



**NORTHERN
DELTA-MENDOTA**

Meeting of the Northern Delta-Mendota Region Management Committee

Wednesday, January 7, 2026, 1:00 PM

**IN PERSON
Patterson City Council Office Chambers
1 Plaza Circle, Patterson, CA**

Teleconference Locations:

Members and public may also join this meeting at the Zoom link below

<https://zoom.us/j/98061033145>

Webinar ID: 980 6103 3145

Call-in Number: +1 (669) 900-6833

Call-in Passcode: 98061033145#

January 2, 2026

TO: Northern Delta-Mendota Region Management Committee and Interested Parties
FROM: Bobby Pierce, Committee Chair
RE: MEETING OF THE NORTHERN DELTA-MENDOTA REGION MANAGEMENT COMMITTEE
Wednesday, January 7, 2026, 1:00 PM

NOTICE IS HEREBY GIVEN that a Meeting of the Northern Delta-Mendota Region Management Committee has been called for **Wednesday, January 7, 2026, 1:00 PM**, on items listed on the attached agenda, which is incorporated by reference and made a part hereof.



Meeting of the Northern Delta-Mendota Region Management Committee

Wednesday, January 7, 2026, 1:00 PM

AGENDA

1. Call to Order/Roll Call (Lucchesi)
2. Pledge of Allegiance (Lucchesi)
3. Committee to Consider Corrections or Additions to the Agenda of Items, as Authorized by Government Code Section 54950 et seq. (Lucchesi)
4. Opportunity for Public Comment (Lucchesi)

OPEN SESSION

Consent Calendar

5. Committee to Review and Take Action on the Consent Calendar (Lucchesi)
 - a. Minutes of the December 10, 2025 Northern Delta-Mendota Region Management Committee Meeting
 - b. Budget to Actual Report for Period Ending November 30, 2025

Action Items

6. Committee Consideration to Proceed with the Special Projects Agreement, Contingent Upon JPA Board Approval of the Formation (Functional Continuation) of the Northern Delta-Mendota Region Management Committee (Layne)

Report Items

7. SGMA Round 1 Grant Implementation Activities (Dumas/Cochran)
8. Delta-Mendota Subbasin Budget (Blakslee)
9. JPA Status (Layne)
 - a. Committee to discuss Northern Delta-Mendota Region Management Committee transition following JPA adoption
 - b. JPA schedule and status update
10. GSP Implementation Updates (Cochran/Dutton/Dumas/Mani)
 - a. Update on Monitoring (Cochran/Dumas)
 - b. Update on Annual Report Development (Cochran/Dumas)
 - c. Update on Pumping Reduction Plan and GSP Implementation Tracking and Exceedance Reporting (Dutton/Mani)

11. Program Management Report (Palys)

- a. Review of Previous Meeting Action Items (Palys)
- b. Schedule of Key Milestones (Palys)

Closed Session

12. Conference with Legal Counsel – Anticipated Litigation

The Committee will meet in closed session to confer with legal counsel on significant exposure to anticipated litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: (1 case)

Open Session

13. Report from Closed Session (Layne)

14. Next Steps (Palys)

15. Reports Pursuant to Government Code Section 54954.2(a)(3) (Layne)

16. Next Meeting (Lucchesi)

17. Adjournment (Lucchesi)



Northern Delta-Mendota Region Management Committee

Draft Meeting Minutes

Wednesday, December 10, 2025, 1:00 PM

Patterson City Council Chambers, 1 Plaza Circle, Patterson, CA

Northern Delta-Mendota Region Management Committee Members and Alternates Present

Bobby Pierce, Chair – West Stanislaus Irrigation District

Adam Scheuber, Alternate – Del Puerto Water District (DPWD) – Entered the room at 1:05 p.m.

Vince Lucchesi, Member – Patterson Irrigation District (PID)

Tiffany Hill, Alternate – Merced County

Maria Encinas, Member – City of Patterson

Absent

Christy McKinnon, Member – Stanislaus County

Scott Petersen, Water Policy Director, San Luis- Delta Mendota Water Authority

Others Present

Karlee Liddy, Hallmark Group

Taylor Blakslee, Hallmark Group

Larrisa Camara, City of Patterson

Matt Garcia, Del Puerto Water District

Others Present via Zoom

Kait Palys, INTERA

Joel Andrews, City of Patterson

Fernando Almaraz, Baker Manock & Jensen

Amir Mani, EKI

Susan Xei, EKI

Natalie Cochran, Woodard & Curran

Margaret Califaris, TriHydro (Consultant for Stanislaus Co.)

