

EXHIBIT E.2

**LETTER OF UNDERSTANDING ON
FINAL GROUNDWATER
SUSTAINABILITY AGENCIES MAP FOR
THE EASTERN SAN JOAQUIN
SUBBASIN**



SAN JOAQUIN
—COUNTY—
Greatness grows here.



Department of Public Works

Kris Balaji, Director of Public Works

Fritz Buchman, Deputy Director/Development

Michael Selling, Deputy Director/Engineering

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April 28, 2017

San Joaquin County
Supervisor Chuck Winn
44 North San Joaquin Street, 6th Floor
Stockton, California 95202

SUBJECT: LETTER OF UNDERSTANDING ON FINAL GROUNDWATER SUSTAINABILITY AGENCIES MAP FOR THE EASTERN SAN JOAQUIN SUBBASIN

Dear Supervisor Winn:

The San Joaquin County (County) Department of Public Works has been able to work with you and your staff to resolve the boundary overlaps of our Groundwater Sustainability Agencies (GSAs) and looks forward to forging ahead on the development of a Groundwater Sustainability Plan (GSP) through the newly formed Eastern San Joaquin Groundwater Authority. This letter is being sent to you to communicate that the Eastern San Joaquin Subbasin (Subbasin) GSA Map (see enclosed) is now complete and ready for final submittal to the Department of Water Resources (DWR). This letter also contains a list of GSA mapping principles and key recognitions for areas within a County Service Area (CSA) or Maintenance District (MD) served by the County, which has guided our respective staff in the delineation of GSA boundaries. Finally, this letter provides instructions on how to submit the required information to DWR for final processing.

GSA Mapping Principles and Key Recognitions for CSAs and MDs:

1. GSA overlaps were resolved at the parcel level as delineated by records current with the County's Assessor-Recorder-County Clerk.
2. City GSAs include areas only within incorporated City limits.
3. Areas delineated within a City's sphere of influence, but not yet annexed, were mapped into the adjacent irrigation/water district GSA or mapped within the County's GSA.
4. Following the approval of an annexation, parcels annexed to a City or irrigation/water district would also detach from their then current GSA and be added to the annexing City's GSA.
5. The County, recognizing the diversity of surface water and groundwater issues throughout the Subbasin, intends to manage areas within the County's GSA similar to adjacent GSAs.
6. CSAs and MDs served by the County were not separated and added to the County's GSA based on the understanding that the encompassing exclusive GSA would recognize the following:
 - a. CSAs and MDs served by the County would be treated by the exclusive GSA correlatively to other groundwater users, or in the reduction of the ability to pump groundwater.

LETTER OF UNDERSTANDING ON FINAL GROUNDWATER
SUSTAINABILITY AGENCIES MAP FOR THE EASTERN SAN JOAQUIN SUBBASIN

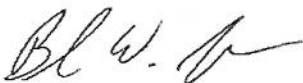
- b. CSAs and MDs would not have their ability to pump groundwater reduced to a level below what is required for health and safety purposes.
- c. A GSA would levy SGMA related fees or charges directly upon landowners, not the CSAs on MDs to the extent feasible, to allow those property owners the opportunity to exercise their rights in accordance with applicable State laws.

Instructions for GSAs to File with DWR:

1. Contact Gerardo Dominguez, Engineer IV, at (209) 953-7945, or by email at gdominguez@sjgov.org to obtain your Geographic Information System (GIS) file – A GIS file of your respective GSA as well as the final PDF map of GSAs within the Subbasin (see enclosed).
2. Determine if Board or Council action is needed: According to DWR, each prospective GSA is able to decide for themselves whether a modification in their respective GSA notification represents a material change requiring a Board or Council to adopt a revised Resolution and possibly hold a second Public Hearing prior to taking such action. A sample Resolution revising a GSA's boundary is enclosed for your use. Another option is to notify DWR through its online portal (noted below), stating that the change does not represent a material change to the notification.
3. Submit to DWR online: DWR requires that all GSA transmittals be submitted online at <http://sgma.water.ca.gov/portal/> including the GIS file, final PDF map of GSAs, and Resolution/correspondence to DWR by June 30, 2017, or sooner.

Public Works looks forward to continuing to work together to develop the GSP for the Subbasin. Should you have any questions, please contact me at (209) 468-3089, or by email at bnakagawa@sjgov.org.

