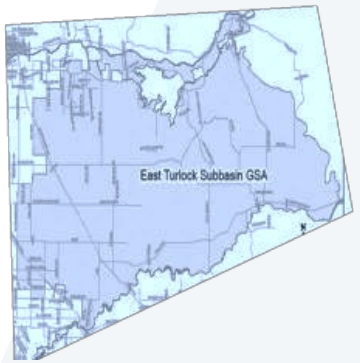
STANISLAUS COUNTY AGRICULTURAL ADVISORY COMMITTEE

Updated on Proposed ETSGSA Proposition 218 Groundwater Use Fee, Projects & Management Actions, and Groundwater Accounting

February 3, 2025



AGENDA

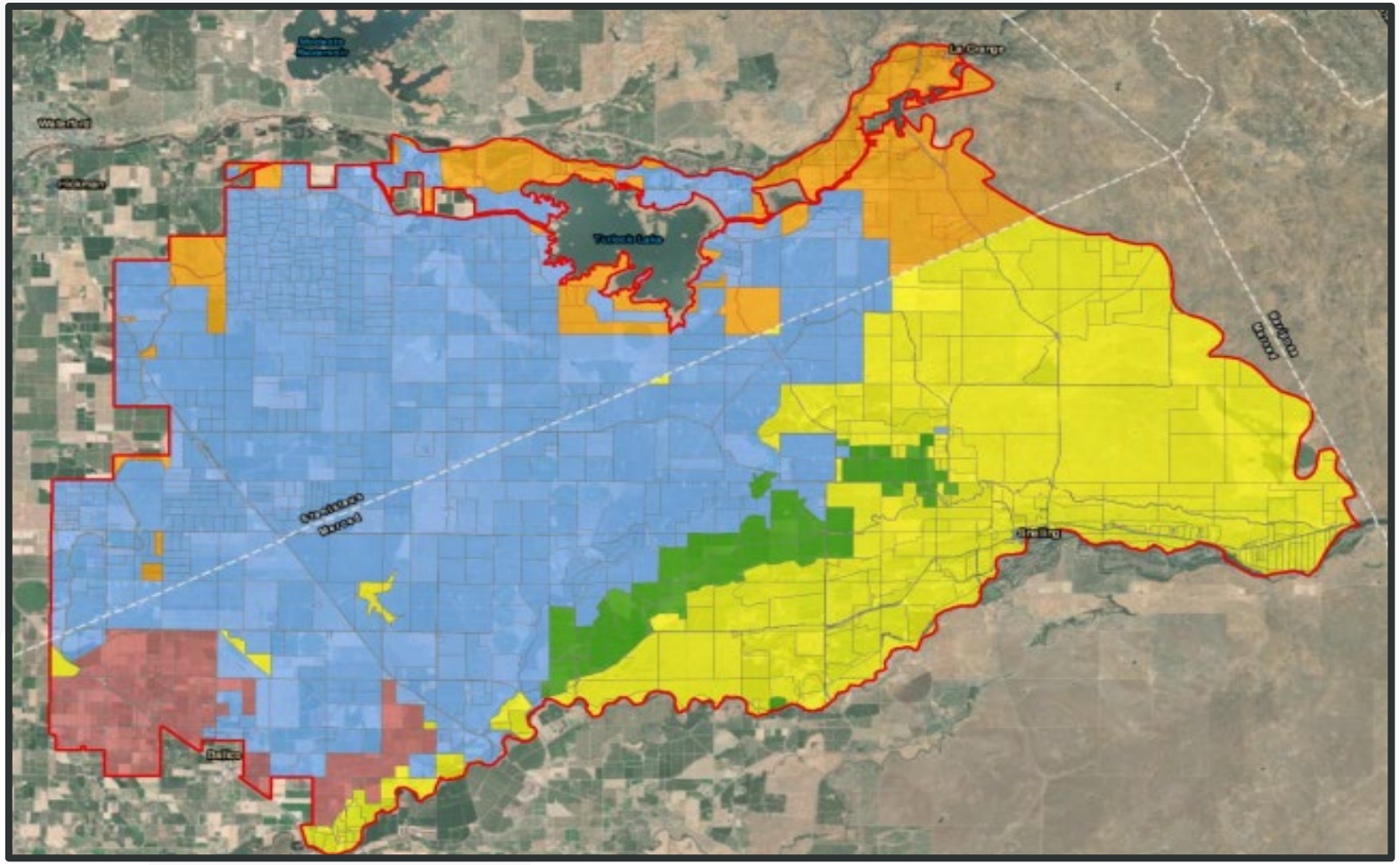
1. Background information
2. Proposed Fees and What They will be Used For
3. How Does the Proposed Fee Structure Work?
4. Groundwater Accounting Platform and Fee Calculator

BACKGROUND

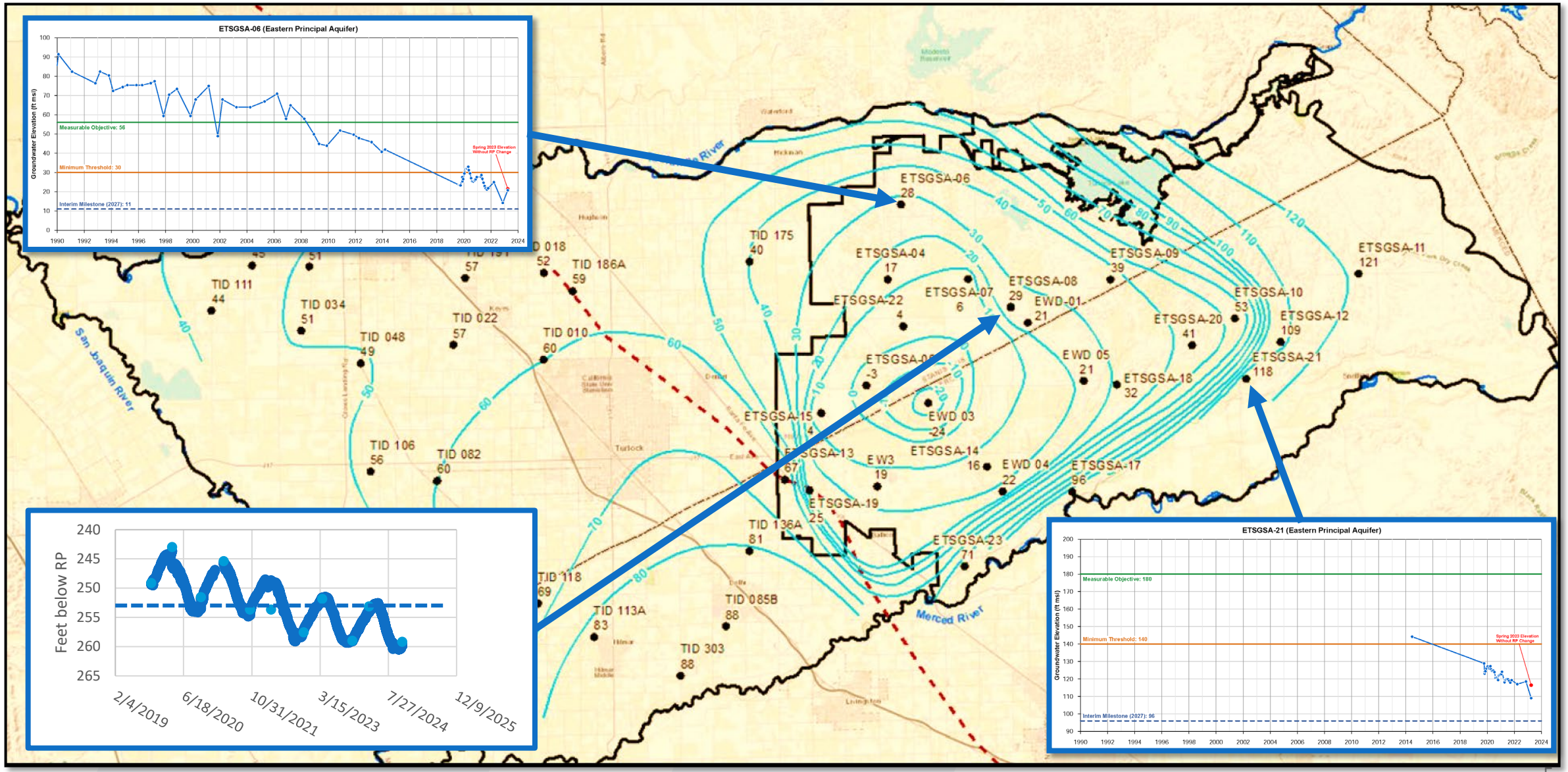
SGMA and ETSGSA

East Turlock Subbasin GSA

- Eastside Water District
- Ballico-Cortez Water District
- Merced Irrigation District
- Merced County
- Stanislaus County



ETSGSA GROUNDWATER CONE OF DEPRESSION



ETSGSA REQUIREMENTS AND AGREEMENTS WE ARE SEEKING TO FUND

SGMA Compliance: Groundwater Sustainability Plan (GSP)

- Resubmitted to Department of Water Resources (DWR) July 2024; pending approval.
- Must implement the GSP and included Groundwater Demand Reduction Plan.
- Inadequate GSP or implementation results in State intervention, loss of local control.

Water Accounting Framework Agreement with TID/WTSGSA

- ETSGSA will pay TID for ‘Transitional Water’ that enters the Subbasin from TID facilities; Revenue used to fund implementation of GSP Projects in the Turlock Subbasin.
- ETSGSA can now receive up to 35,000 AF/year of TID Replenishment Water when availability allows.
- GSA required to implement land fallowing program or equivalent demand reduction.

ETSGSA'S SUSTAINABILITY STRATEGY

Our Objective: Achieve groundwater sustainability AND provide pathways for local groundwater users to adapt to the SGMA mandate while staying in business.

Reduce Groundwater Demand/Use

- MLRP Land Repurposing (with incentive payments)
- Rotational Fallowing (with incentive payments)

Increase Water Supply

- Replenishment Water from TID
- GW Recharge Projects

Maintain Local Control

- Approval of Fees and Funded Programs in the Hands of Landowners
- Committed to Local Priorities, Public Transparency, and Stakeholder Engagement

WHAT DOES STATE INTERVENTION LOOK LIKE?

State's Objective: Achieve groundwater sustainability.

- **Reduce Groundwater Demand/Use**
  - Mandatory Metering and Reporting
  - Mandatory Pumping Limits
- ~~**Increase Water Supply**~~
  - Surface Water Supply Likely Not Considered
  - Groundwater Recharge Likely Not Considered
- ~~**Maintain Local Control**~~
  - Additional Fees and Penalties which do not benefit implementation
  - Decision Making Moves to Sacramento, Loss of Local Control and Input

STATE INTERVENTION COST IMPACTS

Under State Intervention, the GSA is still responsible to implement its GSP and correct any deficiencies. The cost of State intervention is therefore in addition to ongoing costs.

