

**Merced Irrigation-Urban
Groundwater Sustainability
Agency**

**Regulatory Fee Study
FINAL**

July 2, 2020

HEC No. 190308

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ACRONYMS

CPUC – California Public Utilities Commission

DWR – California Department of Water Resources

ET – Evapotranspiration

GIS – Geographic Information System

GSA – Groundwater Sustainability Agency

GSP – Groundwater Sustainability Plan

LE GRAND CSD – Le Grand Community Services District

MID – Merced Irrigation District

MIUGSA – Merced Irrigation-Urban Groundwater Sustainability Agency

MOU – Memorandum of Understanding

PLANADA CSD – Planada Community Services District

SGMA – Sustainable Groundwater Management Act

WINTON W&SD – Winton Water and Sanitary District

FEE STUDY PREFACE

The Merced Irrigation-Urban Groundwater Sustainability Agency commissioned this study to establish a new regulatory fee sufficient to generate revenues that will support the typical annual operation costs of its regulatory program authorized by Sustainable Groundwater Management Act (SGMA). The analyses, opinions, and findings contained within this report are based on primary data collected through interviews and research, as well as many sources of secondary data available as of the date of this report. Updates to information obtained for this report could change or invalidate the findings contained herein. While it is believed that the secondary sources of information are accurate, this is not guaranteed. Updates to information used in this report could change or invalidate the findings.

Every reasonable effort has been made in order that the data contained in this study reflect the most accurate and timely information possible. No responsibility is assumed for inaccuracies in reporting by the client, its consultants and representatives, or any other data source used in the preparation of this study. No warranty or representation is made that any of the projected values or results contained in this study will actually be achieved. There will usually be differences between forecasted or projected results and actual results due to changes in events and circumstances.

Changes in economic and social conditions due to events including, but not limited to, major recessions, droughts, major environmental problems or disasters that could negatively affect operations, expenses and revenues may affect the result of the findings in this study. In addition, other factors not considered in the study may influence actual results.

The fee study consultant team that prepared this report includes:

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We wish to thank Merced Irrigation-Urban Groundwater Sustainability Agency member agency staff, and all of the stakeholders who helped shape the new Merced Irrigation-Urban Groundwater Sustainability Agency regulatory fee.

Catherine Hansford



Hansford Economic Consulting LLC

Memorandum

To: Merced Irrigation-Urban Groundwater Sustainability Agency

From: Catherine Hansford, Regulatory Fee Consultant

Date: August 20, 2020

Subject: Errata

Correction to the Final Regulatory Fee Study

The Final Regulatory Fee Study has been updated to correct the reporting of the newspapers in which the public workshops dated June 15th and 16th were published. The display ad (shown on the next page) was run in the Merced County Times, Winton-Atwater Times, and the Merced Sun Star. The ad should have run in the Spanish newspaper Vida En El Valle June 3rd; however, despite prompt payment and confirmation that the ad would run, the Merced Sun Star (owner of Vida En El Valle) failed to publish the ad.

The Final Regulatory Fee Study has been updated on page 16, line 3 under the heading 'Two Virtual Workshops' by removing the words, "including one Spanish language publication" and changing the word "four" regional newspapers to "three" regional newspapers.

Please note that slide 24 of Appendix B.4, which is the presentation that was given at the public workshops, states that the display ad was run in Vida En El Valle; however, because this presentation is provided exactly as it was given at the workshop, it is not appropriate to correct it.

The public workshops were advertised in Spanish in the residential mailers delivered to homes throughout the MIUGSA management area, in the non-residential mailers posted on the agency's website, and in the display ad that was posted on the agency's website.



NOTICE OF FEE STUDY AND PUBLIC INVOLVEMENT OPPORTUNITIES

The Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA), www.miugsa.org, is conducting a fee study as part of its effort to comply with the statewide mandate to measure and secure future groundwater supplies under the Sustainable Groundwater Management Act (SGMA). Under SGMA, groundwater sustainability agencies (GSAs) have the authority to collect fees to fund the costs of its regulatory activities including preparation, adoption, and amendment of a groundwater sustainability plans, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.

If you are a groundwater user within the MIUGSA boundaries, your property will be charged a fee. Public involvement is an important part of the process. MIUGSA wants those impacted to view the fee options under consideration and provide comments prior to the fee adoption. Go to www.miugsa.org/index.cfm/feestudy for information, watch video presentations, sign-up for email updates or leave comments.

Get Involved!

1. Sign-up at <http://eepurl.com/g2qTqj> to attend a virtual workshop* on Monday, June 15th at 6 p.m. or Tuesday, June 16th at 6 p.m. Instructions about how to join via computer, laptop or smart device will be sent one day in advance via e-mail and posted at www.miugsa.org/index.cfm/feestudy.
2. Join the Fee Study e-mail list at <http://eepurl.com/g2qTqj>.
3. E-mail the project team at FeeStudy@MIUGSA.org or leave a comment at <http://eepurl.com/g2qTqj>.
4. Check your mail for an informative newsletter to arrive early June.

The Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA) is made up of the following public agencies: Cities of Merced, Livingston and Atwater, Le Grand and Planada Community Services Districts, Winton Water and Sanitary District, and Merced Irrigation District.

**Pursuant to executive orders issued by California Governor Gavin Newsom regarding the restriction of public gatherings, public involvement will be virtual until state orders to restrict gatherings are lifted.*

Section 1: EXECUTIVE SUMMARY

1.1 INTRODUCTION

The Merced Irrigation-Urban Groundwater Sustainability Agency (MIUGSA) is a legal entity formed in 2017 in fulfillment of California’s Sustainable Groundwater Management Act (SGMA). MIUGSA’s member agencies include Merced Irrigation District (MID), City of Livingston, City of Atwater, City of Merced, Winton Water and Sanitary District, Planada Community Services District, and Le Grand Community Services District. A Memorandum of Understanding (MOU) between the member agencies is the legal document that forms MIUGSA.

SGMA provides for the local regulation of groundwater by requiring that all groundwater basins in the State of California be managed by Groundwater Sustainability Agencies (GSAs). Bulletin 118 Interim Update 2016, circulated by the California Department of Water Resources (DWR), identifies the groundwater basins and sub-basins to be managed, and designates their priority status. The Merced Sub-Basin is a critically over-drafted basin. The MIUGSA is one of three GSAs that together manage the Merced Sub-Basin. The three GSAs include MIUGSA, Turner Island Water District GSA #1, and Merced Sub-Basin GSA. As required by SGMA for a critically over-drafted basin, a Groundwater Sustainability Plan (GSP) was prepared and submitted to DWR before January 31, 2020. The three GSAs coordinated their efforts to develop one GSP for the entire Merced Sub-Basin.

SGMA defines sustainable groundwater management as the management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results¹. The six undesirable results are:

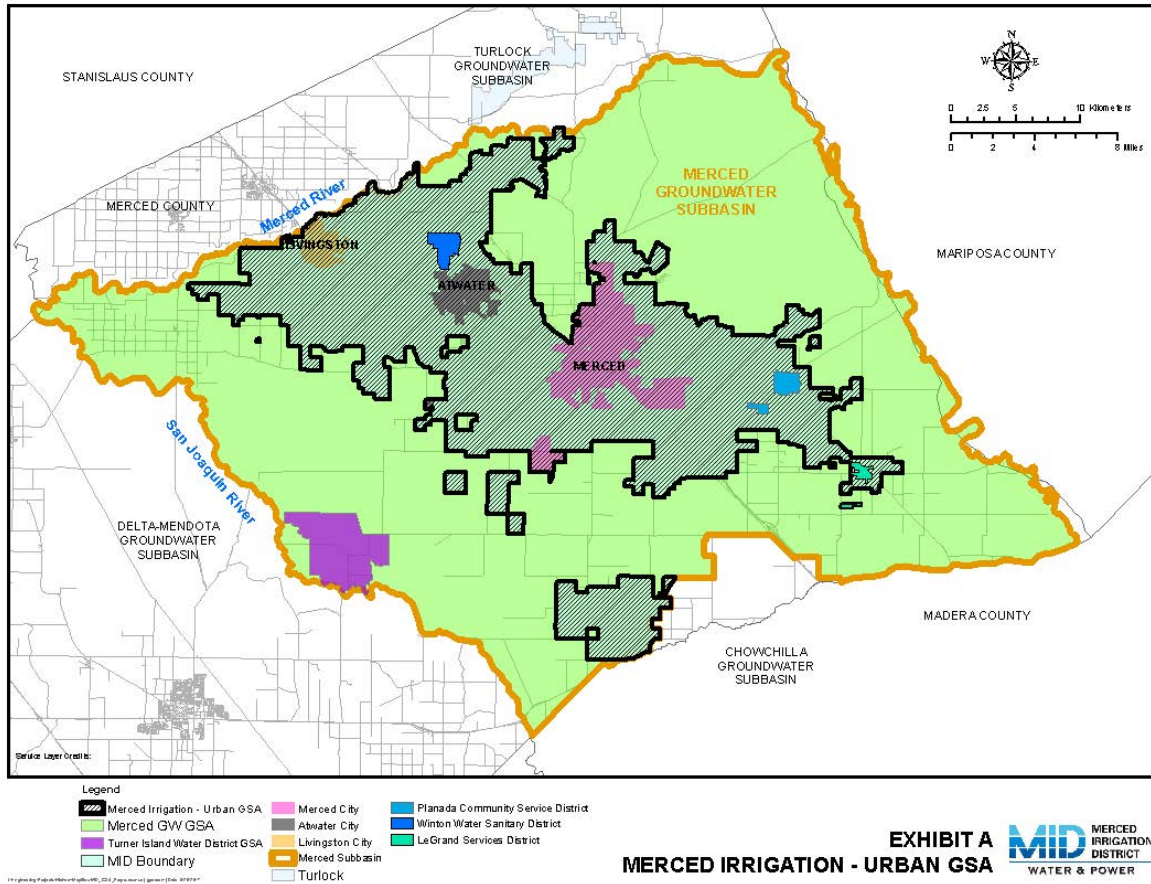
1. Chronic lowering of groundwater levels,
2. Significant and unreasonable reduction of groundwater storage,
3. Significant and unreasonable seawater intrusion,
4. Significant and unreasonable degradation of water quality,
5. Significant and unreasonable land subsidence, and
6. Surface water depletions that have significant and unreasonable adverse impacts on beneficial uses of surface water.

The GSP addresses each of these undesirable results as they pertain to the Merced Sub-Basin, and provides a plan for sustainability of groundwater in the Merced Sub-Basin by 2040.

MIUGSA’s management area (hereafter “Management Area”) is illustrated in **Map 1** on the following page. The other two Merced Sub-Basin GSAs, Turner Island Water District GSA #1 and Merced Sub-Basin GSA, are also shown.

¹ Water Code 10721.

**Map 1
MIUGSA Groundwater Management Area**



An interactive map is located on the MIUGSA website at www.miugsa.org. The interactive map allows the public to determine whether they are inside or outside of the Management Area.

1.2 FEE SETTING AUTHORITY AND PURPOSE OF THE FEE STUDY

The MIUGSA has the authority to charge fees, conduct investigations, register wells, require reporting, and take other actions to sustainably manage the Merced Sub-Basin in partnership with the Merced Sub-Basin GSA and Turner Island Water District GSA#1.

Water Code and Proposition 26

Water Code Sections 10730, 10730.1 and 10730.2 set forth the authority for the MIUGSA to set fees. The MIUGSA regulatory fee described in this report is being adopted pursuant to Water Code Section 10730, which follows the fee adoption requirements for regulatory fees under Proposition 26. MIUGSA is not adopting a property-related fee or an assessment, which follow Proposition 218 requirements, as Proposition 218 charges are imposed for

water services and improvements. The proposed fee is strictly to meet the regulatory requirements under SGMA as discussed in Section 3.1.

The fee being considered in this report is exempt from voter approval, as it is not a tax pursuant to California Constitution Article XIII C (Proposition 26, Section 1(e)(3)²). The fee may be charged to pay for “reasonable costs” of a regulatory program. The fee must be proportional and related to benefits of the program.³ Revenue from the fee will not be available to pay for other operational costs (such as providing water service) or for infrastructure or resource capital costs.

This report documents the methodology, public outreach, and Fiscal Year 2020/21 new MIUGSA regulatory fee proposed to fund the regulatory activities of the MIUGSA. The fee will only fund SGMA-related regulatory activities (such as GSP development), day-to-day administrative operations costs, and prudent reserves. All beneficiaries of groundwater sustainability will be charged the fee with the exception of federal lands and tribal lands. The MIUGSA has regulated de minimis extractors (these are domestic well owners pumping less than two acre-feet per year per parcel; domestic use excludes any commercial activities)⁴. Resolution 2020-1, passed by the MIUGSA Board pursuant to Water Code Section 10730(a), gives the MIUGSA the authority to charge the fee to de minimis extractors.

Goals for the fee study are:

1. Establish a fair fee structure that the MIUGSA can adopt.
2. Secure a fee structure adopted with maximum buy-in from stakeholders.
3. Establish a fee structure that will allow the GSA to effectively manage the Merced Groundwater Basin in accordance with the Sustainable Groundwater Management Act

A key tenant in developing the regulatory fee structure has been to maintain transparency throughout the project, informing the MIUGSA customer base about the fee study and how they can be involved and provide input to the process. Public outreach efforts are described in detail in Section 2.2 of the report, as well as Appendix A.

To date, the MIUGSA has not had a budget. Most expenses have been related to development of the GSP, a significant portion of which was paid for with a grant from DWR.

² “As used in this Article, “tax” means any levy, charge, or exaction of any kind imposed by a local government, except the following: . . . (3) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof. . . .”

³ The fee might also be considered not a tax because it is a charge imposed for the specific service or benefit of providing for a sustainable groundwater basin (California Constitution Article XIII C, sections 1(c)(1) and 1(c)(2)).

⁴ Water Code section 10721(e).

Although all member agencies have provided considerable in-kind service costs to the MIUGSA, the City of Merced and MID have provided services beyond the level of other member agencies, as they have shouldered the costs of the administrative tasks for the GSA. In the MIUGSA MOU, such expenses are to be paid for by member agencies' contributions according to an established formula. A new regulatory fee, which is the subject of this report, will be imposed that will replace member contributions, and over time, reimburse the City of Merced and MID the costs they have expended through fiscal year 2019/2020.

MIUGSA Board Approval Requirements

In order for the regulatory fee to be implemented, there must be a majority vote of the MIUGSA governing agencies. The seven-member board includes representatives of the MOU member agencies; each of the cities and MID has one vote; the special districts (Winton Water and Sanitary District, Planada CSD, and Le Grand CSD) have one vote combined. A majority vote requires three out of five total votes to be in favor of the proposed fee.

1.3 RECOMMENDED FEE

The fee study presents two fee options that have been developed and presented to the public with outreach materials and workshop presentations. The proposed fee structure is a per acre per year (annual) fee paid for by all property owners (hereinafter referred to as "users"), except for federal properties, within the Management Area. For the purpose of this fee study, users are separated into two categories: Agricultural Production, and Urban. The two fee options (A and B) propose a separate fee for Agricultural Production acres and Urban acres, and only differ in the fee structure for Urban users. Option A would charge all Urban properties the same fee per acre. Option B would charge Urban properties a different fee per acre for different land uses depending on the intensity of water use on a per acre basis for each land use.

It is recommended that MIUGSA move forward with a fee calculated under Option 2B. This recommendation is based upon two key findings:

1. Stakeholder / public comment that the fee for Urban parcels should account for water use by different users or land use types.
2. While Option A provides sufficient evidence of a reasonable relationship between the amount of the fee allocated to each payor and the benefits received by each payor, Option B provides a stronger relationship because land uses that have more intensive water use per acre will pay more.

Table 1 on the following page presents the recommended MIUGSA regulatory fee by customer category for Fiscal Year 2020/21. Agricultural Production acres are defined as,

"All real property classified by the Merced County Assessor as Agriculture, Dairy, Grazing, Orchard, Poultry and Poultry/Trees."

Urban Residential and Non-Residential acres are defined as,

“All real property that is not classified by the Merced County Assessor as Agriculture, Dairy, Grazing, Orchard, Poultry or Poultry/Trees.”

The cost basis for the fee calculation is \$800,000. The cost includes annual regulatory activity operating expenses of MIUGSA (MIUGSA’s share of cost of development of the GSP, legal counsel, and so forth). Based on the historical proportion of groundwater extraction in the Management Area, Agricultural Production users are responsible for 78% of the Fiscal Year 2020/21 cost; Urban users are responsible for 22% of the cost.

Table 1
Fiscal Year 2020/21 MIUGSA Regulatory Fee

FY2020/21 Fee by Land Use Type	Assessor Land Use Codes
Agricultural Production (per Acre)	
\$5.52 Agricultural Production	0701 0702 0703 0704 0706 0707 0708 0711 0712 0801 0802 0804 0806 0807 0808 0813 0814 0909 0911 1207 1208 1313 1408 1414
Urban Residential (per Acre)	
\$5.86 Mobile Home	1702 1703 1704 1717
\$6.10 Single Family Detached	0101 0102 0103 0104 0105 0106 0117 0125 1201 1212
\$7.80 Single Family >0.9 acre lot	same codes as for Single Family Detached
\$9.64 Single Family Attached	0130 0201 0202 0203 0204 1202 1203
\$14.40 Apartments	0301 0302 0303 0304
Urban Non-Residential (per Acre)	
\$8.06 Commercial	0402 0403 0404 0405 0406 0407 0408 0430 0505 1204
\$8.30 Industrial	0601 0603 0604 0606
\$5.50 Religious	1020 2020
\$7.08 Government	1515 1919
\$1.10 Railroad/Utilities	1616
\$3.90 Open Space	1818 2121 3030
\$0.62 Vacant	1001 1002 1003 1004 1005 1006 1012 1030

The new fee must be adopted by resolution or by ordinance; it is proposed that the MIUGSA will adopt the fee by resolution in July 2020. The 2020 resolution will establish the fee for Fiscal Year 2020/21 and establish the Western Region Consumer Price Index published by the Bureau of Labor Statistics as the automatic annual fee inflator; provided however, that the fee will be reviewed every five years to coincide with five-year GSP reports for adjustment to Step 1 of the fee calculation. Notwithstanding these fee adjustments, the MIUGSA Board has the ability to revise the fee whenever necessary by following procedures in the California Constitution.

