

AGENDA
MERCY SPRINGS WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

August 19, 2026 – 11:00 a.m.

MEETING LOCATION
Panoche Water District Boardroom
52027 West Althea Ave.
Firebaugh, CA 93622

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. REVIEW OF AGENDA:** The Board will consider corrections to the Agenda.
- 4. ROLL CALL:** A quorum will be confirmed and the Board will consider appointment of an acting Officer(s) in the event the President, Vice-President, and/or Secretary is absent from the meeting.
- 5. POTENTIAL CONFLICTS OF INTEREST:** Any Board member who has a potential conflict of interest may now identify the Agenda Item and recuse themselves from discussing and voting on the matter. [Government Code Section 87105]
- 6. PUBLIC COMMENT:** The Board of Directors welcomes participation in Board meetings. The public may address matters under the jurisdiction of the Board that have not been posted in the Agenda. The public will be given the opportunity to address the Board on any item in the Agenda at this time or before the Board's consideration of that item. If members of the public desire to address the Board relative to a particular Agenda item at the time it is to be considered, they should so notify the President of the Board at this time. Please note, California Law prohibits the Board from acting on any matter during a regular meeting that is not on the posted Agenda unless the Board determines that it is an emergency or one of the other situations specified under Government Code Section 54954.2. During a special meeting, the Board may not act on any matter that is not on the posted Agenda. The President may limit the total amount of time allocated for public comment on any particular issue to 3 minutes for each individual speaker.

ACTION ITEMS

- 7. BOARD TO REVIEW AND CONSIDER ACCEPTING THE DRAFT AUDIT OF THE FINANCIAL STATEMENTS FROM FECHTER & COMPANY FOR THE FISCAL-YEAR ENDING FEBRUARY 28, 2025, SUBJECT TO ANY FURTHER BOARD DIRECTION (Reyes/McGowan)**
- 8. BOARD TO REVIEW AND CONSIDER APPROVING FEBRUARY 18, 2026, REGULAR BOARD MEETING MINUTES (Reyes)**
- 9. BOARD TO REVIEW AND CONSIDER RESOLUTION NO. 63-2026 ADOPTING A PROPOSED AMENDED CONFLICT OF INTEREST CODE AND INCORPORATES FURTHER CHANGES REQUIRED BY THE FRESNO COUNTY BOARD OF SUPERVISORS (Delgado)**

10. **BOARD TO REVIEW AND CONSIDER APPROVING RESOLUTION NO. 64-2026 AUTHORIZING THE GENERAL MANAGER TO EXECUTE A NEW FIVE-YEAR WARREN ACT CONTRACT, AND ANY RELATED DOCUMENTATION WITH THE UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION FOR THE CONVEYANCE OF YUBA ACCORD WATER** (McGowan)
11. **BOARD TO CONSIDER RESOLUTION # 65-2026 CERTIFYING NO CANDIDATES FILED AND REQUESTING APPOINTMENTS IN LIEU OF ELECTION PURSUANT TO ELECTIONS CODE SECTION 10515** (Delgado)
12. **BOARD TO REVIEW AND CONSIDER IMPLEMENTATION OF CENTRAL DELTA-MENDOTA GSA WELL CENSUS AND REGISTRATION POLICY ONE** (McGowan)
13. **BOARD TO REVIEW AND CONSIDER IMPLEMENTATION OF CENTRAL DELTA-MENDOTA GSA WELL METERING AND REPORTING POLICY TWO** (McGowan)
14. **BOARD TO REVIEW AND CONSIDER IMPLEMENTATION OF CENTRAL DELTA-MENDOTA GSA ADMINISTRATIVE POLICY THREE** (McGowan)
15. **FINANCIAL REPORTS** (Brazil)
 - A. Accounts Payable
 - B. Monthly Financials
 - C. FYE2025 Budget to Actual Report
 - D. Other Financial Matters Affecting the District.

REPORT ITEMS

16. **GENERAL MANAGER'S REPORT**
 - A. SGMA
 - I. Central Delta Mendota GSA
 - II. Delta Mendota Coordination Committee
 - B. DMC Subsidence Correction Program
 - C. California Aqueduct Subsidence Program
17. **CLOSED SESSION**
 - A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Gov. Code Section 54956.9 (d)(4) AquAlliance, et al. v. The U.S. Bureau of Reclamation, et al.
(Case No. 1:20-cv-00878-DAD-EPG, filed May 11, 2020)
 - B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Gov. Code Section 54956.9(d)(2)
Number of Cases: One
18. **FUTURE MEETING DATES**
 - A. Next Regular Meeting Date: February 17, 2027, at 11:00 am.
19. **ADJOURNMENT**
 - ❖ Items on the Agenda may be taken in any order.
 - ❖ Action may be taken on any item listed on the Agenda.

- ❖ Writings relating to open session: Agenda items that are distributed to members of the Board of Directors will be available for inspection at the District office, excluding writings that are not public records or are exempt from disclosure under the California Public Records Acts.

Americans with Disabilities Act of 1990: Under this Act, a qualifying person may request that the District provide a disability-related modification or accommodation in order to participate in any public meeting of the District. Such assistance includes alternative formats for the agendas and agenda packets used for any public meetings of the District. Requests for assistance shall be made in person, in written form, or via telephone by calling (209) 364-6136. Requests must be received at least 18 hours prior to a scheduled public meeting.

**MERCY SPRINGS WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING
FEBRUARY 18, 2026**

A regular meeting of the Board of Directors was scheduled to be held on February 18, 2026, at 11 :00 a.m. Those present at the meeting were:

Directors Present: Palmer McCoy, President
Juan Cadena, Vice-President
Richard Wathen, Director (Arrived 11:08 am)

District Staff Present: Patrick McGowan, General Manager & Secretary
Marlene Brazil, Accounting Supervisor
Sandra Reyes, Water Master

Others Present: Gabriel Delgado, General Counsel
Jeff Bryant, Firebaugh Canal Water District
Mitch Partovi, The Water Agency

CALL TO ORDER

President McCoy called the meeting to order at 11:03 a.m.

PLEDGE OF ALLEGIANCE

President McCoy led those in attendance in the Pledge of Allegiance.

REVIEW OF AGENDA

General Manager Patrick McGowan informed the Board that we would be presenting the financial reports prior to considering adopting the budget for FYE February 28, 2027, and setting the Water and Land Based Fees.

ROLL CALL

A quorum of the Board of Directors and the presence of District's Officers were confirmed.

POTENTIAL CONFLICTS OF INTEREST

There were no conflicts of interest disclosed.

PUBLIC COMMENT

There was no public comment.

ACTION ITEMS

THE BOARD TO REVIEW AND CONSIDER APPROVING THE NOVEMBER 19, 2025, REGULAR BOARD MEETING MINUTES

Upon a motion by Vice-President Cadena and seconded by President McCoy, the board approved the November 19, 2025, regular board meeting minutes as presented.

The vote on the matter was as follows:

Ayes:	P. McCoy, J. Cadena
Nays:	None
Absent:	R. Wathen
Abstain:	None

FINANCIAL REPORTS

- A. Accounts Payable
- B. Monthly Financials
- C. FYE2025 Budget to Actual Report
- D. Other Financial Matters Affecting the District

After discussion by the Board and upon a motion by Director Wathen and seconded by Vice-President Cadena, the board approved the accounts payable, monthly financials, and budget as presented.

The vote on the matter was as follows:

Ayes:	P. McCoy, J. Cadena, R. Wathen
Nays:	None
Absent:	None
Abstain:	None

BOARD TO REVIEW AND CONSIDER ADOPTING A BUDGET FOR THE FISCAL YEAR ENDING FEBRUARY 28, 2027, AND SETTING THE WATER AND LAND BASED FEES

General Manager Patrick McGowan presented the board with the Proposed Budget for the fiscal year ending February 28, 2027. The board discussed pulling from reserves to keep the Land Based rate approximately the same as last year's.

After discussion by the board and upon a motion by Director Wathen and seconded by Vice-President Cadena, the board approved the proposed budget and set an O&M rate of \$ 60/acre-foot and a Land Based Fee of \$6.00/Acre.

The vote on the matter was as follows:

Ayes:	P. McCoy, J. Cadena, R. Wathen
Nays:	None
Absent:	None
Abstain:	None

REPORT ITEMS

BOARD TO RECEIVE UPDATES FROM STAFF ON VARIOUS MATTERS AFFECTING THE DISTRICT

GM McGowan noted that there were no updates to report at this time.

BOARD TO RECEIVE AN UPDATE ON BRACKISH WATER WELL RECOVERY PROGRAM

GM McGowan and President McCoy briefed the Board on the brackish water well recovery program. The pumping occurs above the Corcoran clay in the SJRIP and the water will then be moved to Panoche Water District. If the program works, the water will need to be blended and right now the focus is to try and see what the cost of the water will be.

GENERAL MANAGER'S REPORT

A. SGMA

- I. Central Delta Mendota GSA

GM McGowan reported that the Central Delta Mendota GSA is moving away from the San Luis

& Delta-Mendota Water Authority managing the group and the focus is on minimizing consultants and costs.

II. Delta Mendota Coordination Committee

GM McGowan reported that the Central Delta Mendota Coordination Committee has made the commitment to move toward volumetric pumping based fees meaning the first fifty percent would be assessed to the twelve member agencies and the remaining fifty percent to those Districts that are pumping.

B. Other

GM McGowan noted that the Brackish Water Well Recovery Program would be beneficial for Panoche Water District. GM McGowan also informed the Board about the Joint Grower Workshop being held by Pacheco and Panoche Water Districts and extended an invitation to attend to the MSWD Board members, as well.

CLOSED SESSION

There was no Closed Session held.

FUTURE MEETING DATES

The next regular meeting is scheduled for May 20, 2026, at 11:00 am.

ADJOURNMENT

With no further business, President Palmer McCoy adjourned the regular meeting at 11:33 am.

Palmer McCoy, President

Patrick McGowan, Secretary

CONFLICT OF INTEREST CODE-~~FOR THE~~
MERCY SPRINGS WATER DISTRICT

(AMENDED ~~2023~~2026)

The Political Reform Act (Government Code ~~s~~Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. ~~The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations ~~s~~Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations ~~S~~Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendixes ~~A and B, which~~ A and B, which designating positions and establishing disclosure categories, shall constitute the conflict~~-of-~~interest code of the Mercy Springs Water District ("District").~~

Individuals holding designated positions listed in Appendix A as officials who manage public investments shall file their statements of economic interests electronically with the ~~District~~Fair Political Practices Commission pursuant to Government Code section 87500. Individuals holding all other designated positions shall file their statements of economic interests with , which will make the statements available for public inspection and reproduction (Gov. Code Sec. 81008). ~~Upon receipt of the statements for the Members of the Board, General Manager, and the Treasurer,~~ the District shall be made available for public inspection and reproduction pursuant to Government Code section 81008 and shall be processed, retained, and transmitted as required by applicable law and the code reviewing body~~make and retain copies and forward the originals to the Fresno County Board of Supervisors using their electronic filing system. All other~~

~~statements will be retained by the District.~~

The provisions of all Conflict~~--of--~~Interest Codes and amendments thereto previously adopted by the District are hereby superseded.

APPENDIX A

Officials Who Manage Public Investments:

—It has been determined that the positions listed below manage public investments and will file a statement of economic interests pursuant to Government Code ~~S~~section 87200. —These positions are listed for informational purposes only.

1. —Members of the Board of Directors
1. —
2. —General Manager
2. —
3. —Treasurer

—An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. —The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code ~~s~~Section 87200.

DESIGNATED POSITIONS

<u>Designated Positions—</u>	<u>Assigned Disclosure Category</u>
General Counsel	1;
Consultant	*

~~(The following positions are performed by consultants: General Counsel).~~

*.—Consultants/New Positions ~~shall be included in the list of~~are designated positions and shall disclose pursuant to the broadest disclosure category in ~~this~~ the code subject to the following limitations:

—The General Manager may determine in writing that a particular consultant or new position~~s~~, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section.—Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. —The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code (Government Code ~~S~~section 81008). Nothing in this paragraph excuses a consultant or new position from any other provision of this conflict-of-interest code.

APPENDIX B

DISCLOSURE CATEGORIES

Disclosure Category 1—Full Disclosure

Investments and business positions in business entities, and sources of income (including receipt of gifts, loans and travel payments). Interests in real property located within the District's jurisdiction, including as well as real property located within two miles of the real property used or the potential site outside the District's boundaries or within two miles of land owned or used by the District, or a potential District site.

Disclosure Category 2—Procurement Decisions – Agency-Wide Authority

Investments, business positions in business entities and sources of income (including receipt of gifts, loans and travel payments) from sources that provide leased facilities, products, equipment, vehicles, machinery or services (including training or consulting services) of the type utilized by the District.

Disclosure Category 3—Procurement Decisions – Limited Authority:

Investments, business positions in business entities and sources of income (including receipt of gifts, loans and travel payments) from sources that provide leased facilities, products, equipment, vehicles, machinery or services (including training or consulting services) of the type utilized by the Department's assigned function, program, or unit.

Disclosure Category 4—Information Technology

Investments, business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments), from sources that provide information technology and telecommunications goods, products or services, including but not limited to computer hardware or software companies, computer consulting services, information-technology training, data processing firms, and media services.

Disclosure Category 5—Grant Funding

Investments, business positions in business entities, and sources of income (including receipt of gifts, loans and travel payments) from sources of the type to receive grants or similar funding from or through the District.

Disclosure Category 6—Claims

———Investments, business positions in business entities, and sources of income (including receipt of gifts, loans and travel payments) from sources that, during the reporting period, have filed a claim or have a claim pending before the District.