Ongoing Costs:

Implement GSP
Monitoring and Reporting
Basic SGMA Compliance
Projects & Management Actions
GSA Operation

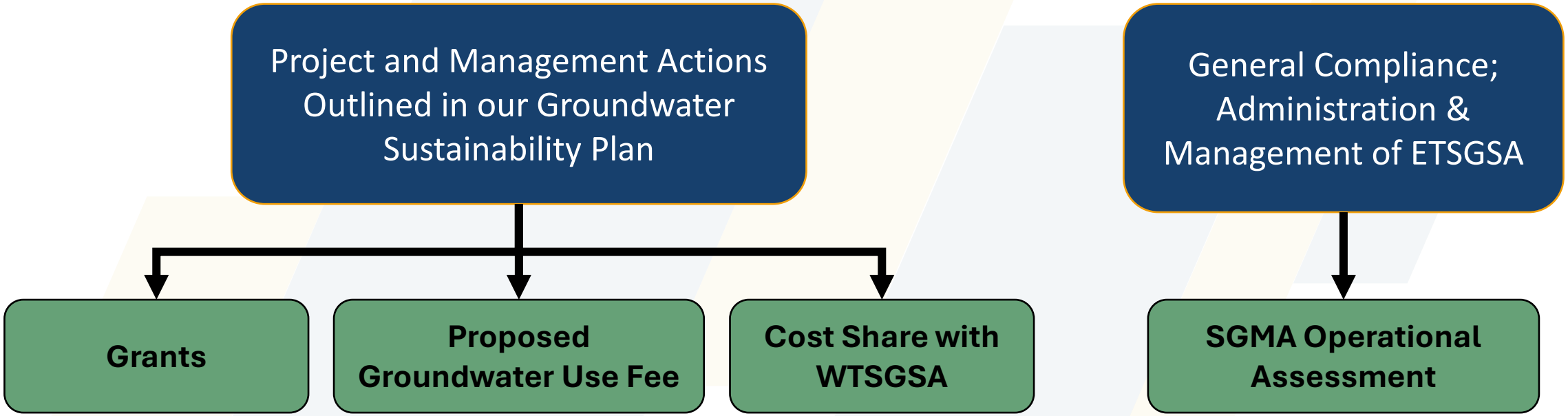
+

Additional Costs:

Well Registration*
Extraction Fees*
Penalties*
Corrective Actions and Reporting
Mandatory Pumping Limits

* **Fees and penalties collected by the State are not obligated to be used for work in the Subbasin, and may be used elsewhere.**

HOW ARE WE PLANNING TO FUND IMPLEMENTATION OF OUR STRATEGY?



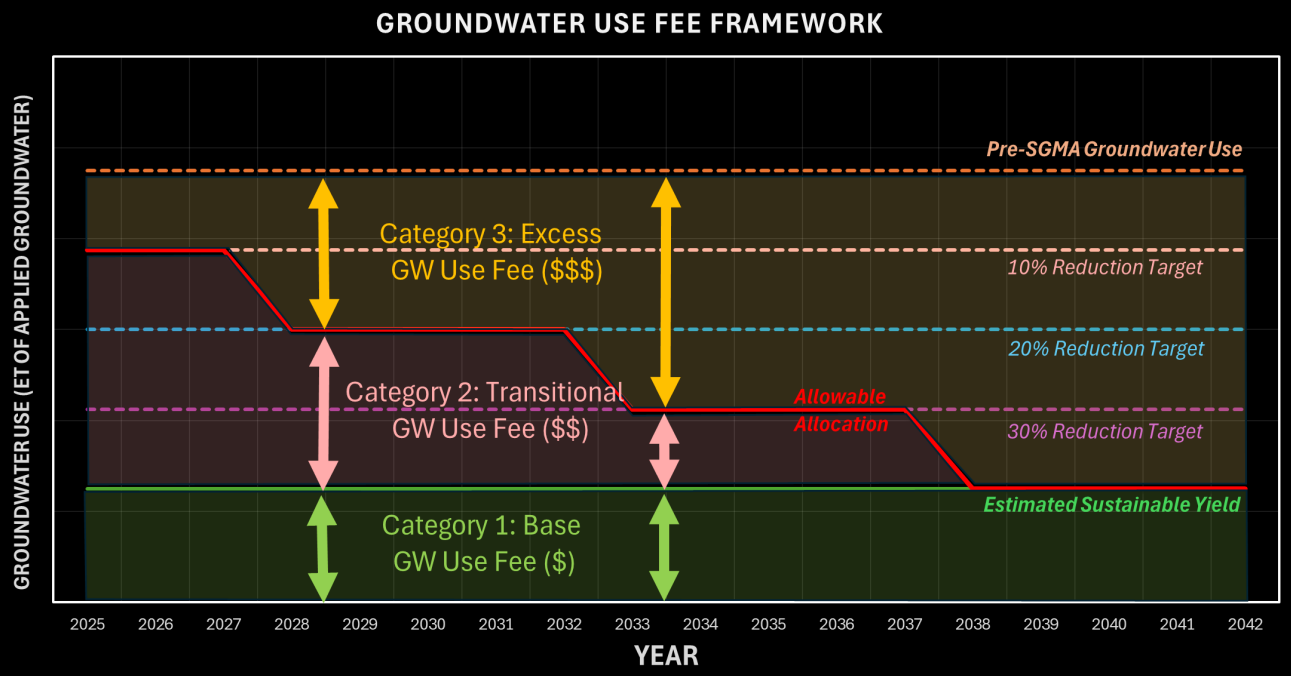
PROPOSED FEES AND WHAT THEY WILL BE USED FOR

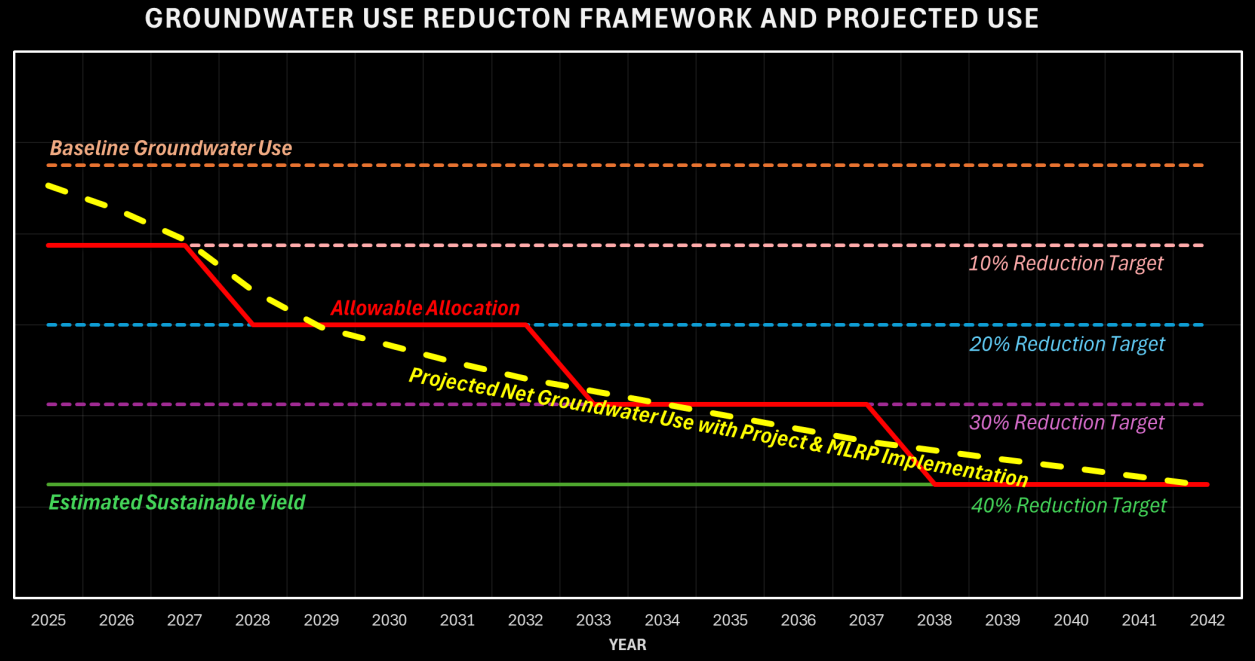
PROJECTS AND MANAGEMENT ACTIONS FUNDED BY THE PROPOSED FEE

Program Costs to be Funded	Description
Replenishment Water	Up to 35,000 AF/year (25,000 AF/year long-term average) of surface water made available to be used instead of groundwater. Increase from 5,000 AF per year with buildout under GSP Projects.
Transitional Water (Funds GSP Projects)	Payments to TID that will be used to increase surface water supply capacity and recharge in the Subbasin.
Multi-Benefit Land Repurposing Program (MLRP)	Owners are given incentive payments to take irrigated land out of production and/or adopt practices that reduce groundwater demand and provide additional benefits to the GSA, the environment, and communities.
Rotational Land Fallowing	Owners are given incentive payments to take irrigated land out of production temporarily on a rotational basis to reduce groundwater consumption.
Well Mitigation	Implement protective measures to avoid significant adverse impacts to domestic wells from declining water levels.

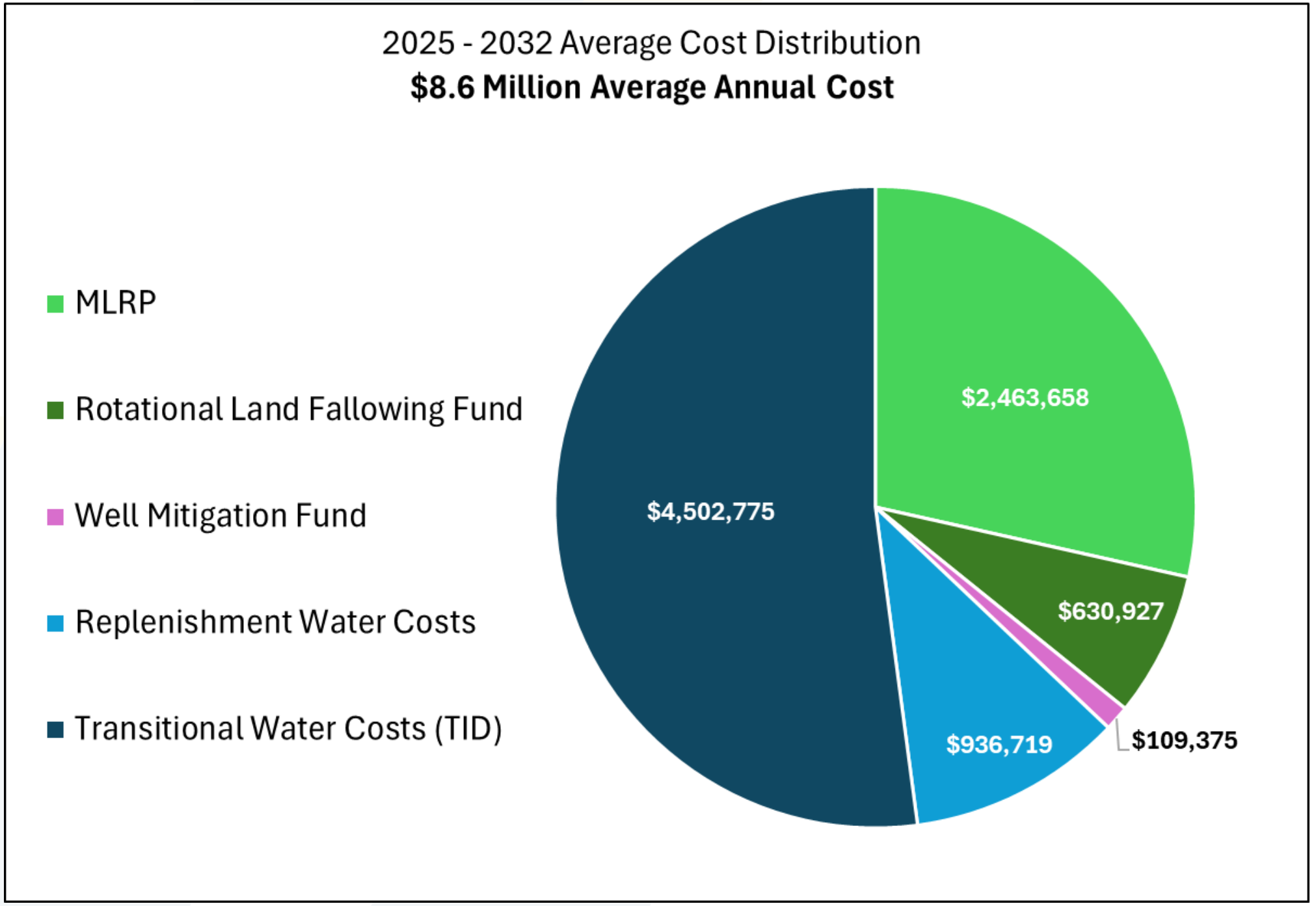
Lots of Moving Pieces:

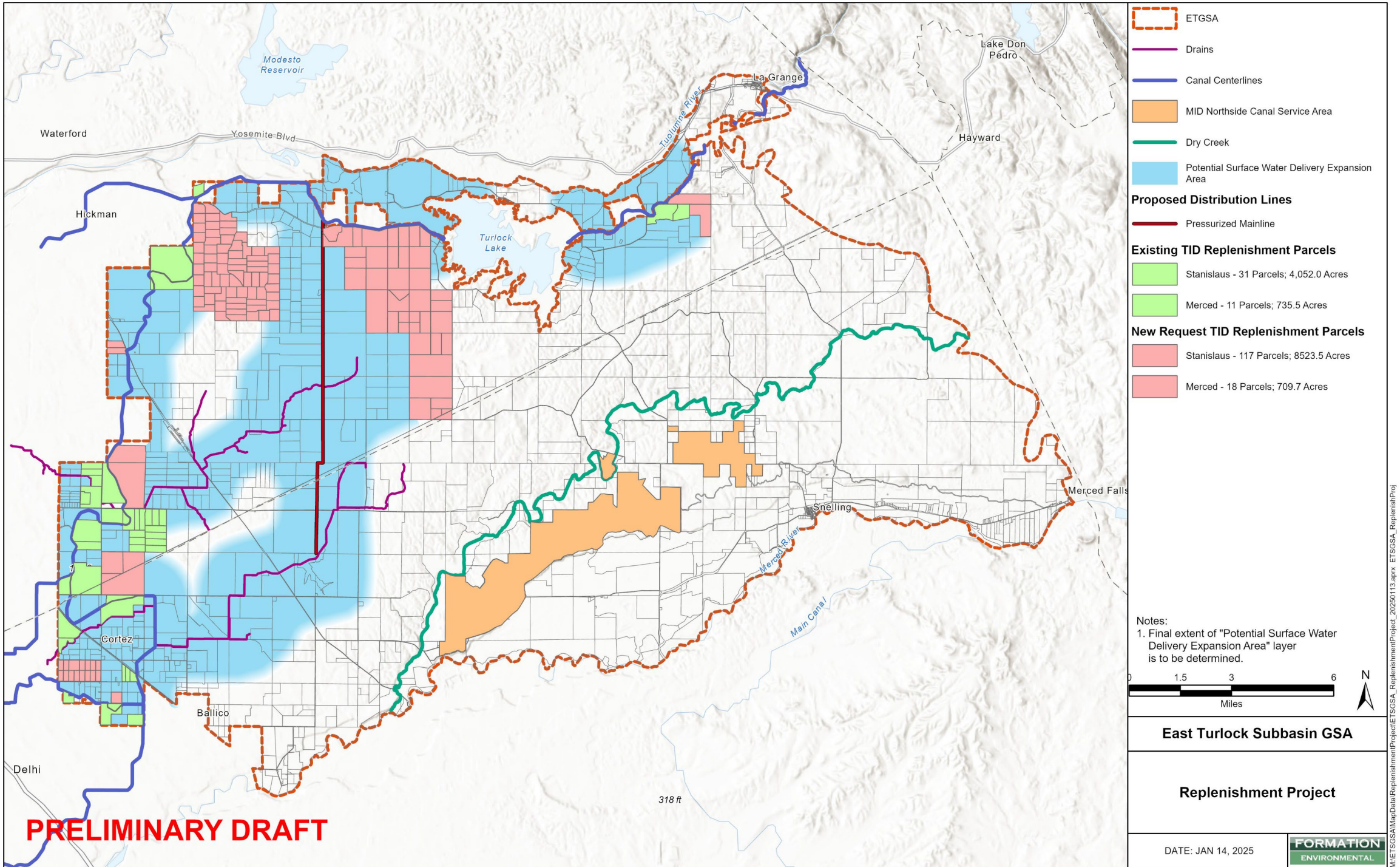
- Phased groundwater use reduction; Prioritize demand reduction through decreasing allocations
- Fee Program to fund projects and management actions
- MLRP and Land Fallowing: 5,000 acres by 2027; ~22,000 acres by 2042
- Groundwater Accounting Platform
- Well Mitigation Program
- Rules & Regulations





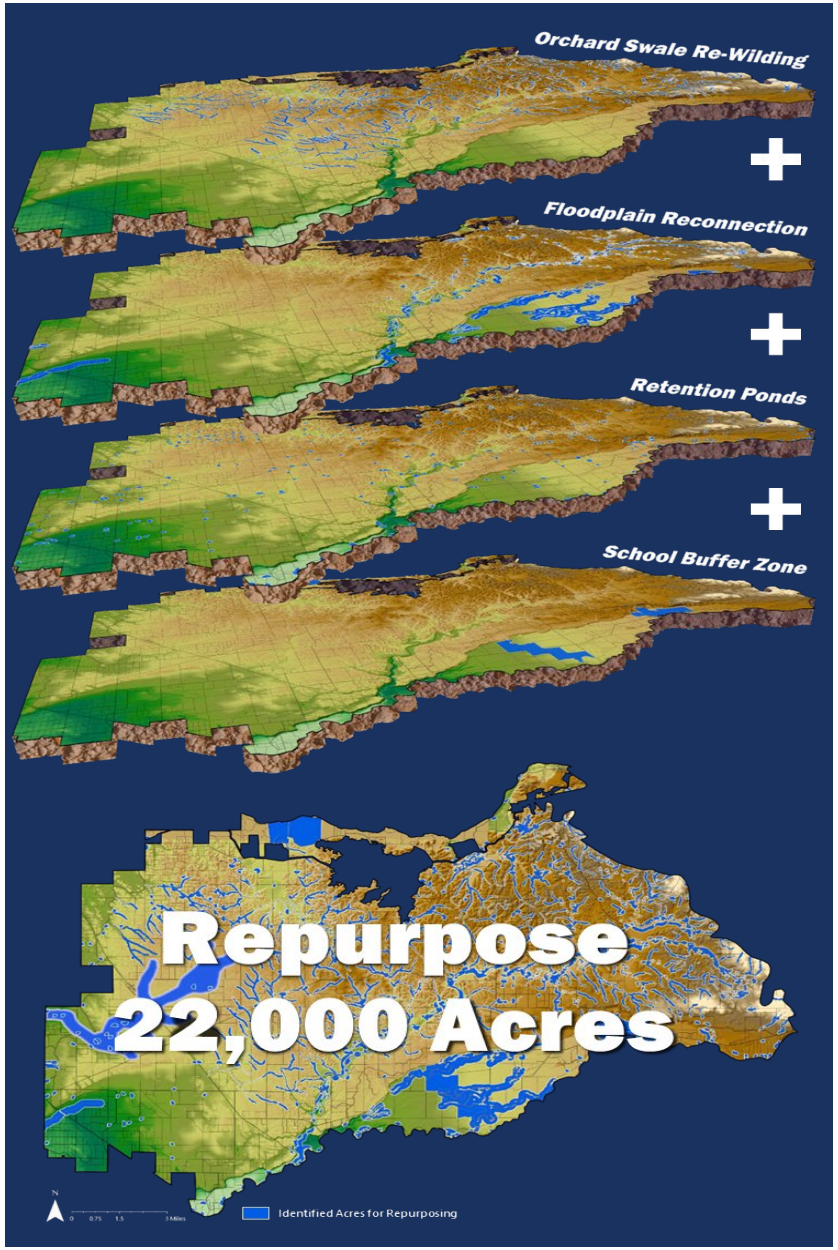
WHAT THE PROPOSED FEES PAY FOR




Modesto Reservoir
Waterford
Yosemite Blvd
Hickman
La Grange
Tuolumne River
Lake Don Pedro
Hayward
Turlock Lake
Merced Falls
Snelling
Merced River
Main Canal
Cortez
Ballico
Delhi
318 ft
PRELIMINARY DRAFT
ETGSA
Drains
Canal Centerlines
MID Northside Canal Service Area
Dry Creek
Potential Surface Water Delivery Expansion Area
Proposed Distribution Lines
Pressurized Mainline
Existing TID Replenishment Parcels
Stanislaus - 31 Parcels; 4,052.0 Acres
Merced - 11 Parcels; 735.5 Acres
New Request TID Replenishment Parcels
Stanislaus - 117 Parcels; 8523.5 Acres
Merced - 18 Parcels; 709.7 Acres
Notes:
1. Final extent of "Potential Surface Water Delivery Expansion Area" layer is to be determined.
0 1.5 3 6
Miles
N
East Turlock Subbasin GSA
Replenishment Project
DATE: JAN 14, 2025
FORMATION ENVIRONMENTAL
M:\ETSGSA\MapData\ReplenishmentProject\ETSGSA_ReplenishmentProject_20250113.aprx ETSGSA_ReplenishProj

MLRP Strategy:

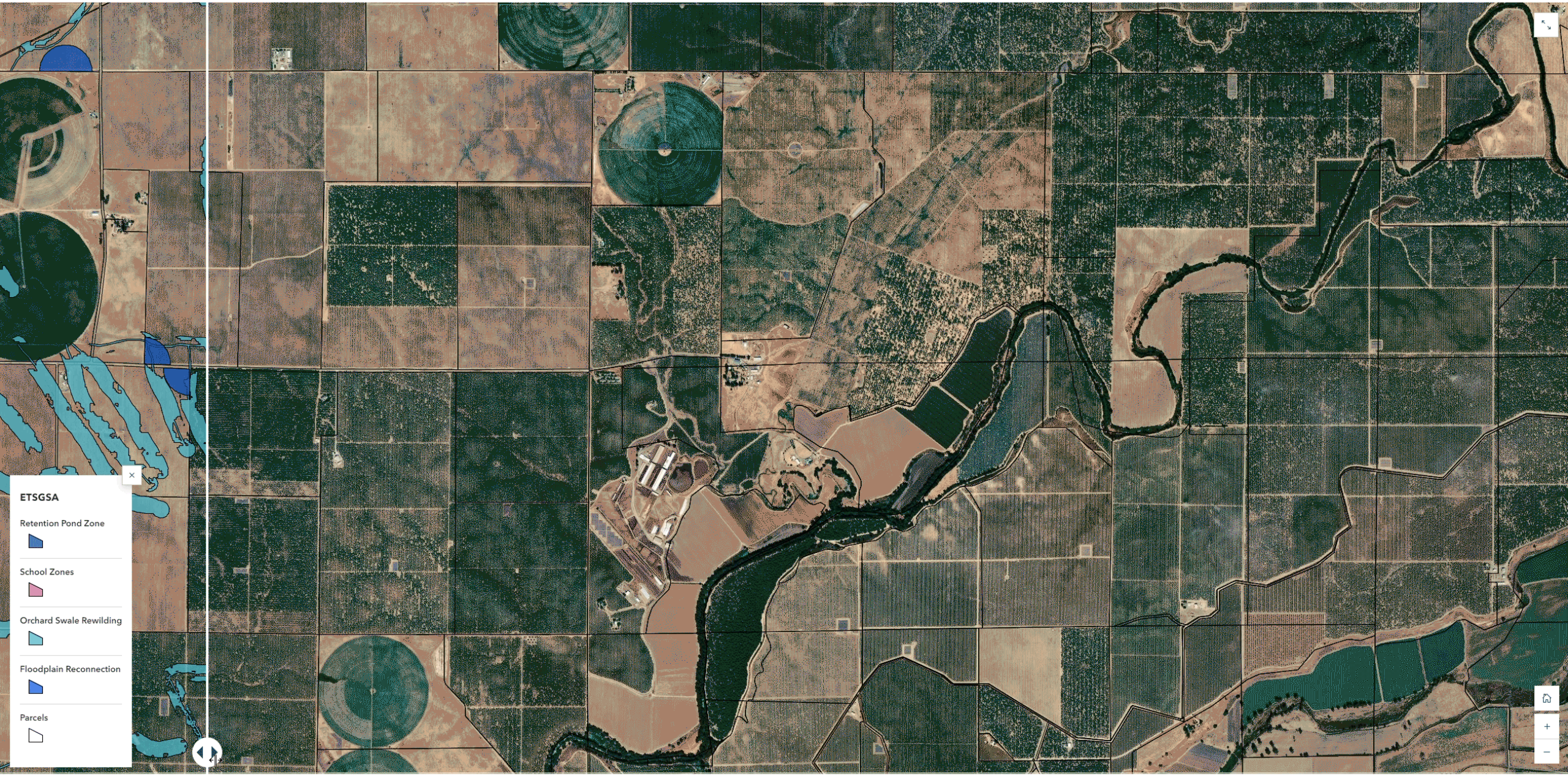
- *Repurposing integrated into a working landscape*
- *Menu of options that can be implemented by growers to re-imagine their operations*
- *Standard specifications for regional implementation*
- *Programmatic permitting*
- *Incentive payments leading to long-term change*



Incentive Payments (Recommendations)

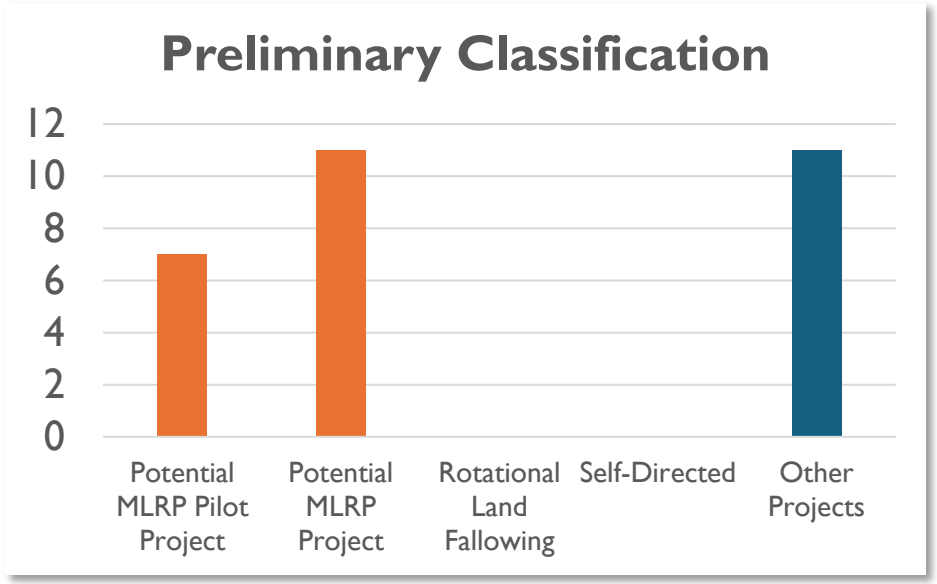
Practice	Direct Cost Reimbursal ($)	Incentive Payment ($/acre) [1]
Land Rotation/Fallowing	Not Eligible	$ 730
MLRP Land Rotation/ Fallowing	Not Eligible	$ 850
Orchard Swale Rewilding	Not Eligible	$ 1,040
Floodplain Reconnection, Floodflow Dispersal, Flood MAR	Eligible (% TBD)	$ 1,030 + % of Costs
Recharge/Storage Basins	Eligible (% TBD)	$ 2,960 (5 ft bgs) + % of Costs

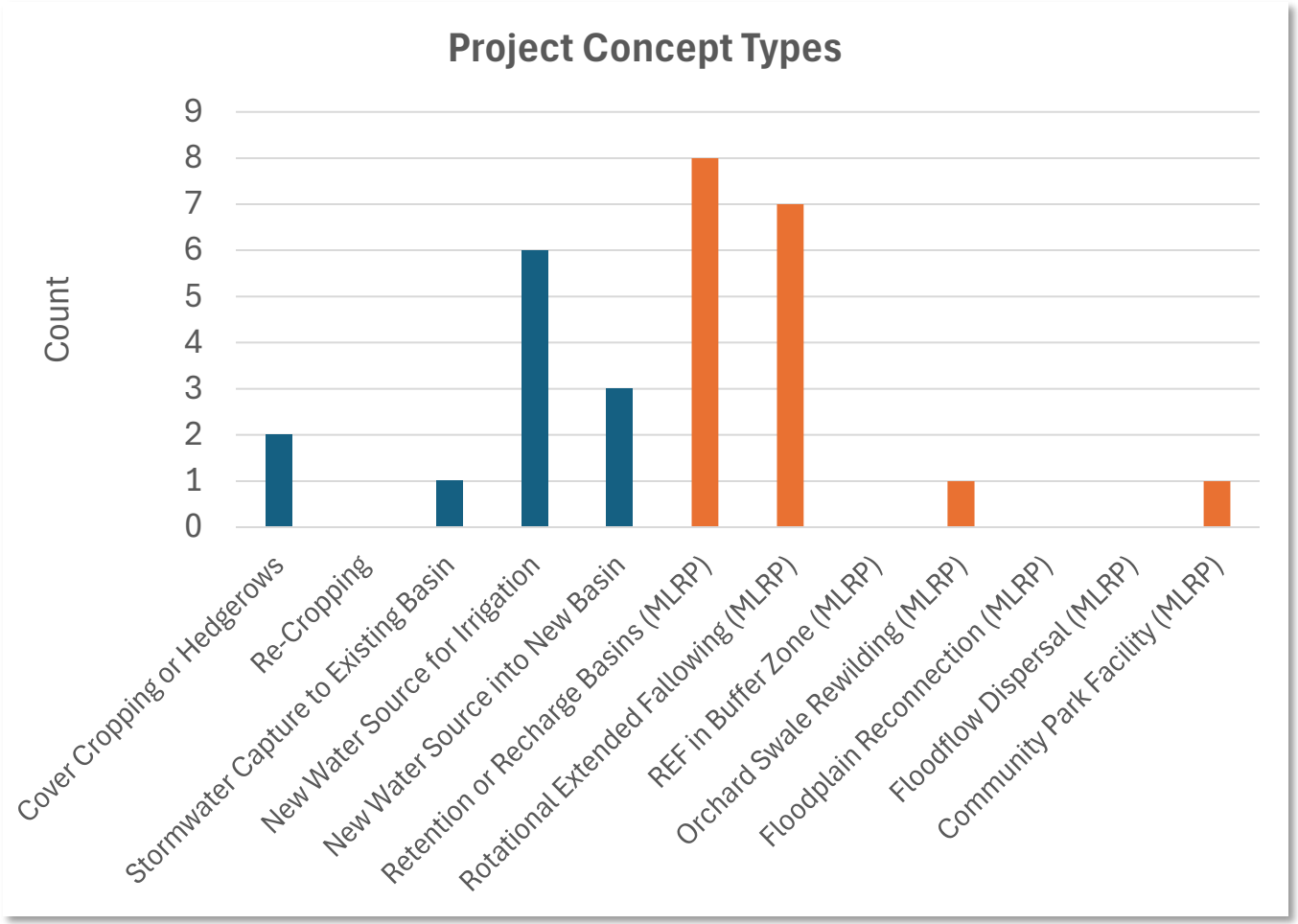
1. Incentive payment is in $/acre/year for an assumed 10-year duration, but can be shorter if part of a larger program


ETSGSA
Retention Pond Zone
School Zones
Orchard Swale Rewilding
Floodplain Reconnection
Parcels