SECTION 2: CUSTOMER BASE AND PUBLIC OUTREACH

2.1 MIUGSA CUSTOMER BASE

The customer base of the MIUGSA is all beneficiaries of sustainable groundwater management within the Merced Sub-Basin that reside or own property within the Management Area. Beneficiaries include individuals, businesses, and government agencies, including the State of California. Beneficiaries may also include wildlife, riparian habitat and other environmental users of water; however, for purposes of the regulatory fee, beneficiaries are defined as being either the owners of agricultural production land or owners of urban land, all of which reap the benefit of MIUGSA's groundwater management planning activities.

All agricultural production land in the Management Area has access to water for irrigation or other agricultural production uses whether that access is privately obtained (a private well for example) or provided by MID. MID operates as a conjunctive-use district, managing groundwater and surface water sources between wet years and dry years, and is capable of providing a flexible water supply to its customers. As such, all agricultural production parcels within the Management Area receive groundwater; for the purposes of this fee study, all agricultural production parcels are considered as equal groundwater users. Urban properties use groundwater obtained privately (domestic well), and/or through a water system (State Small Water System or a Public Water System). Current fallow agricultural production land and vacant urban properties may also use groundwater for construction, dust control, wildlife conservation and ornamental purposes. All of the properties within the Management Area receive benefit from groundwater management planning activities.

MIUGSA's customer base is diverse. About 58% of Merced County's population reside in the Management Area. Of the more than 155,000 persons permanently residing in the Management Area, more than half live in the City of Merced. A high proportion of residents in Merced and Atwater do not own the properties where they reside⁵. On average, there are 3.14 permanent persons per housing unit. The California Department of Finance estimates that Merced County (County) is ranked fifth highest in persons per housing unit in the State. A high number of persons per unit is often indicative of lower-income households that rent, and is often found in a predominantly agricultural or industrial/manufacturing community, as these industries typically provide low-wage jobs.

Table 2 on the next page shows the number of housing units and population in each of the Management Area's US Census places. Almost all of the communities in the Management Area are classified as Disadvantaged by the State. Some communities are Severely Disadvantaged⁶. Only the McSwain area immediately south of Atwater is not Disadvantaged.

⁵ Evidenced in US Census data as well as address information in County parcel records.

⁶ The State defines Disadvantaged as the community having a median household income (MHI) less than 80% of the Statewide MHI. A Severely Disadvantaged community has an MHI less than 60% of the Statewide MHI.

Table 2
Estimated Population and Housing Units in the MIUGSA Management Area

Census Place	Disadvantaged Community [1]	Median Household Income	Housing Units	Population	% of County Popln.	Persons per Unit
Winton	yes	\$43,769	3,270	11,761	4%	3.60
Livingston	yes	\$50,819	3,756	13,997	5%	3.73
Atwater	yes	\$52,542	9,465	29,197	11%	3.08
Merced	yes	\$42,637	27,321	82,289	31%	3.01
Planada	yes	\$42,910	1,329	4,418	2%	3.32
Le Grand	yes	\$47,431	551	1,726	1%	3.13
El Nido	yes	\$35,865	100	328	0%	3.28
Tuttle	yes	--	33	63	0%	1.91
Franklin	yes	\$50,428	2,071	7,314	3%	3.53
Bear Creek	yes	\$37,240	73	157	0%	2.15
Cressey	yes	\$52,500	140	356	0%	2.54
McSwain	no	\$101,211	1,523	4,137	2%	2.72
Subtotal MIUGSA			49,632	155,743	58%	3.14
Remainder County		--	35,163	113,332	42%	3.22
Total County		\$50,129	84,795	269,075	100%	3.17

Source: 2018 5-year ACS Data Table DP05, Census Bureau.

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[1] If the median household income is less than 80% of the Statewide median household income (\$71,228), the State considers it Disadvantaged.

Residents of the Management Area speak many languages, the most predominant of which is Spanish. **Table 3** on the following page shows that about 58% of the population in the Management Area speaks Spanish, 7% Hmong, and 35% English, Punjabi, Portuguese, and other languages. Planada, Le Grand, and El Nido have very high proportions of Spanish speakers. The Merced-Franklin communities have the largest proportion of Hmong speakers.

Table 3
Estimated MIUGSA Population and Primary Languages Spoken

Census Place	Total Population	% of MIUGSA Popln.	Hispanics	Hmong Speakers [1]	Other	% Spanish Speakers	% Hmong Speakers
Winton	11,761	8%	9,063	230	2,468	77%	2%
Livingston	13,997	9%	10,300	196	3,501	74%	1%
Atwater	29,197	19%	16,822	346	12,029	58%	1%
Merced	82,289	53%	43,263	8,243	30,783	53%	10%
Planada	4,418	3%	4,280	0	138	97%	0%
Le Grand	1,726	1%	1,444	20	262	84%	1%
El Nido	328	0%	274	0	54	84%	0%
Tuttle	63	0%	42	0	21	67%	0%
Franklin	7,314	5%	3,068	1,196	3,050	42%	16%
Bear Creek	157	0%	108	0	49	69%	0%
Cressey	356	0%	150	0	206	42%	0%
McSwain	4,137	3%	1,036	279	2,822	25%	7%
Subtotal MIUGSA	155,743	100%	89,850	10,510	55,383	58%	7%

Source: 2018 5-year ACS Data Table DP05, Census Bureau.

[1] Approximated by number of Chinese, Vietnamese and Other Asians (excludes Koreans, Japanese, Indians and Filipinos).

Industry and Jobs

About 56% of all the jobs in Merced County are located within the Management Area. The major employment hubs are Merced, followed by Atwater and Livingston, then Winton. Just over one-third of the County’s jobs are in Merced. **Table 4** on the next page shows the estimated number of jobs by Census Place.

The largest employers in Merced County are listed in **Table 5**. Most of the employers have operations located within the Management Area. Agricultural-related processing and packaging, sand and gravel mining, health centers, and education/government employers feature heavily in this list. It is unsurprising then that the top five industry sectors in Merced County are agriculture, educational services, manufacturing, health care and social services, and retail trade. **Table 6** on page 11 shows the number of jobs by industry sector. Together these five sectors comprise 68% of total county jobs.

Table 4
Jobs by Census Place in Merced County

Place	In MIUGSA	Number of Jobs	% of County
Merced	yes	26,878	36%
Atwater	yes	5,581	7%
Livingston	yes	5,336	7%
Winton	yes	1,871	3%
Franklin	yes	474	1%
McSwain	yes	459	1%
Le Grand	yes	332	0%
Planada	yes	310	0%
Tuttle	yes	71	0%
Cressey	yes	50	0%
El Nido	yes	44	0%
Bear Creek	yes	12	0%
Subtotal MIUGSA		41,418	56%
All Other Census Places	no	13,451	18%
Remainder of County	possibly	19,589	26%
Total County		74,458	100%

Source: onthemap.ces.census.gov, using 2017 ACS data. jobs

Table 5
Largest Employers in Merced County

Employer	Location	Industry
Central Valley Trucking	Merced	Sand & Gravel (wholesale)
Dole Packaged Foods	Livingston	Food Products - Retail
Dole Packaged Foods	Atwater	Food Products - Wholesale
E & J Gallo Winery	Livingston	Wineries (manufacturer)
Foster Farms	Livingston	Poultry Processing
Golden Valley Health Center	Merced	Pharmacies
Golden Valley Health Center	Merced	Clinics
Hilmar Cheese Co	Hilmar	Cheese Processors
J Marchini & Son	Le Grand	Farms
Liberty Packing Co	Los Banos	Packing & Crating
Live Oak Farms	Le Grand	Fruits & Veg. Grower/Shipper
Livingston Union School District	Livingston	School District
Mcoe	Merced	Educational Cooperative
Memorial Hospital Los Banos	Los Banos	Hospital
Mental Health Services for Merced	Merced	Mental Health Services
Merced County Human Services	Merced	Government Offices - County
Mercy Medical Center Merced	Merced	Hospitals
Quad/Graphics Inc	Merced	Printers (manufacturer)
Sensient Natural Ingredients	Livingston	Dehydrating Service (manufacturer)
University of CA Merced	Merced	Schools & Colleges
Walmart	Merced	Department Stores
Walmart Supercenter	Atwater	Department Stores
Weaver Union School District	Merced	School District
Western Marketing & Sales	Atwater	Farms
Yosemite Wholesale Warehouse	Merced	Warehouses

Source: Employment Development Department, State of California (dataset from America's Labor Market Information System Employer Database, 2020 1st Edition). emps

Table 6
Jobs by Industry Sector in Merced County

NAICS Industry Sector	Total Jobs % of Jobs	
Agriculture, Forestry, Fishing & Hunting	13,229	18%
Educational Services	11,282	15%
Manufacturing	9,658	13%
Health Care & Social Assistance	8,720	12%
Retail Trade	7,124	10%
Accommodation & Food Services	5,044	7%
Public Administration	3,237	4%
Transportation & Warehousing	2,863	4%
Construction	2,604	3%
Administration & Support, Waste Mng't, and Remediation	1,877	3%
Wholesale Trade	1,775	2%
Management of Companies & Enterprises	1,329	2%
Other Services (excl. Public Administration)	1,303	2%
Professional, Scientific, and Technical Services	1,157	2%
Finance and Insurance	1,098	1%
Arts, Entertainment, and Recreation	679	1%
Utilities	629	1%
Real Estate & Rental & Leasing	584	1%
Information	265	0%
Mining, Quarrying, and Oil & Gas Extraction	1	0%
Total Jobs by Industry Sector	74,458	100%

Source: onthemap.ces.census.gov, using 2017 ACS data.

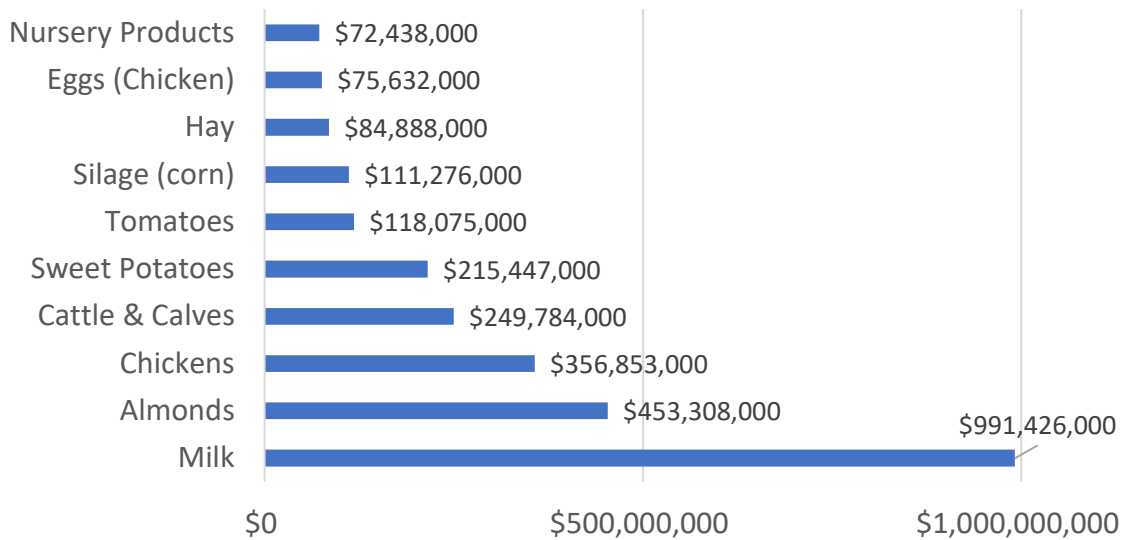
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Agriculture

Merced County ranks sixth in agricultural production value in the State behind Fresno, Kern, Tulare, Monterey and Stanislaus counties⁷. The top ten Merced County agricultural commodities are shown in **Figure 1** on the next page. Milk has the highest commodity value in the county at more than twice the value of almonds, which has the second highest commodity value. Merced County's economy is heavily dependent on the quantity of good quality water available to produce agricultural products.

⁷ California County Agricultural Commissioners' Report Crop Year 2017-2018, March 24 2020, California Department of Food and Agriculture.

Figure 1
Top Ten Commodities in Merced County by Production Value



In 2018, Merced County’s total agricultural production value was \$3.25 billion. **Figure 2** shows the percentage of total production value by commodity group. **Table 7** on the next page provides the value by commodity group with a description of each commodity group.

Figure 2
Merced County Agricultural Production Value by Commodity Group

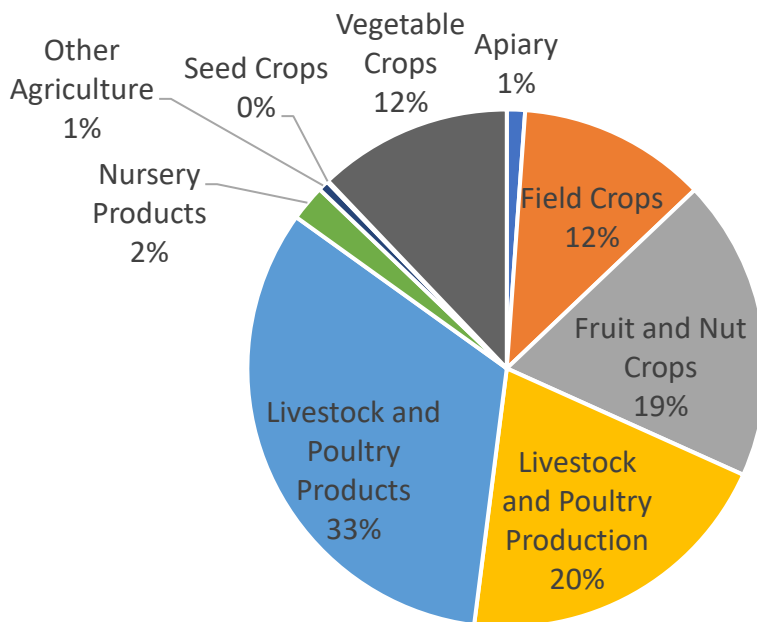


Table 7
Merced County 2018 Agricultural Commodity Values

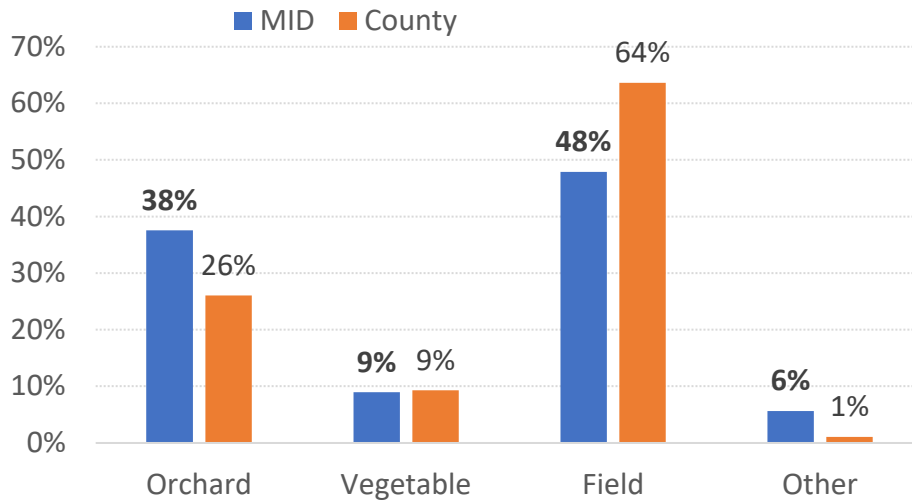
Commodity Group	2018 Commodity Value
Apiary	\$36,844,000
- Beeswax, bulk bees, honey, pollination, queens	
Field Crops	\$381,851,000
- Barley, lima beans, corn, cotton, hay, pasture, silage, straw, stubble, wheat	
Fruit and Nut Crops	\$612,148,000
- Almonds, grapes, peaches, pistachios, plums (dried), walnuts	
Livestock and Poultry Production	\$658,376,000
- Cattle & calves, chickens (fryers & broilers), poultry & fish, sheep & lambs, turkeys	
Livestock and Poultry Products	\$1,068,969,000
- Eggs (chicken), milk (goat), milk (manufacturing & market), wool	
Nursery Products	\$72,438,000
- Christmas trees, cane berries, decorative plants, turf, crown & cuttings	
Other Agriculture	\$21,392,000
- Almonds (hash & shells), firewood, cogeneration fuel, manure	
Seed Crops	\$2,561,000
- Barley, lettuce, oat, rye, triticale, wheat seeds	
Vegetable Crops	\$393,040,000
- Melons, sweet potatoes, tomatoes (market & processing)	
Total Commodities Value in 2018	\$3,247,619,000

Source: 2018 Merced County Agricultural Commissioner's Annual Report.

value

Agricultural production acreage by crop within the Management Area is compared with the County's production acreage by crop in **Figure 3** on the next page. The proportion of MIUGSA's agricultural production acreage by crop type is approximated using MID data from its 2015 Agricultural Water Management Plan because the boundaries of MID and MIUGSA are almost the same. Compared to the county at-large, there is a higher proportion of orchards and other crop types, and lower proportion of field crops, in the Management Area.

Figure 3
Comparison of Crop Types Grown in the Management Area and the County



2.2 PUBLIC OUTREACH

A key tenant in developing the regulatory fee structure has been to maintain transparency throughout the project, informing the MIUGSA customer base about the fee study and how they can be involved and provide input to the process.

Situation Overview

The common approach to conducting public engagement with stakeholders and the community-at-large changed significantly due to the COVID-19 pandemic. A recommended plan for how to proceed with outreach was developed March 31, 2020 with the reasoning that some form of in-person outreach would be feasible in June/July 2020. The plan was revised April 29, 2020 when it was clear that all public interactions and involvement would need to be virtual for the duration of the fee study. All efforts conducted were made with due diligence to inform and educate as many people as possible within the Management Area about the fee study and provide ways to ask questions, stay informed and make comments.

