

**July 19, 2022**

**AGENDA**

**2222 M Street, Board Room**

**Merced, CA**

**SPECIAL MEETING**

**4:30 PM**

Join Zoom Meeting

<https://us02web.zoom.us/j/87451858846?pwd=VysrZnhFZFBHYUVKWU9ISys2eGxrQT09>

Meeting ID: 874 5185 8846

Dial in: +1 669 444 9171

Passcode: 541443

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IMPORTANT NOTICE: Due to the ongoing COVID-19 Crisis, and as authorized by Assembly Bill 361, this meeting will be broadcast via conference call in addition to the meeting's physical location. Members of the public who wish to provide comment or observe the meeting may join in person or on the conference call.

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Lloyd Pareira, Jr., County of Merced

Chair

Nic Marchini, Western White Area Representative

Vice Chair

Michael Gallo, Eastern White Area Representative

Kole Upton, Le Grand-Athlone Water District

Gino Pedretti, Sandy Mush Mutual Water Company

Eric Swenson, Merquin County Water District

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**1. CALL TO ORDER/ROLL CALL**

**2. STATE OF EMERGENCY TELECONFERENCE FINDINGS**

Action Item: The Merced Subbasin GSA Governing Board will consider the circumstances of the State of Emergency and determine whether to make the following findings that any of the circumstances exist per AB 361:

1. The State of Emergency continues to directly impact the ability of the members to meet safely in person and/or
2. State or Local Officials continue to impose or recommend measures to promote social distancing.

**3. PLEDGE OF ALLEGIANCE**

**4. PUBLIC COMMENT PERIOD**

Public opportunity to speak on any matter of public interest within the Board's jurisdiction including items on the Board's agenda. Testimony limited to three minutes per person.

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**5. APPROVAL OF MINUTES**

Action to approve the meeting minutes from the Governing Board meeting on May 12, 2022 and June 9, 2022.

**6. LAND REPURPOSING PROGRAM DEVELOPMENT**

Discussion and potential direction on the land repurposing program timeline and elements.

**7. PUBLIC HEARING TO CONSIDER ADOPTION OF THE REVISED MERCED SUBBASIN GROUNDWATER SUSTAINABILITY PLAN**

1. Open the public hearing and receive testimony.
2. Close the public hearing.
3. Consider approval of the resolution adopting the revised Merced Subbasin Groundwater Sustainably plan.

**8. COUNTY SUPPORT SERVICES CONTRACT AMENDMENT**

Action to approve an amendment to the Agreement Between the County of Merced and the Merced Subbasin Groundwater Sustainability Agency for Support Services to extend the term for one year and increase the compensation to \$75,000 for FY2022-2023 support services.

**9. FORMATION OF A STRATEGIC PLANNING AD HOC COMMITTEE**

Action to create the establishment of a Strategic Planning Ad-Hoc Committee to develop recommendations for an allocation approach.

**10. STAFF REPORT**

**11. BOARD REPORTS**

**12. NEXT REGULAR MEETING**

**13. ADJOURNMENT**

Alternate formats of this agenda will be made available upon request by qualified individuals with disabilities. Appropriate interpretive services for this meeting will be provided if feasible upon advance request by qualified individuals with disabilities. Please contact the Secretary at (209) 385-7654 for assistance and allow sufficient time to process and respond to your request. Copies of agendas and minutes will be available at the Merced County Community and Economic Development Department and at [www.countyofmerced.com/MercedSubbasinGSA](http://www.countyofmerced.com/MercedSubbasinGSA).

## **BOARD ACTION ITEM**

**TO: MEMBERS OF MERCED SUBBASIN GSA GOVERNING BOARD**  
**FROM: MARK HENDRICKSON, SECRETARY**  
**DATE: JULY 19, 2022**

**SUBJECT: STATE OF EMERGENCY TELECONFERENCE FINDINGS**

### **SUMMARY:**

In March 2020 Governor Newsom issued an Executive Order N-29-20 proclaiming a State of Emergency in California as a result of the threat of COVID-19. Under this executive order, local legislative bodies were authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or electronically to all members of the public seeking to address the local legislative body. Requirements of the Brown Act to meet physically in person and certain requirements for teleconferencing were waived.

In September 2021, the California legislature passed AB 361. Under this legislation, a local agency is authorized to use teleconferencing without complying with teleconferencing requirements under the Brown Act, when a local agency holds a meeting during a declared state of emergency. Under this legislation, every 30 days, the legislative body is required to consider the circumstances of the state of emergency and make findings that a state of emergency continues to directly impact the ability of the members to meet safely in person and/or state or local officials continue to impose or recommend measures to promote social distancing. This provision is in effect until January 1, 2024.

The Board is required to make these findings every 30 days. The last findings were made in June.

### **REQUEST/RECOMMENDATION/ACTION NEEDED:**

Action to consider the circumstances of the State of Emergency and make the finding that the State of Emergency continues to directly impact the ability of the members to meet safely in person.

**GOVERNING BOARD**

**MINUTES FOR MEETING OF MAY 12, 2022**

The agenda, original minutes, and all supporting documentation (for reference purposes only) of the Merced Subbasin Groundwater Sustainability Agency Governing Board meeting of May 12, 2022 are available online at [www.countyofmerced.com/ MercedSubbasinGSA](http://www.countyofmerced.com/MercedSubbasinGSA).

**I. CALL MEETING TO ORDER**

The regular public meeting of the Merced Subbasin Groundwater Sustainability Agency Joint Powers Authority Governing Board was called to order at 1:12 p.m., on May 12, 2022, in person and via conference call due to the ongoing COVID-19 crisis and as authorized by Assembly Bill 361.

**II. ROLL CALL OF BOARD MEMBERS**

**Board Members Present:**

Supervisor Lloyd Pareira	Chair (Merced County)
Nic Marchini	Vice Chair (Western White Area Representative)
Michael Gallo	(Eastern White Area Representative)
Gino Pedretti	(Sandy Mush Mutual Water Company)
Eric Swenson	(Merquin County Water District)
Kole Upton	(Le Grand-Athlone Water District)

**Board Members absent:**

NONE

**Staff Present:**

Mark J. Hendrickson	Secretary
Steve Maxey	Deputy Director of Planning
Adriel Ramirez	Environmental Health Specialist II
Ana Muñiz-Laguna	Recording Secretary

**III. STATE OF EMERGENCY TELECONFERENCE FINDINGS**

**Action Item: The Merced Subbasin GSA Governing Board will consider the circumstances of the State of Emergency and determine whether to make the following findings that any of the circumstances exist per AB 361:**

**1). The State of Emergency continues to directly impact the ability of the members to meet safely in person and/or 2). State or Local Officials continue to impose or recommend measures to promote social distancing.**

Public comment period open/close

**MOTION: M/S PEDRETTI– UPTON, AND CARRIED BY A VOTE OF 4 – 0, THE BOARD APPROVES THE FINDING THAT THE STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY TO MEET IN PERSON.**

**IV. CLOSED SESSION**

The GSA Board convened in closed session and reopened the public meeting at 2:03 p.m. The

GSA Board announced that staff was given direction during closed session.

**V. PUBLIC COMMENT PERIOD**

Public comment period opened/closed.

**VI. APPROVAL OF MINUTES**

Action to approve the meeting minutes from the Governing Board meeting on April 14, 2022.

Board-member Swenson recommended a correction to page 4 of the minutes, to reflect that the GSA Board voted for Option 1 of the Land Repurposing options presented.

**MOTION: M/S SWENSON – GALLO, AND CARRIED BY A VOTE OF 6 – 0, THE BOARD APPROVES THE MINUTES FROM THE APRIL 14, 2022 MEETING WITH BOARD-MEMBER SWENSON'S AMENDED EDITS.**

**VII. LAND REPURPOSING PROGRAM DEVELOPMENT**

**Discussion and potential direction on land repurposing program timeline and elements.**

Mr. Chris Hepner, consultant for EKI Environment and Water, Inc., provided presentation and update along with Staff-member, Mr. Adriel Ramirez.

Discussion was had among the Board.

Public comment period opened.

Mr. Brad Samuelson asked about minimum terms of contract regarding the Prop 218. Mr. Greg Young, consultant for Zanjero, Inc., replied that contracts will be entered either as a 3, 4 or 5-year contract depending on the year entered into it.

