

NOTICE OF EXEMPTION

To: Merced County Clerk
2222 M Street
Merced, California 95340

From: East Turlock Subbasin Groundwater
Sustainability Agency
731 East Yosemite Ave, Suite B PMB 318
Merced, CA 95340

Stanislaus County Clerk
1021 I Street, Suite 101
Modesto, California 95354

Office of Planning and Research
1400 10th Street
Sacramento, California 95814

Project Title: East Turlock Subbasin Groundwater Sustainability Agency Phase Two (2) Rules and Regulations

Project Location – Specific: Within the boundaries of the East Turlock Subbasin GSA (see attached Exhibit “A” for map).

Project Location – City: N/A

Project Location – County: Merced and Stanislaus

Description of Nature, Purpose and Beneficiaries of Project:

This project is to adopt and implement an update to the rules and regulations governing the East Turlock Subbasin Groundwater Sustainability Agency (“ETSGSA”)’s implementation of the Sustainable Groundwater Management Act (“SGMA”) pursuant to the Revised Turlock Subbasin Groundwater Sustainability Plan (“Revised Turlock GSP”) within ETSGSA’s boundaries. The Phase Two (2) Rules and Regulations (see attached Exhibit 1 to the attached Exhibit “B”) contain various updates to the definitions and introduce rules and regulations related to the Groundwater Accounting Platform regarding Carryover of portions of an unused groundwater allocation, calculation of Consumed Surface Water and Recharge Credits, and accounting for fallowed land.

Name of Public Agency Approving Project:

East Turlock Subbasin GSA

Name of Person or Agency Carrying Out Project:

East Turlock Subbasin GSA
2025-EIR-110

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(1); 15268);**
- Declared Emergency (Sec. 21080(b)(3); 15269(a));**
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));**

FILED

September 4, 2025

MATT H. MAY

COUNTY CLERK

By Ralph Wilson
1

Deputy Clerk

Categorical Exemption. State type and section number: Class 7 – Cal. Code Regs., tit. 14, § 15307; Class 8 – Cal. Code Regs., tit. 14, § 15308; Common Sense Exemption – Cal. Code Regs., tit. 14, § 15061, subd. (b)(3);

Statutory Exemption. State code number:

Reasons why project is exempt:

The adoption of the Phase Two (2) Rules and Regulations is an action taken by ETSGSA as authorized by SGMA for the protection of natural resources and the environment, which is categorically exempt pursuant to CEQA Guidelines sections 15307 and 15308.

As the Phase Two (2) Rules and Regulations do not have the potential for causing a significant effect on the environment by themselves, the common sense exemption applies pursuant to CEQA Guidelines section 15061(b)(3). Separate and underlying projects and management actions will undergo CEQA analysis as required.

Lead Agency

Contact Person: Mike Tietze **Area Code/Telephone/Ext:** (916) 200-9038

If filed by applicant:

1. **Attach certified document of exemption finding.**
2. **Has a Notice of Exemption been filed by the public agency approving the project?** Yes No