Outreach and Engagement

Outreach goals were to reach as many people as possible, provide multiple avenues for comments, and maintain transparency throughout the project.

Key stakeholders were identified at the outset of the fee study. The team reviewed a list of stakeholders compiled during the GSP development and identified priority stakeholders to be contacted for the fee study. A protocol was established for introducing the consultants

prior to the telephone interviews and a list of questions was developed to guide the conversations.

The fee study consultant team interviewed representatives, either in-person or over the phone, from agriculture, MIUGSA's seven member agencies' representatives, landowners, and other beneficiaries of sustainable groundwater management. Information obtained during the interviews was taken into consideration when developing the fee study options and public outreach recommendations.

Highlights from the interviews include: keep the cost as low as possible for everyone; the fee must be equitable; account for volumes of water pumped; try to account for water use by different customer types; develop a fee based on all agricultural producing acres; do not have a fee differentiated by crop type; and keep fee under \$10 (preferably under \$5) per agricultural acre charge. Large agricultural producers indicated they could absorb higher cost, but that cost needs to be kept down for family farms. Another key comment was that the public should have opportunities for input, even if financial impact is minimal for residential beneficiaries.

Additional input was received regarding the impact of COVID-19; specifically, that businesses will struggle financially for a long period of time and any fee will have an impact. Questions were asked about how to charge fallowed land or land taken out of production due to bankruptcies. It was suggested that MIUGSA would need to be creative on offering options for public involvement and feedback.

To begin the broader outreach effort, an existing email database was updated, and email templates were created to send information out to the registered contacts. A fee study email (feestudy@miugsa.org) and comment form were created for the MIUGSA website. A fee study tab was created and populated with content developed to inform and engage with the public about the fee study, as well as to inform interested parties of upcoming virtual public workshops and means to be heard.

It is typical to meet with stakeholders and special interest groups early in the process and in advance of workshops to create a momentum and interest in the fee study. Because of COVID-19 restrictions, other avenues were used to reach, inform and educate a majority of the population. These avenues are described below.

Mailer to all property owners in the Management Area

A residential mailer was sent to more than 36,000 residential addresses within MIUGSA's boundaries. The mailer introduced the fee study, reviewed options being considered, and provided links to the email database, comment form, and stated virtual workshop dates. The mailer provided all information in English, Spanish and Hmong.

Another mailer was created for commercial, agriculture and multi-unit properties. This mailer contained similar information to the residential mailer, only tailored to non-residential property owners and owners of apartment complexes. The mailer included an invitation to any business or organization wanting a virtual presentation to contact the fee

study team. The mailer was developed in English and mailed to approximately 4,800 non-residential properties. It was translated into Hmong and Spanish for the website.

There was a spike in email sign-ups and submitted comments in correlation with the receipt of mailers.

Video Shorts

Video shorts explaining the fee options were developed for residential, agriculture and commercial audiences and placed on the website. A questions and answer (Q&A) document was also developed and posted to the website at the same time to provide more information. The Q&A document contained a dozen questions and a section about how to stay informed and engage with the fee study team. The Q&A document was translated and posted to the website in Spanish and Hmong.

Two Virtual Workshops

Two virtual public workshops were held on June 15th and 16th, 2020. To advertise the two virtual public workshops, display advertisements were placed in three regional newspapers, and in regional online event calendars. Two e-blasts were sent to the email subscribers, notice was posted on the MIUGSA's website, and all materials were translated into Spanish and Hmong and placed on the website.

Attendees of the virtual workshops were able to have closed caption and translation options in Spanish and Hmong. For both meetings, participants were able to attend virtually via Microsoft Teams. After the initial workshop on June 15th, consultant team and staff added a call-in number for additional opportunity for involvement. The platform allowed for real-time comments to be posted and addressed during the workshop; participants were also encouraged to email questions and comments, if preferred.

The presentation included background about SGMA, MIUGSA's role in developing a groundwater sustainability plan, and an in-depth explanation of the fee study. The fee study portion addressed the two main fee structures under consideration, fee study methodology, provided examples for residential, commercial and agriculture beneficiaries, and reviewed outreach efforts. A demonstration was given about how to use a real-time mapping tool on the website to identify whether a parcel is inside or outside of MIUGSA's management area, and how to obtain the necessary information to calculate the fee for a parcel.

While the number of virtual participants was low and there was not a way to determine who was logged in and asking questions, the fee study has taken into account the engagement received via email, phone calls and the comment form as part of the overall feedback process from the public. Responses to common comments included:

- The fee is not for water service or water storage, nor is it being assessed by any of the GSA member agencies; the fee is for administration of the GSA and for most, will be minimal.

- The fee recognizes and charges all beneficiaries (such as municipal, agricultural, commercial, and industrial) of groundwater regulatory activities within the Management Area.
- All beneficiaries of groundwater sustainability within the Management Area will be charged using the same methodology; fees will be charged by beneficiary type.
- The fee is a regulatory fee, not a tax, and will be collected with property tax installments.
- Private well owners will pay a fee as a beneficiary of groundwater sustainability; however, MIUGSA will not install, or require owners to install, meters on domestic wells.

The public also had the opportunity to participate and provide input at MIUGSA Board of Directors (Board) meetings when the fee study was on the agenda. The fee study was discussed at the February 12th, April 29th, May 13th, June 10th, and June 23rd MIUGSA Board meetings.

Appendix A of this report provides copy of the following public outreach materials:

- A.1 Mailers to all Property Owners
- A.2 Display Ads
- A.3 Fact Sheet
- A.4 Internet Postings
- A.5 Fee Study Workshops Summary

Section 3: FEE METHODOLOGIES

One of the first tasks of the Board was to determine what type of fee would best characterize the purpose of the fee under the California Constitution. **Appendix B.1** provides a PowerPoint presentation from the February 12th MIUGSA Board meeting. The presentation focuses on the purpose of the fee, and examines how other GSAs have set fees in context of what they needed to fund and what MIUGSA needs to fund.

3.1 FEE AUTHORITY

Disclaimer: HEC is not attorney. The following is an interpretation of California law as it applies to MIUGSA's fee-setting abilities. HEC is not, and does not claim to be, an attorney qualified to provide legal opinions or recommendations.

MIUGSA's fee authority is derived from the SGMA-specific legislation codified in Water Code 10730 through 10731 "Financial Authority". This section of the Water Code allows MIUGSA to impose fees for regulated activities, including but not limited to, permits to operate wells, the costs of a groundwater sustainability program such as development and amendment of a groundwater sustainability plan (GSP), investigations, inspections, compliance assistance, enforcement, and program administration including a prudent reserve. In addition, after the adoption of a GSP, MIUGSA could impose fees on extraction of groundwater to pay for GSP activities that implement the plan.

MIUGSA was formed for the purpose of meeting SGMA's requirements but the responsibility of executing action items specified in the GSP is the responsibility of member agencies. Per the MOU Section 1.5. Purpose of Agreement, "It is each Party's intent, goal and objective to maintain complete control and autonomy over the surface water supplies, water facilities, water operations, groundwater supplies and assets to which each Party and each Party's constituents are currently legally entitled." And, MOU Section 6.5, "Except for the MID, each Party of the MIUGSA is responsible for implementation of the GSP in all areas of the MIUGSA that are within their respective jurisdictional boundaries. MID is responsible for implementing the GSP in areas of the MIUGSA within MID's jurisdictional boundaries and outside the jurisdiction of all other Parties to the MIUGSA."

Per the agreement that created the agency, MIUGSA is not a water supplier / service provider. It only conducts regulatory activities. MIUGSA's fee authority is therefore limited to that provided under Water Code 10730 and 10730.8. MIUGSA could impose a special tax, which requires two-thirds approval by the registered voters who vote. Such a tax would have to be timed in line with general elections and would require major public outreach efforts. Under Proposition 26, a regulatory fee, an assessment, and a property-related charge are all exemptions from the definition of a tax. Regulatory fees are adopted pursuant to the requirements of Proposition 26, and as specified in Water Code 10730 (b). Assessments and property-related charges are adopted pursuant to the requirements of Proposition 218 (Article XIII D of the California Constitution).

Property-related charges have already been ruled out as an option for MIUGSA because the agency is not a water provider. MIUGSA could form an assessment district (limited to no bond issuance authority) under various enabling laws such as the Landscape and Lighting Act of 1972 and the Benefit Assessment Act of 1982; however, assessments must only cover the portion of agency costs that are incurred to provide special benefit to parcels. MIUGSA cannot prove special benefit to parcels within its management area because its activities are guided by the GSP which covers the entire Merced Sub-Basin 5-22.04. The service of groundwater management planning within MIUGSA could be of benefit to persons outside of the Management Area.

MIUGSA's Proposition 26 fee options post-GSP adoption include a wellhead fee, parcel fee, acreage fee, and water connection fee. Water Code 10730.2 specifies that post-GSP extraction fees must be adopted pursuant to Proposition 218 for property-related fees, a fee adoption process subject to majority protest, but no balloting under Article XIII D of the Constitution. Because MIUGSA is not providing water service, which is a condition for a property-related fee under Proposition 218, it cannot adopt an extraction fee.

MIUGSA can only impose regulatory fees authorized under Water Code 10730 and adopted under the requirements of Proposition 26. The fee must be no more than necessary to cover the reasonable costs of the governmental activity, and the manner in which the costs are allocated to a payor must bear a fair or reasonable relationship to the payor's burden on, or benefits received from, the governmental activity.

MIUGSA's revenue collection authority also includes:

- One-time regulatory fees for permits and inspections (Proposition 26 exception 1(e)(2)) and
- Meter installation cost recovery for meters installed within the Management Area (Water Code 10725.8(b)); however, MIUGSA cannot require meters to be installed on de minimis users (domestic wells that pump less than two acre-feet per year).

3.2 METHODOLOGIES CONSIDERED

Before the MIUGSA Board meeting held April 29, 2020, HEC prepared a "Summary of Case Study Research and Fee Options" which is provided in **Appendix B.2**. Key highlights and take-aways of the case study research included:

- A Proposition 26 fee is appropriate for MIUGSA. The fee will only be used to pay for regulatory activity.
- Collecting the fee with property taxes is the most cost-effective way to collect the fee and requires the least annual ongoing work for the member agencies.
- Most other GSAs either only charge fees to agriculture with irrigation infrastructure, or dry agriculture at a lower rate. All agricultural properties in the Management Area have irrigation infrastructure; a base fee would not be appropriate. Agriculture has to be clearly defined for fee-setting.

- Hybrid fee structures can work well when there is significant urban population in the GSA.
- Most water providers want the GSA fee to be on the property tax bill to distinguish the fee from their own water fees.

At the April 29th, 2020 Board meeting, the “Summary of Case Study Research and Fee Options” was reviewed and two fee structure approaches discussed. The April 29th 2020 presentation to the Board of Directors describing the two developed fee approaches are provided in **Appendix B.3** of this report. The two fee approaches were developed based on the following criteria:

1. Equity
2. Enforceability and Confidence in Data
3. Simplicity
4. Revenue Stability / Predictability
5. Administrative Ease

In addition, many stakeholders felt that use of water needs to be accounted for in the fee structure. This fee structure allows for the difference in water use by different property types (agriculture and urban users) to be incorporated into the fee methodology. The two approaches are summarized in **Figure 4** below.

Figure 4
Two Fee Approaches

Per Agricultural Acre / per Connection	Per Agricultural Acre / Per Urban Acre
<p>Step 1: Allocate total cost to ag and urban properties using long-term historical pumping.</p> <p>Step 2: Agricultural parcels- use Assessor land use codes to determine ag parcels. Fee is allocated cost divided by total parcel acreage. County GIS acreage will be used (no net for buildings, roads, etc.).</p> <p>Step 3: Urban parcels - divide urban cost allocation by total number of service connections. Issue: Domestic well equity. Several subdivisions have individual wells. If include domestic wells, how to be sure you get them all? Poor records available.</p>	<p>Step 1: Allocate total cost to ag and urban properties using long-term historical pumping.</p> <p>Step 2: Agricultural parcels- use Assessor land use codes to determine ag parcels. Fee is allocated cost divided by total parcel acreage. County GIS acreage will be used (no net for buildings, roads, etc.).</p> <p>Step 3: Urban parcels - divide urban cost allocation by total acreage of urban parcels. Issue: No recognition of water use by different land use type. Should some parcels be exempt from the fee?</p>

Both approaches have identified issues. An Option A and Option B was developed for each approach in recognition of these issues.

Approach 1: Acreage Fee for Agricultural Beneficiaries and Connection Fee for Urban Beneficiaries

Step 1: The estimate of regulatory costs would first be split between Agricultural Production users and Urban users. The cost allocation would be based on the best data sources available, primarily those made available by the water providers and data summarized in GSP documents. The cost allocation could be updated periodically based on a formula such as the rolling 5-year average of gross pumping, or at certain intervals such as a 5-year interval that coincides with the GSP 5-year report.

Step 2: The agricultural production acre fee would be determined using mapping software (GIS). The Merced County Assessor's parcel database, which assigns land use codes, would identify an agricultural production parcel. The total cost allocated to Agricultural Production users in Step 1 would be divided by the number of agricultural production acres in the Management Area to calculate the fee. The fee would be rounded to the nearest two cents so that it could be collected with property tax bills in two equal installments.

Step 3: All other beneficiaries of groundwater management are Urban beneficiaries. All properties with a water service connection would pay the regulatory fee. There would be no exceptions to this. If, for example, a property has both a service connection from a water provider and a domestic (private) well, the property would still be subject to the fee. For purposes of the fee, a water service connection would use the same definition as California Health and Safety Code Section 11675 (s):

[A] service connection [is] the point of connection between the customer's piping or constructed conveyance and the water system's meter, service pipe, or constructed conveyance.

The definition encompasses facilities with the ability to deliver water to the property, whether the property takes water from that pipe or not. An inactive service connection (one not currently taking water) would be subject to the fee because the water provider's infrastructure is ready to deliver water at any time. A cost per connection would be determined by dividing the Urban users' cost share by the total number of service connections (which could include private wells). Costs would be allocated to each water system by multiplying the cost per service connection by the number of connections. Fees would be collected either with property tax bills or directly from water systems.

Two options were developed for this approach.

Option 1A: Fees per Agricultural Acre, per Urban Connection, and per Domestic Well

Option 1B: Fees per Agricultural Acre and per Urban Connection

Under Option 1A the fee would apply per agricultural production acre, per connection, and per domestic well. Under Option 1B the fee would apply per agricultural production acre and per connection.

Benefits: This approach recognizes the difference in water use between Agricultural Production and Urban users and it provides some flexibility in that it can be updated within its original framework with technological advances and new data sets. All beneficiaries of groundwater management would pay the fee. Under this fee approach, Public Water Systems⁸ that cannot provide datasets showing parcels served and the number of service connections associated with each parcel would be billed directly by the MIUGSA for their cost share. The water system can in turn recoup this cost from their customers. Small Water Systems (2 to 14 connections) would pay the regulatory fee with property tax bills, which avoids sending hundreds of direct bills and potentially also increases the collection rate, decreasing the need for delinquency procedures for the MIUGSA.

Considerations and Drawbacks: If Public Water Systems would rather have their customers pay the fee directly with property tax bills, they would have to provide an annual database to the MIUGSA listing properties with a service connection(s), which is more work for the water systems. The cost allocation methodology in step 1 between Agricultural Production and Urban users could be a point of debate from year to year; however, the fee structure allows the methodology and/or data sources used to perform the calculation to change over time. This fee structure does not account for varying water demands by different Urban land use types.

Approach 2: Acreage Fee Hybrid Structure

Step 1: The estimate of regulatory costs would first be split between Agricultural Production users and Urban users. The cost allocation would be based on the best data sources available, primarily those made available by the water providers and data summarized in GSP documents. The cost allocation could be updated periodically based on a formula such as the rolling 5-year average of gross pumping, or at certain intervals such as a 5-year interval that coincides with the GSP 5-year report.

Step 2: The agricultural production acre fee would be determined using mapping software (GIS). The Merced County Assessor's parcel database, which assigns land use codes, would identify an agricultural production parcel. The total cost allocated to Agricultural Production users in Step 1 would be divided by the number of agricultural production acres to calculate the fee. The fee would be rounded to the nearest two cents so that it could be collected with property tax bills in two equal installments.

Step 3: All other beneficiaries of groundwater management are Urban users. Without exception, all Urban users would pay the fee. The fee would be calculated on a per acre basis by dividing the allocated cost for Urban in Step 1 by the total Urban acreage in the Management Area.

Two options were developed for the fee under this approach.

Option 2A: Fees per Agricultural Acre and per Urban Acre

Option 2B: Fees per Agricultural Acre and per Weighted Urban Acre

⁸ State classifications of water systems is shown in **Appendix C**.

Option A would charge all Urban properties the same fee per acre. Option B would charge Urban properties a different fee per acre for different land uses depending on the intensity of water use on a per acre basis for each land use type.

Benefits: This approach achieves the goal of having all beneficiaries of groundwater management pay and it provides a predictable revenue stream. It is easily enforceable as all fees would be placed on the property tax roll, with the exception of properties that are not assessed by the County on the property tax roll. Properties not assessed on the property tax roll include railroad and utility-owned parcels, State of California owned parcels, and local government owned parcels if those parcels are located within their own jurisdiction. These property owners would be billed directly by MIUGSA. Administrative costs would be lower than under Approach 1 because the Merced County Assessor parcel database is the only dataset that would have to be obtained each year to prepare the fee for the following fiscal year.

Considerations and Drawbacks: The cost allocation methodology in step 1 between Agricultural Production and Urban users could be a point of debate from year to year; however, the fee structure allows the methodology and/or data sources used to perform the calculation to change over time. While this fee structure approach is simple and administratively easy, Option 2A does not account for water demands of different Urban land uses.