Thomas Cleverdon

1. Call to Order/Roll Call

Committee Chair Pierce called the meeting to order at 1:01 p.m.

2. Pledge of Allegiance

Committee Chair Pierce led attendees in the Pledge of Allegiance.

3. Committee to Consider Corrections or Additions to the Agenda of Items, as Authorized by Government Code Section 54950 et seq.

There were no corrections or additions to the agenda of items.

4. Opportunity for Public Comment

No public comment was provided.

OPEN SESSION

Consent Calendar

5. Committee to Review and Take Action on the Consent Calendar

- a. Minutes of the November 5, 2025 Northern Delta-Mendota Region Management Committee Meeting
- b. Budget to Actual Report

Motion

Committee Member Vince Lucchesi provided the motion to approve the November 5, 2025 meeting minutes with amendments and the budget to actual report.

Committee Member Maria Encinas seconded. The motion passed unanimously.

Action Items

6. Committee to Consider Ratification of Delta-Mendota Coordination Committee Action Authorizing Water Authority Staff to Execute First Amendment to Task Order 011-F26-AA63-TO001 with Luhdorff & Scalmanini, Consulting Engineers

Mr. Blakslee provided background on the LSCE task order amendment on behalf of Scott Petersen (Water Policy Director, SLDMWA) which was included in the meeting packet. He stated there would be no net impact on the overall budget and staff recommended the committee approve the task order amendment for execution by the Water Authority.

Member Scheuber entered the room at 1:05 p.m. and was included in the vote of the motion below.

Motion

Committee Member Lucchesi provided the motion to approve the task order amendment and the budget to actual report. Committee Member Encinas seconded. The motion passed unanimously.

7. Committee to review and consider recommendation that the San Luis & Delta-Mendota Water Authority Water Resources Committee and Board of Directors approve the draft FY27 budget for the Northern Delta-Mendota Management Region Activity Agreement (Fund 64)

Mr. Blakslee provided background on the FY27 Budget for the Northern D-M Region, which was included in the meeting packet. Member Lucchesi noted that the FY27 Budget is overall lower than that of FY26, and that Northern D-M Region activities are trending under budget so far this year. He expressed concern regarding the budget suitability to cover the full transition from the Water Authority to the Joint Powers Authority (JPA). Mr. Blakslee responded that the budget is expected to be sufficient to cover this transition and stated that the estimated costs from the RFP responses were in line with Mr. Petersen's budget for Fund 63 (agenda item 8).

Motion

Committee Member Lucchesi provided the motion to approve the draft FY27 budget for the Northern Delta-Mendota Management Region Activity Agreement (Fund 64). Committee Member Hill seconded, and the motion passed unanimously.

8. Committee to ratify recommendation of the Coordination Committee and the San Luis & Delta-Mendota Water Authority Water Resources Committee and Board of Directors approve the draft FY27 budget for the Coordinated Delta-Mendota Management Region Activity Agreement (Fund 63)

Mr. Blakslee provided a summary of the budget items, including core activity costs and specific activities costs. He highlighted that there was significant discussion regarding the model calibration during the Coordination Committee (CC) meeting on December 8, 2025, where the CC ultimately decided to approve the budget with the caveat that they reconvene before any funds are spent on model calibration.

Member Encinas asked if this model calibration would be performed basin-wide and Mr. Blakslee responded that it would be performed on the basin-wide scale.

Member Lucchesi provided additional context regarding the quality of data feeding the model and noted that the CC directed a technical ad hoc committee to review the model calibration approach before any work is performed.

Member Scheuber emphasized that the value of performing the calibration needs to be communicated to member agencies. He reminded the Committee that their GSP stipulates

all extractions are metered by January 1, 2026, and noted that estimates may continue to be used for reporting before more data is gathered and the model is calibrated.

Chair Pierce asked who developed the budget proposal for the model calibration and Mr. Blakslee responded that the Water Authority did, and that the JPA Board will vote for final approval once established.

Motion

Committee Member Hill provided the motion to approve the recommendation that the SLDMWA Water Resources Committee and Board of Directors approve the Coordination Budget for FY2027. Committee Member Lucchesi seconded and the motion passed unanimously.

9. Committee to consider approval of Subbasin technical consultants to proceed with developing an optional Data Validation Standard Operation Procedure (SOP)

Kait Palys (INTERA) provided background on the purpose and next steps to develop the SOP to QA/ QC data before it is uploaded into the data management system, highlighting that this work would fall within the existing scope of the technical consultant budgets.