Chairman Pareira asked how the GSA can troubleshoot having low participation in year one for those that believe that if that happens, year two will increase pricing.

Board-member Swenson suggested publishing a table for targeted acre-foot savings for each year.

Mr. Young stated that a scoring criterion could be structured to incentivize offerings and would be made publicly available once the GSA decides on the process of it.

Ms. Susan Walsh asked if allowing solar panels would eventually change the land's zoning designation or even change the County's General Plan on agricultural land.

Mr. Mark Hendrickson responded that there is a path for zoning and CEQA requirements and there have been many large solar projects that have been successfully permitted in the past consistent with agricultural land requirements.

Chairman Pareira asked staff to provide a draft version of the scoring criteria for the Board's review.

**VIII. PROPOSITION 218 ENGINEER'S REPORT**

**Action to approve the Engineer's Report from Zanjero on the Merced Subbasin GSA's Proposition 218 fee for Phase 1 of SGMA implementation. Additional action to set public hearing for July 19, 2022 and mail notices to landowners.**

Mr. Adriel Ramirez and Mr. Young provided presentation and updated on the Engineer's Report. Mr. Young informed that a public hearing will be held on July 19, 2022 at 6:00pm in the Merced County Board Room to determine if affected landowners achieved a majority protest.

Board-member Gallo asked about the legal process moving forward with the Prop. 218.

Ms. Jeanne Zolezzi stated that if at the protest hearing, more than a majority of the parcels protest, the GSA would not be able to proceed with the Prop. 218 and would need to figure out a different funding mechanism.

Board-member Swenson recommended a domestic well mitigation program be included in the revised GSP as a response to the Department of Water Resources (DWR)'s request to modify and resubmit the GSP. He also suggested adding a not-to-exceed \$600,000 to the total collected funds over the duration of 218 collection process to fund the domestic well mitigation program and that the board would vote year to year on the funds needed for the program.

Public comment period opened.

Ms. Walsh asked if the protesters to the Prop. 218 need to appear in person apart from having to submit their protest in writing.

Vice-Chairman Marchini stated that they do not have to appear in person.

Mr. Samuelson stated that the Chowchilla Subbasin GSA's are working towards an MOU for domestic well mitigation program funding and used the Madera County prop 218 rate study as a basis. He commented that if using County Tax info, people may come in with issues regarding irrigated and non-irrigated records.

Board-member Pedretti made an initial motion to add \$600,000 to the life of the program to fund a domestic well mitigation program in addition to the proposed budget and later amended the motion to increase it to \$800,000.

Public comment period closed.

**MOTION: M/S PEDRETTI- GALLO, AND CARRIED BY A VOTE OF 6 – 0, THE BOARD AGREES TO APPROVE AND ACCEPT THE ENGINEER'S REPORT WITH AN AMENDMENT TO ADD A NOT TO EXCEED AMOUNT OF \$800,000 TO THE LIFE OF THE PROGRAM FOR THE NEXT FOUR YEARS TO FUND A DOMESTIC WELL MITIGATION PROGRAM IN ADDITION TO THE PROPOSED BUDGET.**

**MOTION: M/S PEDRETTI- GALLO, AND CARRIED BY A VOTE OF 6 – 0, THE BOARD AGREES TO SET A PUBLIC HEARING FOR JULY 19, 2022 FOR DISCUSSION ON THE PROPOSED CHARGES.**

**MOTION: M/S PEDRETTI – GALLO, AND CARRIED BY A VOTE OF 6 – 0, THE BOARD AGREES TO AUTHORIZE A PROPOSITION 218 EFFORT TO MAIL NOTICES TO LANDOWNERS SUBJECT TO THE ASSESSMENT INFORMING THEM OF THE PROPOSED CHARGES, AND INSTRUCTIONS FOR PROTEST.**

**MOTION: M/S SWENSON– PAREIRA, AND CARRIED BY A VOTE OF 6 – 0, THE BOARD DIRECTS STAFF TO PREPARE A DRAFT POLICY FOR AN APPEAL PROCESS FOR BOARD CONSIDERATION REGARDING OPPORTUNITIES TO REDUCE THE APPLICABLE IRRIGATED ACRES USED TO DETERMINE THE ANNUAL CHARGES.**

**IX. FINANCIAL AUDIT REPORT**

**Informational item regarding the financial audit report from Brown Armstrong Accountancy Corporation for fiscal year 2020-2021.**

Mr. Ramirez provided update.

Public comment period opened/closed.

**X. PARCEL BASED WATER BUDGETS**

**Presentation on parcel-based water budgets by Greg Young with Zanjero and potential direction on bringing forth a contract with Zanjero to provide parcel-based water budgets to MSGSA growers.**

Mr. Ramirez and Mr. Young provided presentation and overview.

Mr. Young stepped out during GSA discussion to avoid conflict of interest.

Discussion was had among the GSA Board and Staff.

Board-member Pedretti suggested having a fee breakdown provided from Zanjero at a later meeting. Board-member Swenson proposed obtaining proposals from other consultants for comparison such as EKI and UC Extension.

Public comment period opened

Mr. Samuelson stated that Prop 218 provides funding for 2 years of ramp up before the grower's true allocation and added that most growers probably will not request this.

Ms. Lindsay Hofsteen commented that a workshop to understand how APN's would be affected for growers would be helpful and UC Extension would seem like a good fit.

Public comment period closed.

Board directed staff to explore the option of using UC Extension for public outreach.

**XI. STAFF REPORT**

Mr. Ramirez updated on submittal of the Long Term Multi Benefit Repurposing Grant application and reported on workshops for Phase 1 implementation. He

updated on well permitting and the process of consistency determination in which Zanjero will help staff under the County's current contract.

**XII. BOARD REPORTS**

Board-member Pedretti stated that he would like the GSA to receive updates on Stakeholder Advisory and Coordination Committee meetings. Asked by Board-member Swenson, Mr. Ramirez reported that the updated Merced County well permit application is available for the public on the Merced County website on the Environmental Health page under applications and permits. Mr. Ramirez also updated that a fee schedule for the GSA's consistency determinations will be on the GSA Board's agenda at the next meeting. Board-member Gallo updated on the last Food Dashboard meeting and stated a representative from the Department of Water Resources (DWR) Board spoke on domestic wells located in communities near cities. Board-member Gallo suggested writing a letter to the DWR urging them to help incentivize these in-between communities to hook up to city water systems. Board-member Pareira commented on using Self-Help and DWR grants to help pay for infrastructure to get people connected to city water. Board-member Swenson suggested using satellite-based evapotranspiration (ET) data to estimate landscaping irrigation on those smaller parcels and develop policy on those using more than two-acre feet of water per year.

**XIII. NEXT REGULAR MEETING**

Next regular meeting will be held on Thursday, June 9, 2022 at 2 p.m. in the Merced County Board Chambers at 2222 M Street, Merced CA 95340.

**XIV. ADJOURNMENT**

There being no further action taken, the meeting adjourned at 3:44 p.m.



**GOVERNING BOARD**  

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**MINUTES FOR MEETING OF JUNE 9, 2022**

The agenda, original minutes, and all supporting documentation (for reference purposes only) of the Merced Subbasin Groundwater Sustainability Agency Governing Board meeting June 9, 2022 are available online at [www.countyofmerced.com/ MercedSubbasinGSA](http://www.countyofmerced.com/MercedSubbasinGSA).

**I. CALL MEETING TO ORDER**

The regular public meeting of the Merced Subbasin Groundwater Sustainability Agency Joint Powers Authority Governing Board was called to order at 1:01 p.m., on June 9, 2022, in person and via conference call due to the ongoing COVID-19 crisis and as authorized by Assembly Bill 361.

**II. ROLL CALL OF BOARD MEMBERS**

**Board Members Present:**

Supervisor Lloyd Pareira	Chair (Merced County)
Nic Marchini	Vice Chair (Western White Area Representative)
Michael Gallo	(Eastern White Area Representative)
Gino Pedretti	(Sandy Mush Mutual Water Company)
Eric Swenson	(Merquin County Water District)
Kole Upton	(Le Grand-Athlone Water District)

**Board Members absent:**

NONE

**Staff Present:**

Mark J. Hendrickson	Secretary
Adriel Ramirez	Environmental Health Specialist II
Ana Muñiz-Laguna	Recording Secretary

**III. STATE OF EMERGENCY TELECONFERENCE FINDINGS**

**Action Item: The Merced Subbasin GSA Governing Board will consider the circumstances of the State of Emergency and determine whether to make the following findings that any of the circumstances exist per AB 361:**

**1). The State of Emergency continues to directly impact the ability of the members to meet safely in person and/or 2). State or Local Officials continue to impose or recommend measures to promote social distancing.**

Public comment period open/closed.