3.3 FEE METHODOLOGY SELECTION

Approach 2 was selected by the Board of Directors at the April 29, 2020 Board meeting. The consensus was that Approach 2 best meets the five criteria of the fee structure, in particular equity, simplicity/understandability, and administrative ease. The Board agreed that all beneficiaries of groundwater management should pay for the regulatory costs of MIUGSA, and as such, de minimis users should be regulated by the MIUGSA. At its May 13th 2020 Board meeting, Resolution 2020-1 was passed. This resolution regulates de minimis users. The resolution is provided in **Appendix D**.

Before approving a fee based on either Option 2A or Option 2B, the Board directed the fee study team to move forward with the next steps in the public outreach strategy which would solicit public input and feedback on the two options being considered. The June 15th and 16th public workshops presentation is provided in **Appendix B.4**.

Section 4: FEE CALCULATION

This section of the report describes the fee calculation under Approach 2.

4.1 COST BASIS OF FEE

Prior to the fee study, the MIUGSA had not developed a budget. Most expenses to date have been related to development of the GSP, a portion of which was paid for with a grant from DWR. Although all member agencies have provided considerable in-kind service costs to the MIUGSA, the City of Merced and MID have provided services beyond the level of other member agencies as they have shouldered the costs of the administrative tasks for the GSA. In the MIUGSA MOU, such expenses would be paid for by member agencies. A new regulatory fee, which is the subject of this report, will be imposed that will replace member contributions, and over time, reimburse the City of Merced and MID the SGMA-related regulatory activity costs they have expended from the enactment of SGMA in 2015 through fiscal year 2019/2020.

The cost basis of the fee for Fiscal Year 2020/21 is \$800,000, which comprises MIUGSA's operating expenses, a prudent reserve, and reimbursement to member agencies for accrued expenses to date. Budgeted Fiscal Year 2020/21 operating expenses of MIUGSA are estimated at \$565,600. Addition of a 15% reserve (\$84,900) brings the total budget to \$640,500, leaving \$149,500 to repay member agencies and/or roll-over to the following fiscal year. **Table 8** on the next page shows the accumulated expenses of member agencies to date and the five-year budget forecast. It is anticipated that it will take five years to repay the member agencies. The table is shown in 2020 dollars. Budget forecast costs will increase beyond those shown due to inflation.

Operating expenses include agency staffing, currently primarily provided by MID, and professional services such as those to amend the GSP, develop annual and five-year GSP reports and proof of compliance required by DWR, develop implementation policies and guidelines for the GSP water allocation plan, grant writing, and legal counsel. Regulatory compliance and administration costs include general operational costs such as small tools, materials and supplies, travel and training costs, insurance, dues and permit costs, as well as costs associated with data gathering (data networks, monitoring activities, mapping and so forth) and County fees to place MIUGSA's regulatory fee on the property tax roll.

Table 9 on page 26 provides a cash flow analysis for the MIUGSA for the next five fiscal years. Note that the estimates of costs and revenues are best estimates; actual costs and revenues will likely vary from these estimates over time. The cash flow includes an allowance for delinquencies (unrealized fee revenue)⁹ and distributes reimbursements to

⁹ Once MIUGSA has demonstrated three years of revenue collections with less than 10% delinquencies, Merced County will place MIUGSA on the Teeter Plan. Under the Teeter Plan, the County will provide the unreceived billings of the delinquent accounts to MIUGSA early September.

member agencies so that the MIUGSA maintains a cash balance of between two and six months of operating costs.

**Table 8
Estimated Accumulated Expenses and Five-Year Budget**

Estimated Expenses	Accumulated Expenses	Fiscal Year Ending				
		2021	2022	2023	2024	2025
Agency Staffing [1]	\$293,200	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Professional Services		<i>all figures in 2020 Dollars; excludes grant-funded project costs</i>				
GSP Development [2]	\$80,000	\$0	\$0	\$0	\$0	\$0
GSA Fee Study	\$95,000	\$30,000	\$0	\$0	\$0	\$0
GSP Implementation Policies & Guidelines [3]	\$0	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Grant Writing	\$0	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Legal Counsel	\$0	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
GSP Annual Reports [4]	\$60,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
5-Year Evaluation Report [4]	\$0	\$0	\$0	\$160,000	\$160,000	\$0
Annual GSA Fee Administration	\$0	\$0	\$5,000	\$5,000	\$5,000	\$5,000
Subtotal Professional Services	\$235,000	\$205,000	\$180,000	\$340,000	\$340,000	\$180,000
Regulatory Compliance and Administration						
Materials, Supplies, Small Tools	\$0	\$5,000	\$5,000	\$15,000	\$20,000	\$20,000
State Expenses (permits, fees)	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Memberships, Dues, Licenses	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Monitoring (water quality, soils, telemetry)	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Utilities, Rent	\$0	\$0	\$0	\$0	\$0	\$0
Travel, Training	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Insurance	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Other & Miscellaneous [5]	\$30,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Monitoring Network Improvements	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Data Management & Technology [6]	\$0	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
County GSA Fee Charges [7]	\$0	\$18,100	\$38,700	\$38,700	\$38,700	\$38,700
Subtotal Regulatory Compliance & Admin.	\$30,000	\$210,600	\$231,200	\$241,200	\$246,200	\$246,200
Total Estimated Operating Expenses	\$558,200	\$565,600	\$561,200	\$731,200	\$736,200	\$576,200
Reimburse Member Agencies		\$80,000	\$150,000	\$100,000	\$50,000	\$178,200
Delinquencies / Reserve (15%)		\$84,900	\$84,200	\$109,700	\$110,500	\$86,500
Total Estimated Budget		\$730,500	\$795,400	\$940,900	\$896,700	\$840,900

Source: MID, and HEC, May 2020.

budget

[1] Costs provided by MID and City of Merced as of May 12, 2020.

[2] MIUGSA's share of Proposition 1 grant application and other non-reimbursable grant expenses.

[3] GSP Allocation framework.

[4] Estimate of MIUGSA share of costs provided by Woodard and Curran (GSP consultant).

[5] Could include items such as printing costs for public announcements and hand-billing postage costs.

[6] Costs associated with tracking groundwater quantity and quality from new monitoring wells (software, licenses).

[7] County costs charged for placement of fee on property tax roll are 35 cents per parcel plus \$50 annually. Per the County, cost will increase in fiscal year 2022.

Table 9
Estimated Cash Flow

Revenues and Expenses	Fiscal Year Ending				
	2021	2022	2023	2024	2025
Revenues	<i>excludes projects funded by DWR or other agency grants</i>				
Beginning Cash Balance	\$0	\$130,400	\$197,800	\$146,600	\$139,300
Regulatory Fee [1]	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Interest, Miscellaneous	\$0	\$2,600	\$4,000	\$2,900	\$2,800
Total Estimated Revenues	\$800,000	\$933,000	\$1,001,800	\$949,500	\$942,100
Operating Expenses	<i>All Figures in 2020 Dollars</i>				
Agency Staffing	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Professional Services	\$205,000	\$180,000	\$340,000	\$340,000	\$180,000
Regulatory Compliance & Admin.	\$210,600	\$231,200	\$241,200	\$246,200	\$246,200
Total Estimated Expenses	\$565,600	\$561,200	\$731,200	\$736,200	\$576,200
Delinquencies (3%)	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Reimburse Member Agencies [2]	\$80,000	\$150,000	\$100,000	\$50,000	\$178,200
Estimated Ending Cash Balance	\$130,400	\$197,800	\$146,600	\$139,300	\$163,700
Cash as % of Expenses [3]	23%	35%	20%	19%	28%

Source: HEC May 2020.

flow

[1] Disbursements from the County are mid-January, mid-May, and late July.

[2] Schedule to be determined. This table assumes payments are made as cash becomes available.

[3] Minimum of two months (17%), maximum of six months (50%) (longest period with no revenue) recommended.

4.2 DATA SOURCES

California law generally provides that a fee calculation need only rely upon the best available data at the time the fee is calculated. The fee calculations herein rely on the best available data sources as of the time of this fee study (2020). Data sources used to develop the Fiscal Year 2020/21 fee include:

- Merced County Assessor Parcel Database,
- Merced County of Governments GIS Data,
- Merced County Environmental Health Department Small Water Systems Database,
- The Merced Sub-Basin GSP and GSP First Annual Report,
- Department of Water Resources Water Management Planning Tool (<https://gis.water.ca.gov/app/boundaries/>),
- Drinking Water Watch – Public Water System Facilities (State Water Boards),
- CA.gov Electronic Annual Reporting System,
- California Public Utilities Commission,
- Merced County Agricultural Commissioner’s Office Annual Crop Reports, and
- Evapotranspiration Crop Coefficients published by the California Polytechnic State University of San Luis Obispo Irrigation Training and Research Center.

4.3 FEE CALCULATIONS

The fee calculations are performed for the entire Management Area shown in **Map 1** on page 2.

Step 1: Allocate the total cost basis between Agricultural Production Users and Urban Users.

The cost basis is \$800,000, as previously described. Cost allocation for Fiscal Year 2020/21 is based on the historical average annual groundwater pumping by Agricultural Production users and Urban users.

Table 10 below shows that the best estimate of groundwater pumping is 78% Agricultural Production and 22% Urban. This estimate is based on two methodologies. The first methodology is data developed for the 2020 GSP annual report. The second methodology is data developed by HEC using State records of pumping provided by each of the municipal water providers to the State, estimates of groundwater pumping by agriculture, and estimates of pumping by water systems and domestic wells. The data accounts for wet and dry years; it represents water use in a typical water year. Over time, this percentage split may change, as agricultural producers switch to greater use of surface water as a result of SGMA, and the urban areas grow.

**Table 10
Estimated Agricultural Production and Urban Groundwater Use in MIUGSA**

Water Year	Urban			Estimated Total	Agriculture	MIUGSA
	Municipal Suppliers	Other Providers	Domestic Wells		Estimated Total	Estimated Total
	[3]					
	<i>All figures in Acre-Feet</i>				<i>All Figures in Acre-Feet</i>	
2020 GSP Annual Report [1]	33,661	5,981	3,192	42,834	154,399	197,233
2020 Fee Study [2]	37,454	260	3,192	40,906	147,752	188,657
Average GW Use (rounded)	35,500	3,000	3,000	42,000	151,000	193,000
Average Share (rounded to nearest 1%)				22%	78%	

Source: GSP first annual report, County GIS records, and HEC May 2020.

pump tot

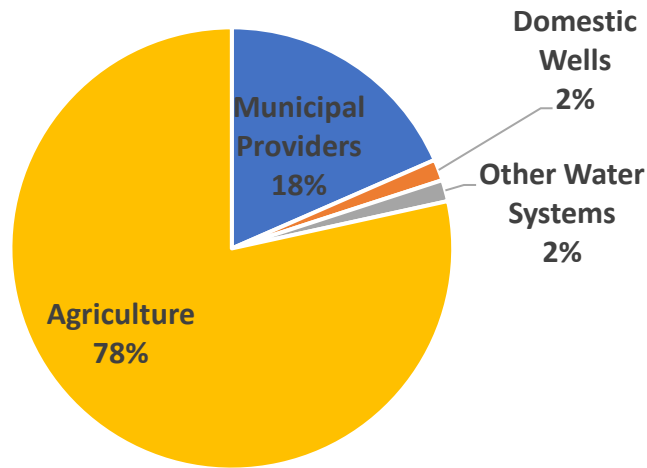
[1] Data supporting the GSP annual report based on data for 4 years (2016-2019).

[2] See supporting tables.

[3] Estimate based on 1,596 wells within MIUGSA's boundaries each using 2.0 acre-feet per year.

Figure 5 on the next page illustrates the use of groundwater within the Management Area.

Figure 5
Estimated Share of Groundwater Use



Tables 11 provides supporting documentation of the fee study’s estimate of agricultural production pumping.

Table 11
Estimated Agricultural Production Pumping

Item	Estimated Total Water Use	Average Annual MID Surface Deliveries (Ac.Ft.) [2]	Estimated Annual Groundwater Pumping
Total Agricultural Production Acres	119,158		
Estimated Acres Fallow in a Year [1]	3,154		
Net Irrigated Acres	116,003		
Average Water Use (Acre-Feet per Acre) [3]	3.59		
Estimated Acre-Feet used for Irrigation	416,000	268,248	147,752

Source: MID Agricultural Water Management Plan 2016.

irrig pump

[1] Per the MID AWMP page 5-5 percentage of idle land.

[2] Calculated as average per acre:

MID Irrigated Acres	133,262
MID Average Surface Water Deliveries	300,000
	2.25 avg. ac-ft per ac

[3] Estimated weighted average of water use by crops grown in MID adjusted by 10% to account for irrigation system inefficiencies and leaching. Leaching is insignificant in MIUGSA due to high quality surface water application.

Using the percentage share of agricultural production acres by crop type, a weighted average of 3.26 acre-feet per year per agricultural production acre was calculated for the Management Area. The weighted average was multiplied by ten percent to account for irrigation system inefficiencies and leaching.

Urban groundwater pumpers are categorized as municipal providers, public water systems, State small water systems, and domestic wells. **Figure 6** below illustrates the estimated share of pumping by these groups.

Table 12 on the next page provides supporting documentation of urban pumping estimates. The fee study acknowledges that the estimates do not provide a perfect accounting of groundwater use in the Management Area. MIUGSA is still in its infancy and developing data sets. The fee study does not have to provide a perfect accounting; the importance of Step 1 of the fee methodology is to allocate costs in a reasonable manner between the types of users of the groundwater.

Figure 6
Urban Groundwater Pumping

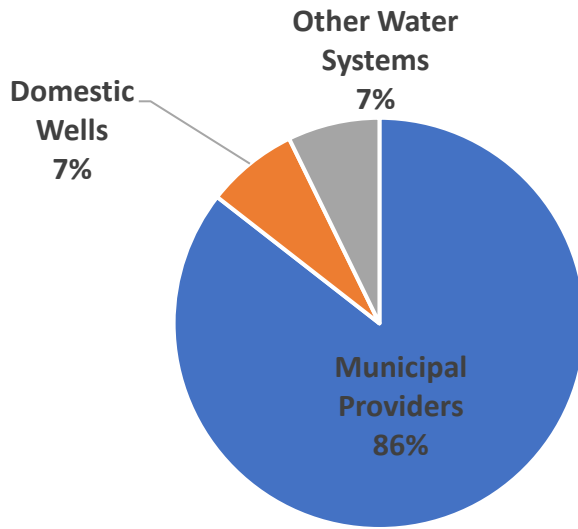


Table 12
Estimated Urban Groundwater Pumping

Urban Water GW Extractors	Data Source	Annual Millions Gallons	% of Pumping	Service Connections	% of Connections
Municipal Providers		actual	[1]		[1]
Atwater	2018 State EAR	2,686	20.2%	9,725	22.9%
Merced	2018 State EAR	6,350	47.6%	21,523	50.6%
Livingston	2018 City Data	2,213	16.6%	3,419	8.0%
Meadowbrook (Cal Am) - PUC	2018 PUC Report	334	2.5%	1,720	4.0%
Le Grand CSD	2016 State EAR	68	0.5%	471	1.1%
Planada CSD	2016 State EAR	200	1.5%	1,097	2.6%
Winton Water & SD	2016 State EAR	354	2.7%	2,594	6.1%
Total Municipal Pumping		12,204	91.6%	40,549	95.3%
Public Water Systems		estimate			
Black Rascal Water Company	SWRCB	27	0.2%	131	0.3%
LDS Church Atwater	SWRCB	0	0.0%	2	0.0%
9-iron Water System	SWRCB	0	0.0%	1	0.0%
The Vista Ranch and Cellars	SWRCB	1	0.0%	2	0.0%
Classic Yam Water System	SWRCB	2	0.0%	4	0.0%
Ryel Family Trust	SWRCB	1	0.0%	4	0.0%
Merced New Life School	SWRCB	1	0.0%	3	0.0%
Merced Fruit Barn	SWRCB	1	0.0%	3	0.0%
Cressey Store	SWRCB	0	0.0%	1	0.0%
El Nido Elementary School	SWRCB	1	0.0%	3	0.0%
Elks Lodge Park	SWRCB	6	0.0%	29	0.1%
Longview Mennonite School	SWRCB	0	0.0%	2	0.0%
Livingston Properties	SWRCB	1	0.0%	6	0.0%
Dole Atwater Plant	SWRCB	1	0.0%	2	0.0%
Sensient Natural Ingredients llc	SWRCB	0	0.0%	2	0.0%
Planada Elementary School	SWRCB	0	0.0%	1	0.0%
Washington School	SWRCB	1	0.0%	4	0.0%
McSwain Elementary School	SWRCB	5	0.0%	24	0.1%
Animal Medical Center	SWRCB	0	0.0%	1	0.0%
Neighborhood Grocery	SWRCB	0	0.0%	2	0.0%
LDS Church Merced	SWRCB	0	0.0%	2	0.0%
Yagi Brothers Produce inc.	SWRCB	0	0.0%	1	0.0%
California Sweet Potato Growers Coop	SWRCB	0	0.0%	1	0.0%
Westside Grocery	SWRCB	0	0.0%	1	0.0%
Doreva Produce sweet pots	SWRCB	4	0.0%	8	0.0%
Schelby School	SWRCB	2	0.0%	9	0.0%
Apostolic Tabernacle	SWRCB	0	0.0%	1	0.0%
Oxxo mini mart	SWRCB	0	0.0%	1	0.0%
Nagame japanese restaurant	SWRCB	0	0.0%	1	0.0%
Grace Mennonite School	SWRCB	0	0.0%	1	0.0%
Yosemite wholesale	SWRCB	0	0.0%	1	0.0%
Buhach Preschool (kindercare)	SWRCB	1	0.0%	3	0.0%
Garcia Farms produce	SWRCB	0	0.0%	1	0.0%
Quail H Farms water system	SWRCB	0	0.0%	2	0.0%
Kandola Farms produce, inc.	SWRCB	1	0.0%	2	0.0%
Pelligrini Properties (El Campo Market)	SWRCB	0	0.0%	2	0.0%
Grace Bishop School	SWRCB	0	0.0%	2	0.0%
Cressey School	SWRCB	0	0.0%	1	0.0%
Rancho del Rey Golf Club	SWRCB	0	0.0%	1	0.0%
Merced Adventist Church	SWRCB	1	0.0%	4	0.0%
Merced Golf & Country Club	SWRCB	0	0.0%	1	0.0%
Evergreen Mobile Home Park	SWRCB	1	0.0%	11	0.0%
El Nido Mobile Home Park	SWRCB	6	0.0%	50	0.1%
A V Thomas Produce, inc.	SWRCB	2	0.0%	4	0.0%
Total Public Water System Pumping		71	0.5%	338	0.8%
State Small Water Systems		estimate			
Akal Apartments	County Env. Health	1	0.0%	6	0.0%
Becerra Corners	County Env. Health	2	0.0%	9	0.0%
Cardoso Dairy milk cows	County Env. Health	4	0.0%	6	0.0%
Edge Of Town - Atwater Rentals	County Env. Health	2	0.0%	8	0.0%
El Rey Apartments	County Env. Health	2	0.0%	13	0.0%
Happy Acres	County Env. Health	1	0.0%	5	0.0%
Tavares Farms beef cattle	County Env. Health	3	0.0%	7	0.0%
Total State Small Water Systems Pumping		14	0.1%	54	0.1%
Domestic Wells [2]	GSP	1,040	7.8%	1,596	3.8%
Estimated Total Urban Water Pumping & Service Connections		13,329	100.0%	42,537	100.0%

Source: Merced County Department of Environmental Health, State Water Resources Control Board, California Drinking Water Watch, California Public Utilities Commission. urban pump

[1] For many systems the value is very small and does not show. [2] Assumed use of 2.0 acre-feet per year per domestic well.