MERCY SPRINGS WATER DISTRICT

RESOLUTION NO. 63-2026

RESOLUTION ADOPTING MERCY SPRINGS WATER DISTRICT'S AMENDED CONFLICT OF INTEREST CODE

WHEREAS, the Political Reform Act of 1974 (Government Code Section 81000 et seq.) requires every state and local government agency to adopt and promulgate a conflict of interest code;

WHEREAS, Government Code Section 87306 requires an agency to amend its conflict of interest code when changed circumstances require amendment, including when positions are created, abolished, renamed, or assigned materially different duties, or when the duties of existing positions change;

WHEREAS, under Government Code Section 82011, subdivision (b), the Fresno County Board of Supervisors is the code reviewing body for the District because the District is a local government agency, other than a city agency, with jurisdiction wholly within Fresno County;

WHEREAS, Government Code Section 87302 requires a conflict of interest code to identify designated positions and the financial interests reportable by persons holding those positions, and permits an agency to incorporate by reference the standard conflict of interest code set forth in title 2, California Code of Regulations, section 18730;

WHEREAS, the Board has reviewed the proposed amended Mercy Springs Water District Conflict of Interest Code attached to this Resolution as Exhibit A (the "Amended Code"), including its lists of officials who manage public investments, designated positions, and disclosure categories;

WHEREAS, officials who manage public investments are governed by Government Code Section 87200 and, pursuant to Government Code Section 87500, subdivision (a), must file their statements of economic interests electronically with the Fair Political Practices Commission using the Commission's electronic filing system;

WHEREAS, the District provided notice and an opportunity for public comment concerning the proposed Amended Code in accordance with the Political Reform Act, applicable regulations, and the procedures of the Fresno County code reviewing body;

WHEREAS, the Board has considered the proposed Amended Code, the reasons for the amendments, any timely comments received, and the duties and disclosure responsibilities of the positions addressed by the Amended Code; and

WHEREAS, under Government Code Section 87303, the Amended Code will not become effective unless and until approved by the Fresno County Board of Supervisors as the code reviewing body.

NOW, THEREFORE, BE IT RESOLVED as follows:

Section 1. The Board of Directors of the Mercy Springs Water District hereby finds and determines the above Recitals are true and correct and are incorporated herein by this reference.

Section 2. The Amended Code is hereby approved and adopted by the Board, subject to review and approval by the Fresno County Board of Supervisors as the code reviewing body.

Section 3. The Amended Code incorporates by reference title 2, California Code of Regulations, section 18730, and any amendments to that regulation duly adopted by the Fair Political Practices Commission, together with the District's appendices identifying covered positions and their disclosure categories.

Section 4. Upon approval by the Fresno County Board of Supervisors, the Amended Code shall supersede the District's previously approved conflict of interest code and all prior amendments to that code. The Amended Code shall become effective as provided by the code reviewing body and applicable law.

Section 5. The General Manager, Secretary, District Counsel, and their designees are authorized and directed to submit the Amended Code and all required supporting materials to the Fresno County Board of Supervisors; to execute any required certifications; and to make non-substantive, clerical, formatting, or conforming revisions requested by the code reviewing body or necessary to reflect current law, provided that any substantive change shall be returned to the Board when required by law.

Section 6. District officers and employees shall administer statement of economic interests filings in accordance with Government Code section 87500, the Amended Code, and the filing directions of the Fair Political Practices Commission and the Fresno County code reviewing body, including direct electronic filing with the Commission by officials who manage public investments.

Section 7. This Resolution takes effect immediately upon adoption for purposes of approving and submitting the Amended Code; the Amended Code itself takes effect only upon approval by the code reviewing body as stated in Section 4.

[Signatures of following page]

PASSED, APPROVED, AND ADOPTED this 19th day of August 2026, in a duly noticed and open meeting of the Board of Directors by the following vote, to wit:

Ayes:

Nays:

Abstain:

Absent:

PALMER McCOY, President
Mercy Springs Water District

Attest:

PATRICK McGOWAN, Secretary

**CERTIFICATE OF SECRETARY
OF
MERCY SPRINGS WATER DISTRICT
A California Water District**

I, Patrick McGowan, do hereby certify that I am the duly authorized and appointed Secretary of the Mercy Springs Water District, a California water district (the "District"); that the preceding is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the District at a meeting duly called and held on the 19th day of August 2026; and that said resolution has not been rescinded and remains in full force and effect as the date hereof.

IN WITNESS WHEREOF, I have executed this Certificate on this 19th day of August 2026.

PATRICK McGOWAN, Secretary
Mercy Springs Water District

MERCY SPRINGS WATER DISTRICT

RESOLUTION NO. 64-2026

RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF 5-YEAR CONTRACT BETWEEN THE UNITED STATES AND MERCY SPRINGS WATER DISTRICT PROVIDING FOR STORAGE AND CONVEYANCE OF YUBA ACCORD NON-PROJECT WATER, PURSUANT TO WARREN ACT, AND AUTHORIZING OTHER ACTIONS RELATED THERETO

RECITALS

WHEREAS, since approximately 1990, the Mercy Springs Water District (the "District") has suffered chronic shortages in the water supply available from the Central Valley Project ("CVP") to the District pursuant to its water service contract with the United States.

WHEREAS, the District's CVP contract supply is a supplemental supply, providing up to 2,842 acre-feet of irrigation water at full contract quantity, which is an inadequate supply for many crops.

WHEREAS, Reclamation's current allocation to south-of-Delta CVP water service contractors for irrigation for the water year commencing March 1, 2026, is 15%; to date significant regulatory constraints on CVP operations affecting the water supply available to the District are expected to continue; and therefore, the District's water service contract allocation for irrigation is not expected to reach the full contract quantity.

WHEREAS, the District anticipates that hydrologic and/or regulatory constraints are likely to continue and that the District is not likely to receive its full contract quantity at any time during the next five years.

WHEREAS, that certain Temporary Contract Between the United States and Mercy Springs Water District Providing for Storage and/or Conveyance of Yuba Accord Non-Project Water, Contract No. 26-WC-20-6398, of up to 170 acre-feet of water.

WHEREAS, Reclamation has indicated it will enter into a new 5-year Warren Act Contract for 2026-2031 under substantially similar terms and conditions as the 2018-2013 Warren Act Contract.

WHEREAS, the District's action in negotiating and executing the 2026-2031 Warren Act Contract will allow for conveyance of Yuba Accord non-project water in federal facilities when and if such water is developed or acquired by the District to help offset shortages in District supplies.

WHEREAS, the District has policies in place to discourage the production of drain water, to manage subsurface drainage, and to promote the efficient use of water to meet crop demand within the District, such that use of water transferred into the District will not increase drainage production, degrade existing groundwater, cause the conversion of lands not previously farmed

or increase the supply of water utilized within the District above the District's historic crop demand.

WHEREAS, Reclamation's policy requires the District to reimburse certain costs incurred by Reclamation at the request of the District, such as costs associated with development and administration of Warren Act contracts.

WHEREAS, the Board of Directors of the District has previously considered the standard form of Letter Agreement historically required by Reclamation ("Letter Agreement"), the terms of which provide for the District to reimburse Reclamation for costs associated with the analysis, development and administration of Warren Act contract requests made by the District, including the Warren Act contract mentioned hereinabove.

WHEREAS, entry into the 2026-2031 Warren Act contract for purposes of stabilizing the water supply available under the District's CVP contract will benefit the United States, State of California, Merced and Fresno Counties, and the farmers, farmworkers, and communities supported by the District's continued operation of existing facilities with no expansion of use.

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. The Board of Directors of the District hereby specifically finds and declares that the statements, findings, and determinations of the District set forth in the preambles above are true and correct.
2. The General Manager ("the Authorized Representative") is hereby authorized to execute and deliver a 2026-2031 Warren Act Contract in substantially the form of Contract No. 26-WC-20-6398, subject to such further revisions, omissions and deletions as the General Manager may require prior to execution, said execution providing conclusive proof of the approval of said executing officers.
3. If required by Reclamation, the General Manager is hereby authorized to execute and deliver a Letter Agreement on substantially similar terms historically presented by Reclamation to the District, subject to such revisions, omissions and deletions as the General Manager may require prior to execution, said execution providing conclusive proof of the approval of said executing officers.
4. Should Reclamation require any specific language or additional information to be set forth in the Resolution authorizing execution of the 2026-31 Warren Act Contract, such language and information is deemed incorporated here as though fully set forth, with the requirement of amendment or re-adoption of this Resolution.
5. The General Manager, or any staff member of the District authorized by the General Manager, are hereby authorized to do any and all things and to execute and deliver any and all documents, which they may deem necessary or advisable in order to give effect to and comply with the terms and intent of this Resolution, the 2026-2031 Warren Act Contract and the Letter Agreement or any successors or amendments thereto.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Mercy Springs Water District at a Regular board meeting thereof held on the 19th of August, 2026, by the following vote:

Ayes:

Nays:

Abstain:

Absent:

Palmer McCoy, President
MERCY SPRINGS WATER DISTRICT

Attest: _____

Patrick McGowan, Secretary
MERCY SPRINGS WATER DISTRICT

**CERTIFICATE OF SECRETARY
OF
MERCY SPRINGS WATER DISTRICT
A California Water District**

I, Patrick McGowan, do hereby certify that I am the duly authorized and appointed Secretary of the Mercy Springs Water District, a California Water District (the "District"); that the following is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the District on the 19th day of August, 2026; and that said resolution has not been modified or rescinded and remains in full force and effect as the date hereof:

IN WITNESS WHEREOF, I have executed this Certificate on this 19th day of August, 2026.

Patrick McGowan, Secretary
MERCY SPRINGS WATER DISTRICT

MERCY SPRINGS WATER DISTRICT

RESOLUTION NO. 65-2026

**RESOLUTION CERTIFYING NO CANDIDATES FILED AND REQUESTING
APPOINTMENTS IN LIEU OF ELECTION PURSUANT TO ELECTIONS CODE
SECTION 10515; ACKNOWLEDGING THE BOARD'S PRIOR BYLAW AMENDMENT
REGARDING BOARD COMPOSITION; AND AUTHORIZING CANCELLATION OF
THE 2026 ELECTION**

WHEREAS, the Mercy Springs Water District (the "District") is a California water district formed under Division 13 of the California Water Code, and is geographically located in the County of Fresno;

WHEREAS, the Fresno County Clerk of the Board's Verification of Information for Landowner Elected Special District, dated February 2, 2026, identifies five director offices for the District, including two vacant offices with terms expiring in 2026 and three offices held by Palmer McCoy, Juan Cadena, and Richard Wathen with terms expiring in 2028;

WHEREAS, the two vacant director offices identified as expiring in 2026 were scheduled to be filled at the November 3, 2026 general district election;

WHEREAS, California Elections Code section 10515 provides that, when no person has filed a declaration of candidacy for an office by 5:00 p.m. on the 83rd day before the general district election and no qualifying petition requesting that the election be held has been presented, the officer conducting the election shall certify those facts to the supervising authority and request appointments in lieu of election;

WHEREAS, as of 5:00 p.m. on August 14, 2024, the 83rd day prior to the date of the election, no one had filed a Declaration of Candidacy for such office;

WHEREAS, the Board previously adopted Resolution No. 60-2024 on February 19, 2025, amending the District's bylaws to state that the Board would consist of three directors rather than five directors in response to recurring difficulty obtaining a quorum;

WHEREAS, the Board desires to acknowledge that prior action while recognizing that the County's February 2, 2026 verification continues to identify five director offices and that the legal effect of the prior bylaw amendment must be determined under the District's principal act and other applicable law;

WHEREAS, this Resolution does not independently ratify, validate, or determine the legal effectiveness of the prior bylaw amendment, abolish any director office, or alter the term assigned to any director office; and

NOW, THEREFORE, BE IT RESOLVED as follows:

Section 1. The Board of Directors of the Mercy Springs Water District hereby finds and determines the above Recitals are true and correct and are incorporated herein by this reference.

Section 2. The Board certifies that no person filed a declaration of candidacy by the applicable statutory deadline for either of the two vacant director offices identified by Fresno County as having terms expiring in 2026, and that no qualifying petition requesting that the Election be held was timely presented to the officer conducting the Election.

Section 3. The Board determines that the Election need not be conducted for the two director offices described in this Resolution and requests that the officer conducting the Election cancel or discontinue further election activities for those offices, but only to the extent authorized by Elections Code section 10515 and other applicable law.

Section 4. The Board acknowledges its prior adoption of Resolution No. 60-2024 amending the District's bylaws to state that the Board would consist of three directors. This acknowledgment is a statement of historical Board action only. It does not constitute a finding that the prior amendment lawfully reduced the number of statutory director offices, and it does not conflict with the District's certification concerning the two director offices shown on the County's current roster.

Section 5. The Board Secretary, officer conducting the Election, District counsel, and their designees are authorized and directed to complete, sign, and submit the certification required by Elections Code section 10515; transmit this Resolution and supporting records to the Fresno County Clerk of the Board and any other appropriate County office; coordinate the discontinuation of election activities; submit the District's bylaws and director roster with applicable law; and take all other ministerial actions reasonably necessary to implement this Resolution.

PASSED, APPROVED, AND ADOPTED this 19th day of August 2026, in a duly noticed and open meeting of the Board of Directors by the following vote, to wit:

Ayes:
Nays:
Abstain:
Absent:

PALMER McCOY, President
Mercy Springs Water District

Attest:

PATRICK McGOWAN, Secretary

**CERTIFICATE OF SECRETARY
OF
MERCY SPRINGS WATER DISTRICT
A California Water District**

I, Patrick McGowan, do hereby certify that I am the duly authorized and appointed Secretary of the Mercy Springs Water District, a California water district (the "District"); that the preceding is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the District at a meeting duly called and held on the 19th day of August 2026; and that said resolution has not been rescinded and remains in full force and effect as the date hereof.

IN WITNESS WHEREOF, I have executed this Certificate on this 19th day of August 2026.

PATRICK McGOWAN, Secretary
Mercy Springs Water District



MERCY SPRINGS WATER DISTRICT

52027 WEST ALTHEA AVE, FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122

BOARD MEETING MEMORANDUM

TO: MERCY SPRINGS WATER DISTRICT BOARD OF DIRECTORS

FROM: GENERAL MANAGER, PATRICK MCGOWAN

SUBJECT: ADOPTION & IMPLEMENTATION OF THE CENTRAL DELTA-MENDOTA
GSA WELL CENSUS AND REGISTRATION POLICY ONE

DATE: AUGUST 19, 2026

BACKGROUND

The updated policy establishes uniform procedures for registering groundwater wells throughout the Central Delta-Mendota GSA. It applies to agricultural, domestic, monitoring, inactive, and abandoned wells and is intended to improve the quality and accuracy of groundwater information used to implement SGMA and the Delta-Mendota Subbasin GSP. The policy also supports implementation of the Domestic Well Mitigation Program and the Central Pumping Reduction Plan by ensuring groundwater management decisions are based on actual well information rather than assumptions or estimated pumping.

BENEFITS TO MERCY SPRINGS WATER DISTRICT

- Maintains consistency with CDMGSA policies and avoids conflicting requirements for landowners and growers.
- Improves the quality and accuracy of groundwater data used for groundwater modeling and future planning.
- Promotes science-based groundwater management by reducing reliance on estimated pumping.
- Supports localized groundwater management decisions rather than broad basin-wide assumptions.
- Positions MSWD for continued compliance with SGMA and implementation of the Delta-Mendota Subbasin GSP.
- Strengthens the District's ability to advocate for practical, data-driven groundwater management decisions that minimize unnecessary impacts to agriculture.