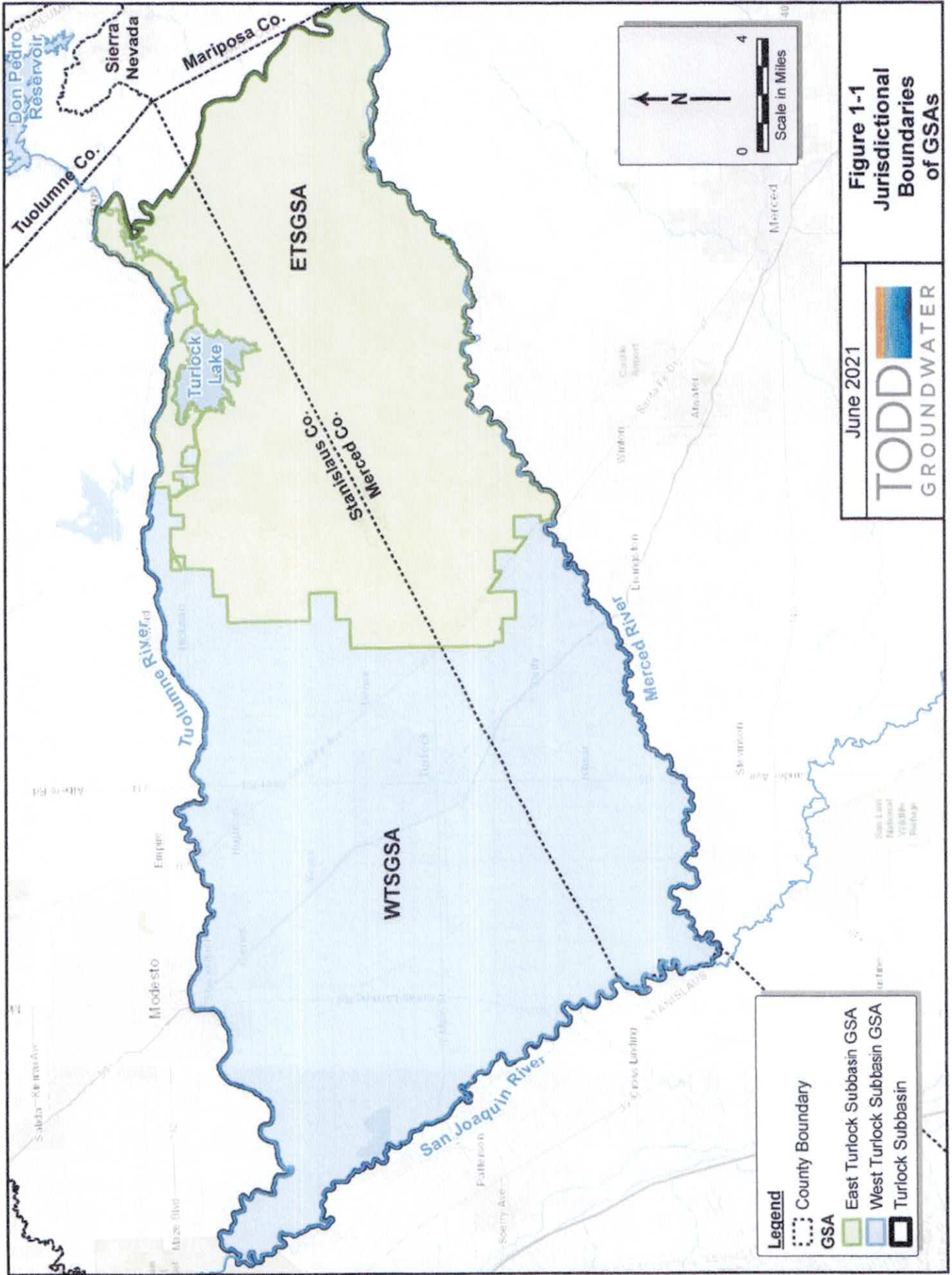
Signature: *Heidi L. Whigg* **Date:** 09/04/2025 **Title:** Board Secretary

- Signed by Lead Agency**
 Signed by Applicant

EXHIBIT "A"

MAP OF EAST TURLOCK SUBBASIN GSA BOUNDARIES

EXHIBIT A



June 2021

Figure 1-1
Jurisdictional
Boundaries
of GSAs



EXHIBIT "1"

**A RESOLUTION ADOPTING THE EAST TURLOCK SUBBASIN GROUNDWATER
SUSTAINABILITY AGENCY PHASE TWO (2) RULES AND REGULATIONS AND
CERTAIN FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT**

EXHIBIT 1

RESOLUTION No. 2025-05

THE BOARD OF DIRECTORS OF THE
EAST TURLOCK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY

A RESOLUTION ADOPTING THE EAST TURLOCK SUBBASIN GROUNDWATER
SUSTAINABILITY AGENCY PHASE TWO (2) RULES AND REGULATIONS AND
CERTAIN FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT

The EAST TURLOCK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY of Stanislaus and Merced Counties does resolve as follows:

A. WHEREAS, in August 2014, the California Legislature passed, and in September 2014 the Governor signed, legislation creating the Sustainable Groundwater Management Act (“SGMA”) “to provide local groundwater sustainability agencies with the authority and technical and financial assistance necessary to sustainably manage groundwater” (Wat. Code, § 10720(d)); and

B. WHEREAS, SGMA requires sustainable groundwater management through the development and implementation of groundwater sustainability plans (“GSPs”) (Wat. Code, § 10727); and

C. WHEREAS, SGMA requires groundwater sustainability agencies (“GSAs”) to manage groundwater in all basins designated by the Department of Water Resources (“DWR”) as a medium or high priority, including the Turlock Subbasin (designated basin number 5-22.03) (“Subbasin”), by submitting one or more GSPs covering the entire groundwater basin by January 31, 2022 (Wat. Code §§ 10720.7(a)(2), 10733.4); and

