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Fresno, CA 93720

August 19, 2019

Merced Irrigation District  
Attention: Mr. Hicham Eltal  
GSP Contact  
744 W. 20<sup>th</sup> St.  
Merced, CA 95340  
[mercedsgma@woodardcurran.com](mailto:mercedsgma@woodardcurran.com)

Dear Mr. Eltal,

Thank you for the opportunity to provide comments on the Draft Merced Subbasin Groundwater Sustainability Plan (GSP) dated July 19, 2019. Our Nevada Ranch is 1,000-acres and is located at the northeast corner of Santa Fe Ave. and White Rock Road and is considered "White Area". We want to thank you for the opportunity to provide these comments and show our appreciation for the hard work the various Board members, staff, consultants, and the general public have put into this State mandated document.

We understand that the Merced Subbasin is in overdraft by approximately 150,000 AF/Y and that agricultural must step up to the plate to close the gap. We are encouraged that several of the projects listed in the GSP would provide infrastructure so that surface water supplies to the White Areas of the Subbasin could be augmented. We are a willing partner for these sorts of projects so please contact me during the scoping of any of the projects near our ranch if you have any financing, engineering, and/or right-of-way acquisition needs.

In addition to the list of projects, the GSP describes several demand management options that are being considered by the Groundwater Sustainability Agencies, including groundwater allocations, water credit market, fallowing, and/or groundwater extraction fees. Olam believes a tiered groundwater extraction fee program where the first volume of water is cheaper than the last is the least bureaucratic and quickest way to begin to incentivize farmers to pump less groundwater. A groundwater fee program also avoids the contentious matters involved with allocating groundwater, such as irrigated vs. non-irrigated, deep percolation from developed water, water market framework, etc. The money generated from the program could be used to fund projects and/or retire marginal farm ground.

I also want to emphasize that all demand management programs need to recognize the need to slowly transition from overdraft to sustainability during the 20-year implementation period. Any sort of hard and fast pumping restrictions would unnecessarily devastate the local economy by not allowing farmers to thoughtfully adjust their practices.



Thank you again for your hard work and please don't hesitate to contact me if you have any questions or comments. Your consideration is greatly appreciated.

Best Regards,

A handwritten signature in black ink, appearing to read "Mike R", with a long horizontal line extending to the right.

Mike Richardson  
General Manager Farm Operations  
Olam Farming Inc.

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