Step 2: Agricultural Production Fee Calculation.

The Agricultural Production users’ allocated cost is divided by the total number of agricultural production acres in the Management Area. The total number of agricultural production acres in the Management Area is determined using the Assessor’s parcel database land use codes with acreage for each parcel provided by the County’s GIS files.

A 5% margin for error is included in the fee calculation to account for potential refinements to the database prior to the list of parcels being placed on the property tax roll. It is important to note that the number of agricultural production acres upon which the fee is calculated for each parcel may not be the same as the situs acreage of the parcel stated on a property tax bill because the GIS calculated number of acres may not exactly match that of a legal description or map provided to the County for the Assessor’s roll. The County’s GIS data is provided “as is”.¹⁰

For purposes of the MIUGSA Regulatory Fee, Agricultural Production acres are defined as,

“All real property classified by the Merced County Assessor as Agriculture, Dairy, Grazing, Orchard, Poultry and Poultry/Trees.”

Table 13 summarizes the agricultural production acreage by sub-category with all relevant County Assessor land use codes.

**Table 13
Agricultural Production Acres in 2020**

Agricultural Production Sub-Categories	Total Acres	Percent of Acres	Assessor Land Use Code									
General Farming	46,363	38.9%	0701	0702	0703	0704	0706	0707	0708	0711	0712	1207
Dairy	6,900	5.8%	1313									
Grazing	1,060	0.9%	0909	0911								
Orchard	64,386	54.0%	0801	0802	0804	0806	0807	0808	0813	0814	1208	
Poultry	448	0.4%	1408	1414								
Total	119,158	100.0%										

Source: Merced County Assessor, May 2020.

ag acres

¹⁰ The County of Merced (COUNTY) makes no warranties, express or implied, including without limitation, any implied warranties of merchantability and/or fitness for a particular purpose, regarding the accuracy, completeness, value, quality, validity, merchantability, suitability, and/or condition, of the GIS data. Users of COUNTY’s GIS data are hereby notified that current public primary information sources should be consulted for verification of the data and information contained herein. Since the GIS data is dynamic, it will by its nature be inconsistent with the official COUNTY assessment roll file, surveys, maps and/or other documents produced by the County Office of the Assessor, the County Surveyor, and/or other relevant County Offices.

Table 14 shows the fee calculation for Agricultural Production. The calculated fee is \$5.52 per acre for Fiscal Year 2020/21.

Table 14
Agricultural Production Fee Calculation

Step	Item	Calculation	Cost
Step 1 Estimated Cost Shares			
	Total Cost	a	\$800,000
	Agricultural Production Share	b = a*78%	\$624,000
	Urban Share	c = a*22%	\$176,000
Step 2 Agricultural Beneficiaries			
	Agricultural Production Acres	d	119,158
	Allowance for Errors	e = d*5%	5,958
	Acres in Fee Calculation	f = d-e	113,200
	Cost per Ag. Production Acre	g = b/f	\$5.52 per acre

Step 3: Urban Beneficiaries Fee Calculation.

Option A: The cost share for Urban users is divided by the total number of Urban Acres to determine the fee per Urban Acre.

Option B: The cost share for Urban users is divided by the total number of Weighted Urban Acres to determine the fee per Weighted Urban Acre. The fee per Weighted Urban Acre is multiplied by a land use coefficient to determine the fee by land use category.

Urban Residential and Non-Residential acres are defined as,

“All real property that is not classified by the Merced County Assessor as Agriculture, Dairy, Grazing, Orchard, Poultry or Poultry/Trees.”

Table 15 on the next page provides the urban acreage by residential and non-residential land use types, and the water use factors used to determine the weighted urban acreage. The urban water use weighting factors are based on data included in the water master plans for the cities of Livingston, Atwater, and Merced. In supporting **Table 16** on page 34, the urban water use weighting factors for MIUGSA are calculated based on the regional cities’ data. Water demand coefficients are expressed in acre-feet per acre per year. Water demand coefficients for each of the land use categories is divided by the water demand coefficient for low density residential to determine water use per acre relative to single family use per acre.

Table 15
Calculated Urban and Weighted Urban Acreage in 2020

Land Use		GIS Acres	Percent of Acreage	Urban Weighting Factors	Weighted Urban Acres
Urban					
Residential					
Mobile Home		188.60	0%	0.96	181.06
Single Family Detached	1-4 units	6,350.91	4%	1.00	6,350.91
Single Family >0.9 acre lot	1 unit [1]	4,469.94	3%	1.28	5,721.52
Single Family Attached	5+ units	1,060.69	1%	1.58	1,675.89
Apartments		707.35	0%	2.36	1,669.34
Subtotal Residential		12,777.49	9%		15,598.72
Non-Residential					
Commercial		2,010.98	1%	1.32	2,654.50
Industrial		1,626.07	1%	1.36	2,211.45
Religious		272.22	0%	0.90	245.00
Government		151.54	0%	1.16	175.79
Government Hand Bill		7,651.99	5%	1.16	8,876.30
Railroad/Utilities	[2]	727.74	0%	0.18	130.99
Open Space		128.63	0%	0.64	82.32
Vacant	[3]	4,235.08	3%	0.10	423.51
Subtotal Non-Residential		16,804.24	11%		14,799.86
Total Urban		29,581.73	20%		30,398.58

Source: Merced County Assessor, May 2020.

may

[1] Assumed to be equal to use of a domestic well at 2 acre-feet per year.

[3] Open space water use factor multiplied by twice per week watering.

[3] Open space water use factor multiplied by once per week watering.

Table 16
Option B Determination of Weighting Factors

Land Use	Demand Coefficient				MIUGSA Acre-Feet	Weighting Factor
	Livingston	Atwater	Merced	MIUGSA		
		[1]		calculated	per acre	
Residential		<i>gallons per day per acre</i>			per year	
Mobile Homes	n.a.	n.a.	1,339	1,350	1.51	0.96
Low Density	2,600	1,166	1,643	1,400	1.57	1.00
Very Low Density [2]	n.a.	n.a.	n.a.	1,785	2.00	1.28
Medium Density	4,600	1,944	2,232	2,200	2.46	1.58
High Density	5,200	3,758	2,857	3,300	3.70	2.36
Non-Residential		<i>gallons per day per acre</i>				
Commercial Uses	1,700	2,203	1,607	1,850	2.07	1.32
Light Industrial	1,700	2,462	1,607	1,900	2.13	1.36
Government	n.a.	n.a.	n.a.	1,633	1.83	1.16
Religious Uses	n.a.	n.a.	n.a.	1,271	1.42	0.90
Heavy Ind. / Manufacturing	n.a.	2,981	1,785	2,750	3.08	1.96
Parks / Open Space / Golf Course	500	1,685	446	900	1.01	0.64

Source: Most recent Water Master Plans for Livingston, Atwater, and Merced.

coeff

[1] Atwater coefficients are based on water use coefficients taken from Coalinga, Hanford, Visalia, Dinuba, Clovis, and Turlock water planning documents.

[2] Residential lots greater than 0.9 acres; these are estimated to have equivalent water use to a residence with a domestic well.

Table 17 on the next page shows the calculation of the Urban Residential and Urban Non-Residential regulatory fees. Note that the calculated fees are rounded to the nearest whole two cents as required by the Merced County Auditor-Controller. Under Option A, all Urban Acres would pay the same \$6.26 fee per acre in Fiscal Year 2020/21. Under Option B, the fee per acre would differ by land use category.

Residential fees per unit under each option are compared in **Table 18**. For most Residential Urban properties, the fee would be a little greater than \$1.00 per year per lot/unit.

Examples of non-residential fees for businesses, religious properties and government property owners are compared under each option in **Table 19**.

Table 17
Regulatory Fee Calculation for Urban under Option A and Option B

Step	Item	Calculation	Cost
Step 1 Estimated Cost Shares			
	Total Cost	a	\$800,000
	Agricultural Production Share	b = a*78%	\$624,000
	Urban Share	c = a*22%	\$176,000
<hr/>			
Step 3 Urban Beneficiaries			OPTION A
	Total Acres	h	29,582
	Allowance for Errors	i = h*5%	1,479
	Urban Acres in Fee Calculation	j = h-i	28,103
	Cost per Urban Acre	k = c/j	\$6.26 per acre
<hr/>			
Step 3 Urban Beneficiaries			OPTION B
	Urban Weighted Acres	h	30,399
	Allowance for Errors	i = h*5%	1,520
	Weighted Acres in Fee Calculation	j = h-i	28,879
	Cost per Urban Weighted Acre	k = c/j	\$6.10 per acre
	Residential	factor	
	Mobile Home	k*weighting 0.96	\$5.86 per acre
	Single Family Detached	k*weighting 1.00	\$6.10 per acre
	Single Family >0.9 acre lot	k*weighting 1.28	\$7.80 per acre
	Single Family Attached	k*weighting 1.58	\$9.64 per acre
	Apartments	k*weighting 2.36	\$14.40 per acre
	Non-Residential		
	Commercial	k*weighting 1.32	\$8.06 per acre
	Industrial	k*weighting 1.36	\$8.30 per acre
	Religious	k*weighting 0.90	\$5.50 per acre
	Government	k*weighting 1.16	\$7.08 per acre
	Railroad/Utilities	k*weighting 0.18	\$1.10 per acre
	Open Space	k*weighting 0.64	\$3.90 per acre
	Vacant	k*weighting 0.10	\$0.62 per acre

Source: KSN mapping and HEC May 2020.

op2

Table 18
Examples of Impact to Urban Residential

Land Use	Cost per Urban Acre	Weighted Cost per Acre	Avg. Units per Acre	Typical Lot Size	FY 2021 Fee	
					Option A	Option B
			[1]	in acres	Annual per unit	Annual per unit
Single Family						
Typical Urban	\$6.26	\$6.10	6.0	0.17	\$1.06	\$1.04
Cul-de-Sac	\$6.26	\$6.10	4.5	0.22	\$1.38	\$1.34
>0.9 Acre Lot	\$6.26	\$7.80	0.5	2.00	\$12.52	\$15.60
Attached Units	\$6.26	\$9.64	15.0	0.07	\$0.44	\$0.68
Mobile Home	\$6.26	\$5.86	10.0	0.10	\$0.62	\$0.58
Apartment	\$6.26	\$14.40	24.0	0.04	\$0.26	\$0.58

Source: HEC May 2020.

res

[1] Average using General Plans for Merced, Atwater, and Livingston.

Table 19
Examples of Impact to Urban Non-Residential

Non-Residential Owner	Water System		Cost per Urban Acre	Weighted Cost per Acre	Acreage Owned	FY 2021 Fee	
	Type	Category				Option A	Option B
Dole Packing Plant (Atwater)	Public	Industrial	\$6.26	\$8.30	82.8	\$518	\$687
Malibu Boats (Merced)	Municipal	Industrial	\$6.26	\$8.30	21.0	\$131	\$174
Live Oak Farms (Le Grand)	Municipal	Industrial	\$6.26	\$8.30	8.5	\$53	\$71
Wallace Transport (Tuttle)	Private	Industrial	\$6.26	\$8.30	7.6	\$48	\$63
White Rock Land and Cattle (Le Grand)	Municipal	Industrial	\$6.26	\$8.30	1.6	\$10	\$13
Foster Farms (Livingston) [1]	Municipal	Industrial	\$6.26	\$8.30	209.8	\$1,313	\$1,741
Save Mart (Atwater)	Municipal	Commercial	\$6.26	\$8.06	1.2	\$8	\$10
Walmart (Merced)	Municipal	Commercial	\$6.26	\$8.06	14.7	\$92	\$118
Motel 6 (Livingston)	Municipal	Commercial	\$6.26	\$8.06	2.0	\$12	\$16
Mercy Medical Complex (Merced)	Municipal	Commercial	\$6.26	\$8.06	19.7	\$123	\$159
Rancho Del Rey Golf Course (Atwater)	Private	Commercial	\$6.26	\$8.06	118.3	\$741	\$953
Livingston Middle School	Municipal	Government	\$6.26	\$7.08	33.7	\$211	\$239
Planada Elementary	Municipal	Government	\$6.26	\$7.08	23.4	\$146	\$165
Cressey Fire Station	Private	Government	\$6.26	\$7.08	0.7	\$5	\$5
Winton Community Park	Municipal	Government	\$6.26	\$7.08	21.4	\$134	\$152
LDS Church (Merced)	Public	Religious	\$6.26	\$5.50	5.6	\$35	\$31

Source: HEC May 2020.

comm ex

[1] Foster Farms also owns agricultural, commercial, and residential parcels.

4.4 FISCAL YEAR 2020/21 RECOMMENDED FEE

The fee study recommends the MIUGSA Board move forward with a fee calculated under Option 2B. This recommendation is based upon two key findings:

3. Stakeholder / public comment that the fee should account for water use by different users or land use types.
4. While Option A provides sufficient evidence of a reasonable relationship between the amount of the fee allocated to each payor and the benefits received by each payor, Option B provides a stronger relationship because land uses that have more intensive water use per acre will pay more.

4.5 REGULATORY FEE COLLECTION

If adopted, the regulatory fee will be placed on the property tax roll by the Merced County Auditor-Controller and it will be collected by the Merced County Treasurer-Tax Collector¹¹. Fee revenues will be disbursed to MIUGSA mid-January, mid-May and late July. If delinquencies are less than 10% for three years in a row, the County will place the MIUGSA regulatory fee on its Teeter Plan. The Teeter Plan guarantees payment of the full amount of the fees that are charged, with the County pursuing any unpaid fees.

There are some parcels that straddle the Merced Sub-Basin GSA management area and the Merced Sub-basin GSA management area. These parcels may be charged fees by both GSAs.

¹¹ All fees would be placed on the property tax roll, with the exception of properties that are not assessed by the County on the property tax roll. Properties not assessed on the property tax roll include railroad and utility-owned parcels, State of California owned parcels, and local government owned parcels if those parcels are located within their own jurisdiction. These property owners would be billed directly by MIUGSA.

Section 5: FEE IMPLEMENTATION

The calculated fee is a regulatory fee adopted pursuant to SGMA (Water Code section 10730). That section provides:

Permit fees and fees on groundwater extraction or other regulatory activity [may be imposed] to fund the costs of a groundwater sustainability program, including, but not limited to, preparation, adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.

5.1 FEE ADOPTION

To adopt the new fee, the MIUGSA Board must hold at least one public meeting. Prior to the public meeting, notice must be provided as follows:

- (1) Publicize once a week for 2 weeks at least 14 days ahead of the meeting, (2) post notice on the agency's website, (3) send by mail to any interested party who files written request for notice of agency meetings on new or increased fees.
- (2) The notice must include time and place of meeting, general explanation of the item, and a statement that the data upon which the proposed fee is based is available (this must be made available to the public at least 20 days prior to the meeting).

The new fee must be adopted by resolution or by ordinance; it is proposed that the MIUGSA will adopt the fee by resolution in July 2020. The 2020 resolution will establish the fee for Fiscal Year 2020/21 and establish the Western Region Consumer Price Index published by the Bureau of Labor Statistics as the automatic annual fee inflator; provided however, that the fee will be reviewed every five years to coincide with five-year GSP reports for adjustment to Step 1 of the fee calculation. Notwithstanding these fee adjustments, the MIUGSA Board has the ability to revise the fee whenever necessary by following procedures in the California Constitution.

In order for the calculated fees to be implemented, there must be a majority vote of the Board of Directors¹². After adopting the fee, MIUGSA must continue with the following actions to implement the fee for Fiscal Year 2020/21, and each fiscal year thereafter:

1. The MIUGSA shall notice the California Public Utilities Commission (CPUC) of the fee by way of letter to the Director of the Water Division immediately following adoption of the fee, before the fee is imposed. This is a one-time, non-recurring action.

¹² Three out of five votes. The cities of Merced, Atwater and Livingston and MID have one vote each; the three special districts have one vote combined.

2. The MIUGSA shall provide the Merced County Auditor-Controller's office all required documentation authorizing placement of the fee on the property tax roll by August 1, 2020 and shall provide the list of Assessor Parcel Numbers and fee amounts to be placed on the Fiscal Year 2020/21 roll no later than the date specified by the Merced County Auditor-Controller (usually mid-August).

