments may be submitted to the Authority, Attn: Steve Chedester, Executive Director, no later than 5:00 PM on December 17, 2015, to P.O. Box 2115, Los Banos, CA, 93635, or by hand delivery to the address above. During the hearing, the Authority will allow oral comments and will receive additional written comments before making a decision. The presiding officer may limit oral comments to a reasonable length. Dated: November 24, 2015, Steve Chedester, Executive Director.

# **EXHIBIT “B”**

## **MAP**



SAN JOAQUIN RIVER EXCHANGE CONTRACTORS WATER AUTHORITY  
**GSA BOUNDARIES**  
541 "N" Street  
P.O. Box 211920  
Los Angeles, CA  
(209) 827-8616

**DECLARATION OF PUBLICATION  
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS  
STATE OF CALIFORNIA**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am a printer and principal clerk of the publisher of **THE MODESTO BEE**, which has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS**, State of California, under the date of **February 25, 1951, Action No. 46453**. The notice of which the annexed is a printed copy has been published in each issue thereof on the following dates, to wit:

**DECEMBER 4, 11, 2015**

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I certify (or declare) under penalty of perjury that the foregoing is true and correct and that this declaration was executed at **MODESTO, California** on

**DECEMBER 11, 2015**

*Cynthia A. Mathamara*

(Signature)

CONTRACTORS WATER AUTHORITY  
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