**MOTION: M/S MARCHINI- GALLO, AND CARRIED BY A VOTE OF 5 – 0, THE BOARD APPROVES THE FINDING THAT THE STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY TO MEET IN PERSON.**

**IV. CLOSED SESSION**

The GSA Board convened in closed session and reopened the public meeting at 2:00 p.m. The GSA Board announced that staff was given direction during closed session. Returning from closed session, Chairman Pereira informed of an addition to the agenda as 9.A, SETTING GROUNDWATER LEVEL MINIMUM THRESHOLDS FOR THE REVISED GSP, TO ADDRESS THE DEPARTMENT OF WATER RESOURCES REQUEST, AND TO DIRECT STAFF TO COMMUNICATE THE CHOICE FOR MINIMUM THRESHOLDS TO THE OTHER MERCED SUBBASIN GSAS. Ms. Jeanne Zolezzi, GSA counsel, discussed the three criteria for adding this item to the agenda.

Public comment period opened/closed.

**MOTION: M/S PEDRETTI – SWENSON, AND CARRIED BY A VOTE OF 6 – 0, THE BOARD APPROVES TO ADD ITEM 9.A. TO THE AGENDA TO DISCUSS SETTING GROUNDWATER LEVEL MINIMUM THRESHOLDS FOR REVISED GSP WITH THE FINDINGS THAT THE INFORMATION CAME AFTER THE POSTING DATE OF THE AGENDA AND THE SUBJECT OF THE ITEM IS TIME SENSITIVE.**

**V. PUBLIC COMMENT PERIOD**

Public comment period opened/closed.

**VI. APPROVAL OF MINUTES**

Action to approve the meeting minutes from the Governing Board meeting on May 12, 2022.

Board-member Swenson recommended a clarification to item 8 regarding the Proposition 218 Engineer's Report, Board-member Swenson recommended that the minutes reflect that Board-member Pedretti made the recommendation to amend his original motion of adding \$600,000 to \$800,000 for the domestic well mitigation program line item and that Board-member Gallo made a 2<sup>nd</sup> motion to it. Board-member Swenson also suggested amending item 10 and add that staff was directed to explore the option of using UC Extension for public outreach for parcel-based water budgets.

Chairman Pereira recommended to have the minutes reflect the suggested corrections and Board will vote on approval of the minutes at the next meeting.

**VII. LAND REPURPOSING PROGRAM DEVELOPMENT**

**Discussion and potential direction on land repurposing program timeline and elements.**

Mr. Chris Hepner, consultant for EKI Environment and Water, Inc., provided presentation and update along with Staff-member, Mr. Adriel Ramirez.

Discussion was had among the Board.

Commissioner Swenson recommended adding the area in the southeast corner of the basin where groundwater elevations have been reduced to obtain better scoring for land repurposing. He suggested adding an item 4a asking to identify the number of years the crop has been planted on the Land Use and Crop Type portion of the application.

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Chairman Pereira stated that on the Frequently Asked Questions portion it would be helpful to the public to add the question of 'What is the Incentive Payment Timeline?' Mr. Hepner stated that it could be added.

Public comment period opened.

Ms. Ursula Stock asked if the GSA has decided how water usage will be measured and opined that solely using Evapotranspiration is insufficient.

Public comment period closed.

Board-member Upton left the meeting.

**VIII. FY 2022 PROPOSED BUDGET AND SGMA COMPLIANCE LANDOWNER FEE**

**Action to approve the Fiscal Year 2022-2023 GSA budget and approve the FY 2022-2023 SGMA Compliance Land Owner Fee.**

Mr. Adriel Ramirez and Mr. Young provided presentation and detailed budget projections and expenses for FY 2022-2023.

Discussion was had among the Board, staff and consultants.

Public comment period/closed.

**MOTION: M/S MARCHINII– SWENSON, AND CARRIED BY A VOTE OF 5 – 0, THE BOARD AGREES TO APPROVE THE FISCAL YEAR 2022/23 GSA ADMINISTRATIVE OPERATING BUDGET AND APPROVE THE FY 2022/23 SGMA COMPLIANCE LANDOWNER FEE.**

**IX. WELL CONSISTENCY DETERMINATION TEMPLATE LETTER**

**Informational item regarding the consistency determination template letter which allows MSGSA staff to provide written notification of the consistency determination to applicants upon review of a submitted permit application materials.**

Mr. Ramirez provided information and went over the template letter developed.

Discussion was had among the Board, staff and consultants.

Board-member Swenson suggested that the latitude and longitude of the proposed wells be added on page 1 under well location. He also recommended on page 2, item 3, to note that the monthly extraction volume report is due within 60 days as per policy 1.434, and the addition of a reference that all items in the adopted policy need to be complied with as part of the approval process.

**IX.A GROUNDWATER MINIMUM THRESHOLD FOR REVISED GSP TO ADDRESS DWR'S REQUEST AND GSA DISCUSSION.**

Mr. Young updated on a response letter received by DWR in regards to the review of the Groundwater Sustainability Plan (GSP) submitted by the three GSAs in the Merced Subbasin. The response informed of inadequacies needing to be addressed, one being to refine the establishment of minimum threshold groundwater levels for long term groundwater

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sustainability beyond year 2040. The GSA received a letter from the Merced Irrigation Urban Groundwater Sustainability Agency (MIGUSA) asking for GSA Board's direction and noting that in their recommendation, 2015 groundwater levels should be the minimum threshold set. Mr. Young asked the Board for their recommendations to the modified GSP addressing minimum thresholds for groundwater elevations. In closed session the GSA Board directed staff to have the GSP minimum thresholds be set at the Fall 2015 groundwater levels associated with the non-pumping season and targeting year 2040 for this to be obtained.

Public comment period opened.

Mr. Brad Samuelson asked the GSA for their thoughts on the minimum threshold being set at the historic low rather than the 2015 groundwater levels as mentioned at the GSA Stakeholder Committee meeting.

Board-member Swenson replied that in the Fall 2015 scenario, the reduction is proposed in the short term, but the long-term goal would be to return to the extraction levels of Fall 2021. Both scenarios, would ultimately propose to raise groundwater elevations at different points time, but the long-term goal of returning to Fall 2021 extraction rates, would be the same.

Public comment period closed.

**X. STAFF REPORT**

Mr. Ramirez informed that staff is working with Zanjero on developing a Well Consistency Determination fee schedule and Zanjero is reviewing well permit applications for consistency with the Merced Subbasin GSP under its contract with Merced County. In the future the MSGSA may do Request for Proposal (RFP) to help provide consistency determinations.

He also noted that the Technical and Advisory Committee gave direction to staff in their last meeting to develop an FAQ for the GSA's well policy to help provide info to growers.

Mr. Ramirez further relayed that staff mailed notices to affected landowners in the Merced Subbasin regarding the Prop 218 fee for Phase 1 of SGMA implementation and that the Public Hearing to consider the adoption of the per-acre charges based on land use is set for Tuesday, July 19, 2022.

Lastly, he stated that the Multi Benefit Land Repurposing Funding Grant was not awarded and that staff will be meeting with the Department of Conservation to discuss how to improve the application should future funding become available.

**XI. BOARD REPORTS**

None

**XII. NEXT REGULAR MEETING**

Next regular meeting will be held on Thursday, July 14, 2022 at 2 p.m. in the Merced County Board Chambers at 2222 M Street, Merced CA 95340.

**XIII. ADJOURNMENT**

There being no further action taken, the meeting adjourned at 3:08 p.m.

## **BOARD ACTION ITEM**

**TO: MEMBERS OF MERCED SUBBASIN GSA GOVERNING BOARD**  
**FROM: MARK HENDRICKSON, SECRETARY**  
**DATE: JULY 19, 2022**

**SUBJECT: LAND REPURPOSING PROGRAM DEVELOPMENT**

### **SUMMARY:**

In November 2021, the Governing Board adopted the Two Phased GSP Implementation Approach resolution, identifying land repurposing as the primary activity to achieve the Phase 1 target of reducing the consumptive use of groundwater by 15,000 acre feet annually. MSGSA consultants, EKI Water and Environment, Inc., have been working with the Demand Reduction Ad Hoc Committee and the Technical Advisory Committee on development of the Land Repurposing Program, according to the roadmap shared with this Board in January 2022.