5.2 APPEALS

An appeals process will be included in the fee resolution. The property owner shall first be required to pay the fee as charged. Following payment of the fee, an appeal may be filed with MIUGSA. Upon review, the appeal shall be either granted or denied.

APPENDIX A

PUBLIC OUTREACH MATERIALS

A.1 MAILERS TO ALL PROPERTY OWNERS

A.2 DISPLAY ADS

A.3 FACT SHEET

A.4 INTERNET POSTINGS

A.5 FEE STUDY WORKSHOPS SUMMARY

APPENDIX A.1

MAILERS TO ALL PROPERTY OWNERS

Merced Irrigation Urban Groundwater Sustainability Agency Explores Fee Option for Adoption in July 2020

The Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA), www.miugsa.org, is made up of the following public agencies: Cities of Merced, Livingston, Atwater, Le Grand and Planada Community Services Districts, Winton Water and Sanitary District and Merced Irrigation District. The public agencies formed MIUGSA in 2017 to address the statewide mandate of measuring and securing future groundwater supplies under the Sustainable Groundwater Management Act (SGMA). SGMA requires that certain groundwater basins form groundwater sustainability agencies (GSAs) to manage groundwater supplies and develop groundwater sustainability plan(s) to meet future sustainability requirements. MIUGSA is one of three (3) GSAs within the Merced

Groundwater Sub-basin working collaboratively to complete a single Groundwater Sustainability Plan (GSP). For information specifically about the GSP, visit www.mercedsgma.org.

SGMA allows for GSAs to have the authority to collect fees to fund the costs of its regulatory activities including the GSA's participation in developing and implementing its portion of groundwater sustainability plan(s), investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.

MIUGSA is in the process of determining a funding mechanism to support agency operations and is currently exploring two options for residential groundwater fee

users. Both fee options would charge the fee based on acreage of the parcel. **Option A** is the same fee per acre for all residential properties. **Option B** has a weighted fee structure that accounts for both acreage and land use. While the actual fee that you are responsible for will depend on the size of your lot, under both options, most single-family homes would pay about \$1.00 per year. Larger-sized lots, for example those on a cul-de-sac, would likely pay less than \$1.50 per year, and homes on larger lots (around 2.5 acres) would likely pay less than \$20.00 per year.

MIUGSA expects to have a fee adopted in July 2020. The fee would be placed on the property tax roll and collected annually beginning in 2020.

La Agencia de Sustentabilidad de Aguas Subterráneas en Áreas Urbanas Mediante Irrigación de Merced Analiza la Posibilidad De Adoptar La Opción Tarifaria En Julio De 2020

La Agencia de Sustentabilidad de Aguas Subterráneas en Áreas Urbanas mediante Irrigación de Merced (MIUGSA, por sus siglas en inglés), www.miugsa.org, está formada por las siguientes agencias públicas: Ciudades de Merced, Livingston y Atwater, Distritos de Servicios Comunitarios de Le Grand y Planada, Planta de Tratamiento de Aguas Residuales de Winton y Distrito de Irrigación de Merced. Las agencias públicas formaron MIUGSA en 2017 para abordar el mandato estatal de medir y asegurar el futuro suministro de aguas subterráneas según la Ley de Manejo Sustentable de Aguas Subterráneas (SGMA, por sus siglas en inglés). La SGMA requiere que diversas cuencas de aguas subterráneas pasen a formar parte de las Agencias de Sustentabilidad de Aguas Subterráneas (GSA, por sus siglas en inglés), a fin de administrar el suministro de aguas subterráneas y desarrollar planes de sustentabilidad de estas aguas. Esto, para cumplir con futuros requerimientos de sustentabilidad. MIUGSA es una de las tres (3) GSA dentro de la

subcuenca de aguas subterráneas de Merced que trabaja en forma colaborativa para completar un Plan de Sustentabilidad de Aguas Subterráneas (GSP, por sus siglas en inglés). Para obtener más información específica de un GSP, visite el sitio web www.mercedsgma.org.

SGMA permite que las GSA tengan la facultad de recaudar los pagos para financiar los costos de sus actividades regulatorias, lo que incluye la participación de la GSA en el desarrollo e implementación de planes de sustentabilidad de aguas subterráneas, y de investigaciones, inspecciones, asistencia en el cumplimiento, ejecución, y administración de programas, incluyendo una reserva prudente.

MIUGSA se encuentra en proceso de determinar un mecanismo de financiación para apoyar las operaciones de la agencia, y actualmente está analizando dos opciones para los usuarios residencia-

les de aguas subterráneas. Ambas opciones tarifarias cobrarán la tarifa basándose en la extensión del terreno. La **opción A** consiste en la misma tarifa por aproximadamente 4.000 m² para todas las propiedades residenciales. La **opción B** tiene una estructura ponderada de tarifa que considera la extensión y el uso del terreno. Mientras la tarifa real de la cual usted es responsable dependerá del tamaño de su terreno; con ambas opciones, la mayoría de las viviendas independientes pagará cerca de 1 USD al año. Los terrenos de mayor tamaño, como aquellos ubicados en calles sin salida, probablemente pagarán menos de 1.50 USD al año, y las viviendas en terrenos más extensos (cerca de 10.000 m²) pagarán menos de 20 USD al año.

MIUGSA espera que la tarifa esté adoptada en julio de 2020. La tarifa se agregará al registro de contribuciones y se recaudaría anualmente a comienzos de año.

Merced Irrigation Urban Groundwater Sustainability Agency Tshawb Pom Tias Yuav Muab Nqis Nce Nyob Rau Lub July 2020

Nyob rau ntawm Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA), www.miugsa.org, ua los ntawm ntau lub koos haum uas ua hauj lwm pab rau pej xeeb: xws li lub Nroog Merced, Livingston, Atwater, Le Grand thiab Planada Community Services Districts, Winton Water thiab Sanitary District thiab Merced Irrigation District. Cov chaw ua hauj lwm pab rau pej xeeb no tau tsim lub MIUGSA nyob rau xyoo 2017 coj los hais thoob plaws rau lub xeeb no kom muab los ntsuas xyuas thiab kom txuag cov dej nyob sab hauv av uas muab los siv kom ua raws li Sustainable Groundwater Management Act txoj cai (SGMA). SGMA tau hais tias nyob rau cov dej sab hauv av yuav tsum ua raws li groundwater sustainability agencies tau pom zoo (GSAs) saib xyuas txog muab cov dej sab hauv av los siv thiab yuav npaj cov dej nyob sab hauv av tseg kom muaj nyob

rau yav tom ntej uas raws li qhov tau hais tseg. MIUGSA yog ib lub ntawm peb (3) lub GSAs los nrog lub Nroog Merced Groundwater Sub-basin koom ua hauj lwm tiav rau ib daim Groundwater Sustainability Plan (GSP). Yog xav paub ntau txog GSP, mus saib tau rau ntawm www.mercedsgma.org.

SGMA tso cai rau GSAs sau cov nyiaj nce nqi no coj los paj rau kev khiav dej num nrog rau GSA's koom tes tshawb nrhiav thiab kev siv ib nrab ntawm cov dej nruab tiv groundwater sustainability plan(s), kev tshawb nrhiav, soj ntsuam xyuas, kev pab ua raws cai, ua tub ceem xwm saib, thiab pab rau kev kawm ntawm cov thawj coj tswj hwm, ua ke nrog rau npaj tseg cia.

MIUGSA tab tom npaj lub tswv yim nrhiav nyiaj los txhawb qhib tej kev pab thiab npaj muaj ob txoj hauv kev rau cov neeg

siv cov dej nyob hauv nruab tiv. Ob txoj hauv kev no yuav ua nqi them raws li ntawm tej thaj chaw. **Qhov A** ua tib tug nqi raws acre tag nrho rau txhua thaj tsam uas muaj neeg nyob. **Qhov B** ua nqi ob yam tib si raws li lub tsev thiab cov av siv. Cov nqi uas koj yuav tau them kuj nyob rau ntawm koj qhov av dav, hauv ob qhov no, feem ntau ntawm cov ib yim neeg yuav tau them li \$1.00 rau ib xyoo. Qhov av dav, piv txwv li, cov cul-de-sac, yuav tau them tsawg tshaj li \$1.50 ib xyoo, thiab cov tsev muaj av dav (li 2.5 acre) yuav tau them tsawg tshaj li \$20.00 rau ib xyoo.

MIUGSA cov nqi no yuav muab siv nyob rau lub July 2020. Cov nqi no yuav muab ntxiv rau qhov se tsev thiab ib xyoo sau ib zaug pib rau xyoo 2020

Stay Informed!

1. Go to www.miugsa.org/feestudy for more information about MIUGSA Fee Study and to watch a brief video explanation about the fee setting process.
2. E-mail the project team at FeeStudy@MIUGSA.org or leave a comment at <http://eepurl.com/g2qTqj>.
3. Join the Fee Study e-mail list at <http://eepurl.com/g2qTqj> to receive

project updates, board meeting notices, and stay informed about public involvement opportunities*.

**Pursuant to executive orders issued by California Governor Gavin Newsom regarding the restriction of public gatherings, public involvement will be virtual until state orders to restrict gatherings are lifted. Check the website often and sign up to receive emails to be notified about opportunities.*

Save the Date!

Attend a Virtual Workshop on Monday, June 15th at 6 p.m. or Tuesday, June 16th at 6 p.m. to learn more about the fee study and post questions to the team. Sign up at <http://eepurl.com/g2qTqj> or check the website at www.miugsa.org/feestudy after June 8th to receive instructions about how to join the workshops.

Manténgase Informado

1. Visite el sitio www.miugsa.org/feestudy para obtener más información acerca del Estudio Tarifario de MIUGSA y para ver un breve video explicativo acerca del proceso para fijar las tarifas.
2. Envíe un correo al equipo del proyecto a la dirección FeeStudy@MIUGSA.org o deje un comentario en <http://eepurl.com/g2qTqj>.
3. Ingrese sus datos en la lista de correos del Estudio Tarifario en

<http://eepurl.com/g2qTqj> para recibir actualizaciones del proyecto y notificaciones de las reuniones de directorio, y para mantenerse informado acerca de las oportunidades de participación pública.*

**De acuerdo con las órdenes ejecutivas emitidas por el Gobernador de California, Gavin Newsom, con respecto a la restricción de reuniones públicas, la participación pública se llevará a cabo de manera virtual hasta que se levanten las órdenes estatales de prohibir las reuniones. Revise en forma periódica el sitio web e inscríbese para recibir correos de notificación de nuevas oportunidades.*

Recuerde Esta Fecha

Recuerde asistir al Taller Virtual que se realizará el lunes 15 de junio a las 6 p.m. o el martes 16 de junio a las 6 p.m., con el fin de obtener más información acerca del estudio tarifario y para enviar sus preguntas al equipo. Inscríbese en <http://eepurl.com/g2qTqj> o revise el sitio web www.miugsa.org/feestudy después del 8 de junio para recibir instrucciones acerca de cómo unirse a los talleres.

Nyob Qhov Ceeb Toom!

1. Mus rau www.miugsa.org/feestudy muaj nug txog MIUGSA tej nqi kawm thiab xav saib qhov video tham txog qhov kev teeb tej nqi.
2. Xa e-mail rau pab neeg ua num ntawm FeeStudy@MIUGSA.org los yog tso lus tseg rau ntawm <http://eepurl.com/g2qTqj>.
3. Koom nrog tej nqi kawm daim ntawm e-mail rau ntawm <http://eepurl.com/g2qTqj> uas yuav tau

tej kev qhia tshab, qhia tej rooj sib tham, thiab yuav ceeb toom txog tej kev koom ntawm lub zej zog.

Ua tawm los ntawm tus tuav Xeev California Gavin Newsom txog txoj kev txwv tsis pub neeg nyob ua ke, tej kev sib koom ntawm lub zej zog yuav tau muaj ntxiv mus txog hnub tsis muaj kev txwv. Saib rau hauv lub vassab (website) txhua zaug thiab rau npe los txais tej kev ceeb toom hauv e-mail.

Ceev Lub Caij!

Koom nrog lub rooj cob qhia nub Monday 6/15 thaum 6 teev tsaus ntuj los yog 6/16 thaum 6 teev tsaus ntuj yuav muaj kawm ntau yam txog tej nqi kawm thiab tso tej lus nug rau pab ua hauj lw. Rau npe rau ntawm <http://eepurl.com/g2qTqj> los yog saib lub vassab (website) ntawm www.miugsa.org/feestudy tom qab 6/8 los txais cov lus qhia txog yuav koom rooj cob qhia li cas.



Attention Residential Groundwater Users!

Merced Irrigation Urban Groundwater Sustainability Agency explores fee option that will impact residential groundwater users.

Aviso para los usuarios residenciales de aguas subterráneas

La Agencia de Sustentabilidad de Aguas Subterráneas en Áreas Urbanas mediante Irrigación de Merced analiza la opción tarifaria que impactará a los usuarios residenciales de aguas subterráneas.

Txog Cov Tsev Uas Siv Cov Dej Nyob Nruab Tiv!

Merced Irrigation Urban Groundwater Sustainability Agency tshawb pom tias nce nqis yuav muaj kev cuam tshuam rau cov tsev uas siv cov dej nyob nruab tiv.

Merced Irrigation Urban Groundwater Sustainability Agency Encourages Groundwater Users to Get Involved!

Public involvement is an important part of the process. MIUGSA wants those impacted to provide comments about a preferred option prior to the fee adoption. Comments may be made at <http://eepurl.com/g2qTqj>.

La Agencia De Sustentabilidad De Aguas Subterráneas En Áreas Urbanas Mediante Irrigación De Merced Incentiva La Participación De Los Usuarios De Aguas Subterráneas

La participación pública es una parte esencial del proceso. MIUGSA desea conocer la opción de preferencia de todas las personas afectadas, antes de que se adopte la opción tarifaria. Puede dejar sus comentarios en <http://eepurl.com/g2qTqj>.

Merced Irrigation Urban Groundwater Sustainability Agency Thov Caw Cov Siv Dej Nyob Nruab Tiv Groundwater Tuaj Koom!

Lub zej zog tej kev cuam tshuam yog ib qho tseem ceeb rau txoj hauv kev no. MIUGSA xav kom cov uas raug tej teeb meem lawm muab tej lus qhia txog tej uas xav tau ua ntej yuav siv qhov nqi no. Cov lus qhia yuav ua tau rau ntawm <http://eepurl.com/g2qTqj>.

The Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA), www.miusgsa.org, is made up of the following public agencies: Cities of Merced, Livingston and Atwater, Le Grand and Planada Community Services Districts, Winton Water and Sanitary District, and Merced Irrigation District. The public agencies formed MIUGSA in 2017 to address the statewide mandate of measuring and securing future groundwater supplies under the Sustainable Groundwater Management Act (SGMA). SGMA requires that certain groundwater basins form groundwater sustainability agencies (GSAs) to manage groundwater supplies and develop groundwater sustainability plan(s) to meet future sustainability requirements. MIUGSA is one of three (3) GSAs within the Merced Groundwater Sub-basin working collaboratively to complete a single groundwater sustainability plan (GSP). For information specifically about the GSP, visit www.mercedsgma.org.

SGMA allows for GSAs to have the authority to collect fees to fund the costs of its regulatory activities including the GSA's participation in developing and implementing its portion of groundwater sustainability plan(s), investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.

MIUGSA is in the process of determining a funding mechanism to support agency operations and is currently exploring **two** options for commercial, multi-unit residential and agriculture groundwater users.

COMMERCIAL

All commercial properties (inclusive of industrial, government, religious, other, and currently vacant properties), would pay an urban regulatory fee. Under **Option A**, the fee would be the same per acre for all commercial properties. **Option B** has a weighted fee structure that accounts for water use by customer type. For example, the fee per acre for offices would be different than the fee per acre for packaging plants or churches. The per acre fee for some land uses would be the same or greater under **Option A** (churches and open space properties, for example), and for other land uses, greater under **Option B** (industry, offices and schools, for example).

For any commercial property, the fee under either option is estimated to be less than \$10 per acre per year.

FOR APARTMENTS AND MOBILE HOME PARKS

All residential properties would pay an urban regulatory fee. Under **Option A**, the fee would be the same per acre for all residential properties. **Option B** has a weighted fee structure that accounts for water use by customer type. For example, the fee per acre for apartments would be roughly twice the fee per acre for mobile homes because apartments use more water on a per acre basis; however, the fee on a per unit basis would be about the same.

Under both fee options, it is estimated that the fee will be less than \$15 per acre per year (or less than \$1 per unit per year).

AGRICULTURE

All agricultural production acres would pay the same fee regardless of the production activity (nuts, dairy, vegetable crops for example). There is no difference in the fee amount per acre for agricultural production properties between the two fee options being explored; however, the fee supports the portion of estimated groundwater pumping within MIUGSA boundaries that is for agricultural production activity only. Agriculture pays for its share of groundwater management costs independently of the urban groundwater users.

The agricultural production regulatory fee per acre is estimated to be between \$4 and \$7 per acre per year.

MIUGSA expects to have a fee adopted in July 2020. The fee would be placed on the property tax roll and collected annually beginning in 2020.

Interested parties may request a virtual presentation for their represented group (i.e. Chamber of Commerce, Farm Bureau, property management agency, or similar) by sending a request to FeeStudy@MIUGSA.org.

Attention Commercial and Agriculture Groundwater Users!

Merced Irrigation Urban Groundwater Sustainability Agency explores fee option that will impact all groundwater users.

Read More

Para revisar esta carta en español, vaya a www.miugsa.org/feestudy

Mus nyeem tsab ntawv no nyob rau hauv Hmoob, mus rau www.miugsa.org/feestudy

MERCED IRRIGATION URBAN GROUNDWATER SUSTAINABILITY AGENCY ENCOURAGES GROUNDWATER USERS TO GET INVOLVED!

Public involvement is an important part of the process. MIUGSA wants those impacted to provide comments about a preferred option prior to the fee adoption. Comments may be made at <http://eepurl.com/g2qTqj>.

Stay Informed!