STAFF ASSESSMENT

While this policy does not establish new pumping allocations or immediately impose additional groundwater restrictions, it provides an important administrative foundation for implementing the Delta-Mendota Subbasin GSP. Accurate well registration is fundamental to effective groundwater management and helps ensure future decisions are based on reliable information rather than assumptions. Staff also believe adoption reinforces MSWD commitment to coordinated regional groundwater management while preserving opportunities to advocate for practical, locally based implementation of SGMA.

RECOMMENDATION

Staff recommends the Mercy Springs Water District Board adopt the Central Delta-Mendota Groundwater Sustainability Agency (CDMGSA) Administrative Policy No. 1 – Well Census and Registration, as adopted by CDMGSA Resolution No. 2026-02 on March 26, 2026. Adoption will ensure consistency between Mercy Springs Water District and the CDMGSA while supporting implementation of the Delta-Mendota Subbasin Groundwater Sustainability Plan (GSP).

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 2026 - 02

**RESOLUTION ADOPTING THE UPDATED
CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY
ADMINISTRATIVE POLICY NUMBER ONE
WELL CENSUS AND REGISTRATION**

A. **WHEREAS**, effective August 28, 2019, certain entities whose boundaries overlie a portion of the Delta-Mendota Subbasin number 5-22.07 of the San Joaquin Valley Groundwater Basin identified in the California Department of Water Resources (“DWR”) Bulletin 118, formed a joint powers authority known as the Central Delta-Mendota Groundwater Sustainability Agency (the “CDMGSA”), which replaced a prior multi-agency groundwater sustainability agency. In 2026, two additional agencies joined the CDMGSA. The current 12 members of the CDMGSA are: Eagle Field Water District, Fresno Slough Water District, Mercy Springs Water District, Oro Loma Water District, Pacheco Water District, Panoche Water District, San Luis Water District, Santa Nella County Water District, Tranquillity Irrigation District, Widren Water District, the County of Fresno, and the County of Merced (each a “Member Agency”); and

B. **WHEREAS**, the CDMGSA is a groundwater sustainability agency (“GSA”) formed pursuant to the Central Delta-Mendota Groundwater Sustainability Agency Joint Powers Agreement, as amended, and the Joint Exercise of Powers Act for the purpose of implementing the Sustainable Groundwater Management Act (“SGMA”) within the Central Delta-Mendota Region of the Delta-Mendota Subbasin (“Subbasin”); and

C. **WHEREAS**, in March 2023, DWR determined the revised Subbasin GSPs to be inadequate and the GSAs in the Subbasin subsequently developed a single, unified Delta-Mendota Subbasin GSP (“D-M Subbasin GSP”), which was finalized in November 2024 and supersedes and replaces the prior GSPs; and

D. **WHEREAS**, the D-M Subbasin GSP incorporates a Domestic Well Mitigation Program to address potential impacts to domestic and small community wells resulting from the chronic lowering of groundwater levels, requiring accurate registration and characterization of all wells within the Subbasin, including within the CDMGSA boundary; and

E. **WHEREAS**, the CDMGSA has the authority under the California Water Code, including but not limited to sections 10725, 10725.2, 10725.6, 10725.8, 10726.2, 10726.4, 10726.5, 10730.6, and 10732, and the Joint Powers Agreement forming the CDMGSA, to adopt rules, regulations, and administrative policies, require registration of groundwater extraction facilities, regulate groundwater extractions, impose fees and penalties, and take any necessary and proper actions to implement SGMA and the D-M Subbasin GSP; and

F. **WHEREAS**, to effectively manage groundwater and implement the D-M Subbasin GSP, it is necessary for the CDMGSA to obtain accurate, consistent, and comprehensive well data through registration of all existing and new wells within its jurisdiction, including information regarding well type, location, and usage; and

G. **WHEREAS**, CDMGSA previously conducted a voluntary well registration effort and will continue to maintain and update well records to support the D-M Subbasin GSP, including monitoring, evaluation, and implementation of the Domestic Well Mitigation Program; and

H. **WHEREAS**, the CDMGSA may require inspections, metering, and reporting of groundwater use as necessary to ensure compliance with SGMA and the D-M Subbasin GSP, and may establish fees and penalties for non-compliance in accordance with applicable law; and

I. **WHEREAS**, on January 25, 2021, the CDMGSA adopted Administrative Policy Number One – Well Census and Registration, and is now updating such policy to better establish and achieve an accurate and comprehensive well census of all wells within its boundaries, require and enforce the registration of such wells, and allow for the imposition of fees and penalties for non-compliance; and

J. **WHEREAS**, on January 25, 2021, the CDMGSA, at a public hearing held in compliance with the California Water Code section 10730, adopted the fees identified as Exhibit “A” to the Administrative Policy Number One Well Census and Registration, which delineates the fees and penalties to be imposed upon landowners for non-compliance with the Well Census and Registration Policy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Delta-Mendota Groundwater Sustainability Agency finds as follows:

1. The facts stated in the Recitals above are true and correct and the Board of Directors so finds, orders, and determines.

2. The Board of Directors hereby adopts the updated Administrative Policy Number One – Well Census and Registration (“Policy”), a copy of which is attached hereto as **Exhibit “1”** and incorporated herein by this reference. The Policy supersedes any prior well registration or census policies, including those associated with the Northern and Central Delta-Mendota Regions GSP.

3. The Policy applies to all groundwater wells located within the CDMGSA boundary, including active, inactive, abandoned, monitoring, and production wells. The Policy establishes requirements for registration, inspection, and reporting of wells, as well as fees and penalties for non-compliance.

4. The CDMGSA’s staff, consultants, and legal counsel are authorized and directed to implement the Policy in accordance with SGMA, the D-M Subbasin GSP, and all applicable legal requirements, including establishing forms, schedules, fees, and procedures necessary for administration and enforcement.

5. The CDMGSA may take all actions authorized by law, including but not limited to administrative enforcement, civil penalties, and legal action, to ensure compliance with the Policy, consistent with the authorities granted under SGMA and the D-M Subbasin GSP.

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6. If any provision of this Resolution or the Policy is held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of this Resolution or Policy, which shall remain in full force and effect.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Central Delta-Mendota Groundwater Sustainability Agency this 26th day of March, 2026, by the following vote:

AYES:	Aragona, Barcellos, McCoy, Montgomery, Ramirez, Silva, Western
NOES:	None
ABSTAIN:	None
ABSENT:	Miles, Salvador, Silveira, Sloan, Wade

Aaron Barcellos, Chairman

Attest:



Taylor Blakslee, Secretary

Date: 26 March 2026

CERTIFICATION OF SECRETARY

I, Taylor Blakslee, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY, held on the 26th day of March, 2026.

IN WITNESS WHEREOF, I have executed this Certificate on this 26th day of March, 2026.



Taylor Blakslee, Secretary
Central Delta-Mendota Groundwater
Sustainability Agency

EXHIBIT “1”

Well Census and Registration Policy

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY



Eagle Field WD ♦ Fresno County ♦ Fresno Slough WD ♦ Merced County ♦ Mercy Springs WD ♦ Oro Loma WD ♦ Pacheco WD
♦ Panoche WD ♦ San Luis WD ♦ Santa Nella County WD ♦ Tranquillity I.D. ♦ Wdren WD

ADMINISTRATIVE POLICY

NUMBER ONE

WELL CENSUS AND REGISTRATION

Adopted: January 25, 2021

Revised: March 26, 2026

POLICY STATEMENT

In order for the Central Delta-Mendota Groundwater Sustainability Agency (“CDMGSA”) to effectively administer and implement the Delta-Mendota Subbasin Groundwater Sustainability Plan (“D-M Subbasin GSP”) within its area, it is necessary for the CDMGSA to understand groundwater conditions and usage within its boundaries. To gain a better understanding, the CDMGSA must obtain and maintain accurate and comprehensive information from all users of groundwater wells within the CDMGSA’s boundaries.

The purpose of this Policy is to establish and achieve an accurate and comprehensive well census of all wells located within the CDMGSA boundary. As of March 1, 2026, all existing wells should be registered with the CDMGSA, using the form approved by the CDMGSA. Any new wells constructed after March 1, 2026, shall be registered with the CDMGSA within 30 days of the completion of drilling activities.

To provide constructive notice to the public and to ensure adoption and enforcement of this Policy is within the authorities provided by the Sustainable Groundwater Management Act of 2014 (“SGMA”), and any amendment thereto, the CDMGSA shall adopt a resolution prior to any revisions to this Policy becoming effective.

This Policy applies to all groundwater wells, including those that are active and non-active and those that are used solely for monitoring. This Policy outlines definitions of well types, the well registration process, timing for compliance and registration, and fees for non-compliance. This Policy further supports implementation of the Domestic Well Mitigation

Program adopted as part of the D-M Subbasin GSP and requires accurate well information to evaluate and respond to impacts associated with the chronic lowering of groundwater levels.

AUTHORITY:

This Policy is adopted pursuant to the authority granted to the CDMGSA by the California Water Code, including but not limited to Sections 10725, 10725.2, 10725.6, 10725.8, 10726.2, 10726.4, 10726.5, 10730.6, and 10732, and through the Joint Powers Agreement that formed the CDMGSA, pursuant to the Joint Exercise of Powers Act.

BACKGROUND:

In 2014, the California Legislature passed and the Governor signed into law a three-bill legislative package (AB 1739, SB 1168, and SB 1319), collectively known as SGMA. SGMA required those subbasins designated by the California Department of Water Resources (“DWR”) publication, Bulletin 118, as being medium to high priority to form Groundwater Sustainability Agency (“GSAs”) by June 1, 2017, and then adopt and submit a Groundwater Sustainability Plan(s) (“GSP”) to DWR by January 31, 2020.

The CDMGSA is located within the Delta-Mendota Subbasin (Basin number 5-022.07), a high priority subbasin (the “Subbasin”). The CDMGSA is one of 21¹ separate GSAs in the Subbasin that initially developed and coordinated six independent GSPs to cover the entire Subbasin. In March 2023, DWR determined the revised GSPs to be inadequate, prompting the GSAs to develop a single, unified GSP for the Subbasin. The single D-M Subbasin GSP was fully adopted by all GSAs in the Subbasin in November 2024 and supersedes and replaces the prior coordinated GSPs.

In addition, the Delta-Mendota Subbasin GSAs have adopted regional Pumping Reduction Plans (each a “PRP”) as part of the single D-M Subbasin GSP. The Central Delta-Mendota PRP (“Central PRP”) establishes temporary and permanent reductions in groundwater extractions during periods and in locations where groundwater levels are projected to decline below sustainability thresholds, particularly in areas identified as at risk for Chronic Lowering of Groundwater Levels (“CLGWL”). The Central PRP is designed to be implemented in coordination with the Domestic Well Mitigation Program and relies on well registration and extraction data to identify affected wells and ensure sustainable groundwater management.

Although not required by SGMA, to support Subbasin-wide coordination, the GSAs entered into a Memorandum of Agreement (“MOA”), replacing the prior Coordination Agreement. Effective December 1, 2025, the GSAs also formed the Delta-Mendota Subbasin GSAs Joint Powers Authority (“DM Authority”) to provide coordinated administrative, financial, and technical support for SGMA implementation. Concurrently,

¹ All 12 members of the CDMGSA each individually elected to have the powers of a GSA. Widren Water District and Oro Loma Water District each joined the CDMGSA in January and February 2026, respectively. So, you could also state that there are 32 GSAs in the Delta-Mendota Subbasin.

prior agreements with the San Luis & Delta-Mendota Water Authority ("SLDMWA"), including the Activity Agreement and its amendments, were terminated.

Originally formed by 10 member agencies, effective August 28, 2019, the CDMGSA has expanded its membership and now consists of 12 member agencies. The CDMGSA participates in Subbasin-wide coordination through a single GSP and the DM Authority, but remains responsible for implementing SGMA within its jurisdiction.

As part of implementation of the D-M Subbasin GSP, the CDMGSA is committed to developing accurate information regarding groundwater extraction, water levels above and below the Corcoran clay, and evaluating the relationship between the Subbasin and the San Joaquin River. The D-M Subbasin GSP includes a Domestic Well Mitigation Program to address impacts to domestic and small community wells caused by the chronic lowering of groundwater levels. Implementation of this program requires accurate identification, location, and characterization of wells throughout the CDMGSA.

To provide specific solutions that are not overly burdensome, the CDMGSA needs to accurately assess the condition of the aquifers and identify those areas that may be considered Undesirable Results. In order to avoid a one-size-fits-all GSA-wide solution and to reduce dependence on assumptions in calculating groundwater balance, the CDMGSA needs to obtain accurate information. This information will be used to make area-specific determinations to resolve concerns about potential Undesirable Results, such as overdraft and subsidence, in order to achieve sustainability. Use of real-time groundwater use data will reduce or eliminate the reliance on potentially conservative estimations of groundwater use and lead to more accurate groundwater modeling.

PURPOSE & PROCEDURES:

The purpose of this Policy is to obtain accurate and consistent well data information by requiring all wells within its boundaries be registered with the CDMGSA. If deemed necessary by the CDMGSA, an inspection of a registered well may be required to verify data. Previously registered wells shall remain registered; however, the CDMGSA may require updated or additional information as necessary to support implementation of the D-M Subbasin GSP and Domestic Well Mitigation Program. Owners of remaining unregistered or new wells will need to comply with the following procedures.

The CDMGSA will follow these procedures to ensure adequate information is collected for all groundwater extractions as a commitment to evaluate and develop accurate data to implement the D-M Subbasin GSP.

- 1) **Well Types** (Definitions) - With regard to groundwater well types, registration is to include all existing wells and new wells, as defined by the following:
 - Domestic Well – A well primarily used to supply water for the domestic needs of a single-family homeowner for private utilization and consumption. Domestic wells will be considered a De-Minimis extractor under SGMA if the following conditions are met:

- a. Not more than one domestic well per parcel equal to or less than 5 acres in size, or the ratio of number of domestic wells per parcel size does not exceed 1 well per 5 acres for parcels larger than 5 acres in size.
- b. The pump discharge orifice at the well head does not exceed 2 inches in diameter.
- c. Domestic well is not capable of producing a flow rate exceeding 10 gallons per minute.
- d. Domestic well's casing size does not exceed 6 inches in diameter, as identified in the well's completion report.
- e. The owner submits the well's Well Completion Report, which indicates the well type as a domestic well.

