



NOTICE OF PUBLIC HEARING ON PROPOSED PROPERTY-RELATED FEE¹

Notice is hereby given that the Governing Board of the Merced Subbasin Groundwater Sustainability Agency (“MSGSA”) will conduct a public hearing on **Tuesday, July 19, 2022 at 6:00 p.m.** at the Merced County Administration Building, Board Room, 2222 M Street, Merced, CA 95340 to consider the adoption of per-acre charges based on land use. The proposed charges are the result of recommendations from the MSGSA ad-hoc committees, and a detailed budget analysis and independent professional Engineer’s Report prepared to determine the appropriateness of the charge amounts. The proposed charges impact irrigated parcels within the MSGSA that exceed 2 acres in gross area and irrigated parcels with the following land use designations, as identified by the Merced County Assessor’s Office: farming, trees and vines, dairy, poultry, and non-contract duck club. The impact of the proposed charges on parcel owners will vary based upon the total acreage of the parcel(s).

WHY AM I RECEIVING THIS NOTICE?

You are receiving this notice because you are the owner of record of one or more parcels of property located within the boundaries of MSGSA that meets the land use criteria noted above.

BACKGROUND

In September 2014, Governor Brown signed historic groundwater legislation requiring California’s groundwater basins be sustainably managed by local agencies called Groundwater Sustainability Agencies (“GSAs”). This legislation, known as the Sustainable Groundwater Management Act (“SGMA”), imposes upon local agencies (like cities, counties, and water districts) the obligation to sustainably manage groundwater resources. Sustainability is achieved through the development and implementation of Groundwater Sustainability Plans (“GSPs”). MSGSA adopted a GSP in December 2019 and has moved into the implementation phase, which will be a significant and costly undertaking over the next several years.

To fund GSP projects and management actions, MSGSA is proposing a property-related per-acre water service charge. The proposed fee will be considered at a public hearing. If approved, the charges will commence September 2022. You are receiving this notification consistent with the California Constitution, Article XIII D, Section 6 (Proposition 218) requirements that all impacted parcel owners are mailed notice of proposed rate changes at least forty-five (45) days prior to a public hearing.

BASIS OF PROPOSED RATES

MSGSA is authorized by state law to collect revenues sufficient to cover the costs of operating the GSA and funding the activities necessary to develop and implement the GSP, including a prudent reserve. In 2019, the landowners within the MSGSA approved the adoption of an Administrative Fee through the Proposition 218 process (2019 Fee). Since passage in 2019, that fee has funded, and will continue to fund, MSGSA administrative activities. This proposed charge will be additive to the 2019 Fee for the benefiting parcels identified in the Engineer’s Report. The proposed charges are detailed in the Engineer’s Report, available for review at MSGSA’s website at: <https://mercedsubbasingsa.org>.

The Charge will be imposed on parcel owners through a charge placed on each Merced County tax bills sent in 2022, 2023, 2024, and 2025, afterwards sunsetting pursuant to MSGSA Resolution 2021-02. By state law, the MSGSA may not collect more revenue than is necessary to recover the costs of providing services.

¹ Una copia de este aviso traducido al español está disponible para ver en el sitio web de GSA en <http://www.countyofmerced.com/mercedsubbasinGSA>

PROPOSED PER-ACRE CHARGE

The proposed maximum per-acre charges are provided in Table 1. The MSGSA Board may approve a lower per-acre charge when approving its annual budget during June of each year.

Table 1: Proposed Annual Per-Acre Charge

Category	Maximum Annual Charge (\$/acre/year)
Shared Improvement Elements: a) Phase 1 Land Repurposing Program b) GSA Executive Director c) Domestic Well Mitigation Program Fund d) Parcel-based Water Use Budgets	\$24.94
Additional Limited Element: a) Water Rights Application Payment	\$1.67

DATA AVAILABILITY

The Engineer's Report supporting the charges is publicly available at: <https://mercedsubbasingsa.org>.

NOTICE

In addition to this mailed Notice, notice of the public hearing on the proposed charge has also been provided by publication and by posting on MSGSA's website, <https://mercedsubbasingsa.org>, pursuant to Government Code section 6066 and Water Code section 10730.

PUBLIC NOTICE AND MAJORITY PROTEST

MSGSA has elected to submit the proposed charges to Proposition 218 protest voting procedures. Any property owner of record subject to the proposed charges may submit a written protest against the proposed charges. If a majority of the impacted property owners submit protests, MSGSA will not adopt the charges as proposed. Absent a majority protest, the charges may be implemented once adopted by the MSGSA Board following the public hearing.

A written protest must: 1) identify the property owner and state that the property owner opposes the proposed fees; 2) provide the location of the identified parcel (by assessor's parcel number or street address); and 3) include the name and signature of the property owner submitting the protest. Property owners have one protest vote per owned parcel and must follow these instructions for each owned parcel.

Written protests must be received prior to the commencement of MSGSA's public hearing on July 19, 2022 (i.e., before 6:00 p.m.) to be counted. Written protests may be submitted by mail to:

Merced Subbasin GSA
2222 M Street
Merced, California, 95340

or in person in writing at the public hearing. Any protest submitted via e-mail, fax, or other electronic means will not be accepted. The MSGSA Board will consider written and oral protests to the proposed charges at the Public Hearing.

Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest meeting the above criteria. Upon conclusion of the public hearing, the Board will consider adoption of the proposed charges. If written protests against the proposed rates and charges as outlined above are **not** presented by a majority of property owners of the identified parcels upon which the charges are proposed to be imposed, MSGSA may proceed to adopt and impose the charges at the public hearing.