Motion

Committee Member Hill provided the motion to approve the recommendation that the SLDMWA Water Resources Committee and Board of Directors approve the Coordination Budget for FY2027. Committee Member Lucchesi seconded. The motion passed unanimously.

Report Items

10. SGMA Round 1 Grant Implementation Activities

Natalie Cochran (Woodard & Curran) gave a summary of the key grant dates and status of deliverables. She stated that one final amendment will be prepared and submitted in December and that amendment submittals are due to Leslie Dumas by this Friday, December 12th. She also reminded GSA representatives to reach out to Leslie if there are any projects that are anticipated to run into January.

Chair Pierce asked to clarify that the work product needs to be complete, but they do not yet need to have the final invoices and Ms. Cochran confirmed that is correct.

11. Delta-Mendota Subbasin Budget

This item was covered in the action items presented by Mr. Blakslee.

12. JPA Status

- a. Committee to discuss Northern Delta-Mendota Region Management Committee transition following JPA adoption

Legal Counsel Fernando Almaraz, on behalf of Lauren Layne (Baker Manock & Jensen) stated that Lacey McBride (Merced County) provided comments on the draft special projects agreement that was presented to the Committee during the November 5, 2025 meeting.

Member Hill stated that the comments were primarily requests for additions to the governance portion of the special agreement.

Chair Pierce stated that their legal counsel approved and signed the special project agreement.

Staff noted action to distribute the Merced County comments on the special projects agreement to Northern DM Region GSAs for review and feedback by December 22, 2025. The Committee will consider approval of the final agreement on January 7, 2026.

- b. JPA schedule and status update

Mr. Blakslee stated that there are 2 GSAs remaining to adopt the JPA, with the new deadline being January 6, 2026.

13. GSP Implementation Updates

- a. Update on November Groundwater Level Monitoring Event

Natalie Cochran (Woodard & Curran) provided an update and requested monitoring data from GSA representatives by December 12, 2025.

- b. Update on Annual Report Development

This item was not included in the publicly-posted agenda. Ms. Cochran stated she sent out an information request to GSA representatives regarding non-PRP elements. She also sent an email requesting feedback or edits to the water surface elevation point maps from GSA representatives by December 19, 2025.

- c. Update on Pumping Reduction Plan and GSP Implementation Tracking and Exceedance Reporting

Susan Xie (EKI) gave an update on the PRP component reporting deadlines. Chair Pierce asked what is used as the baseline for the pumping reduction. Ms. Xie stated that the baseline for comparison is based on average annual pumping under the 2030 scenario.

Amir Mani (EKI) responded that the baseline for the West Stanislaus Irrigation District GSA is based on average pumping between 2019 and 2023, which is reported in the PRP. He stated it may be worth having a future discussion regarding using a percentage reduction versus the exact pumping volume from the model.

Member Encinas asked if there must be consensus amongst the group or if the pumping reduction approach can vary by GSA. Mr. Mani responded that the technical recommendation would be to use a consistent method amongst all GSAs as the basin-wide goal is to reduce pumping and mitigate overdraft.

Member Scheuber asked if the model projected a higher level of extraction than the City of Patterson is pumping, and Member Encinas stated that the extractions are higher than what the model projected.

Mr. Blakslee asked if this is a zone-specific decision to be made, or if all zones should agree on one approach for pumping reductions. Mr. Mani stated that it can be a zone-specific decision to be made in the near future.

Chair Pierce asked if the reduction is set through 2030, and Member Scheuber confirmed that is correct. He stated they are focused on the 9,000 acre-feet in the lower aquifer and decided on a proportional reduction every year to reach that goal after 5 years (about 1,100 acre-feet reduction per year for the Northern DM Region). Lastly, he stated that a rolling annual average will be more practical given diverse water year conditions.

Mr. Mani stated that the approach can be amended in the PRP to be tracked at a rolling 3-year average and iterated the importance of tracking in January 2026.

Member Encinas stated that there are several planning documents (Master Water Plan, Urban Water Management Plan, Chromium-6 Feasibility Study) that will include the maximum extraction number and she needs to know if that number will be defendable and enforceable.

Chair Pierce directed staff to work with EKI to agenda a discussion regarding the reduction approach for an upcoming meeting (perhaps January).

Ms. Xie and Mr. Mani continued to provide an overview of wells with groundwater quality exceedances, recommending confirmation samples be taken and investigations take place to determine whether the exceedance is due to basin management.

Member Scheuber shared that another quarterly sample was taken for well 01-002 in November, and that the MT was not exceeded for TDS. He stated that they will perform further investigation on the well near Ingram Creek and that well 01-004 has always exceeded for Nitrate, but is slowly improving.