If a domestic well does not meet the above criteria, the well owner may petition the Board of Directors of the CDMGSA to designate the well as De-Minimis, based on information provided by the well owner, using reliable and verifiable metered records, that the well does not exceed two acre-feet per year of total extraction.

- Production Well – A well that is not considered a De-Minimis Well, nor a Monitoring Well, nor a Cathodic Protection Well, shall be considered a Production Well, including non-De-Minimis Domestic Wells.
 - Monitoring Well – A well that is used to (a) monitor the fluctuations in groundwater levels, (b) monitor the quality of underground waters, (c) monitor the presence or concentration of contaminants in subsurface soil and water, or (d) monitor vapors. Monitoring wells include remediation wells. Any well with a casing diameter greater than four inches will be considered a domestic or production well, unless designated as a monitoring well under the discretion of the CDMGSA.
 - Inactive or Standby Well – A well that is not routinely operated, but capable of being made operable with the placement of a pump or other appurtenances.
 - Abandoned Well – A well that has not been in use for a period of one year, unless the owner demonstrates in writing his/her/its intention to use the well again for a water supply.
 - Cathodic Protection Wells – Groundwater wells specified as cathodic protection wells on their well completion report and exclusively utilized for the purpose of providing cathodic protection will not be required to register and will not be considered by the CDMGSA for the purposes of SGMA.
- 2) **Use of Data** – Data collected through well registration and reporting will also be used to implement the D-M Subbasin GSP, including the Central PRP. The CDMGSA will identify wells subject to temporary or permanent extraction reductions and may coordinate with well owners to ensure compliance with extraction limits established under the Central PRP.

- 3) **Registration** – The owner of any groundwater well within the CDMGSA must register the well with the CDMGSA.
 - a. Registration of existing wells shall be completed within 30 days of the date this Policy is revised.
 - b. Registration of new wells shall be completed within 30 days of the completion of the drilling of such a well.
 - c. Registration of any well shall be done on a form provided by the CDMGSA.
- 4) **Notification** – The CDMGSA will provide notice of its adoption of this Policy as required by law.
- 5) **Meter Requirement** – Pursuant to the CDMGSA Well Metering Policy adopted January 23, 2023, and the Central PRP, all wells must contain a CDMGSA-approved meter installed no later than December 31, 2023. New wells are required to be registered within 30 days and have an approved meter installed prior to use. These requirements enable accurate assessment of groundwater use and the application of PRP measures in accordance with the D-M Subbasin GSP.
- 6) **Fees and Penalties for Non-Compliance** – The CDMGSA has established a fee schedule and penalty process for non-compliance. Non-compliance includes two separate penalties: (a) failing to register a well using the CDMGSA form, and (b) operating a well that has not been registered.

Fees for failure to register a well in the prescribed time will result in a quarterly fee until such time as the well is registered. Penalties for activities such as operating an unregistered well could include legal action taken to cease and desist the use. In addition, the CDMGSA may impose administrative, civil, or other remedies authorized under SGMA, including but not limited to penalties pursuant to Water Code section 10732 and collection remedies pursuant to Water Code section 10730.6. Pursuant to Resolution No. 2021-01 on January 25, 2021, the CDMGSA adopted the attached fee schedule, included herein as **Exhibit “A.”**
- 7) **GSA Issuance of Notice of Non-Compliance** – The CDMGSA will issue a notice of Non-Compliance to a well owner and, where appropriate, the applicable Member Agency for any non-compliant well that has been out of compliance for more than one quarter.
- 8) **Request for Additional Time; Penalty Waiver** – Requests for extensions shall be submitted within the compliance timeframe established by the CDMGSA. The chairman of the CDMGSA Board of Directors may grant the extension if a finding of good cause can be made. For purposes of this Policy, good causes include, but are not limited to, (a) a demonstrated undue financial hardship, or (b) factors outside the control of the owner.
- 9) **Amendment** – This Policy is subject to changes in the regular operation of the CDMGSA, as it may be revised from time to time by the Board of Directors.

- 10) **Policy Review** – This Policy shall be reviewed by the CDMGSA regularly, but in no event less than once every five (5) years or as necessary to ensure consistency with the D-M Subbasin GSP, SGMA, and applicable agreements, including the Subbasin MOA.

EXHIBIT A**Well Registration Policy Fee Schedule**

Domestic/Monitoring Wells	
Failure to register by 4/1/21	\$100 per unregistered well
Continual failure to register	\$100 per well; first day of each quarter
Non-Operational Production Wells	
Failure to register by 4/1/21	\$100 per unregistered well
Continual failure to register	\$500 per well; first day of each quarter
Non-Operational Wells	
Failure to register by 4/1/21	\$100 per unregistered well
Continual failure to register	\$500 per well; first day of each quarter
Operational Wells	
Failure to register by 4/1/21	\$1,000 per unregistered well
Continual failure to register	\$90 per day; beginning 2nd quarter
Maximum per day	\$1,800 daily fee 100% each quarter
A well owner may petition the Central Delta-Mendota GSA Board of Directors to reduce the fee if a pump test performed by a third party, demonstrates maximum flow rate using the following formula: $\$900 \times \text{max (cfs)} \times \text{days late} \times \text{quarters}/10$	



MERCY SPRINGS WATER DISTRICT

52027 WEST ALTHEA AVE, FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122

BOARD MEETING MEMORANDUM

TO: MERCY SPRINGS WATER DISTRICT BOARD OF DIRECTORS

FROM: GENERAL MANAGER, PATRICK MCGOWAN

SUBJECT: ADOPTION & IMPLEMENTATION OF THE CENTRAL DELTA-MENDOTA
GSA WELL METERING AND REPORTING POLICY TWO

DATE: AUGUST 19, 2026

BACKGROUND

The CDMGSA policy establishes standardized requirements for groundwater well metering, annual reporting of groundwater extraction, meter installation standards, inspection authority, and enforcement procedures. It supports implementation of the Delta-Mendota Subbasin Groundwater Sustainability Plan, including the Central Pumping Reduction Plan (PRP) and Domestic Well Mitigation Program by ensuring reliable groundwater extraction data.

BENEFITS TO MERCY SPRINGS

- Demonstrates local governance by having MSWD formally adopt and administer the policy within its own jurisdiction rather than relying solely on CDMGSA action.
- Provides consistency with the Delta-Mendota Subbasin GSP and SGMA implementation requirements.
- Creates clear expectations for growers regarding meter installation, reporting timelines, and compliance.
- Improves groundwater accounting by replacing estimates with measured pumping data, leading to better groundwater modeling and management decisions.
- Supports targeted management by identifying localized groundwater concerns instead of relying on basin-wide assumptions.
- Strengthens MSWD legal and administrative position by establishing a locally adopted policy before enforcement becomes necessary.
- Improves transparency and fairness by applying uniform requirements to all affected groundwater users.

- Helps reduce regulatory risk by documenting good-faith implementation of SGMA and supporting future DWR reviews.
- Provides flexibility for future Board amendments as SGMA implementation evolves.

CONCLUSION

Adopting this policy locally aligns MSWD with CDMGSA requirements while preserving local oversight and accountability. It provides growers with a consistent regulatory framework, improves the quality of groundwater data used for management decisions, and positions the District to successfully implement future SGMA requirements.

RECOMMENDATION

Staff recommends the Mercy Springs Water District Board adopt & implement the Central Delta-Mendota Groundwater Sustainability Agency (CDMGSA) Administrative Policy No.2– Well Metering and Reporting, as adopted by CDMGSA Resolution No. 2026-03 on March 26, 2026. Adoption will ensure consistency between Mercy Springs Water District and the CDMGSA while supporting implementation of the Delta-Mendota Subbasin Groundwater Sustainability Plan (GSP).

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 2026 - 03

RESOLUTION ADOPTING THE UPDATED CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY ADMINISTRATIVE POLICY NUMBER TWO WELL METERING AND REPORTING

A. **WHEREAS**, effective August 28, 2019, certain entities whose boundaries overlie a portion of the Delta-Mendota Subbasin number 5-22.07 of the San Joaquin Valley Groundwater Basin identified in the California Department of Water Resources (“DWR”) Bulletin 118, formed a joint powers authority known as the Central Delta-Mendota Groundwater Sustainability Agency (the “CDMGSA”), which replaced a prior multi-agency groundwater sustainability agency. In 2026, two additional agencies joined the CDMGSA. The current 12 members of the CDMGSA are: Eagle Field Water District, Fresno Slough Water District, Mercy Springs Water District, Oro Loma Water District, Pacheco Water District, Panoche Water District, San Luis Water District, Santa Nella County Water District, Tranquillity Irrigation District, Widren Water District, the County of Fresno, and the County of Merced (each a “Member Agency”); and

B. **WHEREAS**, the CDMGSA is a groundwater sustainability agency (“GSA”) formed pursuant to the Central Delta-Mendota Groundwater Sustainability Agency Joint Powers Agreement, as amended, and the Joint Exercise of Powers Act for the purpose of implementing the Sustainable Groundwater Management Act (“SGMA”) within the Central Delta-Mendota Region of the Delta-Mendota Subbasin (“Subbasin”); and

C. **WHEREAS**, in March 2023, DWR determined the Subbasin’s prior Groundwater Sustainability Plans (“GSPs”) to be inadequate, and the GSAs subsequently developed and adopted a single Delta-Mendota Subbasin Groundwater Sustainability Plan (“D-M Subbasin GSP”), which was finalized in November 2024 and supersedes and replaces the prior GSPs; and

D. **WHEREAS**, the GSAs entered into a Memorandum of Agreement (“MOA”) to coordinate Subbasin-wide implementation and, effective December 1, 2025, formed the Delta-Mendota Subbasin GSAs Joint Powers Authority (“DM Authority”) to provide administrative, financial, and technical coordination for implementation of SGMA within the Subbasin; and

E. **WHEREAS**, the D-M Subbasin GSP includes management actions and programs, including a Domestic Well Mitigation Program and regional Pumping Reduction Plans (“PRPs”), including a Central PRP, which require accurate and reliable measurement and reporting of groundwater extractions; and

F. **WHEREAS**, accurate groundwater extraction data is necessary to evaluate basin conditions, prevent undesirable results such as chronic lowering of groundwater levels, and implement management actions, including pumping reductions and mitigation measures; and

G. **WHEREAS**, on January 25, 2021, the CDMGSA adopted Administrative Policy Number One – Well Census and Registration to establish a comprehensive inventory of

groundwater wells within its jurisdiction. On March 26, 2026, the CDMGSA adopted revisions to Policy Number One; and

H. **WHEREAS**, the CDMGSA now seeks to update and adopt Administrative Policy Number Two – Well Metering and Reporting (“Policy”) to establish requirements for measurement and reporting of groundwater extractions consistent with SGMA and the D-M Subbasin GSP; and

I. **WHEREAS**, the CDMGSA has authority under California Water Code, including but not limited to sections 10725, 10725.2, 10725.6, 10725.8, 10726.2, 10726.4, 10726.5, 10730.6, and 10732, and its Joint Powers Agreement, to require measurement and reporting of groundwater extractions, regulate groundwater use, impose fees and penalties, and take all necessary and proper actions to implement SGMA and the D-M Subbasin GSP; and

J. **WHEREAS**, adoption of the Policy will provide public notice, ensure transparency, and establish a consistent framework for metering, reporting, and enforcement necessary to achieve sustainable groundwater management.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Delta-Mendota Groundwater Sustainability Agency finds as follows:

1. The facts stated in the Recitals above are true and correct and the Board of Directors so finds, orders, and determines.

2. The Board of Directors hereby adopts the updated Administrative Policy Number Two – Well Metering and Reporting (“Policy”), a copy of which is attached hereto as **Exhibit “1”** and incorporated herein by this reference. The Policy supersedes any prior well metering and reporting policies, including those associated with the Northern and Central Delta-Mendota Regions GSP.

3. The Policy applies to groundwater extraction wells within the CDMGSA boundary, as specified therein, and establishes requirements for measurement, reporting, and verification of groundwater extractions necessary to implement SGMA and the D-M Subbasin GSP, including the Central PRP and the Subbasin Domestic Well Mitigation Program.

4. The CDMGSA staff, consultants, and legal counsel are authorized and directed to implement and administer the Policy in accordance with SGMA, including developing forms, procedures, schedules, and technical requirements for metering and reporting, consistent with applicable law.

5. The CDMGSA may take all actions authorized by law to enforce the Policy, including but not limited to administrative enforcement, imposition of fees and penalties, and legal action, to ensure compliance with the Policy, consistent with SGMA and the D-M Subbasin GSP.

6. If any provision of this Resolution or the Policy is held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of this Resolution or Policy, which shall remain in full force and effect.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Central Delta-Mendota Groundwater Sustainability Agency this 26th day of March, 2026, by the following vote:

AYES: Aragona, Barcellos, McCoy, Montgomery, Ramirez, Silva, Western
NOES: None
ABSTAIN: None
ABSENT: Miles, Salvador, Silveira, Sloan, Wade

Aaron Barcellos, Chairman

Attest:



Taylor Blakslee, Secretary

Date: 26 March 2026

CERTIFICATION OF SECRETARY

I, Taylor Blakslee, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY, held on the 26th day of March, 2026.

IN WITNESS WHEREOF, I have executed this Certificate on this 26th day of March, 2026.

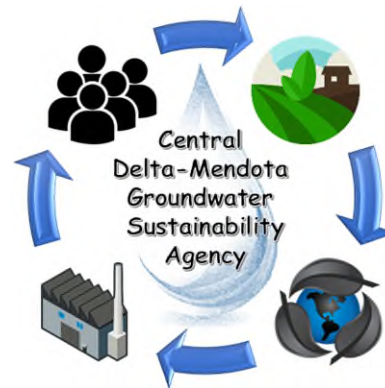
A handwritten signature in blue ink that reads "Taylor Blakslee". The signature is fluid and cursive, with the first name "Taylor" and last name "Blakslee" clearly distinguishable.