The topics for discussion on the Land Repurposing Program for this Board meeting are: a review of administration and program elements. Direction given by this board does not need to be formal at this time. Direction on elements of the Land Repurposing program will be included in program itself, which will be approved by the Board at a later date.

### **REQUEST/RECOMMENDATION/ACTION NEEDED:**

Discussion and potential direction on land repurposing program timeline and elements.

## **BOARD ACTION ITEM**

**TO: MEMBERS OF MERCED SUBBASIN GSA GOVERNING BOARD**  
**FROM: MARK HENDRICKSON, SECRETARY**  
**DATE: JULY 19, 2022**

**SUBJECT: PUBLIC HEARING AND ADOPTION OF THE REVISED GSP**

### **SUMMARY:**

The Merced Irrigation-Urban Groundwater Sustainability Agency (MIUGSA), Merced Subbasin Groundwater Sustainability Agency (MSGSA), and Turner Island Water District Groundwater Sustainability Agency #1 (TIWD GSA-1), which make up the Merced Subbasin GSAs, have jointly developed a revised version of the Merced Subbasin Groundwater Sustainability Plan (GSP), originally adopted by this Board on December 9, 2019 and subsequently submitted to the California Department of Water Resources (DWR) in January 2020. The July 2022 revised GSP was prepared in response to the Statement of Findings issued by DWR on January 28, 2022. The revised GSP was developed openly and transparently with substantial input from the public, including at 9 public meetings of the Subbasin's Coordination and Stakeholder Advisory committees, held between January 31 and June 27, 2022, in addition to the several public meetings held by each of the Merced Subbasin GSA's Governing Boards where development of the revised GSP was discussed and direction provided.

Following the public hearings and adoption of the GSP by all three GSAs in the Basin, the revised GSP will be submitted to DWR on or before July 27, 2022. California Water Code requires GSA's hold a public hearing in advance of adopting a GSP. This public hearing was noticed on the Merced Groundwater Subbasin SGMA website on July 8, 2022. Additionally, in compliance with SGMA requirements, a notice was sent 90 days in advance of this public hearing to counties and cities in the Plan Area giving the opportunity to request consultation with the GSAs on the revised GSP. No consultations requests were submitted.

A summary of the revised GSP is attached, provided by Woodard and Curran Inc., GSP development consultants. The revised GSP is available on the Merced Groundwater Subbasin SGMA website:

<http://mercedsgma.org/resources#documents>

At this time, staff is recommending the Board open the public hearing, receive testimony from the public, close the public hearing and consider action to adopt the revised Merced Groundwater Sustainability Plan through the approval of a resolution.

### **REQUEST/RECOMMENDATION/ACTION NEEDED:**

- 1) Open the Public Hearing and receive testimony;
- 2) Close the Public Hearing;
- 3) Consider approval of the resolution adopting the revised Merced Subbasin Groundwater Sustainability Plan

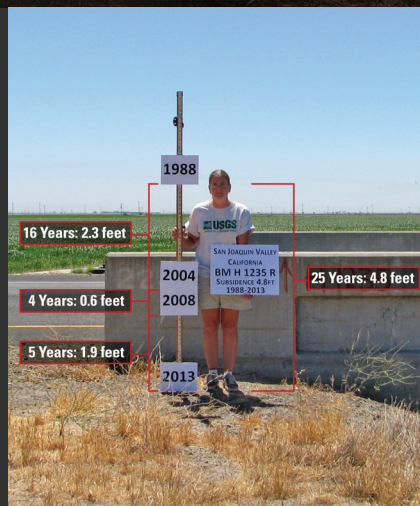


Merced Groundwater Subbasin

# GROUNDWATER SUSTAINABILITY PLAN

## Executive Summary

Image courtesy: Veronica Adrover/UC Merced



November 2019  
Revised July 2022

## EXECUTIVE SUMMARY

### ES-1. INTRODUCTION AND PLAN AREA

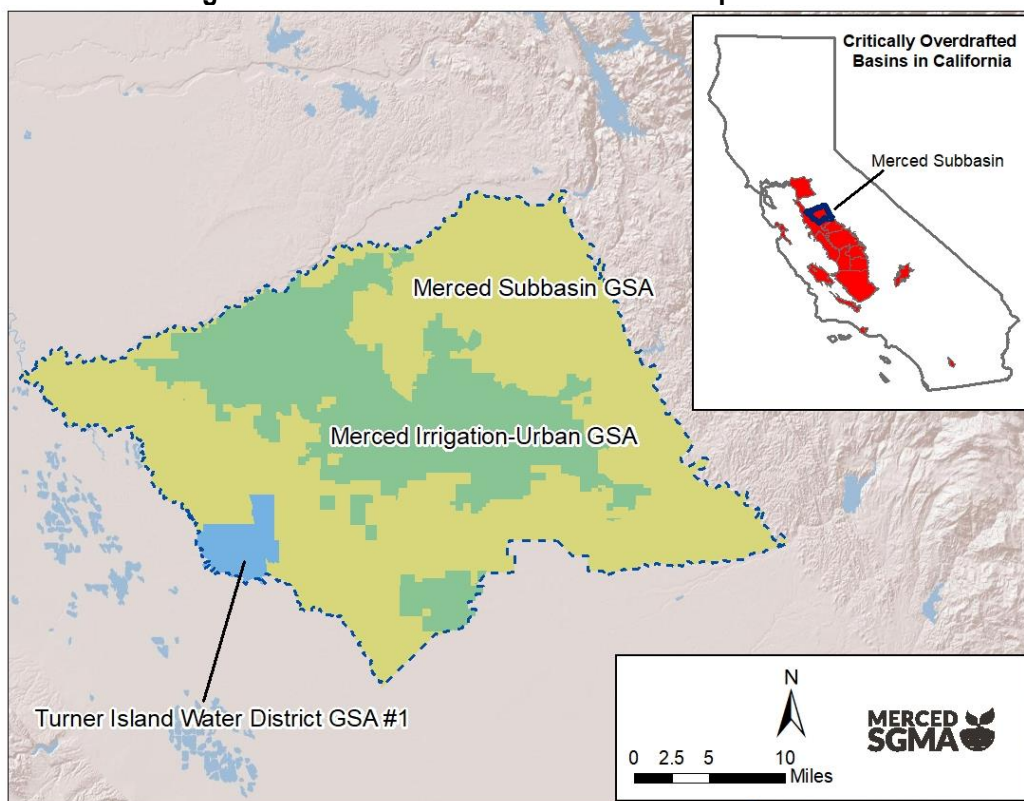
The Sustainable Groundwater Management Act (SGMA), passed in 2014, requires the formation of local Groundwater Sustainability Agencies (GSAs) to oversee the development and implementation of Groundwater Sustainability Plans (GSPs), with the ultimate goal of achieving sustainable management of California’s groundwater basins. The purpose of this Groundwater Sustainability Plan is to bring the Merced Groundwater Basin (Merced Subbasin or Subbasin), a critically overdrafted basin located within the San Joaquin Valley (see Figure ES-1), into sustainable groundwater management by 2040. The Subbasin is heavily reliant on groundwater, and users recognize the basin has been in overdraft for a long period of time.

The County of Merced and water districts and cities within the Merced Subbasin formed three GSAs in accordance with SGMA: Merced Irrigation-Urban Groundwater Sustainability Agency (MIUGSA), Merced Subbasin Groundwater Sustainability Agency (MSGSA), and Turner Island Water District Groundwater Sustainability Agency #1 (TIWD GSA-1) (see Figure ES-1). The three GSAs coordinated efforts to develop this GSP for the Subbasin. With the adoption of this GSP, the GSAs will adopt the following sustainability goal for the Merced Subbasin:

**“Achieve sustainable groundwater management on a long-term average basis by increasing recharge and/or reducing groundwater pumping, while avoiding undesirable results.”**

This goal will be achieved by allocating a portion of the estimated Subbasin sustainable yield to each of the three GSAs and coordinating the implementation of programs and projects to increase both direct and in-lieu groundwater recharge, which will in turn increase the groundwater and / or surface water available in the Subbasin.