14. Program Management Report**a. Review of Previous Meeting Action Items**

Ms. Palys reminded GSA representatives to submit water use by service sector to Woodard & Curran as soon as possible to help move the draft of the annual report forward. Mr. Blakslee emphasized that getting the data back to the technical consultants is critical for timely delivery of the annual report to DWR.

b. Schedule of Key Milestones

Ms. Palys asked if there were any questions regarding the schedule of milestones. There were no comments or questions.

CLOSED SESSION**15. Conference with Legal Counsel – Anticipated Litigation**

The Committee will meet in closed session to confer with legal counsel on significant exposure to anticipated litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: (2 cases)

The Northern Committee entered closed session at 2:08 p.m.

OPEN SESSION**16. Report from Closed Session**

The Northern Committee returned from closed session at 2:21 p.m. Legal counsel Fernando Almaraz stated there was no reportable action.

17. Next Steps

Ms. Palys reviewed the action items, including:

1. December 22, 2025 deadline for Northern DM Region GSAs to review and provide feedback on Merced County's comments on the draft special projects agreement.
2. Staff to begin developing the groundwater data validation SOP.
3. Staff to agendize a discussion regarding pumping reduction approaches for the January or subsequent meeting.
4. GSA representatives to submit responses to all data requests for annual report development as soon as possible.

18. Reports Pursuant to Government Code Section 54954.2(a)(3)

No reports were discussed under this item.

19. Next Meeting

Chair Pierce announced the next meeting will take place on January 7, 2026.

20. Adjourn

Committee Chair Pierce adjourned the meeting at 2:24 p.m.

Draft

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
MARCH 1, 2025 - FEBRUARY 28, 2026
SUSTAINABLE GROUNDWATER MANAGEMENT ACT SERVICES AGREEMENT
ACTIVITY AGREEMENTS BUDGET TO ACTUAL
NORTHERN DELTA-MENDOTA REGION (FUND 64)
Report Period 3/1/25 - 11/30/25

EXPENDITURES	Annual	Paid/	Amount	% of Amt	Expenses
	Budget	Expense	Remaining	Remaining	Through
<u>Legal:</u>					
Baker Manock & Jensen	\$ 35,000	\$ 9,916	\$ 25,084	72%	11/4/25
<u>Other Professional Services:</u>					
Contracts	\$ 363,028	\$ 119,298	\$ 243,730	67%	10/24/25
<u>Other:</u>					
Executive Director	\$ 500	\$ -	\$ 500	100%	
General Counsel	\$ 1,500	\$ -	\$ 1,500	100%	
Water Policy Director	\$ 20,000	\$ 6,660	\$ 13,340	67%	11/30/25
In-House Staff	\$ 2,500	\$ 1,741	\$ 759	30%	11/30/25
Hydrotech 3	\$ 24,423	\$ 13,130	\$ 11,293	46%	11/30/25
Conferences & Training	\$ 1,000	\$ -	\$ 1,000	100%	
Travel/Mileage	\$ 2,000	\$ 73	\$ 1,927	96%	5/7/25
Group Meetings	\$ 1,000	\$ -	\$ 1,000	100%	
Telephone	\$ 500	\$ -	\$ 500	100%	
Total Expenditures	\$ 451,451	\$ 150,818	\$ 300,633	67%	

NORTHERN DELTA-MENDOTA GSAs SPECIAL PROJECT AGREEMENT

This NORTHERN DELTA-MENDOTA GSAS SPECIAL PROJECT AGREEMENT (this “Agreement”) is made and entered into as of this 1st day of March, 2026 (the “Effective Date”), by and among the (i) Delta-Mendota Subbasin GSAs Joint Powers Authority (the “Authority”), and (ii) the DM II GSA, City of Patterson GSA, Patterson Irrigation District GSA, West Stanislaus Irrigation District GSA, and Northwestern Delta-Mendota GSA (each, a “Participating Member”). The Authority and the Participating Members may be collectively referred to herein as the “Parties” or individually as a “Party.”

RECITALS

A. The San Luis & Delta Mendota Water Authority (the “SLDMWA”) and the Northern Delta-Mendota GSAs Group executed that certain Northern Delta-Mendota Region Sustainable Groundwater Management Act (“SGMA”) Services Activity Agreement (“Activity Agreement”), made effective as of February 24, 2017, that certain First Amendment, made effective as of April 30, 2017 (the “First Amendment”), that certain Second Amendment, made effective October 16, 2018 (the “Second Amendment”), and that certain Third Amendment, made effective as of July 15, 2025 (the “Third Amendment”).