Taylor Blakslee, Secretary
Central Delta-Mendota Groundwater
Sustainability Agency

EXHIBIT “1”

Well Metering and Reporting Policy

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY



Eagle Field WD ♦ Fresno County ♦ Fresno Slough WD ♦ Merced County ♦ Mercy Springs WD ♦ Oro Loma WD ♦ Pacheco WD
♦ Panoche WD ♦ San Luis WD ♦ Santa Nella County WD ♦ Tranquillity I.D. ♦ Wdren WD

ADMINISTRATIVE POLICY

NUMBER TWO

WELL METERING AND REPORTING

Adopted: January 23, 2023

Revised: March 26, 2026

POLICY STATEMENT

In order for the Central Delta-Mendota Groundwater Sustainability Agency (“CDMGSA”) to effectively administer and implement the Delta-Mendota Subbasin Groundwater Sustainability Plan (“D-M Subbasin GSP”) within its area, it is necessary for the CDMGSA to monitor and understand groundwater conditions and usage, including groundwater extractions, within its boundaries.

To gain this better understanding, the CDMGSA Board of Directors (“Board”) adopted CDMGSA’s Administrative Policy Number One – Well Census and Registration (“Well Registration Policy”) to obtain specific information from all users of groundwater wells and require that all wells be registered in accordance with timelines established by the CDMGSA.

The purpose of this Well Metering and Reporting Policy (“Well Metering Policy”) is to build upon the Well Registration Policy by establishing a requirement for the measurement of groundwater extractions from all wells located within the CDMGSA boundary, with certain exceptions. Therefore, the CDMGSA requires meters, reporting, or other reasonable methods of determining groundwater extraction, as necessary to implement the D-M Subbasin GSP. Any new wells constructed after the effective date of this Well Metering Policy shall be registered with the CDMGSA within 30 days of the completion of drilling activities and have a CDMGSA-approved meter installed prior to use of the well.

This Well Metering Policy further supports implementation of the D-M Subbasin GSP, including the Domestic Well Mitigation Program and the regional Pumping Reduction Plan (“PRP”), specifically the Central PRP, which rely on accurate groundwater extraction data to identify impacts, evaluate conditions, and ensure compliance with sustainability objectives.

To provide constructive notice to the public and to ensure adoption and enforcement of this Well Metering Policy is within the authorities provided by the Sustainable Groundwater Management Act of 2014 (“SGMA”), and any amendment thereto, the CDMGSA shall adopt a resolution prior to this Well Metering Policy becoming effective.

This Well Metering Policy applies to all wells used for groundwater extraction, including those that are inactive, except for *de minimus* wells, as defined below. This Well Metering Policy outlines the well metering and reporting process, timing for compliance, and actions for non-compliance.

AUTHORITY:

This Well Metering Policy is adopted pursuant to the authority granted to the CDMGSA by California Water Code, including but not limited to sections 10725, 10725.2, 10725.4, 10725.6, 10725.8, 10726.2, 10726.4, 10726.5, 10730.6, and 10732, and through the Joint Powers Agreement that formed the CDMGSA, as amended, pursuant to the Joint Exercise of Powers Act. These provisions authorize the CDMGSA to require measurement and reporting of groundwater extractions, regulate groundwater use, implement sustainability programs (including pumping reductions), impose fees and penalties, and take all actions necessary or proper to carry out SGMA and the D-M Subbasin GSP.

BACKGROUND:

In 2014, the California Legislature passed and the Governor signed into law a three-bill legislative package (AB 1739, SB 1168, and SB 1319), collectively known as SGMA. SGMA required those subbasins designated by the California Department of Water Resources (“DWR”) publication Bulletin 118 as being medium to high priority to form Groundwater Sustainability Agency (“GSAs”) by June 1, 2017, and then adopt and submit Groundwater Sustainability Plans (“GSPs”) to DWR by January 31, 2020.

The CDMGSA is located within the Delta-Mendota Subbasin (Basin number 5-022.07), a high priority subbasin (the “Subbasin”). The CDMGSA is one of 21¹ separate GSAs in the Subbasin that initially developed and coordinated six independent GSPs to cover the entire Subbasin. In March 2023, DWR determined the revised GSPs to be inadequate, prompting the GSAs to develop a single, unified GSP for the Subbasin. The single D-M Subbasin GSP was fully adopted by all GSAs in the Subbasin in November 2024 and supersedes and replaces the prior coordinated GSPs.

¹ All 12 members of the CDMGSA each individually elected to have the powers of a GSA. Widren Water District and Oro Loma Water District each joined the CDMGSA in January and February 2026, respectively. So, you could also state that there are 32 GSAs in the Delta-Mendota Subbasin.

Although not required by SGMA, to support Subbasin-wide coordination, the GSAs entered into a Memorandum of Agreement (“MOA”), replacing the prior Coordination Agreement. Effective December 1, 2025, the GSAs formed the Delta-Mendota Subbasin GSAs Joint Powers Authority (“DM Authority”) to provide coordinated administrative, financial, and technical support for SGMA implementation. Concurrently, prior agreements with the San Luis & Delta-Mendota Water Authority (“SLDMWA”), including the Activity Agreement and its amendments, were terminated.

Originally formed by 10 member agencies, effective August 28, 2019, the CDMGSA has expanded its membership and now consists of 12 member agencies. The CDMGSA participates in Subbasin-wide coordination through a single GSP and the DM Authority, but remains responsible for implementing SGMA within its jurisdiction.

As part of implementation of the D-M Subbasin GSP, the CDMGSA is committed to developing accurate information regarding groundwater extraction, water levels above and below the Corcoran clay, and evaluating the relationship between the Subbasin and the San Joaquin River. The D-M Subbasin GSP includes a Domestic Well Mitigation Program to address impacts caused by the chronic lowering of groundwater levels, as well as regional PRPs to reduce groundwater extractions in areas and periods where sustainability thresholds may be exceeded. These programs require accurate and reliable extraction data obtained through metering, reporting, or other reasonable methods.

To provide specific solutions that are not overly burdensome, the CDMGSA needs to accurately assess the condition of the aquifers and identify those areas showing impacts that may be considered Undesirable Results. In order to avoid a one-size-fits-all GSA-wide solution and to reduce dependence on assumptions in calculating groundwater balance, the CDMGSA needs to obtain accurate information. This information will be used to make area-specific determinations to resolve concerns about potential Undesirable Results, such as overdraft and subsidence, in order to achieve sustainability. Use of real-time groundwater use data will reduce or eliminate the reliance on potentially conservative estimations of groundwater use and lead to more accurate groundwater modeling.

PURPOSE & PROCEDURES:

The purpose of this Well Metering Policy is to obtain accurate and consistent well data information by requiring all wells to have a meter installed and that data from the meter be available for review and reported to CDMGSA no less than annually.

Data collected under this Well Metering Policy will be used to implement the D-M Subbasin GSP, including the Central PRP and the Domestic Well Mitigation Program, and to evaluate compliance with groundwater extraction limits or other management actions.

The CDMGSA will follow these procedures to ensure adequate information is collected for all groundwater extractions as a commitment to evaluate and develop accurate data to implement the D-M Subbasin GSP.

- 1) **Definitions** – Unless indicated otherwise, all capitalized terms herein shall have the same meaning as the definitions in the Well Registration Policy.
- 2) **Meter Requirement** – CDMGSA requires an approved meter to be installed on existing or new Production (including Inactive or Standby) Wells (collectively, “Production Wells”) within CDMGSA’s boundaries. This Well Metering Policy shall not apply to *De-Minimus* Domestic Wells (as defined in SGMA), Abandoned Wells, solely Monitoring Wells, or Cathodic Production Wells, as defined in the Well Registration Policy. The CDMGSA may prioritize metering requirements and enforcement for wells located in areas subject to a PRP or identified as contributing to Chronic Lowering of Groundwater Levels.
- 3) **Meter Installation** – The owner of any Production Well within the CDMGSA (“Well Owner”) shall install a CDMGSA-approved meter at Well Owner’s sole cost and expense. Meters shall be installed, operated, and maintained in accordance with CDMGSA requirements and may be supplemented by alternative measurement methods approved by the CDMGSA pursuant to Water Code section 10725.8. The meter must meet the following criteria:
 - i. Be a flowmeter consistent with in-line meters meeting AWWA² C700 series standards. Totalizers shall read in 0.00 acre-feet (“af”), in cubic feet (“cf”) or in gallons (“gal”).
 - ii. Data must be able to be readily accessible and viewable by CDMGSA-authorized agents; and
 - iii. Be calibrated according to manufacturer’s specifications at installation and calibrated no less than once every five (5) years thereafter.
- 4) **Reporting Requirements** – The Well Owner shall be required to provide the following information to the CDMGSA:
 - a. At Installation: When a meter is installed by the Well Owner, the following information shall be provided to the CDMGSA, no later than thirty (30) days after installation:
 - i. Manufacturer and model of flowmeter;
 - ii. Date flow meter installed;
 - iii. Nominal diameter of pipe, pipe material, wall thickness of pipe, and size of flow meter;
 - iv. Name and business (if applicable) of person installing and calibrating flowmeter;
 - v. Pictures of flowmeter to verify installed correctly;
 - vi. Location of well (including County, Assessor’s Parcel Number(s) [“APN”], and latitude/longitude or map of locations);

² American Water Works Association.

- vii. Type of crop, age of crop, irrigation methodology (e.g., flood, drip, sprinkler) for the irrigated acres served by the applicable Production Well; and
 - viii. A statement signed by the Well Owner granting access to the CDMGSA to the property to verify the installation, operation, and/or readings of the meter(s).
 - b. **Annual Reporting:** The Well Owner shall be required to report the quantity of groundwater extraction by month for the period beginning October 1 and ending September 30 to the CDMGSA, by no later than October 31 of each year following the applicable year ("Annual Reports"). Well Owners shall report any changes to the information described above (e.g., well abandonment, new flowmeter, different crops) in such Annual Report. Annual Reports shall be in Microsoft Excel format and e-mailed to CDMGSA at administration@cdm-gsa.com. Fillable Excel forms can be found on the CDMGSA website.
 - c. The CDMGSA may require more frequent reporting, additional data, or alternative reporting formats for wells subject to a PRP or other GSP management actions.
- 5) **CDMGSA Right to Inspect** – Under the authority granted by SGMA, including but not limited to Water Code sections 10725.2, 10725.4, and 10725.8, the CDMGSA or its agents may conduct an inspection of a well to verify data, compliance with this Policy, or applicability of this Policy to a particular well.
- 6) **Timing for Compliance** – The owner of any well used for groundwater extraction within the CDMGSA must install a CDMGSA-approved meter pursuant to section 3 above as follows:
- a. Installation of meters on existing wells shall be completed by December 31, 2023.
 - b. Meters must be installed on new wells shall be completed prior to use of the well.
 - c. Wells with existing meters that do not comply with the requirements of this Well Metering Policy shall become compliant by December 31, 2023 by replacing any existing meter with a meter that is compliant with this Well Metering Policy.
 - d. Additional deadlines may be established by the CDMGSA based on implementation needs of the D-M Subbasin GSP.
- 7) **Costs, Fees and Penalties:**
- a. The Well Owner shall be responsible for all costs for purchasing, installing, maintaining, record-keeping, and calibrating the meter on any of its groundwater wells that it installs.
 - b. The CDMGSA shall not impose any fees for field reviews, collection and recordation of data, landowner communication, and related activities.

- c. The CDMGSA may establish fees, charges, or penalties associated with metering, reporting, or non-compliance, consistent with SGMA and applicable law.
 - d. Failure to comply with metering or reporting requirements may also constitute non-compliance with the PRP and may result in enforcement actions, including penalties pursuant to Water Code section 10732 or collection remedies under section 10730.6.
- 8) **Notification** – The CDMGSA will provide notice of its adoption of this Well Metering Policy as required by law.
- 9) **GSA Issuance of Notice of Non-Compliance** – The CDMGSA will issue a notice of Non-Compliance to the Well Owner and, where appropriate, the applicable Member Agency for any non-compliant Production Well that has been out of compliance for more than one quarter. The Non-Compliance notification will serve as an official request of the local member agency to enact its powers of enforcement for non-compliance.
- 10) **Request for Additional Time; Penalty Waiver** – The Well Owner may submit a written request to CDMGSA for a single extension of time to comply with Section 3 above. A request for an extension of time must be submitted within the compliance timeframe established by the CDMGSA to avoid penalties as described in Section 6 above and a grant of an extension of time, in total, shall not exceed a period of six (6) months. The Board of Directors of the CDMGSA may grant the extension if a finding of good cause can be made. For purposes of this Well Metering Policy, good cause includes, but is not limited to, (a) a demonstrated undue financial hardship, (b) factors outside the control of the Well Owner, or (c) proof that the Well Owner was not properly notified of the requirement.
- 11) **Amendment** – This Well Metering Policy is subject to changes in the regular operation of the CDMGSA, as it may be revised from time to time by the Board.
- 12) **Policy Review** – This Well Metering Policy shall be reviewed by the CDMGSA regularly, but in no event less than once every five (5) years or as necessary to maintain consistency with the D-M Subbasin GSP, PRP, Domestic Well Mitigation Program, and applicable agreements, including the MOA.



MERCY SPRINGS WATER DISTRICT

52027 WEST ALTHEA AVE, FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122

BOARD MEETING MEMORANDUM

TO: MERCY SPRINGS WATER DISTRICT BOARD OF DIRECTORS

FROM: GENERAL MANAGER, PATRICK MCGOWAN

SUBJECT: ADOPTION & IMPLEMENTATION OF CENTRAL DELTA-MENDOTA
GSA ADMINISTRATIVE POLICY THREE – SURFACE WATER
PRIORITIZATION AND GROUNDWATER EXTRACTION
MANAGEMENT

DATE: AUGUST 19, 2026

BACKGROUND

On March 26, 2026, the Central Delta-Mendota Groundwater Sustainability Agency (CDMGSA) adopted Resolution No. 2026-04 approving Administrative Policy Number Three – Surface Water Prioritization and Groundwater Extraction Management. The policy was adopted to support implementation of the Delta-Mendota Subbasin Groundwater Sustainability Plan (GSP) and associated Pumping Reduction Plans (PRPs).

DISCUSSION

The policy establishes a framework intended to reduce groundwater extraction by prioritizing the use of reasonably available surface water supplies before groundwater pumping occurs. The policy expressly contemplates implementation by individual member agencies, including Mercy Springs Water District. MSWD's Board action provides a clearer administrative record, better due process, stronger legal defensibility, clear direction to staff, and demonstrates that MSWD exercised independent discretion.

ANALYSIS

- Clear Local Authority – A MSWD Board action would establish a clear administrative record demonstrating independent review and implementation.
- Local Implementation Flexibility – MSWD can tailor implementation to local infrastructure, water availability, and economic conditions.

