



# Merced Subbasin GSA

Governing Board Meeting

April 14, 2022

Closed Session



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April 14, 2022





# Well Consistency Determination Policy

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# LAND REPURPOSING PROGRAM (LRP) DEVELOPMENT UPDATE

MSGSA BOARD MEETING

14 April 2022

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# TODAY'S DISCUSSION TOPICS

0. LRP Roadmap, review & status
1. LRP costs and incentives
  - LRP Ad-Hoc Committee has recommended a Phase I cost estimate for Prop 218
2. LRP administration
  - LRP application and scoring approach
  - LRP Agreement development
3. Dept. of Conservation MLRP Grant Application was submitted on April 1<sup>st</sup>

# LRP ROADMAP



Land Repurposing Program (LRP) Development Road Map (2022)

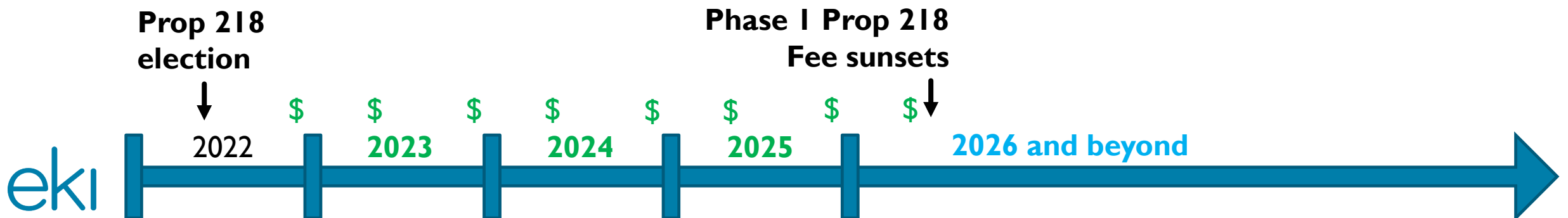
	January	February	March	April	May	June
MSGSA FOCUS:	<i>Process &amp; Goals</i>	<i>Eligibility &amp; Funding</i>	<i>Funding, Monitoring</i>	<i>Administration</i>	<i>Contracts</i>	<i>Implementation</i>
<b>Committee Meeting Discussion Items</b>	<ul style="list-style-type: none"> <li>✓ Survey results</li> <li>✓ Terminology</li> <li>✓ Eligibility</li> <li>✓ Funding options</li> <li>✓ Hot spots; areas to target</li> </ul>	<ul style="list-style-type: none"> <li>✓ Sustainability zones</li> <li>✓ Incentive options</li> <li>✓ LRP monitoring and enforcement</li> </ul>	<ul style="list-style-type: none"> <li>✓ LRP costs</li> <li>✓ LRP administration</li> </ul>	<ul style="list-style-type: none"> <li>• LRP contract terms</li> <li>• GW conditions update</li> </ul>	<ul style="list-style-type: none"> <li>• Prop 218 package</li> </ul>	<ul style="list-style-type: none"> <li>• LRP implementation</li> </ul>
<b>MSGSA Board Meeting Discussion Items</b>	<ul style="list-style-type: none"> <li>✓ LRP development process &amp; timeline</li> <li>✓ LRP goals &amp; priorities</li> <li>✓ Stakeholder outreach strategy</li> </ul>	<ul style="list-style-type: none"> <li>✓ Survey results</li> <li>✓ LRP eligibility</li> <li>✓ LRP funding options (outside and internal sources)</li> </ul>	<ul style="list-style-type: none"> <li>✓ LRP funding options (cont.)</li> <li>✓ LRP costs</li> <li>✓ LRP monitoring &amp; enforcement</li> </ul>	<ul style="list-style-type: none"> <li>• LRP costs and incentives</li> <li>• LRP administration</li> </ul>	<ul style="list-style-type: none"> <li>• LRP contract terms (DRAFT)</li> </ul>	<ul style="list-style-type: none"> <li>• LRP implementation</li> </ul>
<b>MSGSA Board Actions &amp; Decision Items</b>	<ul style="list-style-type: none"> <li>✓ Provide direction on LRP goals &amp; priorities, outreach strategy, and LRP Road Map</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provide direction on eligibility and funding options</li> <li>✓ Approve stakeholder outreach plan</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provide direction on monitoring &amp; enforcement</li> <li>✓ Action regarding pursuit of outside funding</li> </ul>	<ul style="list-style-type: none"> <li>• Provide direction on administration and incentives plan</li> </ul>	<ul style="list-style-type: none"> <li>• Provide direction on DRAFT LRP contract terms</li> </ul>	<ul style="list-style-type: none"> <li>• Approve LRP contract terms</li> <li>• Provide direction on implementation plan</li> </ul>
<b>Stakeholder Outreach Activities</b>	<ul style="list-style-type: none"> <li>✓ Post LRP Road Map and LRP Goals &amp; Priorities to GSA website</li> </ul>	<ul style="list-style-type: none"> <li>✓ Post LRP survey results summary to GSA website</li> </ul>	<ul style="list-style-type: none"> <li>Post information from public meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Post update on LRP costs &amp; funding to GSA website</li> </ul>	<ul style="list-style-type: none"> <li>• Post update on LRP incentives plan to GSA website</li> </ul>	<ul style="list-style-type: none"> <li>• LRP landowner recruitment workshop</li> </ul>

