



Legislation Text

File #: 16-566, **Version:** 1

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SUBJECT: Joint Funding Agreement with Merced Irrigation District for Local Share for Additional Work on Groundwater-Surface Water Interaction Model for the Merced Groundwater Basin

REPORT IN BRIEF

Consideration of an agreement with Merced Irrigation District (MID) for an amendment to the contract for the Merced Water Resources Model in the amount of \$173,773.50; a jointly funded agreement with Merced Irrigation District, which will be partially reimbursed from cost shares of other groundwater users collaborating on the future Groundwater Sustainable Plan.

RECOMMENDATION

City Council - Adopt a motion approving the expenditure of \$173,773.50 for the Merced Water Resources Model, authorizing the City Manager to execute the necessary documents, and the Finance Officer to make the necessary budget adjustments.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Modify the action (specify in the motion); or
3. Deny; or
4. Refer to staff for reconsideration of specific items (to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Article II, Section 200.

CITY COUNCIL PRIORITIES

As provided for in the 2016-17 Adopted Budget.

DISCUSSION

History and Past Actions:

In 1997, local public agencies of the Merced Groundwater Subbasin entered into a Memorandum of Understanding (MOU) in accordance with AB3030. Fifteen agencies entered into the MOU including urban and agriculture water purveyors. The purpose of the MOU was to create the Merced Area Groundwater Pool Interests (MAGPI), a coalition dedicated to local monitoring and management of the Merced Groundwater Subbasin. The service area includes land located within the Merced Groundwater Basin, which authorizes MAGPI to provide water service, flood control, groundwater quality management, or groundwater replenishment within their service area. MAGPI has grown to 18

members, which includes Merced County, Atwater, Livingston and other Merced area water companies.

Past MAGPI activities include the Merced Water Supply Plan and a smaller groundwater model, which assured an available water supply for the founding of UC Merced.

As the groundwater levels continued to fall, in 2005 MAGPI members agreed on the importance of a larger regional groundwater resources model to assess the basin and provide possible protocols to sustain the basin for the future. MAGPI pursued funds to help create the model.

MAGPI made several presentations to State and Federal representatives regarding the importance of this model to attain a scientific unbiased and publicly vetted mechanism to first understand the basin and then establish practical protocols to stem the ongoing overdraft.

In 2006, the California Department of Water Resources (DWR) offered MAGPI a grant for \$500,000 under Proposition 50 with an equal local share as a requirement. At that time, MID and the City volunteered to front the cost of the local share on behalf of the MAGPI membership, if MAGPI entered into agreement to reimburse MID and the City in the event a Joint Power Authority (JPA) for managing the Merced Groundwater Basin was created in the future. At MAGPI's regularly scheduled meeting on December 12, 2007, MAGPI approved an agreement to reimburse MID and the City for all expenses related to the development of a groundwater model and related activities.

Due to State budget reductions in 2007, DWR suspended all grant funding and delayed the pursuit of this project. DWR staff assured MAGPI the funds would remain available. DWR is preparing to move all residual funds from previous propositions including Proposition 50. Approving this agreement and moving forward with the model will secure grant funding.

Description:

MID has been the lead agency securing grants from DWR for the Eastern Merced Groundwater Basin. The City has participated in the groundwater basin activities through MAGPI and the Merced Integrated Regional Water Management Plan (IRWMP).

MID has received a Proposition 50 Water Supply Reliability Program Implementation Grant of \$500,000 from DWR to prepare a groundwater resources model used by MAGPI and IRWMP. The model will demonstrate existing groundwater resource conditions in eastern Merced County and allow for forecasting of future conditions based on various operational parameters. The model will also help MAGPI make recommendations, develop protocols for groundwater resource management within the subbasin, and provide scenarios that will ensure an ample groundwater supply for future growth and development of the City of Merced.

The grant work is at its completion and the model, in its current stage of development, encompasses the history and current baseline of our groundwater subbasin. The model includes estimated overdraft and migration of water to and from adjacent groundwater basins. In response to the State's proposed water grab, there is an urgency to move as fast as technically possible to make a case for the environmental impact on groundwater storage, quality, and the consequent impact on life and economics in the Merced River Region. Findings from the model will be used to respond to the draft Supplemental Environmental Document (SED) that intends to take 40% of unimpaired river flows.

This will provide the scientific backup necessary to predict the groundwater quality degradation resulting from the SED. Additionally, the overall model activities will be critical for the future development of the Groundwater Sustainability Plan (GSP).

In order to cover the local cost share required by the grant, staff have developed a funding Agreement for Council's consideration for approval, signed by MID, Attachment 1, for the work provided by RMC Water and Environment.

IMPACT ON CITY RESOURCES

The City's share of cost for the Amendment to the Agreement for the Water Model is \$173,733.50. Sufficient funds are available in the Fiscal Year 16-17 budget within the Water Fund, Fund 557.

ATTACHMENTS

1. Joint Funding Agreement - 2017
2. Attachment A and Letter from MID requesting additional funds
3. Joint Funding Agreement - 2013
4. Implementation Grant - 2013