1. Go to www.miugsa.org/feestudy for more information about the MIUGSA Fee Study and to watch a brief video explanation about the fee setting process for residential, commercial, multi-unit residential and agricultural groundwater users.
2. Join the Fee Study e-mail list at <http://eepurl.com/g2qTqj> to receive project updates, board meeting notices and stay informed about public involvement opportunities*.
3. E-mail the project team at FeeStudy@MIUGSA.org with questions or to request a virtual presentation to your representative group.

**Pursuant to executive orders issued by California Governor Gavin Newsom regarding the restriction of public gatherings, public involvement will be virtual until state orders to restrict gatherings are lifted. Check the website often and sign up to receive emails to be notified about opportunities.*

Save the Date!

Attend a Virtual Workshop on Monday, June 15th at 6 p.m. or Tuesday, June 16th at 6 p.m. to learn more about the fee study and post questions to the team. Sign up at <http://eepurl.com/g2qTqj> or check the website at www.miugsa.org/feestudy after June 8th to receive instructions about how to join the workshops.

La Agencia de Sustentabilidad de Aguas Subterráneas en Áreas Urbanas mediante Irrigación de Merced (MIUGSA, por sus siglas en inglés), www.miugsa.org, está formada por las siguientes agencias públicas: Ciudades de Merced, Livingston y Atwater, Distritos de Servicios Comunitarios de Le Grand y Planada, Planta de Tratamiento de Aguas Residuales de Winton y Distrito de Irrigación de Merced. Las agencias públicas formaron MIUGSA en 2017 para abordar el mandato estatal de medir y asegurar el futuro suministro de aguas subterráneas según la Ley de Manejo Sustentable de Aguas Subterráneas (SGMA, por sus siglas en inglés). La SGMA requiere que diversas cuencas de aguas subterráneas pasen a formar parte de las Agencias de Sustentabilidad de Aguas Subterráneas (GSA, por sus siglas en inglés), a fin de administrar el suministro de aguas subterráneas y desarrollar planes de sustentabilidad de estas aguas. Esto, para cumplir con futuros requerimientos de sustentabilidad. MIUGSA es una de las tres (3) GSA dentro de la subcuenca de aguas subterráneas de Merced que trabaja en forma colaborativa para completar un Plan de Sustentabilidad de Aguas Subterráneas (GSP, por sus siglas en inglés). Para obtener más información específica de un GSP, visite el sitio web www.mercedsgma.org.

SGMA permite que las GSA tengan la facultad de recaudar los pagos para financiar los costos de sus actividades regulatorias, lo que incluye la participación de la GSA en el desarrollo e implementación de planes de sustentabilidad de aguas subterráneas, y de investigaciones, inspecciones, asistencia en el cumplimiento, ejecución, y administración de programas, incluyendo una reserva prudente.

MIUGSA se encuentra en proceso de determinar un mecanismo de financiación para apoyar las operaciones de la agencia, y actualmente está analizando dos opciones para los usuarios de aguas subterráneas dentro del rango comercial, residencial con vivienda en departamento y agrícola.

Para Usuarios Comerciales	Para Usuarios de Departamentos y Espacios Para Casas Rodantes	Para Usuarios Agrícolas
<p>Todas las propiedades comerciales (incluyendo propiedades industriales, gubernamentales, religiosas o de otro tipo; y actualmente vacantes), pagarían una tarifa urbana regulatoria. Según la opción A, la tarifa sería la misma por acre para todas las propiedades comerciales. La opción B tiene una estructura ponderada de tarifa que considera el uso del agua por tipo de cliente. Por ejemplo, la tarifa por acre para oficinas sería distinta a la tarifa por acre para las plantas de envasado o iglesias. La tarifa por acre para algunos tipos de uso del terreno sería la misma o mayor según la opción A (por ejemplo, iglesias y espacios abiertos), y para otros tipos de usos del terreno, sería mayor según la opción B (por ejemplo, industria, oficinas y escuelas).</p> <p>Para cualquier propiedad comercial, se estima que la tarifa según cualquiera de las dos opciones sería menos de 10 USD por acre al año.</p>	<p>Todas las propiedades residenciales pagarían una tarifa urbana regulatoria. Según la opción A, la tarifa sería la misma por acre para todas las propiedades residenciales. La opción B tiene una estructura ponderada de tarifa que considera el uso del agua por tipo de cliente. Por ejemplo, la tarifa por acre para departamentos sería casi el doble de la tarifa por acre de las casas rodantes, ya que los departamentos utilizan más agua por cada acre. Sin embargo, la tarifa por unidad sería casi la misma.</p> <p>Según ambas opciones, se estima que la tarifa sería menos de 15 USD por acre al año (o menos de 1 USD por unidad al año).</p>	<p>Todos los terrenos de producción agrícola de acre pagarían la misma tarifa, independientemente de su actividad productiva (por ejemplo, frutos secos, lácteos, cultivos de verduras). No existe diferencia en el monto de la tarifa por acre para propiedades de producción agrícola entre las dos opciones tarifarias que se están analizando. Sin embargo, la tarifa sirve para financiar parte del bombeo estimado de aguas subterráneas dentro de los límites de MIUGSA, que está solo destinado para las actividades de producción agrícola. Los usuarios agrícolas pagan su parte de los costos de manejo de aguas subterráneas independientemente de los usuarios de aguas subterráneas en áreas urbanas.</p> <p>Se estima que la tarifa regulatoria por producción agrícola por acre sería de 4 a 7 USD al año.</p>

MIUGSA espera que la tarifa esté adoptada en julio de 2020. La tarifa se agregaría al registro de contribuciones y se recaudaría anualmente a comienzos de año.

Las partes interesadas pueden solicitar una presentación virtual para el grupo al que representan (por ejemplo, Cámara de Comercio, Agencias Agrícolas, agencia de administración de propiedades, o de similar naturaleza) enviando un requerimiento a FeeStudy@MIUGSA.org.

La Agencia de Sustentabilidad de Aguas Subterráneas en Áreas Urbanas mediante Irrigación de Merced incentiva la participación de los usuarios de aguas subterráneas

La participación pública es una parte esencial del proceso. MIUGSA desea conocer la opción de preferencia de todas las personas afectadas, antes de que se adopte la opción tarifaria. Puede dejar sus comentarios en <http://eepurl.com/g2qTqj>.

Manténgase Informado

1. Visite el sitio www.miugsa.org/feestudy para obtener más información acerca del Estudio Tarifario de MIUGSA y para ver un breve video explicativo acerca del proceso para fijar las tarifas para los usuarios de aguas subterráneas dentro del rango residencial, comercial, residencial con vivienda en departamento y agrícola.
2. Ingrese sus datos en la lista de correos del Estudio Tarifario en <http://eepurl.com/g2qTqj> para recibir actualizaciones del proyecto y notificaciones de las reuniones de directorio, y para mantenerse informado acerca de las oportunidades de participación pública. *
3. Envíe un correo con sus preguntas al equipo del proyecto a la dirección FeeStudy@MIUGSA.org o para solicitar una presentación virtual para el grupo al que representa.

**De acuerdo con las órdenes ejecutivas emitidas por el Gobernador de California, Gavin Newsom, con respecto a la restricción de reuniones públicas, la participación pública se llevará a cabo de manera virtual hasta que se levanten las órdenes estatales de prohibir las reuniones. Revise en forma periódica el sitio web e inscríbese para recibir correos de notificación de nuevas oportunidades.*

Recuerde Esta Fecha

Recuerde asistir al Taller Virtual del día lunes 15 de junio a las 6 p.m. o el martes 16 de junio a las 6 p.m., con el fin de obtener más información acerca del estudio tarifario y para enviar sus preguntas al equipo. Inscríbese en <http://eepurl.com/g2qTqj> o revise el sitio web www.miugsa.org/feestudy después del 8 de junio para recibir instrucciones acerca de cómo unirse a los talleres.

Nyob rau hauv Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA), www.miugsa.org, ua los ntawm ntau lub koos haum uas ua hauj lwm pab rau pej xeeb: Cities of Merced, Livingston thiab Atwater, Le Grand thiab Planada Community Services Districts, Winton Water thiab Sanitary District, thiab Merced Irrigation District. Cov chaw ua hauj lwm pab rau pej xeeb no tau tsim lub MIUGSA nyob rau xyoo 2017 koj los hais thoob plaws rau lub xeev no kom muab los ntsuas saib thiab kom txuag cov dej nyob nruab tiv (sab hauv av) uas muab los siv kom ua raws li Sustainable Groundwater Management Act txoj cai (SGMA). SGMA tau hais tias nyob rau dej nruab tiv (sab hauv av) yuav tsum ua raws li groundwater sustainability agencies tau pom zoo (GSAs) saib xyuas txog muab cov dej nruab tiv (sab hauv av) los siv thiab yuav npaj cov dej nyob nruab tiv tseg kom muaj nyob rau yav tom ntej uas raws li qhov tau hais tseg. MIUGSA yog ib lub ntawm peb (3) lub GSAs los nrog lub Nroog Merced Groundwater Sub-basin koom ua hauj lwm tiav rau ib daim Groundwater Sustainability Plan (GSP). Yog xav paub ntau txog ntawm GSP, visit www.mercedsgma.org.

SGMA tso cai rau GSAs sau cov nyiaj nce nqi no koj los pab rau kev khiav dej num nrog rau GSA's koom tes tshawb nrhiav thiab kev siv ib nrab ntawm cov dej nruab tiv groundwater sustainability plan(s), kev tshawb nrhiav, soj ntsuam xyuas, kev pab ua raws txoj cai, ua tub ceem xwm saib, thiab pab rau kev kawm ntawm cov thawj koj tswj hwm, ua ke nrog rau kev npaj tseg.

MIUGSA tab tom npaj lub tswv yim nrhiav nyiaj los txhawb qhib tej kev pab thiab tam sim no npaj muaj ob txoj hauv kev rau cov tswv ua lag luam, cov av muaj ntau lub tsev thiab cov ua liaj teb uas siv cov dej nyob nruab tiv.

Rau cov lag luam

Tag nrho rau cov tswv lag luam (nrog rau kev lag luam, chaw ua hauj lwm tsoom fwv, chaw teev hawm kev ntseeg, lwm yam, thiab rau cov chaw uas tam sim no seem tsis tau muaj neeg nyob lawm), yuav tau them rau lub nroog yog tus ua txoj cai. Nyob rau qhov A, tus nqi yuav zoo tib yam li rau ib acre tag nrho rau cov tswv lag luam. Qhov B muaj tus nqi rau tus account uas qhov chaw dav siv cov dej. Piv txwv li, tus nqi tuaj ib acre rau chaw ua hauj lwm (cov hoob kas) yuav txawv dua li tus nqi tuaj ib acre rau ib qhov chaw cog khoom los yog cov tsev teev hawm kev ntseeg(churches). Ib acre tus nqi rau cov av siv yuav zoo tib yam li los yog zoo dua nyob qhov A (tsev teev hawm kev ntseeg thiab piv txwv li tej qhov chaw dav), thiab rau lwm thaj av siv, yuav zoo dua li nyob rau qhov B (chaw ua lag luam, chaw ua haujlwm (cov hoob kas) thiab piv txwv li tsev kawm ntawv).

Yog rau cov tswv lag luam, tus nqi yuav nyob kwv yees li tsawg dua li \$10 rau ib acre nyob rau ib lub xyoo.

Rau cov tsev Apartments thiab cov Mobile Home Parks

Tag nrho cov tsev yuav tau them rau lub nroog yog tus ua txoj cai. Nyob rau qhov A, tus nqi yuav zoo ib yam rau ib acre tag nrho rau cov tsev. Qhov B muaj tus nqi rau tus account uas qhov chaw dav siv cov dej. Piv txwv li, tus nqi rau ib acre rau cov apartments yuav ntxiv li ob npaug tus nqi li ib acre rau cov mobile homes vim hais tias cov tsev apartments siv dej ntau dua rau ib acre twg; li cas los xij, tus nqi rau ib chav twg yeej yuav zoo tib yam.

Nyob rau ntawm ob qhov nqi, nws kwv yees hais tias tus nqi yuav tsawg dua \$15 rau ib acre rau ib xyoo (los yog tsawg dua li \$1 rau ib chav rau ib xyoo).

Rau ua liaj teb

Tag nrho rau cov kev ua liaj ua teb ntau acres lawm yuav tau them tus nqi zoo ib yam li thiab txawm hais tias ua tej yam zoo li cas los xij (cog txiv ntoo, chaw yug nyuj, piv txwv li ua teb zaub). Nws yeej tsis txawv tus nqi rau ib acre rau cov tswv uas ua liaj ua teb ntau nyob rau ob qhov nqi uas tau npaj muaj; li cas los xij, tus nqi ib nrab yuav koj los pab rau kev nqus dej nruab tiv los ntawm lub MIUGSA cov ciaj ciam ces yog rau cov ua liaj ua teb xwb. Ua liaj ua teb them nws yog sib faib cov dej nyob nruab tiv tabsis nyob rau ntawm nws tus kheej siv cov dej nyob nruab tiv.

Cov nqi ntawm kev ua liaj ua teb rau ib acre twg yuav kwv yees nyob rau li \$4 thiab \$7 rau ib acre rau ib xyoo.

MIUGSA xav kom tau cov nqi no tiav nyob rau lub Xya hli 2020. Cov nqi no yuav tso rau cov tswv tsev cov se thiab yuav sau txhua xyoo pib rau 2020.

Yog hais tias nej muaj ib pab pawg txaus siab yuav tuaj hais qhia rau (i.e. Chamber of Commerce, Farm Bureau, property management agency, los yog similar) xa nej daim ntawv thov hais tuaj rau FeeStudy@MIUGSA.org.

Merced Irrigation Urban Groundwater Sustainability Agency thov caw nej tuaj koom tham txog kev siv cov dej nyob nruab tiv!

Pej xeeb sawv daws tuaj sib koom tham yuav yog ib qhov tseem ceeb rau ke npaj cov txheej txheem no mus. MIUGSA yeej xav tau cov uas tuaj muab kev cuam tshuam txog yuav muab tus nqi no kho mus. Muaj lus sau tau tuaj rau <http://eepurl.com/g2qTqj>.

Mus Saib Ntxiv Ntawm!

1. Mus saib tau rau ntawm www.miugsa.org/feestudy yog xav paub ntau dua no txog MIUGSA Hais txog kev nce nqi thiab mus saib daim kas xev video luv luv piav txog tus nqi ntawm cov txheej txheem muab tso li cas rau cov tsev, tsev ua lag luam, muaj ntau lub-tsev ua ke thiab kev ua liaj ua teb uas siv cov dej nyob nruab tiv.
2. Koom txog kev tham nce nqi xa e-mail tuaj rau <http://eepurl.com/g2qTqj> kom tau txais txog kev tham tshiab, pawg thawj koj cov ntawv sau tseg thiab kom paub txog tsoom pej xeeb muaj feem tuaj koom li cas*.
3. Xa E-mail rau ntawm pawg npaj no FeeStudy@MIUGSA.org nrog rau cov lus noog los yog hais kom lawv kam es yus koj ib pawg tuaj piav qhia rau lawv.

**Ua tawm los ntawm tus tswv Xeev California Governor Gavin Newsom tau hais kom txwv tsis pub peej xeeb mus sib txoos ua ke, tej chaw uas pej xeeb tuaj mus sib txoos nyob ua ke coob yuav txwv kom txog thaum lub xeev rov tso cai xoob lawm. Saib rau hauv qhov website thiab sau npe rau kom tau txais cov emails tuaj qhiav tias kev sib tham mus li cas lawm.*

Nco Cov Hnub No Cia!

Rau cov tuaj koom lub rooj sib tham no nyob rau hnub Monday, lub 6/15/2020 thaum sij hawm 6 p.m. los yog hnub Tuesday, lub 6/16/2020 nyob rau thaum sij hawm 6 p.m. xav paub ntau txog qhov kev sib tham nce nqi thiab muaj lus tso rau pawg thawj koj. Sau npe rau <http://eepurl.com/g2qTqj> los yog mus saib qhov website rau ntawm www.miugsa.org/feestudy tom qab lub Rau hli 8th kom paub txog cov txheej txheem tias yuav koom cov rooj sib tham no mus li cas.

APPENDIX A.2

DISPLAY ADS



NOTICE OF FEE STUDY AND PUBLIC INVOLVEMENT OPPORTUNITIES

The Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA), www.miugsa.org, is conducting a fee study as part of its effort to comply with the statewide mandate to measure and secure future groundwater supplies under the Sustainable Groundwater Management Act (SGMA). Under SGMA, groundwater sustainability agencies (GSAs) have the authority to collect fees to fund the costs of its regulatory activities including preparation, adoption, and amendment of a groundwater sustainability plans, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.

If you are a groundwater user within the MIUGSA boundaries, your property will be charged a fee. Public involvement is an important part of the process. MIUGSA wants those impacted to view the fee options under consideration and provide comments prior to the fee adoption. Go to www.miugsa.org/index.cfm/feestudy for information, watch video presentations, sign-up for email updates or leave comments.

Get Involved!

1. Sign-up at <http://eepurl.com/g2qTqj> to attend a virtual workshop* on Monday, June 15th at 6 p.m. or Tuesday, June 16th at 6 p.m. Instructions about how to join via computer, laptop or smart device will be sent one day in advance via e-mail and posted at www.miugsa.org/index.cfm/feestudy.
2. Join the Fee Study e-mail list at <http://eepurl.com/g2qTqj>.
3. E-mail the project team at FeeStudy@MIUGSA.org or leave a comment at <http://eepurl.com/g2qTqj>.
4. Check your mail for an informative newsletter to arrive early June.

The Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA) is made up of the following public agencies: Cities of Merced, Livingston and Atwater, Le Grand and Planada Community Services Districts, Winton Water and Sanitary District, and Merced Irrigation District.