**Figure ES-1: Merced Subbasin Location Map and GSAs**





Development of the GSP was guided by a Coordinating Committee composed of members appointed by the GSA Boards to provide recommendations on technical and substantive basin-wide issues. The Coordinating Committee and GSA Boards were also informed by a Stakeholder Advisory Committee, which consisted of a broad group of groundwater beneficial users (also appointed by the GSA Boards) to review groundwater conditions, management issues and needs, and projects and management actions to improve sustainability in the basin. Extensive outreach was also conducted to seek input from additional beneficial users of groundwater through multiple venues including public workshops held in locations specifically selected to provide access to disadvantaged communities. Figure ES-2 illustrates the relationship among the groups described above.

**Figure ES-2: Diagram of Levels of Engagement and Decision-Making**



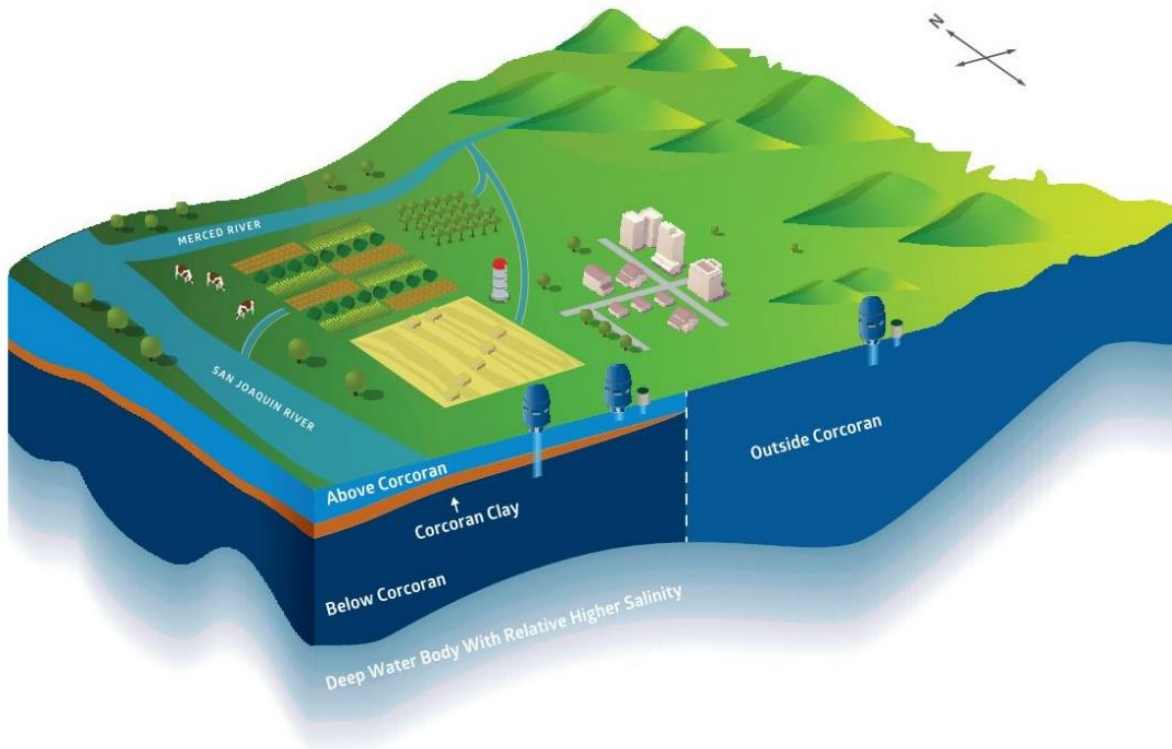
As of July 2022, the GSP has been updated in several key places to respond to comments and corrective actions contained in the *Statement of Findings Regarding the Determination of Incomplete Status of the San Joaquin Valley - Merced Subbasin Groundwater Sustainability Plan* (DWR, 2022). GSP Annual Reports submitted in April 2020, 2021, and 2022 contain more recent information on basin conditions and GSP implementation status. A redlined version of the GSP that highlights the edits can be found on [MercedSGMA.org](http://MercedSGMA.org).

## ES-2. BASIN SETTING

### Hydrogeologic Conceptual Model

The Merced Subbasin contains three principal aquifers that are defined by their relationship to the Corcoran Clay aquitard, a laterally-extensive silt and clay layer that underlies approximately the western half of the Subbasin and acts as a significant confining layer. The **Above Corcoran Principal Aquifer** includes all aquifer units that exist above the Corcoran Clay Aquitard and generally contains moderate to large hydraulic conductivities and yields for domestic and irrigation uses. The **Below Corcoran Principal Aquifer** includes all aquifer units that exist below the Corcoran Clay Aquitard and contains hydraulic conductivities and yields ranging from small to large for irrigation as well as some domestic and municipal uses. The **Outside Corcoran Principal Aquifer** includes all aquifers that exist outside of the eastern lateral extent of the Corcoran Clay. The Outside Corcoran Principal Aquifer is connected laterally with the Above Corcoran Principal Aquifer at shallower depths and the Below Corcoran Principal Aquifer at deeper depths. Major uses of water in the Outside Corcoran Principal Aquifer include irrigation, domestic, and municipal uses. The Principal Aquifers are underlain by a deep aquifer with higher salinity relative to the principal aquifers. See Figure ES-3 for a 3D illustration demonstrating the relationship between the principal aquifers and Corcoran Clay aquitard