D. WHEREAS, the East Turlock Subbasin Groundwater Sustainability Agency (“ETSGSA”) is a joint powers authority formed in January 2017 to manage groundwater resources in the eastern portion of the Turlock Subbasin, in accordance with SGMA; and

E. WHEREAS, the West Turlock Subbasin Groundwater Sustainability Agency (“WTSGSA”) is the other GSA within the Subbasin responsible for sustainably managing groundwater within its portion of the Subbasin pursuant to SGMA; and

F. WHEREAS, ETSGSA and WTSGSA collaborated to develop one GSP for the entire Subbasin (the “Turlock GSP”), and are working collaboratively to implement the Turlock GSP within their respective portions of the Subbasin; and

G. WHEREAS, ETSGSA and WTSGSA first jointly submitted the Turlock GSP to California’s Department of Water Resources (“DWR”) on January 28, 2022; DWR determined the Turlock GSP to be incomplete on January 18, 2024; a revised Turlock Subbasin GSP was submitted to DWR on July 12, 2024 (the “Revised Turlock GSP”); and, DWR approved the Revised Turlock GSP on February 27, 2025; and

H. WHEREAS, ETSGSA is responsible for implementing the Revised Turlock GSP within its jurisdictional boundaries; and

I. WHEREAS, the Revised Turlock GSP recognizes that the Subbasin is in a state of overdraft and that undesirable results, including but not limited to chronic groundwater level decline, depletion of groundwater storage, depletion of interconnected surface water, and land subsidence, must be mitigated through projects and management actions such as groundwater demand reduction; and

J. WHEREAS, the Revised Turlock GSP includes – as a management action – a program adopted by the ETSGSA referred to as the Groundwater Demand Reduction Plan, which outlines demand management programs to arrest groundwater level decline by 2027 and achieve Minimum Thresholds by 2032, that will be ready for full implementation by ETSGSA in 2025, including: (1) a Groundwater Use Allocation and Fee Program that establishes groundwater allocations and escalating groundwater use reduction targets, as well as volume-based groundwater use fees charged at rates that increase based on the quantity of groundwater used; (2) an internet-based Groundwater Accounting Platform to administer and track the program; and (3) proposed Rules and Regulations that govern groundwater use allocations, measurement, and implementation; and

K. WHEREAS, the ETSGSA Rules and Regulations were initially adopted by the ETSGSA Board of Directors on January 23, 2025, and contained a number of definitions, standards, and planned practices for various elements of Revised Turlock GSP implementation, including groundwater allocations to be implemented concurrently with an extraction-based groundwater use fee; and

L. WHEREAS, the proposed Phase Two (2) Rules and Regulations, attached hereto as **Exhibit “A”** and incorporated herein by this reference, contain a number of updates to the definitions and introduce Rules and Regulations to further implement the Revised Turlock GSP, including regarding Carryover, Consumed Surface Water and Recharge Credits, as well as related to Groundwater Accounting Platform policies related to fallowed land; and

M. WHEREAS, the proposed Phase Two (2) Rules and Regulations were developed with input from ETSGSA’s member agencies, an *ad hoc* committee comprised of ETSGSA landowners and representatives, and input from staff, technical consultants, and legal counsel; furthermore, the proposed Phase Two (2) Rules and Regulations were circulated, presented, and discussed publicly prior to adoption; and

N. WHEREAS, ETSGSA is authorized to adopt rules, regulations, ordinances, and resolutions for the purpose of implementing SGMA, and perform any act necessary or proper to carry out the purposes of SGMA (Wat. Code § 10725.2); and

O. WHEREAS, SGMA authorizes GSAs to regulate groundwater extractions by regulating, limiting, or suspending extractions from individual groundwater wells and other means, including by establishing groundwater extraction allocations; by authorizing temporary and permanent transfers of groundwater extraction allocations within the GSA’s boundaries if certain conditions are met; and by establishing accounting rules regarding unused groundwater extraction

allocations, consistent with the GSP (Wat. Code § 10726.4), with the overall goal of sustainably managing groundwater basins and enhancing local management of groundwater (Wat. Code §10720.1); and

P. WHEREAS, SGMA authorizes a GSA to impose civil penalties not to exceed five hundred dollars (\$500) per acre-foot extracted in excess of the amount that person is authorized to extract under a rule, regulation, ordinance, or resolution adopted by that GSA (Wat. Code § 10732(a)(1)), and any such penalty is for the sole purpose of regulating conduct, specifically to regulate the use of groundwater in a manner to achieve sustainability of the Subbasin and not for the purpose of generating revenue (See, e.g., *California Taxpayers Assn v. Franchise Tax Board* (2010) 190 Cal.App.4th 1139), and is not considered a regulatory fee or property-related service subject to Article XIII C or XIII D of the California Constitution; and

