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VIA ELECTRONIC MAIL ONLY

STRGBA GSA Member Agencies (strgba@mid.org)
Todd Groundwater: Liz Elliott (LElliott@toddengineers.com)

*Re: STRGBA GSA's Revised Groundwater Sustainability Plan
HH Matter ID: 2977-001*

Dear STRGBA GSA Member Agencies:

On behalf of the Friends of MID, I want to thank the STRGBA GSA Member Agencies and Consultants for the draft revisions to the STRGBA GSA's Groundwater Sustainability Plan ("GSP"). As the STRGBA GSA works to finalize the GSP and actually implement the Projects and Management Actions (collectively, "PMAs") referenced in Sections 8 and 9, it is fundamentally important to continue to recognize that 4 Management Areas were established by the STRGBA GSA's GSP in recognition of the fact that there are drastically different groundwater conditions occurring throughout the subbasin. The GSP confirms the *MID, OID and Non-District West ("NDW") Management Areas* of the Modesto Subbasin are *already sustainable* in terms of groundwater use while the Non-District East ("NDE") Management Area is not. The STRGBA GSA's 2023 Annual Report describes the MID, OID and NDW Management Areas as *contributing to groundwater recharge* in the amount of nearly 45,000 AF, while the NDE Management Area's overdraft increased to 70,500 AF. As a result, it is necessary to establish different requirements, both financially and practically, for the NDE Management Area that are not imposed on the MID, OID and NDW Management Areas.

1. **Costs.** We appreciate the fact that Table 9-2 indicates the "potential financing options" for the costs of the Projects are allocated to the entity or Management Area where each Project is located and/or to the Area where the Project will directly benefit. However, the "potential financing options" for the Management Actions are all identified as "GSA Operating Funds" and "GSA Member Agencies" without distinguishing between the Member Agencies or Management Areas. Additionally, for every category of Projects and Management Actions, the GSP indicates that "Grants and Loans" may be pursued.

The costs associated with GSP implementation and operation of the GSA, which are described in Section 9.2.1, and costs of the PMAs described in Section 9.2.2, should not be divided evenly among landowners in all 4 Management Areas. Given the indisputable fact that the Modesto Subbasin's overdraft of more than 24,000 AF is a direct result of the unsustainable groundwater pumping in the NDE, to the extent that costs for Projects and/or Management Actions are not completely covered by grants, the NDE should be responsible. The landowners in the MID and OID Management Areas have already spent millions of dollars implementing a system of sustainable use of groundwater and should not have to fund any Projects or Management Actions necessitated by the overdraft in the NDE. Similarly, the MID, OID and NDW Management Areas should not be required to pay any Pumping Fees or Assessments.

2. **Participation in Management Actions.** Section 8 describes 7 Management Actions to be considered, which are separated into 3 categories, as follows:
- a. Pumping Management Framework
 1. Groundwater allocation and pumping management program
 2. Groundwater extraction and surface water reporting program
 3. Groundwater extraction fees
 4. Groundwater pumping credit market and trading program
 - b. Demand Reduction Strategies
 5. Voluntary conservation and/or land fallowing
 6. Conservation practices
 - c. Dry Well Mitigation
 7. A dry well mitigation program

Section 8 also indicates the Management Actions will be developed to include triggers, based on sustainable management criteria established in the GSP. However, it should be made clear that the triggers and criteria should be evaluated separately within each of the 4 Management areas.

Given the fact that the MID, OID and NDW Management Areas are sustainable and contribute to groundwater recharge, these 3 Management Areas should not be required to participate in any of the Management Actions, especially the groundwater allocation and pumping management program, groundwater extraction and surface water reporting, and groundwater extraction fee components of the Pumping Management Framework. Any participation by the MID, OID and NDW Management Areas in any of the Management Actions should be voluntary.

While we recognize that the STRGBA GSA's Member Agencies must work together in the best interest of the Modesto Subbasin as a whole, that does not mean that every landowner in the Modesto Subbasin should be equally responsible for the costs of implementing and administering the PMAs. Rather, the PMAs must be mandated and administered equitably based on current conditions within each of the 4 Management Areas.

Sincerely,

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Cc: Friends of MID

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