

**MERCED SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY
RESOLUTION NO. 2021-02**

**RESOLUTION OF THE MERCED SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY
ON A TWO PHASED GROUNDWATER SUSTAINABILITY PLAN IMPLEMENTATION
APPROACH**

WHEREAS, the Sustainable Groundwater Management Act (SGMA) was signed into law on September 16, 2014 and adopted as California Water Code, section 10720, *et. seq.*; and

WHEREAS, the purpose of SGMA is to provide sustainable management of groundwater basins and enhance local management of groundwater through empowering local management agencies with authority necessarily to sustainably manage groundwater; and

WHEREAS, the Merced Subbasin Groundwater Sustainability Agency (GSA) was formed on March 15, 2017 as a joint powers authority pursuant to Government Code section 6500, *et seq.*, by agencies that qualify to be groundwater sustainability agencies; and

WHEREAS, three GSAs in the Merced Groundwater Subbasin (Basin Number 5-22.04) have coordinated on the development of a single Groundwater Sustainability Plan (GSP) pursuant to Water Code section 10727(a); and

WHEREAS, the Merced Subbasin GSP was submitted to the California Department of Water Resources (DWR) on January 28, 2020; and

WHEREAS, the Merced Subbasin GSP identifies a Merced Subbasin GSA Groundwater Demand Reduction Management Action (Merced Subbasin GSP Section 6.2.2) to “gradually reduce pumping at a consistent annual rate during the 20-year implementation period in order to reach the Native Groundwater allocation objective by 2040”, hereafter the “**2040 Objective**”; and

WHEREAS, on July 8, 2021 the Merced Subbasin GSA Governing Board adopted a Water Year 2025 objective to reduce the consumptive use of groundwater within the Merced Subbasin GSA by a minimum of 15,000 acre feet annually (“**Water Year 2025 Objective**”), with this minimum to be increased annually thereafter; and

WHEREAS, reduction of consumptive use of groundwater within the Merced Subbasin GSA may be achieved through multiple available methods including, but not limited to, additional surface water use in lieu of groundwater, land repurposing or fallowing, land-use based fee structures, and establishing pumping allocations and/or extraction fees; and

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NOW, THEREFORE, BE IT RESOLVED, by the Governing Board of the Merced Subbasin GSA that achieving the Water Year 2025 Objective and the 2040 Objective will be achieved through the following Two Phased Groundwater Sustainability Plan Implementation Approach:

Phase 1 – Starting 2021 through end of Water Year 2025

1. Pursue and achieve the Water Year 2025 Objective to reduce consumptive use of groundwater by 15,000 acre-feet per year, consistent with the July 8, 2021 resolution.
2. Focus primarily on land repurposing/fallowing and importing surface water into the GSA (flood waters or purchased water) to achieve the Water Year 2025 Objective.
3. Use remote sensing services contracted by the MSGSA to develop and, by summer of 2022, release year-to-year water budgets that provide water use information by parcel for recent years and each subsequent year through Water Year 2025, to be provided to growers to raise awareness.
4. Design and adopt by summer of 2022 an additional Phase I Proposition 218 fee to fund mechanisms for implementation of the Water Year 2025 Objective (**Phase I Funding Mechanism**).
5. 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 (**Allocation Approach**).

Phase 2 – Starting in 2026

1. Adopt, by the end of Water Year 2025, and implement starting in 2026, the Allocation Approach in combination with potential expansion of the Phase I tools of continued land repurposing/fallowing and importing surface water into the GSA.
2. Design and adopt an additional Phase 2 Proposition 218 fee to fund or curtail continued and expanded Phase I programs, and to fund projects and programs developed during Phase I, potentially through a per acre extraction fee (**Phase 2 Funding Mechanism**).

BE IT FURTHER RESOLVED, that the Merced Subbasin GSA Governing Board may consider any of the following items to be funded through the Phase I Funding Mechanism:

1. A land repurposing program to achieve up to the objective of 15,000 acre feet annually of reduced groundwater consumption.
2. Development of year-to-year parcel based water budgets
3. Domestic well assistance study or activities
4. Activities to fill data gaps identified in the Merced GSP Data Gaps Plan
5. Water rights application costs to beneficiaries
6. Merced Subbasin GSA staff augmentation and consulting support services

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BE IT FURTHER RESOLVED, by the Merced Subbasin GSA Governing Board that the Phase I Funding Mechanism is intended to sunset and be replaced by the Phase 2 Funding Mechanism.

PASSED AND ADOPTED at a special meeting of the Governing Board at Merced, California, this 12th day of November 2021, by the following vote:


AYES: Gallo, Marchini, Pareira, Pedretti, Swenson, Upton

NOES: None


ABSTAINING: None

ABSENT: None

MERCED SUBBASIN GROUNDWATER
SUSTAINABILITY AGENCY

By: 
Lloyd Pareira, Jr., Chair

ATTEST:


Mark Hendrickson, Secretary