G. WHEREAS, in addition to the foregoing, ETSGSA is authorized to assess civil penalties on any person who violates any rule, regulation, ordinance, or resolution adopted by the GSA in an amount not to exceed one thousand dollars (\$1,000), plus one hundred dollars (\$100) for each additional day on which the violation continues if the person fails to comply within 30 days after the ETSGSA has notified the person of the violation (Wat. Code § 10732(a)(2)); and

H. WHEREAS, the proposed Phase Two (2) Rules and Regulations considered herein are transitional measures for sustainable management of groundwater within ETSGSA boundaries and do not determine or alter water rights under common law or any provision of California law (Wat. Code §10720.5(a)); and

I. WHEREAS, WTSGSA, as lead agency under the California Environmental Quality Act (“CEQA”), prepared a program environmental impact report (“PEIR”) to analyze resources potentially affected by implementation of the Projects and Management Actions (“PMAs”) in the Subbasin under the Revised Turlock GSP, which included evaluation of management actions, such as groundwater allocations, extraction reporting and fees (See Table ES-2 on page ES-12 of the PEIR); and

J. WHEREAS, ETSGSA adopted the PEIR as a responsible agency under CEQA; and

K. WHEREAS, pursuant to CEQA Guidelines sections 10561(b)(3), 15307, and 15308, the adoption of these Rules and Regulations is exempt from CEQA, and therefore ETSGSA does not need to adopt any analysis from the PEIR; and

L. WHEREAS, the Board finds that these proposed Phase Two (2) Rules and Regulations are consistent with SGMA and the Revised Turlock GSP; and

M. WHEREAS, on August 28, 2025, the ETSGSA Board of Directors held a public meeting to consider adoption of the proposed Rules and Regulations.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the EAST TURLOCK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY (“Board”) finds, orders and determines as follows:

1. The facts stated in the Recitals above are true and correct and are hereby incorporated herein.

2. The adoption of these Phase Two (2) Rules and Regulations is categorically exempt from CEQA pursuant to CEQA Guidelines section 15307 as the action of a regulatory agency acting to protect natural resources.

3. The adoption of these Phase Two (2) Rules and Regulations is categorically exempt from CEQA pursuant to CEQA Guidelines section 15308 as the action of a regulatory agency acting to protect the environment.

4. The adoption of these Phase Two (2) Rules and Regulations is exempt from CEQA review under the common sense exemption, set forth in CEQA Guidelines section 15061(b)(3).

5. The categorical exemptions applicable to the adoption of these Rules and Regulations are not subject to any applicable exception, including the "unusual circumstances" exemption.

6. The Board hereby adopts the Phase Two (2) Rules and Regulations, as depicted in **Exhibit "A"**.

7. The ETSGSA General Manager and Secretary are hereby authorized to file with the applicable County Clerks' offices the Notice of Exemption for adoption of these Phase Two (2) Rules and Regulations in performance with the procedures provided for the filing of such notices pursuant to CEQA and the CEQA Guidelines.

8. The Board authorizes the ETSGSA General Manager and Secretary to take such other and additional actions as may be reasonably necessary to implement the purpose and intent of this Resolution.

//
//
//
//
//
//
//
//
//
//
//


PASSED, APPROVED, AND ADOPTED this 28 day of August 2025, by a motion from Member Lloyd Pareira and a second by Member Dirk Ulrich, with the following vote to wit:

AYES: Member Matt Beaman, Alternate Member Christy McKinnon, Member Lloyd Pareira, Member Dirk Ulrich, and Member Sarah Woolf.

NOES: None.

ABSTAIN: None.

ABSENT: Member Vito Chiesa.




SARAH C. WOOLF
Chair of East Turlock Subbasin
Groundwater Sustainability Agency

**CERTIFICATE OF SECRETARY
OF
EAST TURLOCK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY**

I, Karen L. Whipp, do hereby certify that I am the duly authorized and appointed Secretary of the East Turlock Subbasin Groundwater Sustainability Agency, a joint powers authority ("ETSGSA"); 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 Agency on the 28 day of August, 2025; 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 28 day of August, 2025.



KAREN L. WHIPP
Secretary of East Turlock Subbasin
Groundwater Sustainability Agency

EXHIBIT "B"

**EAST TURLOCK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY
PHASE TWO (2) RULES AND REGULATIONS**