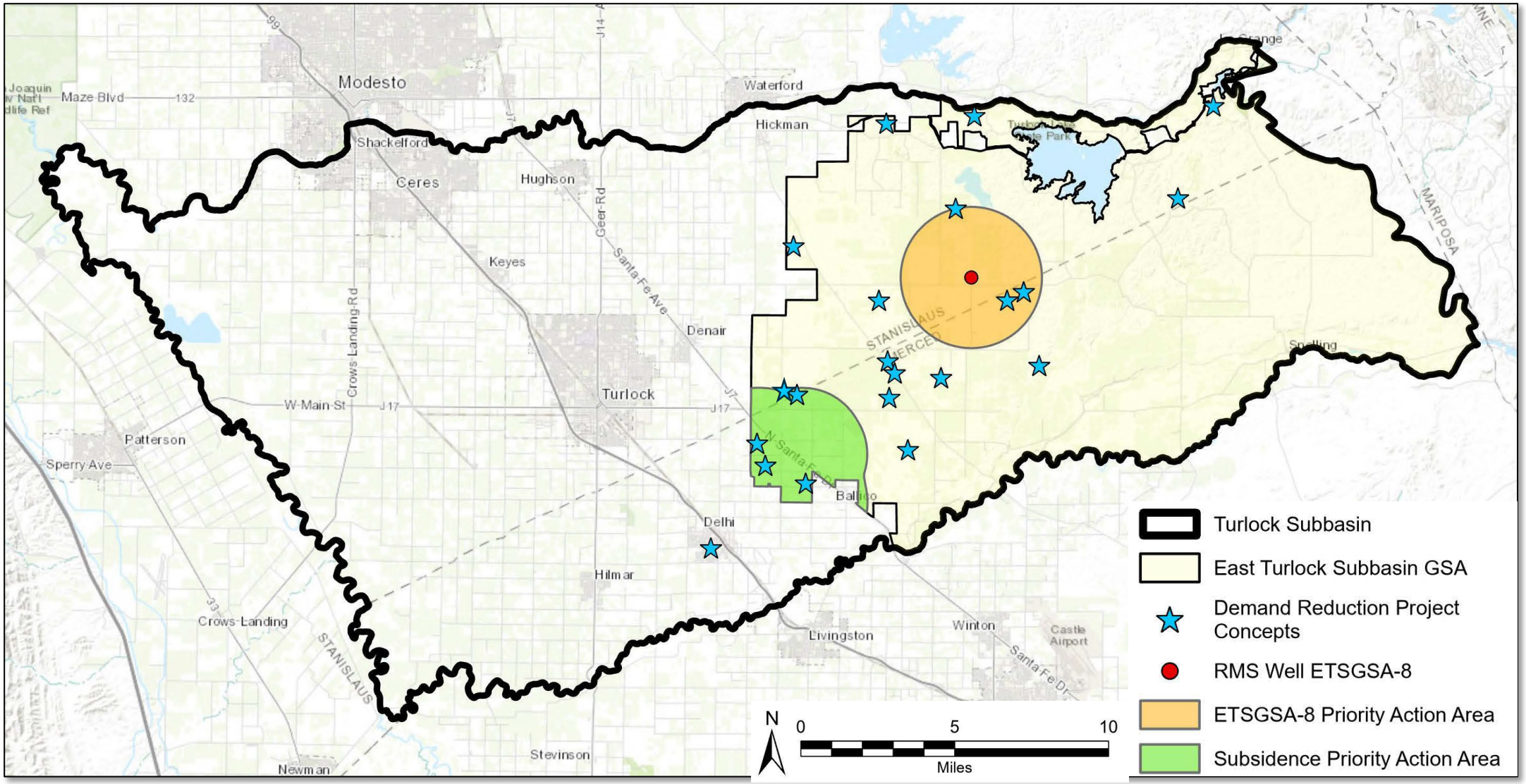
UPDATE ON GW DEMAND REDUCTION PROJECT CONCEPTS RECEIVED (AS OF 1/22)

- 14 submittals received; 29 distinct concepts
- Approx. 3,000 acres affected
- MLRP/Projects Team review/assessment ongoing (demand reduction, CEQA/ permitting, other "readiness" factors)





LOCATIONS OF PROJECT CONCEPT SUBMITTALS



HOW DOES THE PROPOSED FEE STRUCTURE WORK?

Groundwater Use Fee

BASIS OF PROPOSED FEES

- For irrigated fields, groundwater use will be measured using *evapotranspiration* (ET) data which calculates of consumed groundwater use – **This is not the same as applied water use**.

- ET measurements are gathered using satellite data and on-field stations to determine the amount of groundwater consumed by crops.

- For non-agricultural users that exceed de minimis use or dairy, poultry, or food processing operations, fee calculations will rely on self-reporting.

- ETSGSA intends to allow property owners to appeal the use of ET data and seek to use metered extraction data instead, which would be converted to consumed groundwater use for the purpose of Fee calculation.

PROPOSED FEE STRUCTURE CATEGORIES

Groundwater Use Fee Category	Category Description
Category 3 Excess GW Use Fee	Groundwater Use Above the Use Reduction Target
Category 2 Transitional GW Use Fee	Groundwater Use Above the Estimated Sustainable Yield
Category 1 Base GW Use Fee	Groundwater Use Within the Intended Long-Term Additional Sustainable Yield Once Sustainable Thresholds are Met
Category 0 No Fee Groundwater Use	Groundwater Use Within the Estimated Native Sustainable Yield

- Proposed fee categories are used to identify the cost of service tied to the amount of groundwater consumed (in ET per acre).

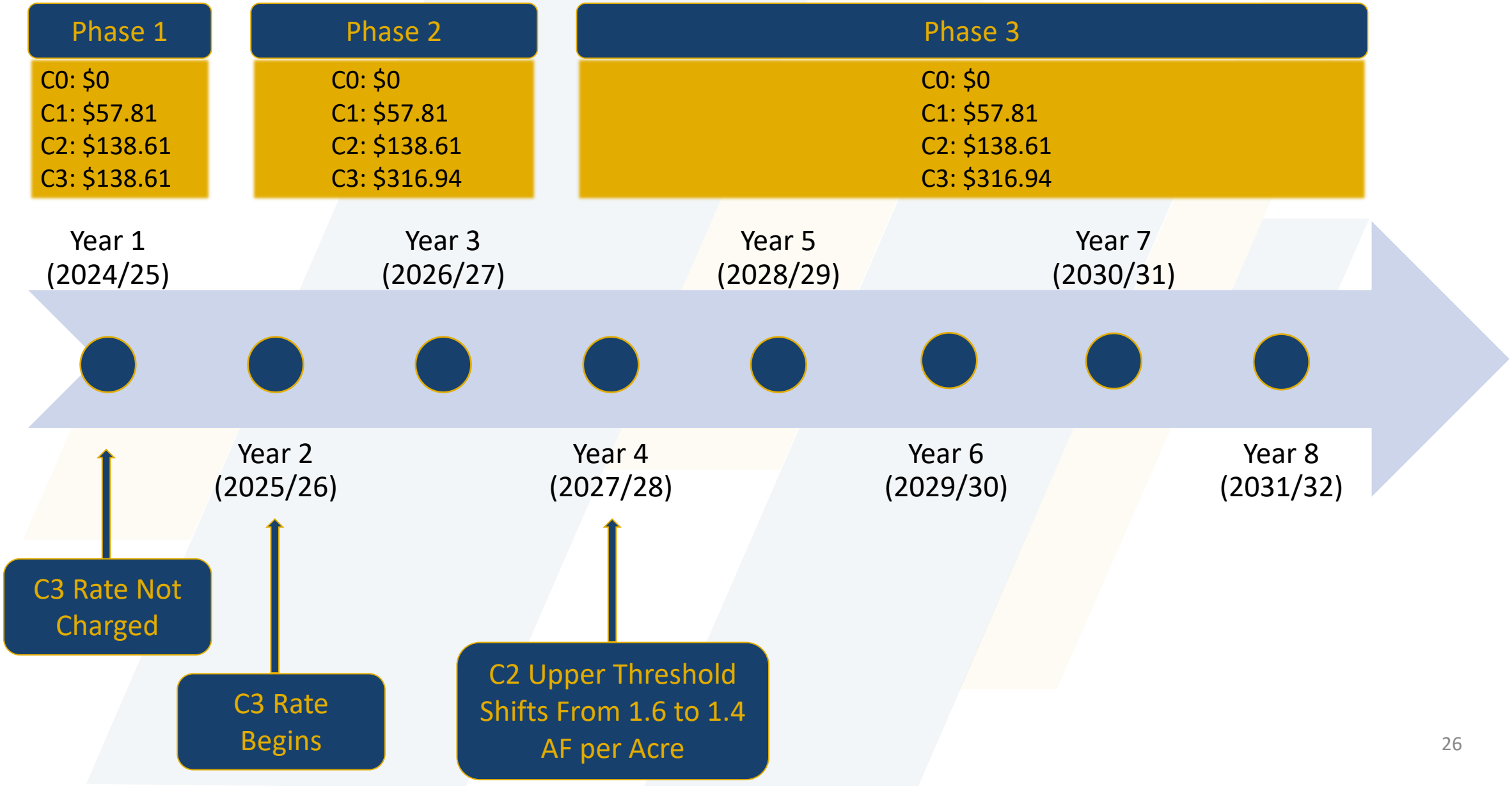
PROPOSED FEE STRUCTURE CATEGORIES: COST OF SERVICE

Category 0	• Assigned no costs (no service attributed)
Categories 1 and 2	• Assigned all projected costs of GSP P&MAs (all planned service attributed)
Category 3	• Assigned additional costs to address pumping in excess of allowable limits in the GSP

PROPOSED FEE RATES

Use Fee Category	Category Description	Phase 1 2025 - 2026		Phase 2 2026 - 2027		Phase 3 2028 - 2032	
		GW ET Category Threshold (Af per Acre)	Rate	GW ET Category Threshold (Af per Acre)	Rate	GW ET Category Threshold (Af per Acre)	Rate
Category 3 Excess Groundwater Use	Groundwater Use Above the Use Reduction Target	Greater Than 1.6	**$138.61**	Greater Than 1.6	**$316.94**	Greater Than 1.4	**$316.94**
Category 2 Transitional Groundwater Use	Groundwater Use Above the Estimated Sustainable Yield and Below the Use Reduction Target	1.1 - 1.6	**$138.61**	1.1 - 1.6	**$138.61**	1.1 - 1.4	**$138.61**
Category 1 Long-Term Sustainable Groundwater Use	Groundwater Use Within the Intended Long-Term Sustainable Yield	0.5 - 1.1	**$57.81**	0.5 - 1.1	**$57.81**	0.5 - 1.1	**$57.81**
Category 0 Native Groundwater Use	Groundwater Use Within the Estimated Native Sustainable Yield	0.0 - 0.5	**$0.00**	0.0 - 0.5	**$0.00**	0.0 - 0.5	**$0.00**