Figure ES-3: 3D Illustration of Merced Subbasin Principal Aquifers and Aquitard

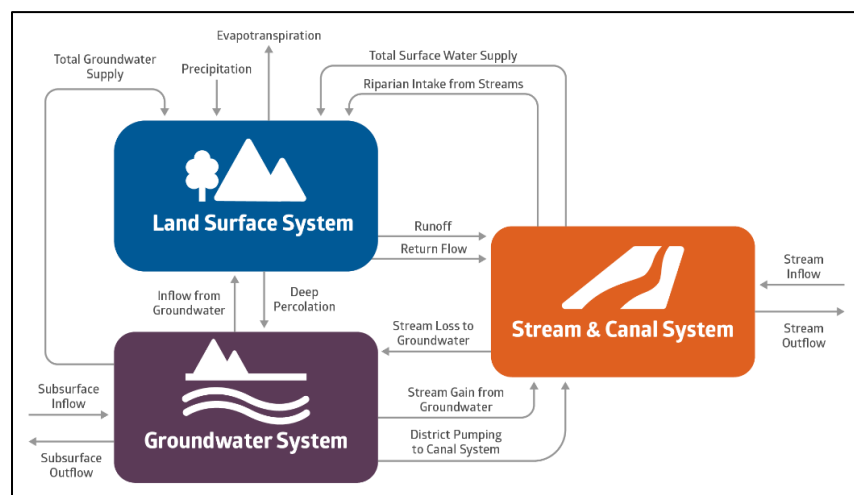


### Water Budget Information

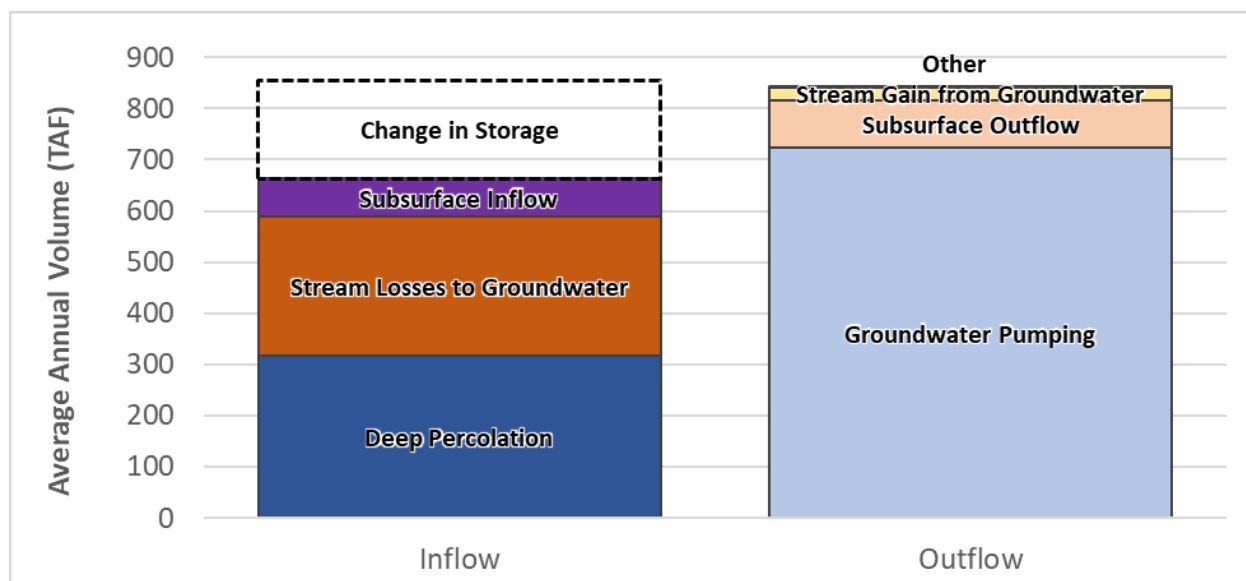
Water budgets provide quantitative accounting of water entering and leaving the Merced Subbasin and can be used to help estimate the extent of overdraft occurring now and in the future. Consistent with SGMA requirements, water budgets for historical, current, projected, and sustainable conditions were developed for the Merced Subbasin. These water budgets were developed using the Merced Water Resources Model (MercedWRM), a fully integrated surface and groundwater flow model developed and calibrated specifically for the Subbasin. See Figure ES-4 for a conceptual diagram of the inputs and outputs quantified by the model.

The historical conditions water budget (see Figure ES-5) shows an annual average rate of overdraft (“Change in Storage”) of 192,000 acre-feet per year (AFY) over water years 2006 through 2015. In this Figure, the “Change in Storage” represents the average annual decline in storage resulting from the Subbasin outflows, principally groundwater pumping.

Figure ES-4: Generalized Water Budget Diagram



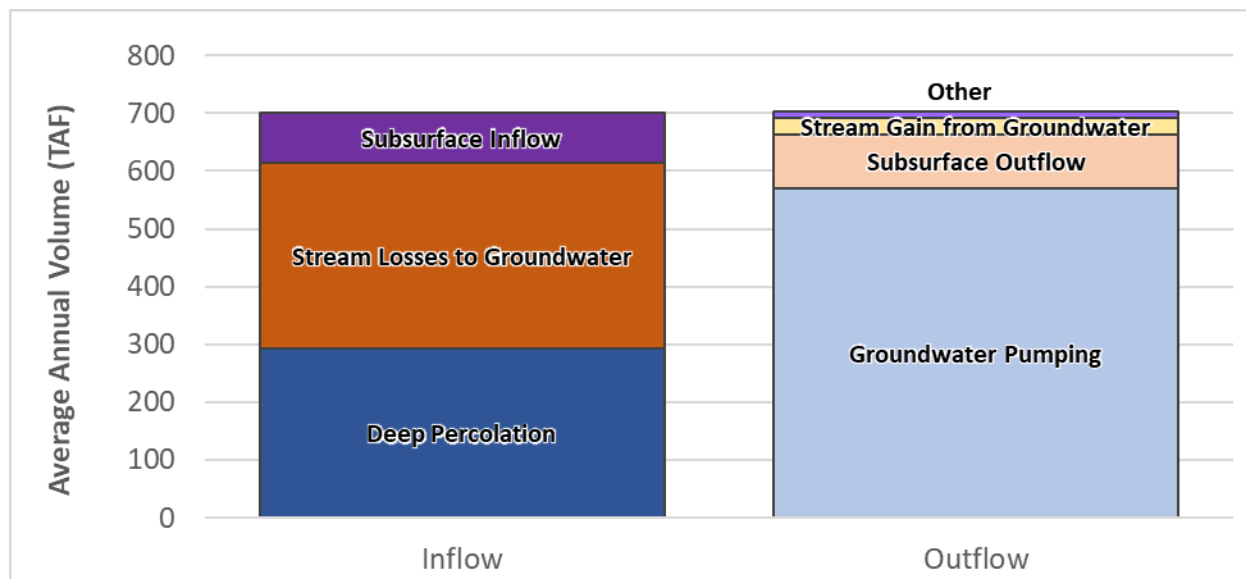
**Figure ES-5: Historical Conditions Water Budget**



SGMA defines sustainable yield as “the maximum quantity of water, calculated over a base period representative of long-term conditions in the basin and including any temporary surplus, that can be withdrawn annually from a groundwater supply without causing an undesirable result” (California Water Code §10721(w)).

For the Merced Subbasin, sustainable yield was estimated by modifying conditions in the groundwater model to balance out the change in stored water over time. In order to achieve a net-zero change in groundwater storage over a long-term average condition, current agricultural and urban groundwater demand in the Merced Subbasin would need to be reduced by approximately 10 percent, absent implementation of any new supply-side or recharge projects. Figure ES-6 illustrates the Subbasin water budget under long term sustainable conditions.

**Figure ES-6: Groundwater Water Budget under Sustainable Groundwater Management Conditions Long-Term (50-Year) Average Annual**









### ES-3. SUSTAINABLE MANAGEMENT CRITERIA

SGMA requires consideration of six sustainability indicators. For each indicator, the GSP must define undesirable results for the basin (“significant and unreasonable” negative impacts) and determine if they could occur. For the indicators with the potential for undesirable results, the GSP must establish sustainable management criteria that are intended to prevent undesirable results from occurring and establish a monitoring network.

Sustainable management criteria were developed to be protective of beneficial uses in the Merced Subbasin and to support the Subbasin’s sustainability goal. Demonstration by 2040 of meeting the sustainability management criteria and an absence of undesirable results will support a determination that the basin is operating within its sustainable yield, and thus that the sustainability goal has been achieved.

A summary of the sustainable management criteria for the Merced Subbasin is shown in Table ES-1-1.

**Table ES-1-1: Summary of Sustainable Management Criteria**

Sustainability Indicator	Minimum Threshold (MT)	Interim Milestone (IM)	Measurable Objective (MO)	Undesirable Result
 Groundwater Levels	Fall 2015 groundwater elevation	Based on range of projected values that account for hydrologic uncertainty, more details in Section 3.3.3.	November or October 2011 groundwater elevation (measured, or estimation if historical record not available)	Greater than 25% of representative wells fall below MT in 2 consecutive years
 Groundwater Storage	Not applicable - not present and not likely to occur in the Subbasin due to the significant volumes of freshwater in storage			
 Seawater Intrusion	Not applicable - not present and not likely to occur due to the distance between the Subbasin and the Pacific Ocean (and Sacramento-San Joaquin Delta)			
 Degraded Water Quality	1,000 mg/L TDS	1,000 mg/L TDS	500 mg/L TDS	At least 25% representative wells exceed MT for 2 consecutive years
 Land Subsidence	0 ft/year, subject to uncertainty of +/-0.16 ft/year	2025: -0.75 ft/year 2030: -0.5 ft/year 2035: -0.25 ft/year	0 ft/year	Exceedance of MT at 3 or more representative sites for 2 consecutive years
 Depletions of Interconnected Surface Waters	Groundwater levels used as a proxy for this sustainability indicator			

There are two sustainability indicators deemed not applicable to the Merced Subbasin. Undesirable results related to significant and unreasonable **depletions of groundwater storage** are not present and not likely to occur in the Subbasin, since historical reductions have been insignificant relative to the total volume of freshwater water storage in the Subbasin. **Seawater intrusion** is not an applicable sustainability indicator because seawater intrusion is not

present and is not likely to occur due to the distance between the Subbasin and the Pacific Ocean (and Sacramento-San Joaquin Delta).

For the remaining sustainability indicators, sustainable management criteria were established to be protective of Subbasin beneficial uses as described below.

Minimum thresholds for **chronic declining groundwater levels** were developed based on the fall 2015 elevation recorded at each representative monitoring well. This threshold keeps groundwater levels generally above levels that have been experienced in the past. In this way, impacts to shallow well users and other beneficial users of groundwater will generally not exceed what has historically been experienced in the subbasin. Sustainable management criteria for declining groundwater levels were evaluated against the depths of the shallowest domestic and Public Water Supply wells in Merced County's well permitting database. Groundwater levels are also being used as a proxy indicator for depletion of interconnected surface waters.