B. The Northern Delta-Mendota GSAs Group previously contracted with the SLDMWA to assist in coordinating administrative, financial, and technical management for each of the GSAs in the Northern Delta-Mendota Subbasin.

C. Effective as of December 1, 2025, all of the GSAs in the Delta-Mendota Subbasin executed that certain Delta-Mendota Subbasin GSAs Joint Powers Authority Agreement (“JPA Agreement”) forming the Authority.

D. The Participating Members desire that the Authority assist them in coordinating administrative, financial, and technical management on a regional basis for the GSAs in the Northern Delta-Mendota Subbasin.

E. Pursuant to Sections 5.1(k), 6.7(a)(viii), and 9.5 of the JPA Agreement, upon approval of a majority of the Board of Directors, the Authority may enter into an agreement with any of its Members, or multiple Members, for the purpose of implementing SGMA within the Subbasin.

F. The Activity Agreement and all amendments to it are hereby terminated.

G. The Participating Members are solely responsible for all costs and liabilities associated with this Agreement, with no financial obligations or liabilities imposed on Non-Participating Members of the Authority.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement and the above stated Recitals, which are deemed true and correct and are hereby incorporated herein, the Parties hereby agree as follows:

1. **Definitions.**

1.1 “**Authority**” refers to the Delta-Mendota Subbasin GSAs Joint Powers Authority.

1.2 “**Agreement**” refers to this Northern Delta-Mendota GSAs Special Project Agreement.

1.3 “**Board of Directors**” shall mean the Board of Directors of the Authority.

1.4 “**GSA**” shall mean a groundwater sustainability agency enabled by SGMA to regulate a portion of a basin or subbasin cooperatively with all other GSAs in the basin or subbasin, in compliance with the terms and provisions of SGMA.

1.5 “**Non-Participating Members**” shall mean any other GSA(s) that entered into that certain JPA Agreement, but are not signatories to this Agreement.

1.6 “**Outside Service Area(s)**” of a Participating Member shall mean an area or areas that are outside the political boundaries of the Participating Member, but that are included within the boundaries of such Participating Member’s single-agency GSA. For a party to a multi-agency GSA, “Outside Service Area(s)” of the Participating Members shall mean area(s) that are outside the political boundaries of the Participating Member and outside the boundaries of any other Participating Member that is not a county but that, through written agreement with the applicable county, shall be subject to the Participating Member’s management for purposes of the implementation of SGMA.

1.7 “**Participation Percentages**” shall mean each Participating Member’s allocated share of expenses under this Agreement, as described in **Section 10** of this Agreement and set forth on Exhibit “B” as updated from time to time.

1.8 “**Participating Member**” shall mean a Member or Members of the Authority who are signatories to this Agreement.

1.9 “**SGMA**” shall mean the California Sustainable Groundwater Management Act of 2014 and all regulations adopted under the legislation (SB 1168, SB 1319 and AB 1739), Water Code Sections 10720-10755.4, which collectively comprise SGMA, as that legislation and those regulations may be amended from time to time.

2. **Limitations.** This Agreement is solely between the Authority and the Participating Members listed above who have executed this Agreement. Non-Participating Members shall have no rights, obligations, financial responsibilities, or liabilities under this Agreement, including but not limited to costs, liabilities, or implementation of the services described herein. Nothing in this Agreement authorizes the Authority to establish a GSA or commit the Participating Members to SGMA implementation actions within their respective boundaries and Outside Service Areas, unless the Participating Member has formally and expressly consented.

3. **Purpose.** The purpose of this Agreement is to enable the Authority to provide coordinated administrative, financial, and technical services to the Participating Members.

4. **Role of the Authority.** The role of the Authority under this Agreement is to provide services to assist the Participating Members in conducting the activities contemplated by this Agreement. The Authority will provide only those services as defined in **Section 7** of this Agreement and supported with funding from the Participating Members.

5. **Powers Reserved to the Board of Directors and Limitations Thereon.**

5.1 The Board of Directors of the Authority shall have ultimate approval authority over the annual budget for this Agreement, based upon the recommendation and approval of the Participating Members; provided, the Board of Directors may not alter the annual budget for this Agreement without the review and approval of the Participating Members.

5.2 The Board of Directors shall have the right, upon recommendation of or in consultation with the Participating Members, to approve all amendments to this Agreement.