TAC Meetings  
(1/25/2022)  
(3/22/2022)

Ad-Hoc Meetings  
(1/24/2022)  
(2/3/2022)  
(2/16/2022)  
(3/16/2022)

# LRP COSTS AND INCENTIVES

- The LRP Ad-Hoc has recommended a Phase I LRP cost estimate for the Prop 218 fee study
- The Phase I cost estimate was developed using two approaches to bracket uncertainty:
  1. Participation-Based Approach  
 $\text{Incentives Cost} = \text{Area} * \text{Cost per Area}$
  2. Value and Volume of Water Approach  
 $\text{Cost} = \text{Water Savings Target} * \text{Water Cost}$
- The cost was calculated using a spreadsheet calculator tool and input from the Ad Hoc and TAC members on incentive payments and LRP administrative costs.





# LRP APPLICATION AND SCORING APPROACH

- Based on voluntary participation
- Incentivized by payments
- Allows for landowner bidding (i.e., an entrepreneurial approach)
- Allows MSGSA to focus LRP towards areas of greatest GSP/sustainability benefit



# LRP AGREEMENT DEVELOPMENT

- EKI is drafting Terms and Conditions (T&C) to accompany the LRP Agreement
- Tentative LRP Contract term items include:
  - Applicant and Property information
  - LRP Plan (Affected Lands, Duration, Planned Use)
  - Incentive Payments
  - Verification and Monitoring
  - Enforcement
  - “Other Legal”
- Details of the draft T&Cs will be discussed at the April Ad Hoc and TAC meetings

# MLRP GRANT APPLICATION SUBMITTED

- The **Multibenefit LRP (MLRP) regional block grant**, administered by the Department of Conservation, is an opportunity for the GSA to receive up to \$10 million in funds for developing a plan for long-term land repurposing (i.e., Phase 2 of the LRP).
- The GSA successfully submitted a grant application on April 1<sup>st</sup>.
- Letters of Support were included from the two other Merced Subbasin GSAs
- Letters of Partnership were included from the following entities:
  - East Merced Resource Conservation District
  - University of California Merced
  - Sandy Mush Mutual Water Company
  - La Paloma Mutual Water Company
  - Merced National Wildlife Refuge