PROPOSED FEE PROGRAM PHASES - TIMELINE



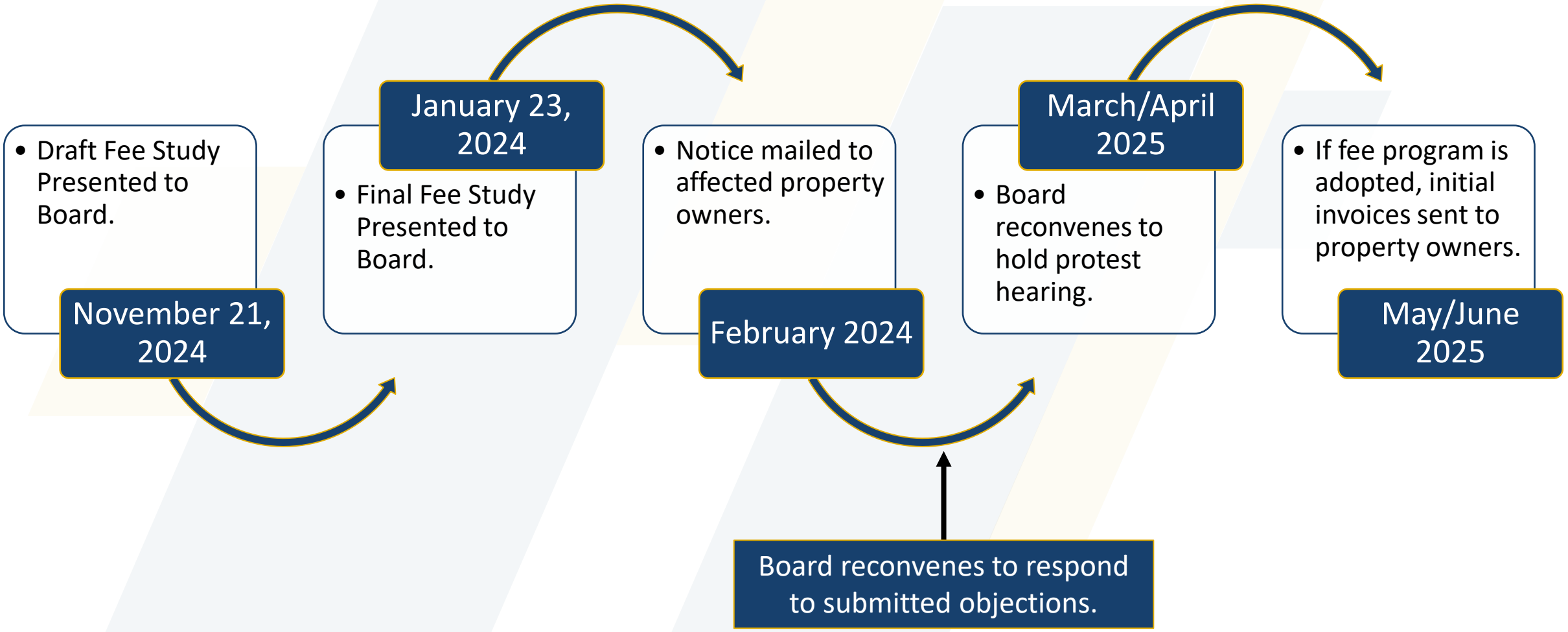
PROPOSED FEE IMPLEMENTATION PROCESS

Prop. 218 Property Related Fee and AB 2257 Implementation Procedures

(for water-related services)

1. Notice of the proposed fee is mailed to owners of all affected parcels (45-day notice period required).
2. NEW: Property owners may submit written objection regarding proposed fee's alleged non-compliance with Prop. 218. Failure to submit an objection will prevent a property owner from later challenging the fee's compliance with Prop. 218 in litigation.
3. NEW: Staff will prepare written responses to timely received written objections and present to Board for consideration prior to close of protest hearing.
4. Property owners may submit written protest to the GSA until the close of the public hearing (1 protest per parcel).
5. GSA Board reconvenes to hold a protest hearing.
6. If the number of parcels for which protest was submitted represents a majority (50% + 1) of the affected parcels, the fee cannot be imposed ("majority protest").
7. Absent a majority protest, the Board may vote to adopt the proposed fee program.

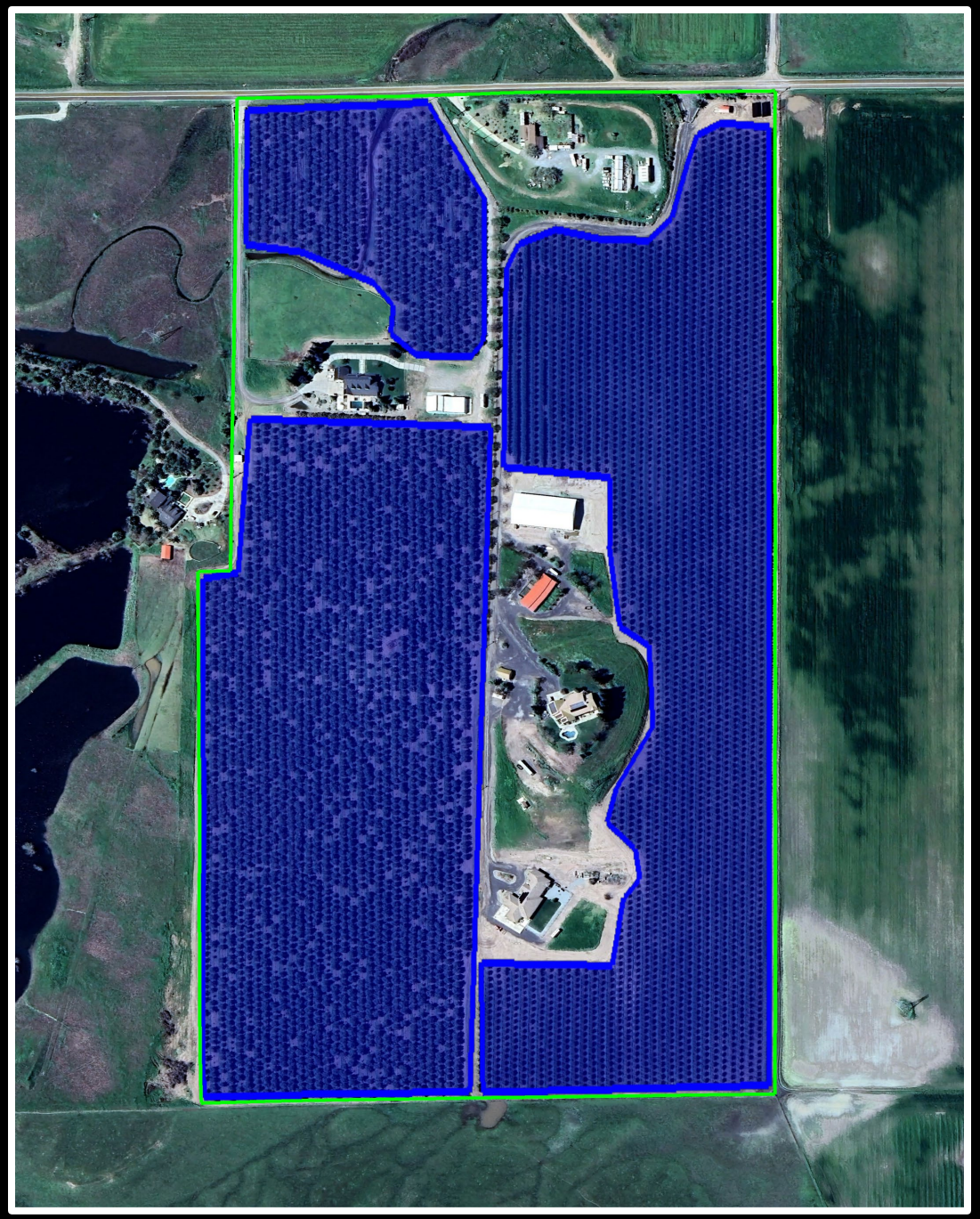
PROPOSED FEE IMPLEMENTATION PROCESS TENTATIVE TIMELINE



Fee Calculation Example

- Parcel Acreage = 60 acres
- Irrigated Field Acreage = 50 acres
- Consumptive GW Use (ET) =
  2.3 ft x 50 acres = 115 acre-ft = 1.9 ft/parcel acre
- (Actual GW Pumping = 3.4 ft x 50 acres = 170 acre-ft)
- GW Use Allocation @ 10% Reduction Target =
  1.6 acre-ft/parcel acre x 60 acres = 96 acre-ft

Fee Cat	GW Use Category Range	Parcel Acres	GW Use (ET)	Fee/ acre-ft	Total Fee
0	0 – 0.5 ft	60	30 AF	$0	$0
1	0.5 – 1.1 ft	60	36 AF	$57.81	$2,081.16
2	1.1 – 1.6 ft	60	30 AF	$138.61	$4,158.30
3	> 1.6 ft	60	19 AF	$316.94	$6,021.10
Total			115 AF		$12,260.56



TURLOCK GROUNDWATER
EAST TURLOCK SUBBASIN GSA

Water Account #17402 [redacted]

- Water Budget
- Fee Calculator
- Parcels
- Wells
- Account Activity
- Users & Settings
- Admin Panel

Water Accounts
Parcels
Wells

WATER BUDGET

#17402 [redacted] ETSGSA

REPORTING PERIOD: 2024

UNITS: ac-ft/ac | ac-ft

Data last updated through 10/31/2024

Water Account 2024 Water Budget

PARCEL AREA
741.93 acres (6 parcels)

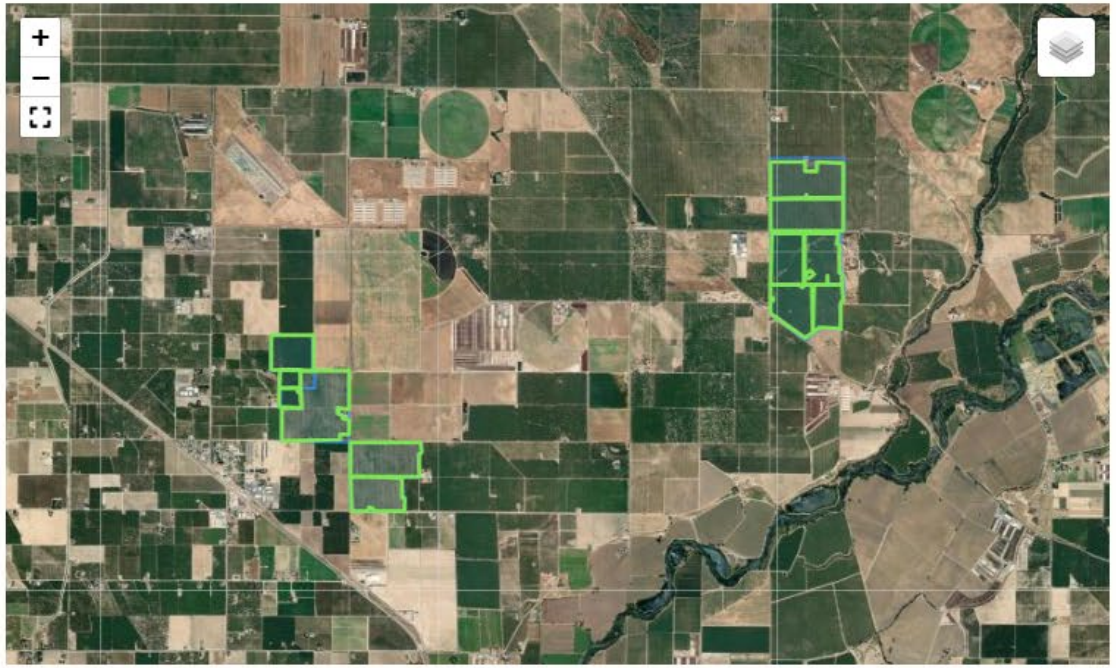
FIELD AREA
700.48 acres

CONTACT
[redacted]