5.3 The Board of Directors shall have the right, upon recommendation of or in consultation with the Participating Members, to act on any claims and to make decisions concerning the prosecution of, defense of, or other participation in actions or proceedings at law brought against the Authority arising from this Agreement.

5.4 The Board of Directors shall have the right to enter into agreements with consultants within the approved budget, subject to the limitations provided in this Agreement.

5.5 The Board of Directors may, in its discretion, elect to appoint a subcommittee composed of Participating Members to assist in conducting the business of this Agreement.

6. **Approval By Participating Members.** When the terms of this Agreement or applicable law require the approval of a Participating Member, written documentation of such approval, whether by resolution, motion, minutes, or other form of authorization, must be provided to the Authority and to each of the other Participating Members. Any of the following actions shall require the unanimous approval of the Participating Members:

6.1 A recommendation to the Board of Directors of the Authority to a compromise or payment of any claim against the Authority arising from this Agreement;

6.2 To adopt a proposed annual budget by January 15 of each year or by such alternate date as may be required so that it can be incorporated into the Authority's annual budget for the fiscal year beginning on March 1 of each year;

6.3 To propose to set or modify the Participation Percentages of the Participating Members from time to time;

6.4 To fund a project within the boundaries of a particular Participating Member; and

6.5 Any other action for which a unanimous vote is required by the terms of this Agreement.

7. **Scope of Services.** The Authority shall provide the following services to the Participating Members, as detailed in the Statement of Work attached as Exhibit “A” (the “Services”).

8. **Term.** This Agreement shall commence on the Effective Date and continue until terminated in accordance with Section 14.

9. **Admission of New Participating Members.** Admission of new Participating Members shall require amendment of this Agreement and approval by both the Board of Directors of the Authority and the Participating Members.

10. **Budgetary Responsibilities of Participating Members.**

10.1 **Budget and Costs.** The Participating Members are authorized to work with the Authority’s Executive Director and/or Assistant Executive Director to develop and recommend the annual budget for submission to the Authority’s Board of Directors. The Participating Members shall be solely responsible for all costs associated with the Services, including fees, reimbursable expenses, and any applicable taxes. Cost allocation among the Members shall be determined in accordance with the Participation Percentages attached as Exhibit “B.” These costs are associated with the seat shared by the Participating Members on the Authority’s Board of Directors. Non-Participating Members shall have no financial obligations pursuant to this Agreement, and the Authority shall not seek reimbursement or contribution from them for any costs incurred hereunder. Amendments to the budget resulting in a budget increase are subject to approval by the Participating Members as part of a mid-term budget adjustment.

10.2 **Payment Terms.** Each Participating Member shall pay its allocated share within forty-five (45) days of receipt of an invoice from the Authority. Late payments shall accrue interest at [Insert Rate].

10.3 **Budget to Actual Adjustments.** The Authority shall true up budgeted amounts collected from Participating Members to actual expenditures annually, following the end of each fiscal year. Any over-payments between budgeted and actual expenditures, taking into account any year-end carryover reserve, shall be credited or refunded to each Participating Member in equal shares, based upon its Participation Percentage. Each Participating Member shall be billed for any under-payment following the true-up process pursuant to the payment terms of Section 10.2 of this Agreement.

10.4 **Participation Percentages.** The Participating Members shall, prior to the Effective Date or as soon as feasible thereafter, mutually agree upon and document Participation Percentages for each Participating Member, which shall total one hundred percent (100%). The Participation Percentages shall reflect each Participating Member’s relative contribution or responsibility towards achieving the sustainability goal established in the GSP. All costs, expenses, and liabilities incurred under this Agreement shall be allocated and charged to the Participating Members in proportion to their respective Participation Percentages. The Participating Members may periodically review the Participating Percentages to consider new information.

11. **Deemed Withdrawal of Participating Member.** If a Participating Member fails or refuses to meet its financial obligations for more than six (6) months after written notice from the Authority, and does not enter into an agreement to cure the default or otherwise comply with this Agreement, the remaining Participating Members may determine whether the Participating Member is deemed withdrawn. Such determination requires a unanimous vote of a quorum of the Participating Members, excluding the affected Participating Member. Upon a unanimous determination, the Participating Members shall request approval from the Board of Directors to deem the Participating Member withdrawn. This determination does not preclude reinstatement by agreement of the Participating Members and the Authority.

12. **Audits and Records.** The Authority shall maintain records of all costs and services and make them available for inspection by Participating Members, and by bondholders and lenders as provided by resolution or indenture, upon reasonable notice. The Authority's Treasurer, directly or through the Accounting Department, shall provide regular reports on Special Project Agreement accounts. Funds under this Agreement are subject to audit by the Authority's official auditor, and Participating Members may conduct audits at their own expense to verify cost allocations.