**Degraded water quality** is unique among the six sustainability indicators because it is already the subject of extensive federal, state, and local regulations carried out by numerous entities, and SGMA does not directly address the role of GSAs relative to these other entities (Moran & Belin, 2019). SGMA does not specify water quality constituents that must have minimum thresholds. Groundwater management is the mechanism available to GSAs to implement SGMA. Establishing minimum thresholds for constituents that cannot be managed by increasing or decreasing pumping was deemed inappropriate by the GSAs and basin stakeholders. The major water quality issue being addressed by sustainable groundwater management is the migration of relatively higher salinity water into the freshwater principal aquifers. The nexus between water quality and water supply management exists for the pumping-induced movement of low-quality water from the west and northwest to the east. Other water quality concerns are being addressed through various water quality programs and agencies that have the authority and responsibility to address them. The selection of a groundwater level minimum threshold based on fall 2015 elevations is consistent with the avoidance of significant and unreasonable impacts to subsidence, water quality, and depletions of interconnected surface water, as described later in this Plan.

Within the Merced Subbasin, while **land subsidence** has been recognized by the GSAs as an area of concern, it is not considered to have caused a significant and unreasonable reduction in the viability of the use of infrastructure. However, it is noted that subsidence has caused a reduction in freeboard of the Middle Eastside Bypass over the last 50 years and has caused problems in neighboring subbasins, highlighting the need for ongoing monitoring and management in the Merced Subbasin and surrounding subbasins. Sustainable management criteria were established based on the long-term avoidance of land subsidence, set with the recognition that the interconnectedness of the Merced Subbasin with surrounding subbasins, and the ability to meet the sustainability management criteria is dependent on the successful management of all nearby subbasins. The criteria are also set to be consistent with the sustainable management criteria for groundwater levels which seek to keep levels above 2015 conditions. A management action has also been developed to avoid declines in storage below historical levels, further reducing the risk of subsidence.

**Depletions of interconnected surface waters** will be managed using groundwater levels as a proxy due to the challenges associated with directly measuring streamflow depletions and because of the significant correlation between groundwater levels and depletions.

#### ES-4. MONITORING NETWORKS

Consistent with SGMA requirements, the GSAs plan to establish monitoring networks for each sustainability indicator to monitor trends in the Subbasin and evaluate GSP implementation against sustainable management criteria. The groundwater level monitoring network consists of wells from the California Statewide Groundwater Elevation Monitoring (CASGEM) Program that were selected to provide representative conditions for groundwater levels across the

Subbasin. The groundwater quality monitoring network includes a combination of wells in the Subbasin that are part of the East San Joaquin Water Quality Coalition Groundwater Quality Trend Monitoring Program as well as public water system wells that report data to the Division of Drinking Water. The subsidence monitoring network relies on control points monitored by the United States Bureau of Reclamation as part of the San Joaquin River Restoration Program. While the monitoring networks reflect a robust history of monitoring Subbasin conditions, data gaps exist, and plans to fill these data gaps for each sustainability indicator are also described in this GSP.

## **ES-5. DATA MANAGEMENT SYSTEM**

The Merced Subbasin Data Management System (DMS) was developed to serve as a data sharing portal to enable utilization of the same data and tools for visualization and analysis to support sustainable groundwater management and transparent reporting of data and results. Monitoring data can be manually input by users or batch uploaded via template and is expected to include groundwater level, groundwater quality, streamflow, and subsidence data. All monitoring locations can be viewed spatially (map or list format) and data records per site can be viewed temporally (chart or list format). Ad-hoc queries and standard reports will greatly assist in answering questions about basin characterization, providing input for decision-making, and developing reports to meet annual report submittal requirements.

## **ES-6. PROJECTS AND MANAGEMENT ACTIONS TO ACHIEVE SUSTAINABILITY GOAL**

SGMA requires that GSPs describe the projects and management actions to be implemented as part of bringing the Subbasin into sustainability. The primary means for achieving sustainability in the basin will be reduction in groundwater pumping achieved through implementation of an allocation framework to allocate the sustainable yield of the basin to the GSAs. A water allocation framework has been the subject of much discussion during GSP development. The GSAs have agreed that they intend to allocate water to each GSA but have not yet reached agreement on allocations or how they will be implemented. Such an agreement will be developed during GSP implementation.

The GSP identifies a shortlist of 12 priority projects that met a series of screening criteria for implementation (see Table ES-1-2) as well as a longer list of possible future projects that were identified during GSP development. Projects and management actions will either increase surface water supplies to augment the sustainable groundwater yield or will increase groundwater recharge, which will in turn increase the amount of groundwater that may be sustainably used. Management actions will also include rewarding GSAs based on their extracted volumetric groundwater extraction, since 2015, proportioned to other GSAs in the basin.

**Table ES-1-2: Projects Shortlist for Merced Subbasin Groundwater Sustainability Plan\***

<b>Project Name</b>	<b>Current Status</b>	<b>Expected Completion</b>	<b>Estimated Cost</b>
<b>Project 1: Planada Groundwater Recharge Basin Pilot Project</b>	Planning, to be implemented with DWR Grant Funding	12/17/2023	\$395,292
<b>Project 2: El Nido Groundwater Monitoring Wells</b>	Planning, to be implemented with DWR Grant Funding	12/31/2019	\$400,000
<b>Project 3: Meadowbrook Water System Intertie Feasibility Study</b>	Planning	06/2020	\$100,588
<b>Project 4: Merquin County Water District Recharge Basin</b>	Planning/Initial Study	12/15/2021	\$1,400,000
<b>Project 5: Merced Irrigation District to Lone Tree Mutual Water Company Conveyance Canal</b>	Conceptual	11/2020	\$3-6,000,000
<b>Project 6: Merced IRWM Region Climate Change Modeling</b>	Design	4/30/2021	\$250,000
<b>Project 7: Merced Region Water Use Efficiency Program</b>	Design	12/31/2020	\$500,000
<b>Project 8: Merced Groundwater Subbasin LIDAR</b>	Planning/Initial Study	12/2020	\$150,000
<b>Project 9: Study for Potential Water System Intertie Facilities from MID to LGAWD and CWD</b>	Design Complete	06/01/2020	\$100,000
<b>Project 10: Vander Woude Dairy Offstream Temporary Storage</b>	Planning/Initial Study & Conceptual Design	05/2020	\$750,000
<b>Project 11: Mini-Big Conveyance Project</b>	Planning	06/2026	\$ 6-8,000,000
<b>Project 12: Streamlining Permitting for Replacing Sub-Corcoran Wells</b>	Planning	1/31/2020	\$75,000

\*Information provided by project proponents.

## ES-8. PLAN IMPLEMENTATION

Implementation of the GSP will be a substantial undertaking that will include implementation of the projects and management actions as well as GSAs administration, public outreach, implementation of the monitoring programs and filling data gaps, development of annual reports, and development of a 5-year update and report. The GSAs have developed an implementation schedule (see Table ES-1-3) and estimated costs for all activities, as well as potential funding mechanism options. Implementation of the GSP is projected to run between \$1.2M and \$1.6M per year. Costs for projects and management actions are estimated to be an additional \$22.9M in total, with costs for individual projects or management actions ranging between \$75,000 to \$8M in total.