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# DISCUSSION

# Proposition 218 Development

# DRAFT FOR DISCUSSION PURPOSES ONLY – NOT FOR ATTRIBUTION OR DISTRIBUTION

<b>Land Repurposing Program Duration and Ramp-up Options</b>							
<b>Option 1 - Maximum Participation in Year 1 and up to 5-year contracts through 2027</b>							
	2022	2023	2024	2025	2026	2027	Total
County Tax Bill	\$ 3,750,000	\$ 3,750,000	\$ 3,750,000	\$ 3,750,000	n/a	n/a	\$ 15,000,000
Funds from County to GSA	n/a	\$ 3,750,000	\$ 3,750,000	\$ 3,750,000	\$ 3,750,000	n/a	
GSA Expenditure	n/a	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	
Fund Balance	n/a	\$ 750,000	\$ 1,500,000	\$ 2,250,000	\$ 3,000,000	\$ -	
<b>Annual Fee (range): \$22.70 to \$23.00 per acre</b>							
<b>Option 2 - Ramp-up Participation to 2025 and up to 5-year contracts through 2027</b>							
	2022	2023	2024	2025	2026	2027	Total
County Tax Bill	\$ 3,156,250	\$ 3,156,250	\$ 3,156,250	\$ 3,156,250	n/a	n/a	\$ 12,625,000
Funds From County to GSA	n/a	\$ 3,156,250	\$ 3,156,250	\$ 3,156,250	\$ 3,156,250	n/a	
GSA Expenditure	n/a	\$ 1,500,000	\$ 2,125,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	
Fund Balance	n/a	\$ 1,656,250	\$ 2,687,500	\$ 2,843,750	\$ 3,000,000	\$ -	
<b>Annual Fee (range) \$19.10 to \$19.70 per acre</b>							
<b>Option 3 - Maximum Participation in Year 1 but no contract past 2025</b>							
	2022	2023	2024	2025	2026	2027	Total
County Tax Bill	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	n/a	n/a	n/a	\$ 9,000,000
Funds From County to GSA	n/a	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	n/a	n/a	
GSA Expenditure	n/a	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	n/a	n/a	
Fund Balance	n/a	\$ -	\$ -	\$ -	n/a	n/a	
<b>Annual Fee (range): \$13.60 to \$14.10 per acre</b>							
<b>Option 4 - Ramp-up Participation to 2025 but no contract past 2025</b>							
	2022	2023	2024	2025	2026	2027	Total
County Tax Bill	\$ 2,208,333	\$ 2,208,333	\$ 2,208,333	n/a	n/a	n/a	\$ 6,625,000
Funds From County to GSA	n/a	\$ 2,208,333	\$ 2,208,333	\$ 2,208,333	n/a	n/a	
GSA Expenditure	n/a	\$ 1,500,000	\$ 2,125,000	\$ 3,000,000	n/a	n/a	
Fund Balance	n/a	\$ 708,333	\$ 791,667	\$ -	n/a	n/a	
<b>Annual Fee (range) \$10.00 to \$10.40 per acre</b>							

# Proposition 218 Ad Hoc Committee progress to date

- Functions under consideration to fund
  - Parcel Based Water Budgets – Recommendation
  - GSA Staffing – Recommendation
  - Water Rights Application – Recommendation
  - Land Repurposing Program - Recommendation



# Technical Advisory Membership Update



<b>NAME</b>	<b>ORGANIZATION</b>
Julia Berry	Clayton Water District
Larry Mattis	Stevinson Area Farmer
Michael Brasil	Stevinson Area Farmer
Randal Edwards	Edwards Lien & Toso
Bob Kelley	Stevinson Water District
Lou Myers	Merced Grassland Coalition
Blake Nervino	Merquin County Water District grower
George Park	Lone Tree Mutual Water Company
Breanne Ramos	Merced County Farm Bureau
Brad Samuelson	Sandy Mush Mutual Water Company
Jimmy Atwall	Atwall Brothers Farming Inc.
Steven Atwall	Atwall Brothers Farming Inc.



# Association of California Water Agencies (ACWA) JPIA



## ACWA Membership → Liability Insurance For MSGSA

- MSGSA's 2022 ACWA membership dues \*\$2,855
- MSGSA's membership application would be taken to ACWA Board on June 3, 2022
- Once an ACWA member, MSGSA would be eligible to purchase liability insurance through the JPIA
- Annual liability insurance premium \$2,250
- Liability insurance would cover Phase 1 GSP implementation activities



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