Sincerely,



BRANDON W. NAKAGAWA, P.E.
Water Resources Coordinator

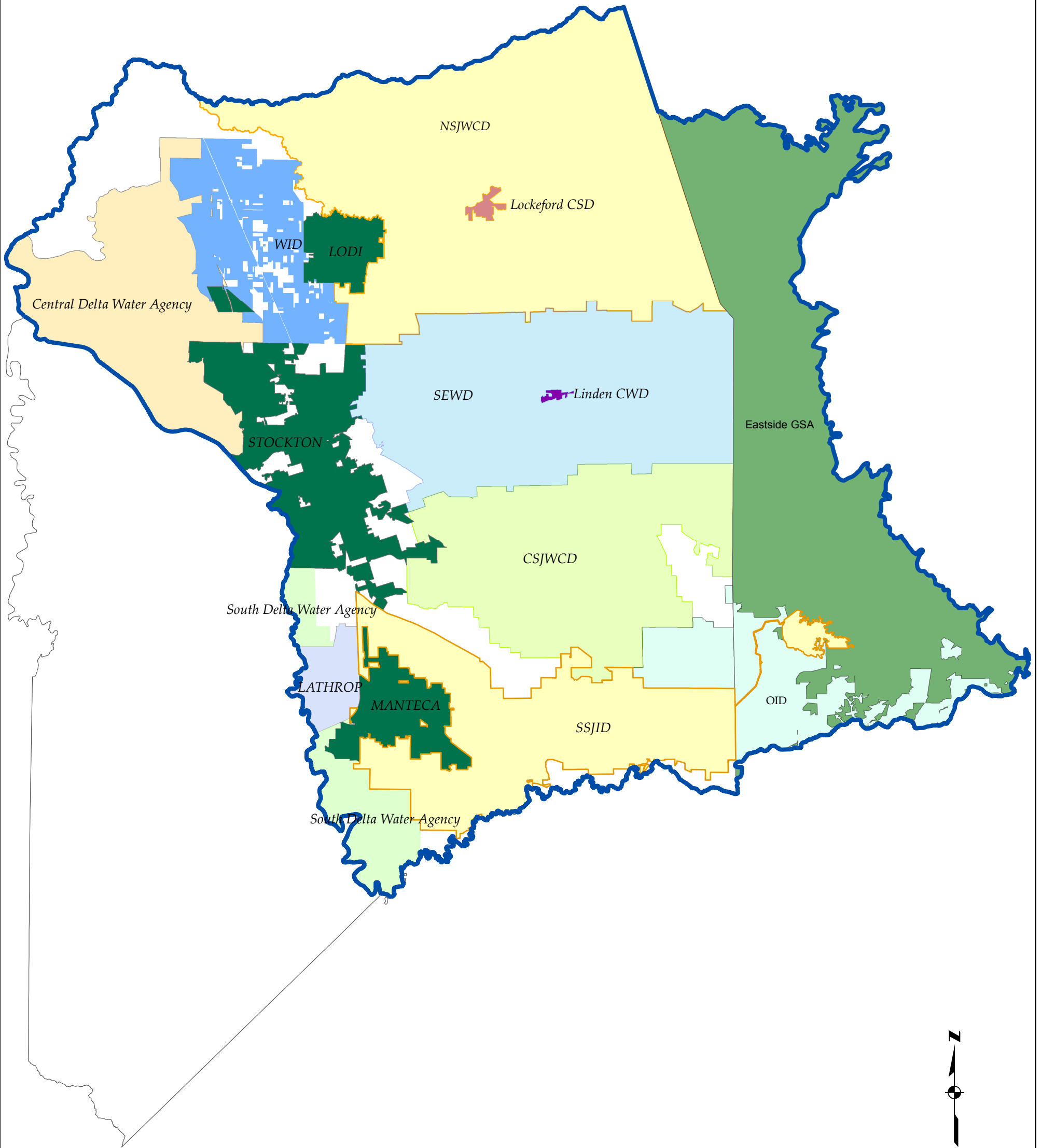
BWN:KV:me
WR-17D011-ME12

Enclosures

c: SGMA Work Group
Fritz Buchman, Deputy Director/Development
Gerardo Dominguez, Engineer IV