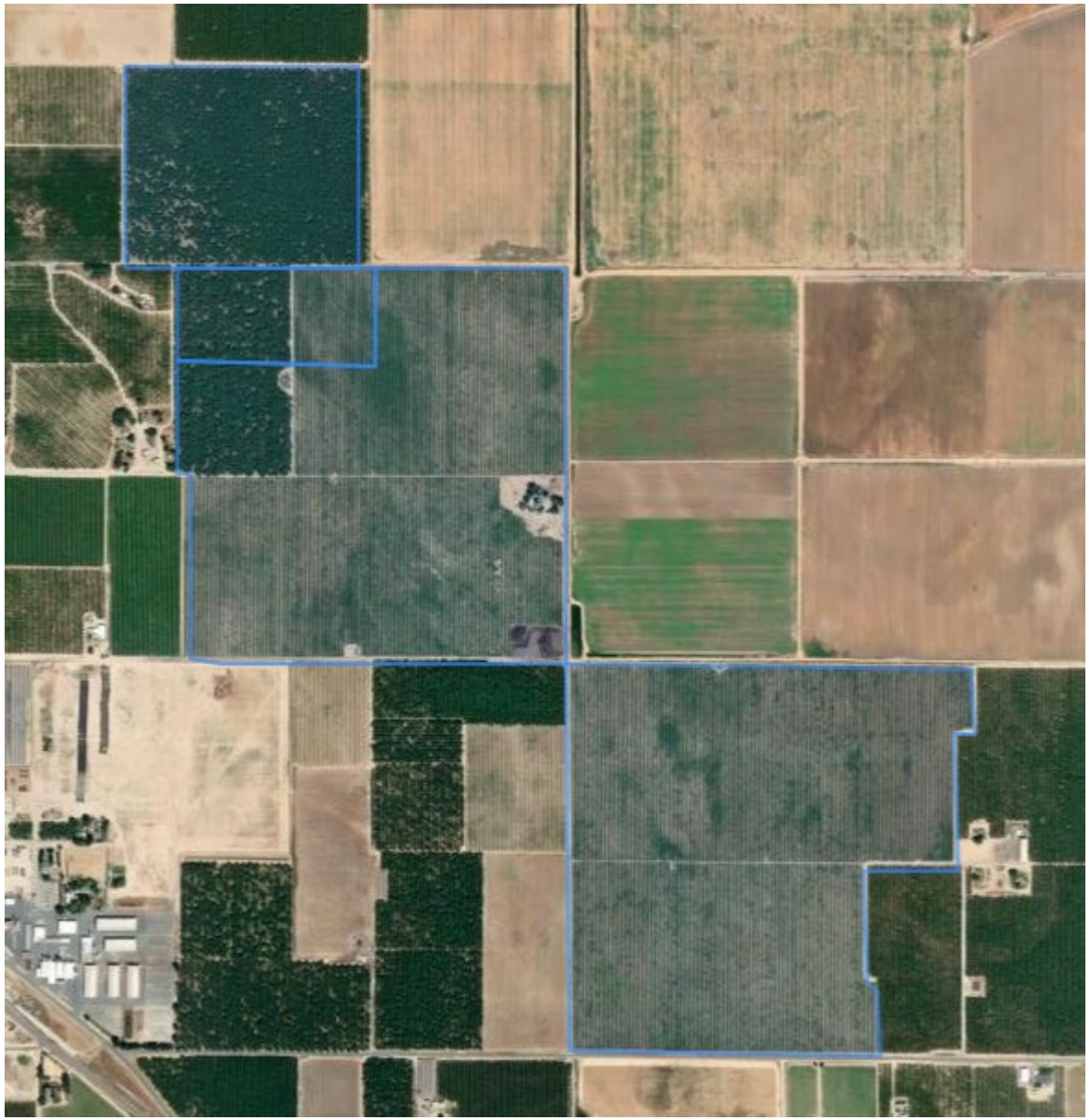
TOTAL ET
3.50
ac-ft/ac

TOTAL EFFECTIVE PRECIP
0.86
ac-ft/ac

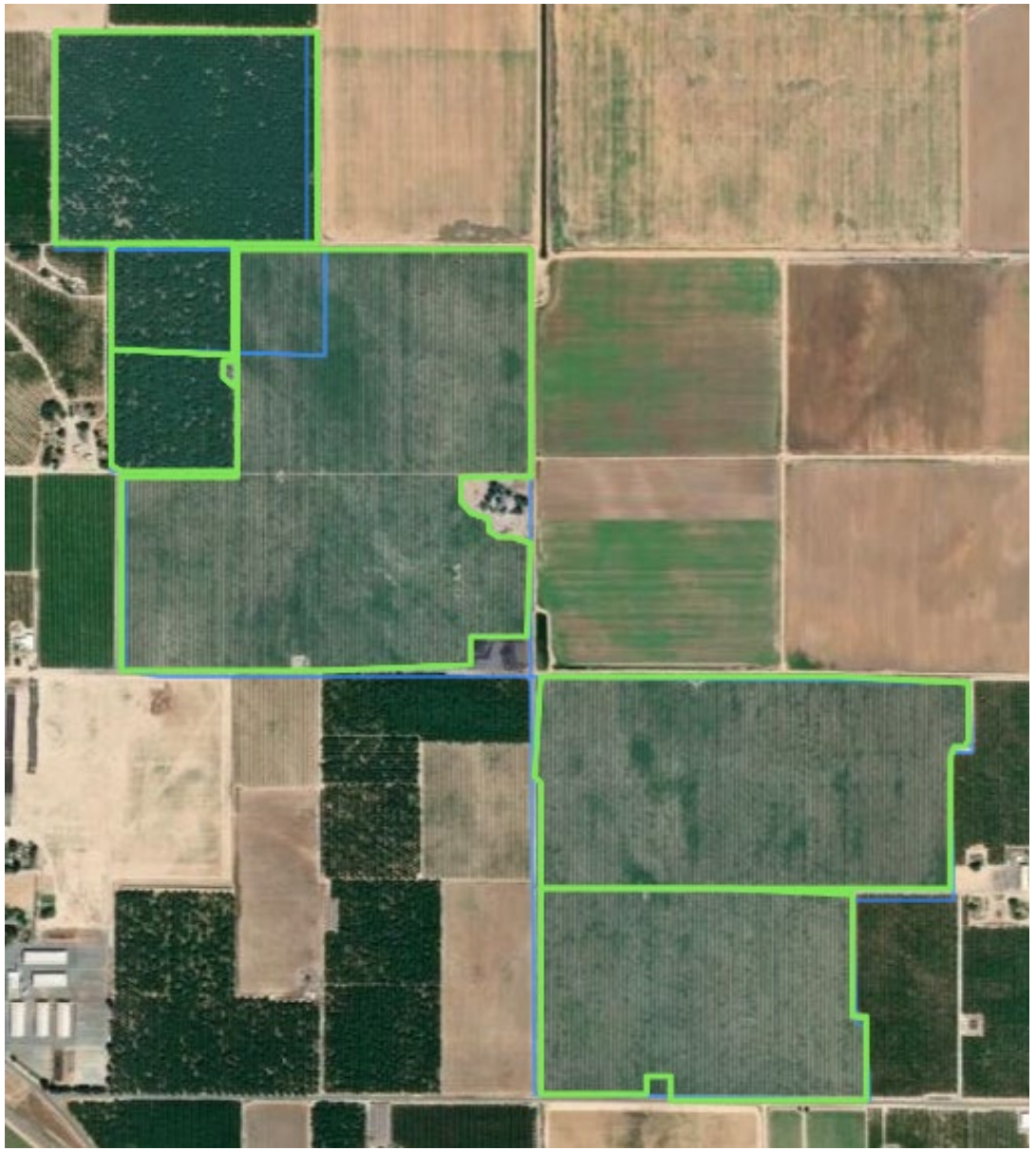
ET MINUS EFFECTIVE PRECIP
2.65
ac-ft/ac



Parcels



Fields



TURLOCK GROUNDWATER
EAST TURLOCK SUBBASIN GSA

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- Water Budget
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Water Accounts
Parcels
Wells

WATER BUDGET

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REPORTING PERIOD: 2024

UNITS: ac-ft/ac | ac-ft

Data last updated through 10/31/2024

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700.48 acres

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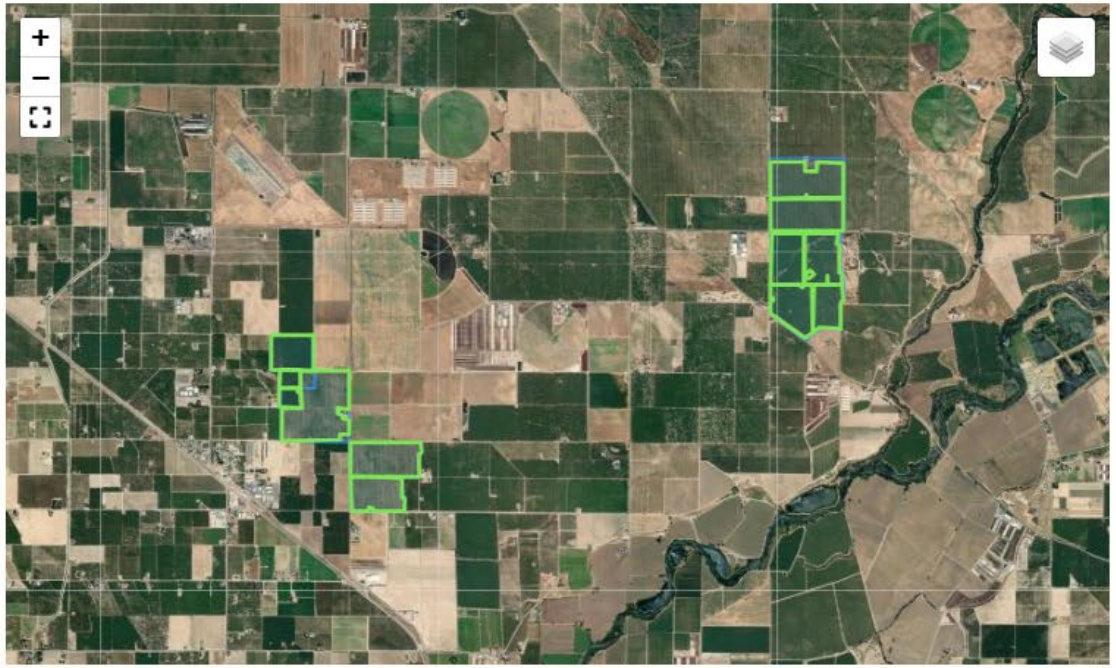


ETSGSA Fee Calculator

1 Start your Scenario

Select a Water Account to explore potential fee structures and MLRP. A Water Account is a collection of Parcels / Fields managed together for groundwater allocation and fee purposes. If you are missing a Water Account in this list you can enter your Water Account PIN to gain access to the account. If you don't have a PIN or need help contact your GSA.

WATER ACCOUNT

#17402 [redacted]

BASELINE WATER USE

2023 Reporting Period (Nov 1, 2022 - Oct 31 2023)

USING FEE STRUCTURE FOR

2025 (Phase 1)

DO YOU RECEIVE SURFACE WATER?