- Improved Defensibility – Future SGMA-related actions may be better supported if backed by both CDMGSA and MSWD Board actions.
- Coordination with Existing Programs – The District can integrate implementation with existing water delivery, supplemental water, and accounting programs.
- Future PRP Compliance – Local implementation may assist the District in meeting future Pumping Reduction Plan requirements while maximizing available surface water supplies.

RECOMMENDATION

Staff recommends the Mercy Springs Water District Board adopt & implement the Central Delta-Mendota Groundwater Sustainability Agency (CDMGSA) Administrative Policy No.3– Surface Water Prioritization and Groundwater Extraction Management, as adopted by CDMGSA Resolution No. 2026-04 on March 26, 2026. Adoption will ensure consistency between Mercy Springs Water District and the CDMGSA while supporting implementation of the Delta-Mendota Subbasin Groundwater Sustainability Plan (GSP).

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 2026 - 04

RESOLUTION ADOPTING THE CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY ADMINISTRATIVE POLICY NUMBER THREE SURFACE WATER PRIORITIZATION AND GROUNDWATER EXTRACTION MANAGEMENT

A. **WHEREAS**, effective August 28, 2019, certain entities whose boundaries overlie a portion of the Delta-Mendota Subbasin number 5-22.07 of the San Joaquin Valley Groundwater Basin identified in the California Department of Water Resources (“DWR”) Bulletin 118, formed a joint powers authority known as the Central Delta-Mendota Groundwater Sustainability Agency (the “CDMGSA”), which replaced a prior multi-agency groundwater sustainability agency. In 2026, two additional agencies joined the CDMGSA. The current 12 members of the CDMGSA are: Eagle Field Water District, Fresno Slough Water District, Mercy Springs Water District, Oro Loma Water District, Pacheco Water District, Panoche Water District, San Luis Water District, Santa Nella County Water District, Tranquillity Irrigation District, Widren Water District, the County of Fresno, and the County of Merced (each a “Member Agency”); and

B. **WHEREAS**, the CDMGSA is a groundwater sustainability agency (“GSA”) formed pursuant to the Central Delta-Mendota Groundwater Sustainability Agency Joint Powers Agreement, as amended, and the Joint Exercise of Powers Act for the purpose of implementing the Sustainable Groundwater Management Act (“SGMA”) within the Central Delta-Mendota Region of the Delta-Mendota Subbasin (“Subbasin”); and

C. **WHEREAS**, in March 2023, DWR determined the revised Subbasin GSPs to be inadequate and the GSAs in the Subbasin subsequently developed a single, unified Delta-Mendota Subbasin GSP (“D-M Subbasin GSP”), which was finalized in November 2024 and supersedes and replaces the prior GSPs; and

D. **WHEREAS**, the D-M Subbasin GSP includes management actions and programs, including regional Pumping Reduction Plans (“PRPs”), which require reductions in groundwater extraction and increased reliance on alternative water supplies, including surface water; and

E. **WHEREAS**, the CDMGSA has previously adopted Administrative Policy Number One – Well Census and Registration and Administrative Policy Number Two – Well Metering and Reporting, which, inter alia, establish the framework for identifying wells and measuring groundwater extraction; and

F. **WHEREAS**, the CDMGSA now seeks to adopt Administrative Policy Number Three – Surface Water Prioritization and Groundwater Extraction Management (this “Policy”) to provide a framework for implementation of applicable regional PRPs and for prioritizing the use of reasonably available surface water supplies, as defined, in lieu of groundwater extraction; and

G. **WHEREAS**, the CDMGSA has the authority under the California Water Code, including but not limited to sections 10725, 10725.2, 10725.6, 10725.8, 10726.2, 10726.4, 10726.5, 10730.6, and 10732, and the Joint Powers Agreement forming the CDMGSA, to adopt rules, regulations, and administrative policies, require registration of groundwater extraction facilities, regulate groundwater extractions, impose fees and penalties, and take any necessary and proper actions to implement SGMA and the D-M Subbasin GSP; and

H. **WHEREAS**, adoption of this Policy will provide guidance to Member Agencies and groundwater users and will support coordinated implementation of the D-M Subbasin GSP and applicable regional PRPs; and

I. **WHEREAS**, the Board of Directors finds that adoption of this Policy is necessary and appropriate to support sustainable groundwater management and to avoid undesirable results within the Subbasin.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Delta-Mendota Groundwater Sustainability Agency finds as follows:

1. The facts stated in the Recitals above are true and correct and the Board of Directors so finds, orders, and determines.
2. The Board of Directors hereby adopts Administrative Policy Number Three – Surface Water Prioritization and Groundwater Extraction Management (the “Policy”), a copy of which is attached hereto as **Exhibit “1”** and incorporated herein by this reference.
3. The Policy establishes a framework to prioritize the use of reasonably available surface water supplies, as defined, prior to groundwater extraction and to support implementation of the D-M Subbasin GSP, including the applicable regional PRPs.
4. The CDMGSA staff, consultants, and legal counsel are authorized and directed to implement and administer the Policy, including coordinating with Member Agencies, developing procedures, and facilitating programs necessary to carry out the Policy.
5. Member Agencies are encouraged to implement the Policy within their respective jurisdictions through rules, regulations, ordinances, and water service programs consistent with applicable law and the D-M Subbasin GSP.
6. The CDMGSA may exercise any authority granted under SGMA and other applicable law to implement and enforce the Policy, including coordination with Member Agencies. Nothing in this Resolution or the Policy shall be construed as a final determination of water rights.

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7. If any provision of this Resolution or the Policy is held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of this Resolution or Policy, which shall remain in full force and effect.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Central Delta-Mendota Groundwater Sustainability Agency this 26th day of March, 2026, by the following vote:

AYES:	Aragona, Barcellos, McCoy, Montgomery, Ramirez, Silva, Western
NOES:	None
ABSTAIN:	None
ABSENT:	Miles, Salvador, Silveira, Sloan, Wade

Aaron Barcellos, Chairman

Attest:



Taylor Blakslee, Secretary

Date: 26 March 2026

CERTIFICATION OF SECRETARY

I, Taylor Blakslee, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY, held on the 26th day of March, 2026.

IN WITNESS WHEREOF, I have executed this Certificate on this 26th day of March, 2026.

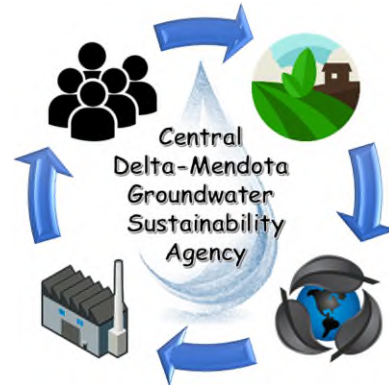
A handwritten signature in blue ink, reading "Taylor Blakslee".

Taylor Blakslee, Secretary
Central Delta-Mendota Groundwater
Sustainability Agency

EXHIBIT “1”

**Surface Water Prioritization and
Groundwater Extraction Management Policy**

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY



Eagle Field WD ♦ Fresno County ♦ Fresno Slough WD ♦ Merced County ♦ Mercy Springs WD ♦ Oro Loma WD ♦ Pacheco WD
♦ Panoche WD ♦ San Luis WD ♦ Santa Nella County WD ♦ Tranquillity I.D ♦ Wdren WD

ADMINISTRATIVE POLICY

NUMBER THREE

SURFACE WATER PRIORITIZATION AND GROUNDWATER EXTRACTION MANAGEMENT POLICY

Adopted: March 26, 2026

POLICY STATEMENT

In order for the Central Delta-Mendota Groundwater Sustainability Agency (“CDMGSA”) to effectively implement the Delta-Mendota Subbasin Groundwater Sustainability Plan (“D-M Subbasin GSP”), including the applicable regional Pumping Reduction Plans (“PRPs”), and to avoid undesirable results such as the chronic lowering of groundwater levels, it is necessary to reduce reliance on groundwater where feasible and prioritize the use of available surface water supplies.

Accordingly, it is the policy of the CDMGSA that landowners and groundwater extractors within the CDMGSA's jurisdiction shall utilize available surface water supplies made available by the CDMGSA or its Member Agencies, where Reasonably Available (as defined below), prior to extracting groundwater, consistent with the provisions of this Policy and applicable law.

Nothing in this Policy prevents Member Agencies from implementing programs, rules, regulations, or ordinances consistent with this Policy and the D-M Subbasin GSP.

AUTHORITY:

This Policy is adopted pursuant to the authority granted to the CDMGSA under the Sustainable Groundwater Management Act (“SGMA”), including, but not limited to, Water Code sections 10725, 10725.2, 10725.6, 10725.8, 10726.2, 10726.4, 10726.5, 10730.6, and 10732, and through the Joint Powers Agreement that formed the CDMGSA, as amended, pursuant to the Joint Exercise of Powers Act.

This Policy is further supported by the legislative intent of SGMA to achieve sustainable groundwater management and avoid undesirable results (Wat. Code, § 10720.1), and by applicable authority of Member Agencies under the Water Code, including but not limited to sections 35400, 35401, 35423, and 35413.

BACKGROUND:

In 2014, the California Legislature passed and the Governor signed into law a three-bill legislative package (AB 1739, SB 1168, and SB 1319), collectively known as SGMA. SGMA required those subbasins designated by the California Department of Water Resources (“DWR”) publication Bulletin 118 as being medium to high priority to form Groundwater Sustainability Agencies (“GSAs”) by June 1, 2017, and then adopt and submit Groundwater Sustainability Plans (“GSPs”) to DWR by January 31, 2020.

The CDMGSA is located within the Delta-Mendota Subbasin (Basin number 5-022.07), a high priority subbasin (the “Subbasin”). The CDMGSA is one of 21¹ separate GSAs in the Subbasin that initially developed and coordinated six independent GSPs to cover the entire Subbasin. In March 2023, DWR determined the revised GSPs to be inadequate, prompting the GSAs to develop a single, unified GSP for the Subbasin. The single D-M Subbasin GSP was fully adopted by all GSAs in the Subbasin in November 2024 and supersedes and replaces the prior coordinated GSPs.

Originally formed by 10 member agencies, effective August 28, 2019, the CDMGSA has expanded its membership and now consists of 12 member agencies. The CDMGSA participates in Subbasin-wide coordination through the Delta-Mendota Subbasin GSAs Joint Powers Authority (“DM Authority”), but remains responsible for implementing SGMA within its jurisdiction.

The D-M Subbasin GSAs have adopted regional PRPs as part of the single D-M Subbasin GSP. The PRPs establish temporary and permanent reductions in groundwater extractions during periods and in locations where groundwater levels are projected to decline below sustainability thresholds, particularly in areas identified as at risk for Chronic Lowering of Groundwater Levels (“CLGWL”). A Dashboard has been developed to track and view data for the Subbasin, which is divided into four zones,

¹ All 12 members of the CDMGSA each individually elected to have the powers of a GSA. Widren Water District and Oro Loma Water District each joined the CDMGSA in January and February 2026, respectively. So, you could also state that there are 32 GSAs in the Delta-Mendota Subbasin.

including Zone 1 (Aliso, Farmers, Tranquillity, and Fresno GSA Group), Zone 2 (Grassland, and SJREC GSA Groups), Zone 3 (Northern DM GSA Group), and Zone 4 (Central DM GSA). The PRPs are designed to be implemented in coordination with the Domestic Well Mitigation Program and rely on well registration and extraction data to identify affected wells and ensure sustainable groundwater management.

Implementation of the PRPs requires accurate data, reduced groundwater pumping, and increased reliance on alternative water supplies. Surface water is a key component of that strategy. This Policy supports those objectives by prioritizing the use of surface water where available. A copy of the CDMGSA PRP adopted February 27, 2025, is incorporated by this reference and may be found on the CDMGSA website at cdmgsa.com.

PURPOSE

The purpose of this Policy is to support implementation of the D-M Subbasin GSP and the PRPs. This Policy is also intended to reduce groundwater extraction where alternative surface water supplies are available. This Policy provides a consistent framework for Member Agencies. It also provides tools to avoid undesirable results, including overdraft and impacts to domestic wells.

POLICY AND GUIDELINES

1. **Surface Water Prioritization Requirement** – Landowners and groundwater extractors shall use surface water before extracting groundwater when surface water is Reasonably Available. Surface water is considered “Reasonably Available” when (i) delivery is physically possible and (ii) legally authorized. Whether or not surface water is considered Reasonably Available may also depend on water quality, cost, and operational feasibility. This requirement applies to the extent feasible, and does not override existing contractual obligations or physical limitations. For example, applicable Central Valley Project Contract Municipal and Industrial (“M&I”) shortage policies and applicable requirements pursuant to the California Health & Safety Code shall not be overridden by this Policy.

2. **Burden of Proof** – Where surface water is determined by the CDMGSA or the applicable Member Agency to be Reasonably Available, it shall be presumed that the landowner or groundwater extractor can utilize such surface water as the primary water supply. The burden shall rest on the landowner or groundwater extractor to demonstrate, to the reasonable satisfaction of the CDMGSA Board or its designee, that the use of surface water is infeasible or otherwise excused due to physical, contractual, economic, or other relevant constraints.

3. **Member Agency Implementation** – Member Agencies may implement this Policy through local rules, regulations, or ordinances. They may also incorporate this Policy into existing water delivery programs. Member Agencies may require landowners to use available surface water as a condition of groundwater extraction. They may also limit or allocate groundwater pumping. Member Agencies may adopt

rules governing water delivery under their existing authority. This includes the ability to condition or withhold service in appropriate circumstances and charge a fee per acre-foot.

4. **Integration with Pumping Reduction Plan** – This Policy incorporates the CDMGSA Pumping Reduction Plan by reference. Implementation of this Policy must be consistent with an applicable PRP, including consistency with groundwater reduction targets, implementation phases, and monitoring requirements. Member Agencies may use this Policy as a tool to achieve PRP objectives and sustainability goals.

5. **Relationship to Other CDMGSA Policies** – This Policy is intended to supplement other CDMGSA policies, including Administrative Policy Number One – Well Census and Registration, and Administrative Policy Number Two – Well Metering and Reporting. These policies provide the data necessary to implement this Policy by allowing the CDMGSA and its Member Agencies to identify wells, measure groundwater use, and manage extraction.