**Table ES-1-3: GSP Implementation Schedule**

2020	2025	2030	2035	2040
Monitoring and Reporting	Preparation for Allocations and Low Capital Outlay Projects	Prepare for Sustainability	Implement Sustainable Operations	
<ul style="list-style-type: none"> <li>Establish monitoring network</li> <li>Install new monitoring wells</li> <li>Reduce/fill data gaps</li> </ul>	<ul style="list-style-type: none"> <li>Conduct 5-year evaluation/update</li> <li>Monitoring and reporting continue</li> </ul>	<ul style="list-style-type: none"> <li>Conduct 5-year evaluation/update</li> <li>Monitoring and reporting continue</li> </ul>	<ul style="list-style-type: none"> <li>Conduct 5-year evaluation/update</li> <li>Monitoring and reporting continue</li> </ul>	
<ul style="list-style-type: none"> <li>GSAs allocated initial allocations</li> <li>GSAs establish their allocation procedures and demand reduction efforts</li> <li>Develop metering program</li> </ul>	<ul style="list-style-type: none"> <li>As-needed demand reduction to reach Sustainable Yield allocation</li> <li>Metering program continues</li> </ul>	<ul style="list-style-type: none"> <li>As-needed demand reduction to reach Sustainable Yield allocation</li> </ul>	<ul style="list-style-type: none"> <li>Full implementation demand reduction as needed to reach Sustainable Yield allocation by 2040</li> </ul>	
<ul style="list-style-type: none"> <li>Funded and smaller projects implemented</li> </ul>	<ul style="list-style-type: none"> <li>Planning/ design/ construction for small to medium sized projects</li> </ul>	<ul style="list-style-type: none"> <li>Planning/ design/ construction for larger projects begins</li> </ul>	<ul style="list-style-type: none"> <li>Project implementation completed</li> </ul>	
<ul style="list-style-type: none"> <li>Extensive public outreach regarding GSP and allocations</li> </ul>	<ul style="list-style-type: none"> <li>Outreach regarding GSP and allocations continues</li> </ul>	<ul style="list-style-type: none"> <li>Outreach continues</li> </ul>	<ul style="list-style-type: none"> <li>Outreach continues</li> </ul>	



**MERCED SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY  
RESOLUTION NO. 2022-03**

**RESOLUTION ADOPTING THE REVISED MERCED SUBBASIN GROUNDWATER  
SUSTAINABILITY PLAN**

**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

**WHEREAS**, SGMA requires sustainable management through the development of groundwater sustainability plans (“GSPs”), which can be a single plan developed by one or more groundwater sustainability agency (“GSA”) or multiple coordinated plans within a basin or subbasin (Wat. Code § 10727); and

**WHEREAS**, the Merced Subbasin GSA was formed as a GSA on March 15, 2017 for the purposes of sustainably managing groundwater in the Merced Groundwater Subbasin, within its jurisdictional boundaries, pursuant to the requirements of SGMA (Wat. Code, § 10723.6(i)); and

**WHEREAS**, the three California Department of Water Resources (“DWR”) approved GSAs governing the Merced Groundwater Subbasin are: Merced Irrigation-Urban Groundwater Sustainability Agency (“MIUGSA”), Merced Subbasin Groundwater Sustainability Agency (“MSGSA”), and Turner Island Water District Groundwater Sustainability Agency #1 (“TIWD GSA-1”) (“Merced Subbasin GSAs”); and

**WHEREAS**, the Merced Subbasin GSA has the authority to draft, adopt, and implement a GSP (Wat. Code, § 10725 et seq.); and

**WHEREAS**, the three Merced Subbasin GSAs submitted a Notification of Intent to DWR to jointly develop a GSP for the Merced Groundwater Subbasin on January 4, 2018 in accordance with California Water Code (Wat. Code, § 10727.8 and CA Code of Regulations, Title 23, Section 353.6); and

**WHEREAS**, the Merced Subbasin GSA has coordinated with the other GSAs in the Merced Groundwater Subbasin to draft a single GSP; and

**WHEREAS**, the three Merced Subbasin GSAs submitted the Merced Groundwater Subbasin GSP on January 28, 2020 to DWR for review; and

**WHEREAS**, on January 28, 2022, DWR completed its review of the Merced Groundwater Subbasin GSP and released a letter determining that the GSP was “Incomplete” and identified deficiencies and corrective actions for the GSAs in the Merced Subbasin to take. The revised GSP addressing the corrective actions must be submitted to DWR by July 28, 2022; and

**WHEREAS**, the Merced Subbasin GSAs have coordinated on public outreach and stakeholder engagement throughout the GSP revision process, including at 9 public meetings of the Subbasin’s Coordination and Stakeholder Advisory committees, held between January 31 and June 27, 2022, in addition to the several public meetings held by each of the Merced Subbasin GSA’s Governing Boards; and

**WHEREAS**, the three Merced Subbasin GSAs provided a 90-day notice to the cities and counties located within and adjacent to the Plan Area of the Merced Groundwater Subbasin GSP, that they intend to conduct public hearings to adopt the revised GSP; and

**NOW, THEREFORE, BE IT RESOLVED** that the Governing Board of the Merced Subbasin GSA hereby approves and adopts the revised July 2022 Merced Groundwater Subbasin GSP and authorizes its consultants and the Plan Manager to take such other actions as may be reasonably necessary to submit the Merced Groundwater Subbasin GSP to DWR by July 28, 2022.

**PASSED AND ADOPTED** at a special meeting of the Governing Board at Merced, California, this 19<sup>th</sup> day of July 2022, by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

MERCED SUBBASIN GROUNDWATER  
SUSTAINABILITY AGENCY

By: \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

## **BOARD ACTION ITEM**

**TO: MEMBERS OF MERCED SUBBASIN GSA GOVERNING BOARD**  
**FROM: MARK HENDRICKSON, SECRETARY**  
**DATE: JULY 19, 2022**

**SUBJECT: COUNTY SUPPORT SERVICE CONTRACT AMENDMENT**

**SUMMARY:**

The County of Merced has been providing support services to the GSA since its formation in 2017 and formally entered into a Support Service Agreement with the GSA in July 2020. The Agreement outlines the services to be provided by Merced County's Community and Economic Development Department, including but not limited to preparing analysis, reports, agenda and minutes, providing support for recommendations to implement provisions of the GSP, serving as Secretary, responding to inquiries, serving as Treasurer and providing fiscal support services.

This item requests the Board consider an amendment to the Agreement with Merced County to reimburse the County for staff support provided to the GSA. The amendment extends the Agreement for one year through June 30, 2023. The amendment adds \$75,000 for support services in FY 2022-2023 which is a \$5,000 increase from the prior contract amount. As discussed last year, the contract amendment reflects a step increase in the maximum costs to get to a point where the GSA is reimbursing for total actual costs. If the maximum contract amount does not cover the total actual costs by County staff, the County will continue to provide support services in FY 2022-2023.

**REQUEST/RECOMMENDATION/ACTION NEEDED:**

Action to approve an amendment to the Agreement Between the County of Merced and the Merced Subbasin Groundwater Sustainability Agency for Support Services to extend the term for one year and increase the compensation by \$75,000 for FY 2022-2023 support services.

## BOARD ACTION ITEM

**TO: MEMBERS OF MERCED SUBBASIN GSA GOVERNING BOARD**  
**FROM: MARK HENDRICKSON, SECRETARY**  
**DATE: JULY 19, 2022**

**SUBJECT: FORMATION OF A STRATEGIC PLANNING AD HOC COMMITTEE**

### SUMMARY:

As described as part of Phase 1 in the MSGSA's Resolution 2021-02: *Resolution of the Merced Subbasin Groundwater Sustainability Agency on a Two Phased Groundwater Sustainability Plan Approach*<sup>1</sup>, the MSGSA will:

“immediately initiate a process to work with stakeholders to develop elements and approaches to reductions in pumping as one mechanism to achieve the 2040 Objective through establishment of a potential limit or ‘cap’ on the overall net amount of groundwater that is removed from the subbasin averaged over a period to be determined by the Board, and potential methods for assigning portions of the capped amount to groundwater pumpers in the form of a pumping allocation.”

This action was followed with stated intent to adopt and implement an allocation approach no later than the end of Water Year 2025.

Because the development and adoption of a functioning pumping allocation entails the MSGSA to consider many factors, the MSGSA Board seeks to establish a Strategic Planning Ad-Hoc Committee that can begin to evaluate factors and make recommendations to the MSGSA Board for further consideration. The ad-hoc committee would undertake the following, at a minimum:

- (1) preparing governing principles for an allocation,
- (2) considering the effect of variable groundwater use and groundwater conditions throughout the MSGSA on the design of an allocation,
- (3) incorporating varying economic conditions and funding approaches that are mindful of the governing principles,
- (4) developing funding, monitoring, penalty, and appeal processes, and
- (5) obtaining input from a wide array of affected stakeholders,

Staff is recommending the MSGSA identify a small committee, which may include no more than three Board Members, to consider the aforementioned elements

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<sup>1</sup> Resolution 2021-02 was adopted by the MSGSA Board on November 12, 2021. The resolution is available here: <https://mercedsubbasingsa.org/wp-content/uploads/2022/02/Reso-202102-Two-Phased-GSP-Implementation-Approach-FINAL-SIGNED.pdf>

**REQUEST/RECOMMENDATION/ACTION NEEDED:**

Action to create the establishment of a Strategic Planning Ad-Hoc Committee to develop recommendations for an allocation approach.