13. **Dispute Resolution.** If a dispute arises out of or relates to this Agreement, or the alleged breach thereof, and if the dispute is not settled through negotiation, the Parties agree first to try in good faith to settle the dispute by mediation within thirty (30) days with a mutually agreeable mediator, before resorting to termination, litigation, or some other dispute resolution procedure. The mediator shall be an independent individual, not employed by or acting as an agent of the Authority or any Participating Member. The process shall be confidential and final. The mediator shall be compensated equally by those engaged in the dispute. In the case litigation is initiated, either Party shall seek resolution in a court of competent jurisdiction in the Merced County or Stanislaus County Superior Court.

14. **Termination.** This Agreement shall remain in full force and effect unless and until one of the Parties elects to terminate the Agreement. Any Party may elect to terminate its participation in this Agreement with written notice at least ninety (90) days prior to the termination.

15. **Participating Member Withdrawal**

15.1 Any Participating Member may voluntarily withdraw from this Agreement upon thirty (30) days' written notice of such withdrawal to the Authority and each of the other Participating Members.

15.2 Upon voluntary withdrawal, or if a Participating Member is deemed withdrawn upon determination by the Participating Members and approval by the Board of Directors, the Member's rights of participation under this Agreement shall cease as of the withdrawal date. The withdrawing Member remains responsible for all financial obligations incurred prior to the withdrawal date and shall pay such obligations within thirty (30) days, in accordance with this Agreement.

15.3 Upon withdrawal, a Participating Member may use any data or information developed under this Agreement during its participation. If the Member withdraws after

completion of the GSP, it may also use the GSP for future SGMA implementation within its boundaries.

16. **Notices.** All notices required or permitted by this Agreement or applicable law shall be in writing and may be delivered in person (by hand or courier) or may be sent by regular, certified, or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by email, and shall be deemed sufficiently given if served in a manner specified in this **Section 16**. The addresses noted below in the signature blocks shall be that Party's address for delivery or mailing of notices.

Any Party may by written notice to the other Parties specify a different address for notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, two (2) days after the postmark thereon. If sent by regular mail the notice shall be deemed given forty-eight (48) hours after the same is addressed as required herein and mailed with postage prepaid. Notice delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given twenty-four (24) hours after delivery of the same to the Postal Service or courier. If notice is received after 5:00 p.m. in the time zone in which the Party is located or on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

17. **Indemnification.** Each Participating Member shall indemnify, defend, and hold harmless the Authority and its affiliates from any claims, losses, or liabilities arising from such Participating Member's use of the Services, negligence, or breach of this Agreement. The Authority shall indemnify the Participating Members from claims arising solely from the Authority's gross negligence or willful misconduct in providing the Services.

18. **Limitation of Liability.** The Authority's total liability under this Agreement shall not exceed the total fees paid by the Participating Members. In no event shall either Party be liable for indirect, consequential, or punitive damages.

19. **Amendments.** Amendments to this Agreement must be in writing and signed by all Parties.

20. **Miscellaneous.**

20.1 **Headings.** The subject headings of the sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of the provisions herein.

20.2 **Representations.** Each Party represents and warrants that: (i) it has the full right and authority to enter into this Agreement; (ii) its execution and performance will not violate any other agreement; and (iii) it will comply with all applicable laws.

20.3 **No Liability for Non-Participating Members.** Non-Participating Members shall not be subject to any indemnification, liability, or other obligations under this Section or elsewhere in this Agreement.

20.4 Confidential Information. Each Party shall protect any confidential information disclosed hereunder and use it solely for purposes of this Agreement.

20.5 Governing Law. This Agreement and all documents provided for herein and the rights and obligations of the Parties hereto shall be governed in all respects, including validity, interpretation, and effect, by the laws of the State of California (without giving effect to any choice of law principles).

20.6 Waiver. The failure by a Party to enforce any of the covenants, terms, or conditions of this Agreement shall not be deemed a waiver of such breach, or any future breach, of such covenants, terms, or conditions, unless such waiver shall have been made in writing.

20.7 Third Party Beneficiaries. Nothing in this Agreement shall be construed to confer any rights upon any party not a signatory to this Agreement. Each Participating Member hereby confirms that the Authority and other Participating Members are third-party beneficiaries of such Participating Member's obligations under this Agreement and may take such actions in law or in equity as may be desirable to enforce payments hereunder.