6. **Compliance and Enforcement** – The CDMGSA and its Member Agencies may take all actions authorized by law to implement and enforce this Policy, particularly in areas where groundwater extraction reductions are required under the D-M Subbasin GSP, including a PRP, and related CDMGSA policies. To ensure compliance with the requirement to utilize Reasonably Available surface water prior to groundwater extraction, the CDMGSA and/or its Member Agencies may take the following actions:

a. Adopt and enforce rules, regulations, ordinances, or resolutions that condition, limit, or prohibit groundwater extraction where surface water is Reasonably Available, pursuant to SGMA, including but not limited to Water Code sections 10725.2 and 10726.4. Such measures may include requiring participation in surface water delivery programs as a condition of groundwater use.

b. Establish and enforce groundwater extraction allocations, pumping restrictions, or rotational pumping requirements consistent with the D-M Subbasin GSP and applicable PRP pursuant to SGMA, including but not limited to Water Code sections 10726.2 and 10726.4. Groundwater extractions may be reduced, suspended, or conditioned on the use of Reasonably Available surface water supplies.

c. Require or implement programs under which groundwater extractors must accept and use Reasonably Available surface water supplies in lieu of groundwater pumping, consistent with Water Code section 10726.2(d), including agreements to reduce or cease groundwater extraction.

d. Utilize data collected under Administrative Policy Number One – Well Census and Registration, and Administrative Policy Number Two – Well Metering and Reporting to verify compliance. The CDMGSA may require reporting, conduct audits, and perform inspections to confirm that surface water is being utilized prior to groundwater extraction, consistent with Water Code section 10725.4.

e. Impose fees, charges, and civil penalties for non-compliance, including for unauthorized groundwater extraction where surface water is Reasonably Available, pursuant to SGMA, including but not limited to Water Code sections 10730.6 and 10732. Penalties may include monetary assessments and ongoing daily penalties for continuing violations.

f. Initiate administrative or judicial enforcement actions, including actions for injunctive relief or civil penalties. The CDMGSA may also order the cessation of groundwater extraction following notice and hearing, as authorized by law.

g. Member Agencies, who all retain the powers of GSAs, may exercise their independent authorities to enforce this Policy, including adopting rules governing water service, conditioning or withholding delivery of water, and enforcing compliance through administrative or judicial remedies pursuant to applicable provisions of the Water Code.

h. The CDMGSA may coordinate with Member Agencies to issue notices of non-compliance and to facilitate local enforcement. Member Agencies are required to take timely enforcement action within their jurisdictions to ensure consistency with the D-M Subbasin GSP and the applicable PRP.

i. All enforcement actions taken pursuant to this Policy shall be consistent with SGMA, the D-M Subbasin GSP, and applicable law. Nothing in this Policy shall be construed as a final determination of water rights.

7. **Agreements and Programs** – The CDMGSA and Member Agencies may enter into agreements to implement this Policy, including arrangements with landowners, water districts, or other entities; develop incentive programs to encourage the use of surface water in lieu of groundwater; and coordinate with other entities in and outside the Subbasin to implement this Policy.

8. **Local Control** – This Policy is intended to preserve local control. Member Agencies may tailor implementation based on local conditions, including infrastructure, water availability, and economic considerations. Pursuant to Water Code section 10725(b), a GSA has the power to provide the maximum degree of local control and flexibility consistent with the sustainability goals of SGMA.

9. **Amendment** – This Policy is subject to changes in the regular operation of the CDMGSA, as it may be revised from time to time by the Board of Directors.

10. **Policy Review** – This Policy shall be reviewed by the CDMGSA regularly, but in no event less than once every five (5) years or as necessary to ensure consistency with the D-M Subbasin GSP, SGMA, and applicable agreements, including the MOA.

MERCY SPRINGS WATER DISTRICT				
ACCOUNTS PAYABLE LIST				
PAYMENTS RUN FROM 2/19/2026 THRU 8/19/2026				
		WESTAMERICA CHECKING # 1602		
DATE	CHECK NUMBER	NAME	CHECK AMOUNT	MEMO
3/25/2026	1629	PANOCHE WATER DISTRICT	\$ 923.68	DECEMBER 2025 LABOR \$ 255.24 & ADMIN ALLOCATION \$ 76.28, JANUARY 2026 LABOR \$ 562.07 & ADMIN ALLOCATION \$ 30.09
3/25/2026	1630	CENTRAL VALLEY PROJECT WATER ASSOCIATION	\$ 750.00	2026 DUES
3/25/2026	1631	SAN LUIS & DELTA-MENDOTA WATER AUTHORITY	\$ 1,995.00	FY27 1ST INSTALLMENT MEMBERSHIP DUES
3/25/2026	1632	BAKER MANOCK & JENSEN	\$ 780.08	JANUARY & FEBRUARY 2026 LEGAL SERVICE
3/25/2026	1633	LAW OFFICE OF GABRIEL A. DELGADO	\$ 538.98	JANUARY & FEBRUARY 2026 GENERAL COUNSEL
3/25/2026	1634	FECHTER & COMPANY	\$ 5,359.00	2025 YE STATE CONTROLLER REPORT & AUDIT WORK ON FY24 & FY25
4/22/2026	1635	PANOCHE WATER DISTRICT	\$ 2,420.77	FEBRUARY 2026 LABOR \$ 2,364.15 & ADMIN ALLOCATION \$ 56.62
4/22/2026	1636	BAKER MANOCK & JENSEN	\$ 856.82	MARCH 2026 LEGAL SERVICES
5/22/2026	1637	PANOCHE WATER DISTRICT	\$ 1,263.18	MARCH 2026 LABOR \$ 1,077.23 & ADMN ALLOCATION \$ 185.95
5/22/2026	1638	BAKER MANOCK & JENSEN	\$ 1,746.86	APRIL 2026 LEGAL SERVICE
6/25/2026	1639	PANOCHE WATER DISTRICT	\$ 855.81	APRIL 2026 LABOR \$ 804.68 & ADMIN ACCOUNTING \$ 51.13
6/25/2026	1640	SAN LUIS & DELTA-MENDOTA WATER AUTHORITY	\$ 14,309.46	WY23 FINAL ACCOUNTING
6/25/2026	1641	BAKER MANOCK & JENSEN	\$ 534.01	MAY 2026 LEGAL SERVICE
7/20/2026	1642	PANOCHE WATER DISTRICT	\$ 263.56	MAY 2026 LABOR \$ 225.59 & ADMIN ALLOCATION \$ 37.97
7/20/2026	1643	CENTRAL DELTA-MENDOTA GSA	\$ 17,716.79	INITIAL CASH CALL TO FUND 6 MONTHS OF JPA'S OPERATION FY27
7/20/2026	1644	SAN LUIS & DELTA-MENDOTA WATER AUTHORITY	\$ 77.81	WY23 ADJUSTED FINAL ACCOUNTING
7/23/2026	1645	VOID	\$ -	VOID CHECK
8/19/2026	1646	PANOCHE WATER DISTRICT	\$ 625.22	JUNE 2026 LABOR \$ 526.45 & ADMIN ALLOCATION \$ 98.77
8/19/2026	1647	CENTRAL DELTA-MENDOTA GSA	\$ 23,966.79	SECOND CASH CALL FY27
8/19/2026	1648	SAN LUIS & DELTA-MENDOTA WATER AUTHORITY	\$ 627.00	DHCCP BOND INTEREST
8/19/2026	1649	BAKER MANOCK & JENSEN	\$ 272.67	JUNE & JULY LEGAL SERVICES
8/19/2026	1650	LAW OFFICE OF GABRIEL A. DELGADO	\$ 560.50	APRIL - JULY 2026 GENERAL COUNSEL
3/30/2026	W000000003	US BUREAU OF RECLAMATION	\$ 2,280.52	MARCH 2026 RESCHEDULING FEE WATER PAYMENT
6/17/2026	W000000004	US BUREAU OF RECLAMATION	\$ 5,155.04	MAY 2026 WATER USAGE PAYMENT ON THE DMC
7/29/2026	W000000005	US BUREAU OF RECLAMATION	\$ 20,130.60	JUNE 2026 WATER USAGE PAYMENT ON THE DMC \$ 6,865.25 & 2ND WATER USAGE PAYMENT ON THE DMC \$ 13,265.35
		TOTAL	\$ 104,010.15	

MERCY SPRINGS WATER DISTRICT
TREASURER'S MONTHLY FINANCIAL REPORT
BALANCE SHEET-CURRENT ASSETS & LIABILITIES

DATE AS OF	MAY INTEREST RATE	JUNE INTEREST RATE	JULY INTEREST RATE	<u>July 31, 2026</u>	<u>June 30, 2026</u>
<u>CURRENT LIABILITIES</u>					
ACCOUNTS PAYABLE				\$25,378	\$18,683
TOTAL CURRENT LIABILITIES				\$25,378	18,683
<u>CASH ACCOUNTS</u>					
O&M CHECKING				\$9,827	\$100,018
LAIF	3.81%	3.81%	3.92%	\$171,750	\$130,549
TOTAL UNRESTRICTED CASH				\$181,576	\$230,567
<u>ACCOUNTS RECEIVABLES</u>					
WATER				\$6,760	(\$105)
TOTAL ACCOUNTS RECEIVABLES				\$6,760	(\$105)
TOTAL CURRENT UNAUDITED ASSETS				\$188,336	\$230,461
NET CURRENT UNAUDITED ASSETS (NET CASH POSITION)				\$162,958	\$211,778

General Ledger Detail Report
Summary Report for Period 01 Thru 05 Ending 7/31/2026

MERCY SPRINGS WATER DISTRICT (MWD)					
Account Number/Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
102-000					
Westamerica Bank - Checking Account	4,645.79	90,019.25	84,838.22	5,181.03	9,826.82
106-000					
LAIF#90-10-027	242,152.57	4,597.10	75,000.00	70,402.90-	171,749.67
Report Total:	<u>246,798.36</u>	<u>94,616.35</u>	<u>159,838.22</u>	<u>65,221.87-</u>	<u>181,576.49</u>

MERCY SPRINGS WATER DISTRICT QUARTERLY FINANCIAL STATUS		
CASH BOOK ACCOUNTS AS OF 6/30/2026		
WESTAMERICA BANK CHECKING ACCOUNT	INTEREST RATE	
Balance as per bank statement		\$32,859
<u>Reconciling Items</u>		
Add: Outstanding deposits		
Deduct: Outstanding checks		\$14,843
Balance as reported in the general ledger account		\$18,016
LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNT		
LAIF Account balance as of 6/30/2026	3.92%	\$201,750
TOTAL BANK AND LAIF ACCOUNT BALANCES		\$219,765

General Ledger Detail Report
Summary Report for Period 02 Thru 04 Ending 6/30/2026

MERCY SPRINGS WATER DISTRICT (MWD)					
Account Number/Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
102-000					
Westamerica Bank - Checking Account	10,172.53	35,000.00	27,156.95	7,843.05	18,015.58
106-000					
LAIF#90-10-027	234,520.11	2,229.56	35,000.00	32,770.44-	201,749.67
Report Total:	<u>244,692.64</u>	<u>37,229.56</u>	<u>62,156.95</u>	<u>24,927.39-</u>	<u>219,765.25</u>

Account Statement

If you have any questions
about your account, please call:

800-848-1088

CUSTOMER SERVICE

ACCOUNT NUMBER

XXXXXX1602

STATEMENT DATE CYCLE

06/30/26

31

ITEMS ENCLOSED PAGE

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YEAR-TO-DATE INTEREST

MERCY SPRINGS WATER DISTRICT
52027 W ALTHEA AVE
FIREBAUGH CA 93622

PREVIOUS BALANCE	CHECKS AND WITHDRAWALS NUMBER	AMOUNT	DEPOSITS AND CREDITS NUMBER	AMOUNT	INTEREST MINUS CHARGES	NEW BALANCE
3,869.90	2	6,010.85	2	35,000.00	.00	32,859.05 ✓

ACCOUNT ACTIVITY				BALANCE SUMMARY	
PUBLIC REGULAR CHECKING				DATE	BALANCE
32 DAYS THIS CYCLE					
- - - - - DEPOSITS - - - - -				PREVIOUS BALANCE	
DATE	DESCRIPTION		AMOUNT	05/29	3,869.90
06/02	STATE OF CALIFOR - LAIF		15,000.00	06/02	18,869.90
	BY ORDER OF STATE OF CALIFORNIA - LAI			06/18	13,714.86
06/25	STATE OF CALIFOR - LAIF		20,000.00	06/25	33,714.86
	BY ORDER OF STATE OF CALIFORNIA - LAI			06/29	32,859.05
- - - - - -WITHDRAWALS-FEES-CHARGES- - - - -				NEW BALANCE	
DATE	DESCRIPTION		AMOUNT	06/30	32,859.05
06/18	BOR BILL PAYMENT - PAYMENT		5,155.04		
- - - - - CHECKS - - - - -					
ITEM	DATE	AMOUNT	ITEM	DATE	AMOUNT
1639	06/29	855.81			

ASK ABOUT WESTAMERICA VISA CREDIT CARDS WITH BENEFITS SUCH
AS CASH BACK, REWARDS AND A GREAT INTRODUCTORY OFFER!
THE CREDITOR AND ISSUER IS ELAN FINANCIAL SERVICES.

MERCY SPRINGS WATER DISTRICT

2026 Quarterly Investment Report For Quarter Ending June 30, 2026

DATE: August 19, 2026

TO: Board of Directors

FROM: Marlene Brazil

In accordance with Government Code Section 53646 and the Mercy Springs Water District Investment Policy, the following shall constitute the quarterly report of investment on behalf of the Mercy Springs Water District:

	WESTAMERICA BANK	LAIF	TOTAL
INVESTMENT BALANCES June 30, 2026	\$ 18,015.58	\$ 201,749.67	\$ 219,765.25

1. As of the date of the report, the majority of District funds are invested in the State of California Local Agency Investment Fund (LAIF) in accordance with Section 16429.1 of the Government Code. Attached is the most recent statement(s) received by the District.
2. As of the date of the report, the remaining District funds are deposited in Federal Deposit Insurance Corporation (FDIC) insured accounts at Westamerica Bank. Therefore, as provided by Government Code Section 53646 (e), attached are the most recent statements received by the District.
3. The portfolio of the District is in compliance with the District's Statement of Investment Policy.
4. It is expected the District will be able to meet its expenditure requirements for the next six months based on projected revenue from water sales and land based cost reimbursements.