GSA Map – Letter of Understanding Distribution List

Calaveras County Water District Mr. Peter Martin P.O. Box 846 San Andreas, CA 95249	Central Delta Water Agency Mr. Dante Nomellini, Sr. P.O. Box 1461 Stockton, CA 95201	Central San Joaquin Water Conservation District Mr. Reid Roberts 11 S. San Joaquin St., 3rd Fl. Stockton, CA 95202
City of Lathrop Mr. Tim Mc Coy 390 Towne Centre Drive Lathrop, CA 95330	City of Lodi Mr. Lance Roberts P.O. Box 3006 Lodi, CA 95241	City of Manteca Mr. Mark Houghton 1001 W. Center Street Manteca, CA 95337
City of Stockton Ms. Regina Rubier 11373 N. Lower Sacramento Rd. Lodi, CA 95242	Linden County Water District Mr. David Fletcher P.O. Box 595 Linden, CA 95236	Lockeford Community Services District Mr. Joseph Salzman 17725 N. Tully Road Lockeford, CA 95237
North San Joaquin Water Conservation District Mr. Thomas Flinn P.O. Box E Victor, CA 95253	Oakdale Irrigation District Mr. Eric Thorburn, P.E. 1205 East "F" Street Oakdale, CA 95361	San Joaquin County Mr. Chuck Winn 44 N. San Joaquin St., 6th Fl. Stockton, CA 95202
South Delta Water Agency Mr. John Herrick, Esq. 4255 Pacific Ave., Ste. 2 Stockton, CA 95207	South San Joaquin Irrigation District Mr. Peter Rietkerk 11011 East Hwy 120 Manteca, CA 95336	Stanislaus County Mr. Walter Ward 3800 Cornucopia, Ste. C Modesto, CA 95358
Stockton East Water District Mr. Scot Moody P.O. Box 5157 Stockton, CA 95215	Woodbridge Irrigation District Mr. Andy Christensen P.O. Box 580 Woodbridge, CA 95258	



 Eastern San Joaquin Basin

Eastern San Joaquin Subbasin
(Groundwater Sustainability Agencies)

-- VICINITY MAP --

SAN JOAQUIN COUNTY

Department of Public Works, 1810 E. Hazelton Ave., Stockton, CA 95205
The County of San Joaquin does not warrant the accuracy, completeness, or suitability for any particular purpose.
The Information on this map is not intended to replace engineering, financial or primary records research.



R-_____

RESOLUTION APPROVING THE REVISED GROUNDWATER SUSTAINABILITY
AGENCY BOUNDARY MAP FOR THE EASTERN SAN JOAQUIN SUBBASIN
AND SUBMITTAL OF THE MAP TO THE CALIFORNIA
DEPARTMENT OF WATER RESOURCES

WHEREAS, the California Legislature and Governor Jerry Brown signed into law Senate Bills 1168 and 1319 and Assembly Bill 1739, known collectively as the Sustainable Groundwater Management Act (SGMA); and,

WHEREAS, SGMA went into effect on January 1, 2015; and,

WHEREAS, SGMA requires all high- and medium-priority groundwater basins, as designated by the California Department of Water Resources (DWR) Bulletin 118, to be managed by a Groundwater Sustainability Agency (GSA) or multiple GSAs by June 30, 2017; and,

WHEREAS, the Eastern San Joaquin Subbasin (Subbasin) has been designated by DWR as a high-priority basin and in critical groundwater overdraft; and,

WHEREAS, SGMA authorizes a local public agency overlying a groundwater subbasin to elect to become a GSA; and,

WHEREAS, on [insert date] the [insert name of governing body, i.e., County of San Joaquin Board of Supervisors] elected to become a GSA for the portions of San Joaquin County (County) within the Subbasin; and,

WHEREAS, the [insert agency name, i.e., County] submitted notification to DWR on [insert date] of its decision to become a GSA; and,

WHEREAS, the decision to become a GSA will take effect if no other local agency has filed a GSA formation notice for all or a portion of the same area of a basin within 90-days of the initial posted notice, or if any GSA overlap has been resolved and all applicable Water Code requirements have been met; and,

WHEREAS, as reflected in Water Code §10723.8(c), where there is overlap in areas proposed to be managed by local agencies, the local agencies shall seek to reach agreement to resolve the overlap to allow prompt designation of a GSA. Water Code References: §10723 *et seq.*; and,

WHEREAS, GSA overlap can be resolved by withdrawal or modification of a posted GSA formation notice(s) to eliminate any overlap in the area(s) proposed to be managed; and,

WHEREAS, The County and other public agencies who can file to become a GSA within the Subbasin, have successfully resolved GSA overlaps; and,

WHEREAS, a parcel-level boundary map has been developed by the County for the entire Subbasin, which defines the boundaries of each GSA without GSA overlap within the Subbasin; and,

WHEREAS, [insert agency name] is in agreement with the GSA boundaries depicted on this map for the Subbasin; and,

NOW, THEREFORE, BE IT RESOLVED, that [insert Board/Council] accepts the Subbasin GSA Map depicting all GSAs within the Subbasin; and,

BE IT FURTHER RESOLVED, that [insert Board/Council] directs staff to submit the Subbasin GSA Map to DWR requesting the boundaries of the [insert legal name GSA] be modified in accordance with the map, and to request that DWR designate the [insert legal name GSA] the exclusive GSA as depicted on the Map.

[Insert agency's appropriate signature block]