20.8 Severability. If any term or provision of this Agreement shall be held to be invalid or unenforceable in any jurisdiction, for any reason, then it is the intention of the Parties that this Agreement shall be construed and enforced as if such invalid or unenforceable term or provision had never been a part hereof without invalidating the remaining terms and provisions hereof, and that all of the terms and provisions of this Agreement shall remain in full force and effect without regard to such invalidity or unenforceability.

20.9 Entire Agreement. This Agreement and items incorporated herein contain all of the agreements of the Parties with respect to the matters contained herein, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

20.10 Counterparts. This Agreement may be signed by the Parties in different counterparts, which together shall constitute one agreement, even though not all Parties may have signed the same counterpart.

IN WITNESS WHEREOF, the Authority and the Members have executed this Agreement on the dates indicated next to the signatures attached to this Agreement to be made effective as of the Effective Date.

Dated: _____

DELTA-MENDOTA SUBBASIN GSAS JOINT
POWERS AUTHORITY

Print Name: _____

Title: _____

Address: _____

Dated: _____

CITY OF PATTERSON GSA

Print Name: _____

Title: _____

Address: _____

Dated: _____

DM II GSA

Print Name: _____

Print Title: _____

Address: _____

Dated: _____

NORTHWESTERN DELTA-MENDOTA GSA

STANISLAUS COUNTY

Print Name: _____

Print Title: _____

Address: _____

APPROVED AS TO FORM

By: _____

MERCED COUNTY

Print Name: _____

Print Title: _____

Address: _____

APPROVED AS TO FORM

By: _____

Dated: _____

PATTERSON IRRIGATION DISTRICT GSA

Print Name: _____

Print Title: _____

Address: _____

Dated: _____

WEST STANISLAUS IRRIGATION DISTRICT
GSA 1

Print Name: _____

Print Title: _____

Address: _____

DRAFT

EXHIBIT “A”
STATEMENT OF WORK
(THE “SERVICES”)

Pursuant to that certain Northern Delta-Mendota GSAs Special Project Agreement dated March 1, 2026 (the “Agreement”), the Authority shall provide the following Services to the Participating Members:

1. **Administrative Support for GSA Formation:** Provide administrative services to assist Participating Members, upon request, in forming and implementing individual or multi-agency Groundwater Sustainability Agencies (GSAs) that are independent from the Authority.
2. **Consulting Services for GSP Development:** Provide staff resources or solicit proposals from consultants; and, at the direction of the Board of Directors, accept proposals and enter into service agreements to acquire consulting services for compiling data, conducting monitoring, undertaking groundwater studies and developing models necessary for the Northern DM Region GSP.
3. **Funding Mechanisms:** Establish funding mechanisms through budgets approved by the Board of Directors and the Participating Members to obtain services required for developing and implementing the Northern DM Region GSP.
4. **Accounting and Billing Services:** Provide accounting and billing services to collect costs incurred in accordance with the terms of the Agreement.
5. **Outreach Facilitation:** Provide services to facilitate outreach to interested parties, as defined by SGMA, as requested for developing and implementing Northern DM Region GSAs and the Northern DM Region GSP.
6. **Coordination Support:** Provide services to facilitate coordination among GSAs in other portions of the DM Subbasin and GSAs in other subbasins to assist in developing or implementing intra-basin or inter-basin Coordination Agreements required by SGMA.
7. **Additional Activities:** Undertake additional activities and responsibilities as requested and funded by the Participating Members.
8. **Joint Cost Sharing Account Management:** Establish, manage, and maintain a Joint Cost Sharing Account funded by Delta-Mendota Subbasin GSAs, including Participating Members, to create a prudent reserve for activities under the Domestic Well Mitigation Policy. The Account shall be funded with \$300,000 over three years (\$100,000 annually for the first three years). Procedures for funding and use shall be detailed in a separate procedures document.

This Statement of Work may be amended only in writing by mutual agreement of the Parties and in compliance with the Agreement’s terms.

EXHIBIT “B”
PARTICIPATING MEMBERS’ PARTICIPATION PERCENTAGES

<u>Participating Member</u>	<u>Participation Percentage</u>
<i>Patterson Irrigation District GSA</i>	14%
Patterson ID	
Twin Oaks ID	
<i>West Stanislaus Irrigation District GSA</i>	16%
West Stanislaus ID	
<i>DM II GSA</i>	30%
Del Puerto WD	
Oak First WD	
<i>City of Patterson GSA</i>	10%
City of Patterson	
<i>Northwestern Delta-Mendota GSA</i>	30%
Merced County	
Stanislaus County	