MERCY SPRINGS WATER DISTRICT QUARTERLY FINANCIAL STATUS		
CASH BOOK ACCOUNTS AS OF 3/31/2026		
WESTAMERICA BANK CHECKING ACCOUNT	INTEREST RATE	
Balance as per bank statement		\$16,821
<u>Reconciling Items</u>		
Add: Outstanding deposits		
Deduct: Outstanding checks		\$6,648
Balance as reported in the general ledger account		\$10,173
LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNT		
LAIF Account balance as of 3/31/2026	3.98%	\$234,520
TOTAL BANK AND LAIF ACCOUNT BALANCES		\$244,693

General Ledger Detail Report
Summary Postings for Dates 1/1/2026 Thru 3/31/2026

MERCY SPRINGS WATER DISTRICT (MWD)					
Account Number/Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
102-000					
Westamerica Bank - Checking Account	14,701.87	19,316.99	23,846.33	4,529.34-	10,172.53
106-000					
LAIF#90-10-027	242,152.57	2,367.54	10,000.00	7,632.46-	234,520.11
Report Total:	<u>256,854.44</u>	<u>21,684.53</u>	<u>33,846.33</u>	<u>12,161.80-</u>	<u>244,692.64</u>



P.O. Box 1200
Suisun City, CA 94585-1200

Account Statement

If you have any questions
about your account, please call:
800-848-1088
CUSTOMER SERVICE

ACCOUNT NUMBER

XXXXX1602

STATEMENT DATE

03/31/26

CYCLE

31

ITEMS ENCLOSED

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PAGE

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YEAR-TO-DATE INTEREST

MERCY SPRINGS WATER DISTRICT
52027 W ALTHEA AVE
FIREBAUGH CA 93622

PREVIOUS BALANCE	CHECKS AND WITHDRAWALS NUMBER	AMOUNT	DEPOSITS AND CREDITS NUMBER	AMOUNT	INTEREST MINUS CHARGES	NEW BALANCE
4,645.79	4	5,979.28	2	18,154.00	.00	16,820.51

ACCOUNT ACTIVITY

BALANCE SUMMARY

PUBLIC REGULAR CHECKING

DATE BALANCE

32 DAYS THIS CYCLE

DATE	DESCRIPTION	AMOUNT	PREVIOUS BALANCE
02/27			4,645.79
03/16	DOI TREAS 310 - MISC PAY	8,154.00	12,799.79
	RMR*IV*0*PI*8154.00\		22,799.79
03/27	STATE OF CALIFOR - LAIF	10,000.00	21,876.11
	BY ORDER OF STATE OF CALIFORNIA - LAI		16,820.51

DATE	DESCRIPTION	AMOUNT	NEW BALANCE
03/31	BOR BILL PAYMENT - PAYMENT	2,280.52	16,820.51

✓

ITEM	DATE	AMOUNT	ITEM	DATE	AMOUNT
1629	03/30	923.68	1632	03/31	780.08
1631*	03/31	1,995.00			

* INDICATES GAP IN CHECK SEQUENCE

PLANNING INTERNATIONAL TRAVEL? WESTAMERICA CAN
PROVIDE FOREIGN CURRENCY AT COMPETITIVE EXCHANGE RATES.
TO ORDER, CALL 1-800-848-1088 OR VISIT ANY BRANCH.

MERCY SPRINGS WATER DISTRICT

2026 Quarterly Investment Report For Quarter Ending March 31, 2026

DATE: August 19, 2026

TO: Board of Directors

FROM: Marlene Brazil

In accordance with Government Code Section 53646 and the Mercy Springs Water District Investment Policy, the following shall constitute the quarterly report of investment on behalf of the Mercy Springs Water District:

	WESTAMERICA BANK	LAIF	TOTAL
INVESTMENT BALANCES March 31, 2026	\$ 10,172.53	\$ 234,520.11	\$ 244,692.64

1. As of the date of the report, the majority of District funds are invested in the State of California Local Agency Investment Fund (LAIF) in accordance with Section 16429.1 of the Government Code. Attached is the most recent statement(s) received by the District.
2. As of the date of the report, the remaining District funds are deposited in Federal Deposit Insurance Corporation (FDIC) insured accounts at Westamerica Bank. Therefore, as provided by Government Code Section 53646 (e), attached are the most recent statements received by the District.
3. The portfolio of the District is in compliance with the District's Statement of Investment Policy.
4. It is expected the District will be able to meet its expenditure requirements for the next six months based on projected revenue from water sales and land based cost reimbursements.

MERCY SPRINGS WATER DISTRICT (MSWD)

ANNUAL BUDGET FOR FY 2026-27

		FY 2026-27	FY 2026-27		FY 2025-26	FY 2025-26
	Approved Budget 2/18/26	<u>PROPOSED</u> <u>ANNUAL</u> <u>BUDGET</u>	<u>Actual Expenses</u> <u>to 07-31-26</u>		<u>ANNUAL</u> <u>APPROVED</u> <u>BUDGET</u>	<u>Actual Expenses</u> <u>to 02-28-26</u>
REVENUES						
	CVP WATER CONTRACT	\$ 40,272	\$ 20,760		\$ 35,452	\$ 32,432
	REVENUE - SLDMWA Healthy Rivers Landscape	-			11,360	-
	OPERATION & MAINTAINANCE CHARGES	75,978	25,020		86,175	111,096
	REVENUE - Water transfer fee	7,000	4,526		7,000	8,390
	REVENUE SGMA (Includes Reserves)	46,555	41,684		10,092	10,092
	REVENUE INTEREST	6,000	4,597		4,000	7,963
	REVENUE OTHER/USBR REFUNDS	-	8,154		-	-
	TOTAL REVENUE	\$ 175,805	\$ 104,741		\$ 154,079	\$ 169,974
OPERATING EXPENSES						
GENERAL ADMIN AND SERVICES						
	ANNUAL AUDIT	-	-		9,500	8,359
	INSURANCE	1,800	1,329		1,700	1,758
	LEGAL & PROFESSIONAL COSTS	6,000	3,924		6,000	7,952
	GENERAL ADMIN & OVERHEAD COSTS	17,900	4,943		17,900	19,547
	TOTAL GENERAL ADMIN AND SERVICES	\$ 25,700	\$ 10,195		\$ 35,100	\$ 37,616
DIRECT O & M COSTS						
	SLDMWA WATER COSTS Healthy Rivers Landscape	-	-		11,360	-
	CVP WATER COSTS	62,272	27,566		57,452	41,951
	USBR WIIN ACT CONTRACT	17,106	-		17,227	17,106
	SLDMWA SGMA COSTS (Includes Reserves)	46,555	41,684		10,092	10,092
	SLDMWA DHCCP EXPENSES	4,109	4		4,064	4,073
	SLDMWA MEMBERSHIP COSTS	4,010	1,999		4,297	4,298
	CENTRAL DELTA MENDOTA GSA	4,000	-		4,000	4,000
	WATER TRANSFER EXPENSES	1,800	-		1,800	1,090
	WATER RIGHTS FEE	4,303	-		4,687	4,261
	TOTAL DIRECT O&M COSTS	\$ 144,155	\$ 71,252		\$ 114,979	\$ 86,872
	TOTAL EXPENSES	\$ 169,855	\$ 81,447		\$ 150,079	\$ 124,489
	NET REVENUE/(DEFICIT)	\$ 5,950	\$ 23,293		\$ 4,000	\$ 45,485

MERCY SPRINGS WATER DISTRICT				
WATER BASED BUDGET				
Annual Budget for FY 2026-27				
Approved 2/18/26				
	Annual Budget		Annual Budget	
REVENUES	FY 2026-27 Approved Budget	FY 2026-27 Actual to 7-31-26	FY 2025-26 Approved Budget	FY 2025-26 Actual to 2-28-26
Central Valley Project Contract Water	\$ 40,272	\$ 20,760	\$ 35,452	\$ 32,432
SLDMWA Healthy Rivers Landscape	\$ -		\$ 11,360	\$ -
Administration & Services	\$ 68,128	\$ 21,120	\$ 78,325	\$ 103,246
Water Transfer Fees	\$ 7,000	\$ 4,526	\$ 7,000	\$ 8,390
Interest	\$ 3,000	\$ 2,299	\$ 2,000	\$ 3,982
Other Revenues	\$ -	\$ 8,154	\$ -	\$ -
	\$ 118,400	\$ 56,858	\$ 134,137	\$ 148,050
WATER COSTS				
Central Valley Project Contract Water	\$ 47,272	\$ 27,566	\$ 42,452	\$ 41,951
SLDMWA Healthy Rivers Landscape	\$ -		\$ 11,360	\$ -
SLDMWA Membership	\$ 4,010	\$ 1,999	\$ 4,297	\$ 4,298
SLDMWA DHCCP Repayment	\$ 2,807	\$ 4	\$ 2,776	\$ 2,773
SLDMWA DHCCP Interest	\$ 1,302		\$ 1,288	\$ 1,300
SLDMWA Minimum O&M Fee	\$ 15,000		\$ 15,000	\$ -
USBR WINN Act Contract	\$ 17,106		\$ 17,227	\$ 17,106
Water Transfers Expenses	\$ 1,800		\$ 1,800	\$ 1,090
SWRCB Water Rights Fee	\$ 4,303		\$ 4,687	\$ 4,261
ADMINISTRATION				
PWD Administration	\$ 14,200	\$ 2,634	\$ 14,200	\$ 16,150
PWD Overhead	\$ 700	\$ 374	\$ 700	\$ 1,087
Bank Charges	\$ -	\$ 15	\$ -	
Dues & subscriptions	\$ 1,400	\$ 750	\$ 1,400	\$ 750
Website	\$ 1,600	\$ 1,170	\$ 1,600	\$ 1,560
	\$ 17,900	\$ 4,943	\$ 17,900	\$ 19,547
Annual Audit	\$ -		\$ 9,500	\$ 8,359
Legal	\$ 3,000	\$ 1,962	\$ 3,000	\$ 3,976
Insurance	\$ 900	\$ 664	\$ 850	\$ 879
TOTAL	\$115,400	\$37,137	\$132,137	\$105,541
Net Revenue/(Deficit)	\$ 3,000	\$ 19,721	\$ 2,000	\$ 42,509

MERCY SPRINGS WATER DISTRICT					
LAND BASED BUDGET					
Annual Budget for FY 2026-27					
Approved 2/18/2026	Annual Budget		Annual Budget		
	FY 2026-27	FY 2026-27	FY 2025-26	FY 2025-26	
REVENUES	Approved Budget	Actual to 7-31-26	Approved Budget	Actual to 2-28-26	
Administration & Services	\$ 7,850	\$ 3,900	\$ 7,850	\$ 7,850	
Sustainable Groundwater Management Act	\$ 21,202	\$ 16,331	\$ 10,092	\$ 10,092	
Reserves - SGMA	\$ 25,353	\$ 25,353			
Interest	\$ 3,000	\$ 2,299	\$ 2,000	\$ 3,982	
TOTAL REVENUE	\$ 57,405	\$ 47,883	\$ 19,942	\$ 21,924	
DIRECT COSTS					
SLDMWA SGMA Costs	\$ 21,202	\$ 16,331	\$ 10,092	\$ 10,092	
Reserves - SGMA	\$ 25,353	\$ 25,353			
Central Delta Mendota GSA	\$ 4,000	\$ -	\$ 4,000	\$ 4,000	
General Admin & Services					
PWD Administration	\$ -		\$ -	\$ -	
PWD Overhead	\$ -		\$ -	\$ -	
Bank Charges					
Website	\$ -		\$ -		
	\$ -		\$ -	\$ -	
Annual Audit	\$ -		\$ -		
Legal costs	\$ 3,000	\$ 1,962	\$ 3,000	\$ 3,976	
Insurance	\$ 900	\$ 664	\$ 850	\$ 879	
TOTAL EXPENSES	\$54,455	\$44,310	\$17,942	\$18,947	
Net Revenue/(Deficit)	\$ 2,950	\$ 3,572	\$ 2,000	\$ 2,977	
PER ACRE	ACRES	\$ 16.15	WY 2026-27 Board approved \$6.00/AC		
MAVERICK PISTACHIOS LLC	465.90	\$ 7,524.12			
PANOCHÉ DD	2,906.00	\$ 46,930.88			
	3,371.90	\$ 54,455.00			
RESERVES					
Reserves - SGMA Costs	\$ 25,353				
Board Approved 2.18.26	\$ 25,353				



MERCY SPRINGS WATER DISTRICT

52027 WEST ALTHEA AVE, FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122

BOARD MEETING MEMORANDUM

TO: MERCY SPRINGS WATER DISTRICT BOARD OF DIRECTORS

FROM: GENERAL MANAGER, PATRICK MCGOWAN

SUBJECT: CENTRAL VALLEY OPERATIONS UPDATE

DATE: AUGUST 19, 2026

SUMMARY

Hydrologic conditions remain favorable, with Shasta, Trinity, Folsom, and San Luis Reservoir all above historical averages despite seasonal drawdown. Reservoir storage alone would normally support consideration of additional South-of-Delta deliveries. However, the principal constraint is no longer water availability, but the Bureau of Reclamation's ability to move water through the Delta while complying with environmental regulations, Delta water quality standards, and operational requirements. On August 11, 2026, the Bureau of Reclamation announced an increase to the Central Valley Project South-of-Delta Contractors from a 25% to 28% irrigation allocation.

CURRENT RESERVOIR CONDITIONS

Shasta Reservoir is approximately 105–108% of the 15-year average, Trinity approximately 122–124%, Folsom approximately 110–116%, and the federal share of San Luis Reservoir is approximately 392 TAF (122% of average). Total San Luis storage is approximately 1.15 MAF, or 56% of capacity, and approximately 132% of historical average.

PRIMARY FACTORS LIMITING ADDITIONAL ALLOCATION

- D-1641 Delta water quality and outflow requirements continue to limit export flexibility.
- Sacramento River temperature management requires continued cold-water pool protection in Shasta Reservoir.
- ESA biological opinions and fishery protections constrain export operations.
- Reclamation continues to preserve healthy end-of-year carryover storage to maintain flexibility entering Water Year 2027.

- Jones Pumping Plant exports remain below maximum capability despite recent operational improvements.

POSITIVE INDICATORS

Recent improvements in Delta salinity have allowed Jones Pumping Plant exports to increase. Additional relaxation of Jersey Point salinity standards later in August could improve export opportunities. Reservoir storage remains well above average, and San Luis Reservoir continues to hold above-average federal storage.

STAFF ASSESSMENT

Staff believes the CVP currently possesses sufficient stored water to support additional South-of-Delta deliveries. The primary limitation is operational and regulatory rather than hydrologic. If Delta conditions continue improving and export opportunities increase while maintaining environmental compliance, Reclamation could have the flexibility to consider a modest increase above the current 25% allocation. Conversely, deterioration in Delta water quality, increased temperature management demands, or additional fishery restrictions could delay any allocation increase.