NO

#17402 Tim Johnson / Johnson Brothers (1 of 2)

CONTACT NAME

[redacted]

CONTACT ADDRESS

[redacted]

PARCELS (6)

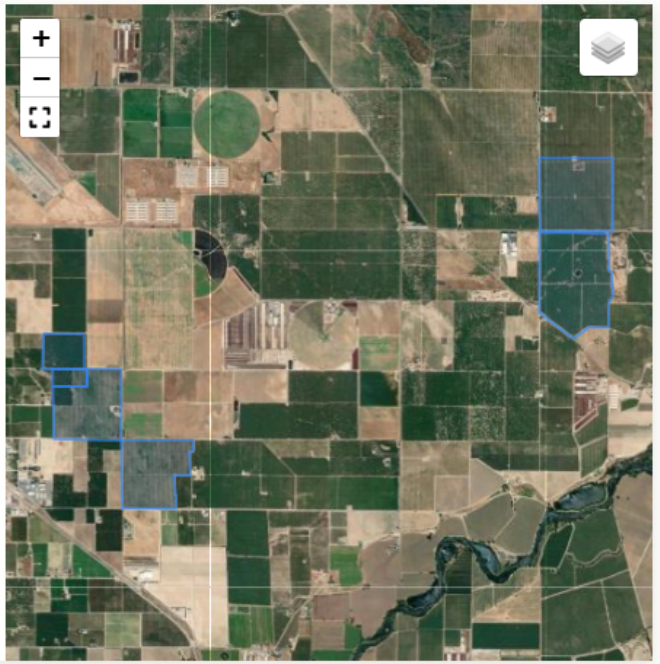
- 042-060-003
- 042-060-004
- 042-050-032
- 042-040-021
- 042-050-034
- 042-110-028

ACRES

741.93 ac

IRRIGATED ACRES

700.48 ac



DO YOU RECEIVE SURFACE WATER?

YES

2023 DELIVERY

0 Acre-Feet

IRRIGATION EFFICIENCY

0 %

2 Explore MLRP and Fallowing Options

There are options to reduce water usage and/or receive incentive payment for adjusting land management practices. You may explore these options in the form below.

Enter the total number of irrigated acres for each option below to build a scenario. The total acres entered below cannot exceed the total irrigated acres in the Water Account. Also note that an acre can only be entered into a single option i.e. a 10-acre field that is self-directed fallowing cannot also qualify for an MLRP payment.

Note: All reimbursement rates are preliminary estimates based on USDA EQIP program rates for similar actions. Rates will be further developed based on stakeholder response and market conditions.

Option	Disposition of Allocation	Incentive Payment	Acres
Fallowing (Self-Directed) Crop removal and cessation of irrigation for a minimum of one year.	Retained	None	0 Acres
Cover Cropping (Self-Directed) Maintenance of a cover crop on irrigated land for at least five consecutive months between November and April.	Retained	None	0 Acres
Temporary Fallowing (Land Fallowing Program) Crop removal, cessation of irrigation, and Cover Cropping or dry-land farming for at least three years.	Forfeited	$730/Acre/Year	0 Acres
Rotational Extended Fallowing (MLRP) Extended Fallowing on a rotational basis for at least three years per plot over a period of 10 years. Promotion of multiple benefits by planting in beneficial cover crops such as pollinator seed mixes, establishment of hedge rows or other benefits.	Forfeited	$850/Acre/Year	0 Acres
Rotational Extended Fallowing in Designated Buffer Zones (MLRP) Crop removal, cessation of irrigation, and Cover Cropping in proximity to schools, communities, or other sensitive areas for at least ten years.	Forfeited	$850/Acre/Year	0 Acres
Orchard Swale Rewilding (MLRP) Cessation of irrigation, orchard crop removal, and planting in pollinator-friendly or other beneficial cover crop.	Forfeited	$1040/Acre/Year	0 Acres
Floodplain Reconnection and Related Spreading and Recharge (MLRP) Modification of stream channels to promote restoration of natural flood hydrology. Cessation of irrigation, crop removal, and planting of riparian or other beneficial vegetation, land modification to promote seasonal flooding.	Forfeited	$1030/Acre/Year	0 Acres

Fee Calculator – Business as Usual Scenario

Summary | 2025 (Phase 1) Fee Structure Report | What is Consumed Groundwater?

Baseline Scenario

Fee Total	$	129,344.68
$/Acre-Foot	$	82.72
$/Parcel Acre	$	174.34
$/Irrigated Acre	$	184.65

Area

Total Parcel Acres for Allocation	742
Total Irrigated Acres	700

Average Consumed Groundwater

Acre-Feet/Parcel Acre	2.11
Acre-Feet/Irrigated Acre	2.23

Total Allocation

Acre-Feet	1,187
Acre-Feet/Acre	1.6

Usage

Total ET (Acre-Feet)	2,131
Total Precip (Acre-Feet)	799
Surface Water Consumed (Acre-Feet)	0
Total Annual Consumed Groundwater (Acre-Feet)	1,564

Land Use Change Scenario

Fee Total	$	129,344.68
$/Acre-Foot	$	82.72
$/Parcel Acre	$	174.34
$/Irrigated Acre	$	184.65

Area

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Total Allocation

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Total ET (Acre-Feet)	2,131
Total Precip (Acre-Feet)	799
Surface Water Consumed (Acre-Feet)	0
Total Annual Consumed Groundwater (Acre-Feet)	1,564

$ Savings & Incentives

Fee Reduction Total	$	0.00
$/Acre-Foot	$	0.00
$/Parcel Acre	$	0.00
$/Irrigated Acre	$	0.00
MLRP Incentives Total	$	0

Fee Calculator – Business as Usual Scenario

Summary | 2025 (Phase 1) Fee Structure Report | What is Consumed Groundwater?

	Baseline Scenario					Land Use Change Scenario				
CATEGORY	Allocation (AF)	Amount of Category Used (AF)	Remaining Allocation (AF)	Remaining GW Consumption (AF)	Fee	Allocation (AF)	Amount of Category Used (AF)	Remaining Allocation (AF)	Remaining GW Consumption (AF)	Fee
Category 0	371	371 (100%)	0 (0%)	1,193	--	371	371 (100%)	0 (0%)	1,193	--
Category 1	445	445 (100%)	0 (0%)	747	$25,735	445	445 (100%)	0 (0%)	747	$25,735
Category 2	371	371 (100%)	0 (0%)	377	$51,419	371	371 (100%)	0 (0%)	377	$51,419
Category 3	--	377 (32% Over)	--	0	$52,191	--	377 (32% Over)	--	0	$52,191
Total	1,187	1,564	0	--	$129,345	1,187	1,564	0	--	$129,345

About Fee Structures

The GSA is proposing a Groundwater Use Fee in accordance with Water Code Section 10730.2 and Proposition 218 – a 'property related fee.' The proposed Fee would recover the cost of service provided to non-de minimis users (those who use more than 2 acre-feet (AF) of groundwater per year).

Proposed GW Use Fee Structure as of 9/16/2024 - 10% Reduction Target (2025)

		Consumed Groundwater (AF/ac)		
Category	Description	Threshold	Amount	Total Fee/AF
Category 0	Within Estimated Native Sustainable Yield	0-0.5 AF/ac	0.5 AF/ac	--
Category 1	Within Intended Long-Term Additional Sustainable Yield Once Sustainable Thresholds are Met	0.5-1.1 AF/ac	0.6 AF/ac	$57.81
Category 2	Consumed GW Above Estimated Sustainable Yield	1.1-1.6 AF/ac	0.5 AF/ac	$138.61
Category 3	Above Use Reduction Target	< 1.6 AF/ac		$138.61

Fee Calculator – 50 ac Self-Directed Fallowing

Summary | 2025 (Phase 1) Fee Structure Report | What is Consumed Groundwater?

Baseline Scenario

Fee Total	$	129,344.68
$/Acre-Foot	$	82.72
$/Parcel Acre	$	174.34
$/Irrigated Acre	$	184.65
Area		
Total Parcel Acres for Allocation		742
Total Irrigated Acres		700
Average Consumed Groundwater		
Acre-Feet/Parcel Acre		2.11
Acre-Feet/Irrigated Acre		2.23
Total Allocation		
Acre-Feet		1,187
Acre-Feet/Acre		1.6
Usage		
Total ET (Acre-Feet)		2,131
Total Precip (Acre-Feet)		799
Surface Water Consumed (Acre-Feet)		0
Total Annual Consumed Groundwater (Acre-Feet)		1,564

Land Use Change Scenario

Fee Total	$	113,874.3
$/Acre-Foot	$	78.43
$/Parcel Acre	$	153.48
$/Irrigated Acre	$	175.06
Area		
Total Parcel Acres for Allocation		742
Total Irrigated Acres		650
Acres Transitioned		50
Average Consumed Groundwater		
Acre-Feet/Parcel Acre		1.96
Acre-Feet/Irrigated Acre		2.23
Total Allocation		
Acre-Feet		1,187
Acre-Feet/Acre		1.6
Usage		
Total ET (Acre-Feet)		1,979
Total Precip (Acre-Feet)		742
Surface Water Consumed (Acre-Feet)		0
Total Annual Consumed Groundwater (Acre-Feet)		1,452

$ Savings & Incentives

Fee Reduction Total	$	15,470.38
$/Acre-Foot	$	4.29
$/Parcel Acre	$	20.86
$/Irrigated Acre	$	9.59
MLRP Incentives Total	$	0

Fee Calculator – 50 ac in MLRP Rotational Extended Fallowing

Summary | 2025 (Phase 1) Fee Structure Report | What is Consumed Groundwater?

Baseline Scenario

Fee Total	$	129,344.68
$/Acre-Foot	$	82.72
$/Parcel Acre	$	174.34
$/Irrigated Acre	$	184.65
Area		
Total Parcel Acres for Allocation		742
Total Irrigated Acres		700
Average Consumed Groundwater		
Acre-Feet/Parcel Acre		2.11
Acre-Feet/Irrigated Acre		2.23
Total Allocation		
Acre-Feet		1,187
Acre-Feet/Acre		1.6
Usage		
Total ET (Acre-Feet)		2,131
Total Precip (Acre-Feet)		799
Surface Water Consumed (Acre-Feet)		0
Total Annual Consumed Groundwater (Acre-Feet)		1,564

Land Use Change Scenario

Fee Total	$	119,763.55
$/Acre-Foot	$	82.48
$/Parcel Acre	$	173.09
$/Irrigated Acre	$	184.12
Area		
Total Parcel Acres for Allocation		692
Total Irrigated Acres		650
Acres Transitioned		50
Average Consumed Groundwater		
Acre-Feet/Parcel Acre		2.10
Acre-Feet/Irrigated Acre		2.23
Total Allocation		
Acre-Feet		1,107
Acre-Feet/Acre		1.6
Usage		
Total ET (Acre-Feet)		1,979
Total Precip (Acre-Feet)		742
Surface Water Consumed (Acre-Feet)		0
Total Annual Consumed Groundwater (Acre-Feet)		1,452

$ Savings & Incentives

Fee Reduction Total	$	9,581.13
$/Acre-Foot	$	0.24
$/Parcel Acre	$	1.25
$/Irrigated Acre	$	0.53
MLRP Incentives Total	$	42,500
Rotational Extended Fallowing (MLRP)	$	42,500

QUESTIONS / DISCUSSION

Proposed Proposition 218 Groundwater Use Fee Landowner Workshop

January 15, 2025