**Pursuant to executive orders issued by California Governor Gavin Newsom regarding the restriction of public gatherings, public involvement will be virtual until state orders to restrict gatherings are lifted.*



QHIA TAWM TXOG KAWM QHOV NQI THIAB LUB CIB FEM KOOM NROG

Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA), www.miugsa.org, yuav ua ib qho kev kawm txog tej nqi uas nws yuav koom thoob plaws nrog rau lub xeev qhia txoj kev saib xyuas kom zoo thiab pab cuam kom zoo rau yav pem suab txog tej cuab yeej cov dej hauv nruab tiv nyob hauv qab Sustainable Groundwater Management Act (SGMA). Nyob qab tswj fwm ntawm SGMA, groundwater sustainability agencies (GSAs) tau tso cai los sau nqi mus them tej nuj nqis ntawm nws tej dej num nrog tej kev npaj, kev pom zoo, thiab kev tsim kho ntawm cov tswv yim khaws tej dej hauv ntsuab tiv, thiab kev tshawb fawb, kev soj ntsuam, koom tej kev pab, kev ua hauj lwm thiab kev ua dej num, nrog ceev faj txoj kev ceev tseg.

Yog tias koj yog ib tug siv cov dej hauv nruab tiv txij li ciam MIUGSA, koj thaj chaw yuav raug them nqi. Lub zej zog txoj kev koom yog ib qho tseem ceeb uas nyob rau qhov yuav tau ua. MIUGSA xav kom cov uas muaj teeb meem los saib qhov nqi uas tseem tab tom saib xyuas thiab muab tej lus nug ua ntej yuav muab qhov nqi siv. Mus rau ntawm www.miugsa.org/feestudy rau tej lus qhia saib daim yeeb yaj duab uas tso tawm, sau npe rau tus e-mail qhia tej tshiab thiab tso tej lus nug.

Koom Nrog Rau!

1. Sau npe rau ntawm <http://eepurl.com/g2qTqj> koom nrog tej rooj cob qhia* rau hnuab Monday, June 15th thaum 6 teev tsaus ntuj los yog Tuesday, June 16th thaum 6 teev tsaus ntuj. Cov kev qhia yuav mus koom li cas rau hauv computer, laptop los yog smart device yuav xa ib hnuab ua ntej rau e-mail thiab tso rau ntawm www.miugsa.org/feestudy.
2. Koom daim Fee Study e-mail ntawm <http://eepurl.com/g2qTqj>.
3. Xa E-mail rau cov tuav dej num ntawm FeeStudy@MIUGSA.org los yog tso tej lus nug rau ntawm <http://eepurl.com/g2qTqj>.
4. Saib koj tej ntawv uas xa tuaj txog tej ntawv xov xwm uas yuav tuaj txog ua ntej lub 6 hli.

Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA) ua tawm los ntawm cov koom haum pab tib neeg li hauv qab no: Nroog Merced, Livingston thiab Atwater, Le Grand thiab Planada Community Services District, Winton Water thiab Sanitary District, thiab Merced Irrigation District.

**Ua tawm tuaj ntawm tsu Tswv Xeev California Gavin Newsom txog txoj kev txwv tsis pub neeg nyob ua ke, txwv tsis pub cov tib neeg nyob ua ke txog hnuab tshem qhov kev txwv txiav.*



NOTIFICACIÓN SOBRE ESTUDIO TARIFARIO Y OPORTUNIDADES DE PARTICIPACIÓN PÚBLICA

La Agencia de Sustentabilidad de Aguas Subterráneas en Áreas Urbanas mediante Irrigación de Merced (MIUGSA, por sus siglas en inglés), www.miugsa.org, está llevando a cabo un estudio tarifario como parte de sus esfuerzos por cumplir con el mandato estatal de medir y asegurar el futuro suministro de aguas subterráneas según la Ley de Manejo Sustentable de Aguas Subterráneas (SGMA, por sus siglas en inglés). Mediante la SGMA, las agencias de sustentabilidad de aguas subterráneas (GSA) tienen la facultad de recaudar los pagos para financiar los costos de sus actividades regulatorias, lo que incluye la preparación, adopción y enmienda de los planes de sustentabilidad de aguas subterráneas, e investigaciones, inspecciones, asistencia en el cumplimiento, ejecución y administración de programas, incluyendo una reserva prudente.

Si usted es un usuario de aguas subterráneas dentro de los límites de MIUGSA, a su propiedad se le cobrará una tarifa. La participación pública es una parte esencial del proceso. MIUGSA desea que las personas afectadas puedan conocer las opciones tarifarias que se están analizando, antes de que se adopte la opción tarifaria final. Visite el sitio www.miugsa.org/index.cfm/feestudy para obtener información, ver presentaciones en video e inscribirse para recibir actualizaciones por correo o para dejar comentarios.

Comience a Participar

1. Inscríbase en <http://eepurl.com/g2qTqj> para asistir a un taller virtual* el día lunes 15 de junio a las 6 p.m. o el martes 16 de junio a las 6 p.m. Las instrucciones para conectarse mediante computadora, laptop o un dispositivo inteligente se enviarán un día antes por correo electrónico, y se publicarán en www.miugsa.org/index.cfm/feestudy.
2. Ingrese sus datos en la lista de correos del Estudio Tarifario en <http://eepurl.com/g2qTqj>.
3. Envíe un correo al equipo del proyecto a la dirección FeeStudy@MIUGSA.org o deje un comentario en <http://eepurl.com/g2qTqj>.
4. Revise su correo electrónico para ver si recibe un boletín informativo que llegaría a principios de junio.

La Agencia de Sustentabilidad de Aguas Subterráneas en Áreas Urbanas mediante Irrigación de Merced (MIUGSA, por sus siglas en inglés) está formada por las siguientes agencias públicas: Ciudades de Merced, Livingston y Atwater, Distritos de Servicios Comunitarios de Le Grand y Planada, Planta de Tratamiento de Aguas Residuales de Winton y Distrito de Irrigación de Merced.

** De acuerdo con las órdenes ejecutivas emitidas por el Gobernador de California, Gavin Newsom, con respecto a la restricción de reuniones públicas, la participación pública se llevará a cabo de manera virtual hasta que se levanten las órdenes estatales de prohibir las reuniones.*

APPENDIX A.3

FACT SHEET



What is the Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA)?

The Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA) is made up of the following public agencies: Cities of Merced, Livingston, and Atwater, Le Grand and Planada Community Services Districts, Winton Water and Sanitary District, and Merced Irrigation District. The public agencies formed MIUGSA in 2017 to address the statewide mandate of measuring and securing future groundwater supplies under the Sustainable Groundwater Management Act (SGMA). If you live or have a business within the areas served by these agencies, then you are a beneficiary of MIUGSA's services.

What is the Sustainable Groundwater Management Act (SGMA)?

According to the California State Water Board website, SGMA was “enacted in order to halt overdraft and bring groundwater basins into balanced levels of pumping and recharge.” SGMA allows for the local agencies to manage groundwater in their basin. In order for local agencies within the Merced Groundwater Sub-basin to achieve that, they must:

- Form a Groundwater Sustainability Agency (GSA) to ensure compliance and enforcement of SGMA within its underlying area of the groundwater basin.
- Develop and submit a Groundwater Sustainability Plan (GSP) to the California Department of Water Resources before January 31, 2020.

MIUGSA is one of three (3) GSAs within the Merced Groundwater Sub-basin that have worked collaboratively to complete a single GSP. For information specifically about the Merced Groundwater Sub-basin GSP, visit www.mercedsgma.org. Merced Groundwater Sub-basin generally includes the area in Merced County east of the San Joaquin River and south of the Merced River.

How is the GSA managed?

A GSA is its own agency with its own governing board. In the case of MIUGSA, the board has representation from each of the seven member agencies.

Why is a fee needed to fund the GSA?

SGMA provides GSAs the authority to collect fees to fund the costs of its regulatory activities including the GSA's participation in developing and implementing its portion of groundwater sustainability plan(s), investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.

How is the GSA currently funded?

Currently, the seven agencies are funding the initial cost of the GSA, which has been mostly staff time incurred to develop the Merced Groundwater Sub-basin GSP. A budget has been developed to reimburse agencies for costs associated with SGMA compliance and to fund future needs of the GSA.

What is the operating budget of the GSA?

The annual budget for MIUGSA will vary from year to year depending on the activities that need to take place; generally, it is estimated to range between \$650,000 and \$850,000 per year. The costs cover operating expenses including agency staffing and professional services such as those to amend the GSP; developing annual, five-year GSP reports and proof of compliance required by the California Department of Water Resources; developing implementation policies and guidelines for the GSP, such as groundwater allocation; grant writing; and legal counsel. Regulatory compliance and administration costs include general operational costs such as small tools, materials and supplies, travel and training costs, insurance, dues and permit costs, costs associated with data gathering, and County fees to place MIUGSA's regulatory fee on the property tax roll.

How will the fee be determined?

The fee setting process takes into consideration several factors including the unique needs of the represented communities within the boundaries of MIUGSA, reasonableness and fairness for all beneficiaries of groundwater management planning, as well as simplicity and understandability of the fee. The fee is determined using the estimated budget for the next five years. The amount that needs to be raised from the new fee is divided among the beneficiaries of MIUGSA's services.

How much will the fee be?

Two fee allocation methodologies are being considered. Watch the videos that summarize the fee options being considered for the following beneficiary types: Residential, Commercial, Agriculture, Apartment/Multi-unit housing.

When will the fee take effect?

MIUGSA is planning to approve the fee in July 2020. The fee will be placed on the County Property Tax roll for fiscal year 2020/21.

How is this fee different from other fees being imposed by other agencies?

The fee to fund the MIUGSA is specifically for GSA operations and is not part of, or associated with, any existing fees imposed by member agencies within the Merced Irrigation Urban GSA boundaries.

Could my property be charged a fee from more than one GSA?

Yes. There are a few situations in which a property owner may have a parcel(s) that overlap between the Merced Irrigation Urban GSA boundaries and the Merced Sub-basin GSA boundaries. In that case, a fee would be charged for each GSA. View the [map](#) to see if your property is in an overlap area. If so, please fill out a [comment form](#) and include your APN in the comment section. A team member will contact you.

How can property owners learn more about MIUGSA and the fee study?

Public involvement is an important part of the process. MIUGSA wants those impacted to provide comments about a preferred option prior to the fee adoption. The public may get involved by doing the following:

1. Go to www.miugsa.org to learn about MIUGSA.
2. Go to www.miugsa.org/feestudy for more information about MIUGSA Fee Study and to watch brief video explanations about the fee setting process.
3. E-mail the project team at FeeStudy@MIUGSA.org or leave a comment at <http://eepurl.com/g2qTqj>.
4. Join the Fee Study e-mail list at <http://eepurl.com/g2qTqj> to receive project updates, board meeting notices, and stay informed about public involvement opportunities.
5. Check the website often for updates.
6. If you are interested in learning about the Merced Groundwater Sub-basin GSP, please go to www.mercedsgma.org

Will there be workshops about the fee study?

Pursuant to executive orders issued by California Governor Gavin Newsom regarding the restriction of public gatherings, public involvement will be **virtual** until state orders to restrict gatherings are lifted. MIUGSA is planning for two virtual workshops to be held on Monday, June 15th at 6 p.m. and Tuesday, June 16th at 6 p.m. Sign up at <http://eepurl.com/g2qTqj> or check the website at www.miugsa.org/feestudy after June 8th to receive instructions about how to join the virtual workshops.

Should public gathering restrictions be lifted, options to attend in person will be advertised on the website and noticed to the e-mail list.



¿En qué consiste la Agencia de Sustentabilidad de Aguas Subterráneas en Áreas Urbanas mediante Irrigación (MIUGSA)?

La Agencia de Sustentabilidad de Aguas Subterráneas en Áreas Urbanas mediante Irrigación de Merced (MIUGSA, por sus siglas en inglés) está formada por las siguientes agencias públicas: Ciudades de Merced, Livingston y Atwater, Distritos de Servicios Comunitarios de Le Grand y Planada, Planta de Tratamiento de Aguas Residuales de Winton y Distrito de Irrigación de Merced. Las agencias públicas formaron MIUGSA en 2017 para abordar el mandato estatal de medir y asegurar el futuro suministro de aguas subterráneas según la Ley de Manejo Sustentable de Aguas Subterráneas (SGMA, por sus siglas en inglés). Si usted habita o tiene un negocio dentro de las áreas cubiertas por estas agencias, significa que es un beneficiario de los servicios de MIUGSA.

¿De qué trata la Ley de Manejo Sustentable de Aguas Subterráneas (SGMA)?

Según el sitio web de la Comisión de Agua del Estado de California, la SGMA “fue promulgada para detener el déficit y hacer que las cuencas de aguas subterráneas lleguen a niveles balanceados de bombeo y recarga”. La SGMA permite que las agencias locales manejen las aguas subterráneas en su cuenca. Para que las agencias locales dentro de la subcuenca de aguas subterráneas de Merced logren esto, deben:

- Formar una Agencia de Sustentabilidad de Aguas Subterráneas (GSA, por sus siglas en inglés), para asegurar el cumplimiento y ejecución de la SGMA dentro del área subyacente de la cuenca de aguas subterráneas.
- Desarrollar y enviar un Plan de Sustentabilidad de Aguas Subterráneas (GSP, por sus siglas en inglés) al Departamento de Recursos Hídricos de California antes del 31 de enero de 2020.

MIUGSA es una de las tres (3) GSA dentro de la Subcuenca de Aguas Subterráneas de Merced que ha trabajado en forma colaborativa para completar un GSP. Para obtener más información específica del GSP de la subcuenca de aguas subterráneas de Merced, visite el sitio web www.mercedsgma.org. Generalmente, esta subcuenca incluye el área este del río San Joaquín y sur del río Merced en el condado de Merced.

¿Cómo se maneja una GSA?

Una GSA está formada por su propia agencia con su propio comité regulador. En el caso de MIUGSA, el comité tiene representación de cada una de las siete agencias asociadas.

¿Por qué se necesita recaudar una tarifa para financiar a una GSA?

SGMA permite que las GSA tengan la facultad de recaudar los pagos para financiar los costos de sus actividades regulatorias, lo que incluye la participación de la GSA en el desarrollo e implementación de planes de sustentabilidad de aguas subterráneas, y de investigaciones, inspecciones, asistencia en el cumplimiento, ejecución, y administración de programas, incluyendo una reserva prudente.

¿Cómo se financia actualmente una GSA?

Actualmente, las siete agencias financian el costo inicial de la GSA, lo que mayormente consiste en el tiempo que el personal ha invertido en desarrollar el GSP de la subcuenca de aguas subterráneas de Merced. Se ha elaborado un presupuesto para reembolsar a las agencias por los costos asociados al cumplimiento de la SGMA y para financiar las futuras necesidades de la GSA.

¿Cuál es el presupuesto operativo de la GSA?

El presupuesto anual para MIUGSA varía cada año, dependiendo de las actividades que se necesiten realizar. Generalmente, se estima que sea entre 650.000 USD y 850.000 USD al año. Estos costos cubren los gastos operacionales que incluyen los servicios profesionales y de dotación de personal de la agencia, como aquellos destinados a enmendar el GSP; además de cubrir el desarrollo de informes anuales para 5 años del GSP y evidencias de cumplimiento requeridas por el Departamento de Recursos Hídricos de California; el desarrollo de políticas y normas de implementación para el GSP, tales como la asignación de aguas subterráneas; la escritura de subvenciones y la asesoría legal. Los costos regulatorios por cumplimiento y administración incluyen los costos operacionales en general, como los de herramientas, materiales y provisiones, costos por viajes y capacitaciones, seguros, costos por permisos y honorarios, costos asociados a la recopilación de datos, y las tarifas del Condado para incluir la tarifa regulatoria de MIUGSA en el registro de contribuciones.

¿Cómo se fija la tarifa?

El proceso para fijar la tarifa toma en consideración varios factores, incluyendo las necesidades particulares de las comunidades representadas dentro de los límites de MIUGSA, de forma razonable y justa para todos los beneficiarios de la planificación de manejo de aguas subterráneas, así como la simpleza y claridad de la tarifa. La tarifa se determina usando el presupuesto estimado para los próximos cinco años. El monto equivalente al aumento en la nueva tarifa se divide entre los beneficiarios de los servicios de MIUGSA.

¿Qué monto tendrá la tarifa?

Se consideran dos metodologías para asignar la tarifa. Vea los videos que resumen las opciones tarifarias que se están analizando para los siguientes tipos de beneficiarios: residenciales, comerciales, agrícolas y que habitan en departamentos.

¿Cuándo se implementará la tarifa?

MIUGSA tiene programado aprobar la tarifa en julio de 2020. Dicha tarifa se incluirá en el registro de contribuciones del condado para el año fiscal 2020/2021.

¿Cuál es la diferencia entre esta tarifa y otras tarifas impuestas por otras agencias?

La tarifa que financia a MIUGSA está destinada específicamente para las operaciones de las GSA y no forma parte ni está vinculada con ninguna tarifa ya existente impuesta por las agencias asociadas dentro de los límites de las Agencias de Sustentabilidad de Aguas Subterráneas en Áreas Urbanas mediante Irrigación de Merced.

¿Es posible que varias GSA le cobren tarifa a mi propiedad?

Sí. Existen algunas situaciones en las que un propietario tiene uno o más terrenos que se superponen entre los límites de MIUGSA y de la GSA de la subcuenca de Merced. En ese caso, cada GSA cobrará una tarifa. Revise el [mapa](#) para ver si su propiedad se encuentra en esta situación. Si es así, por favor complete un [formulario de comentarios](#) e incluya su APN en la sección de comentarios. Un miembro del equipo se pondrá en contacto con usted.

¿De qué manera los propietarios pueden obtener más información sobre MIUGSA y el estudio tarifario?

La participación pública es una parte esencial del proceso. MIUGSA desea conocer la opción de preferencia de todas las personas afectadas, antes de que se adopte la opción tarifaria. El público puede participar de la siguiente manera:

1. Visite el sitio www.miugsa.org para obtener más información acerca de MIUGSA.
2. Visite el sitio www.miugsa.org/feestudy para obtener más información acerca del Estudio Tarifario de MIUGSA y para ver un breve video explicativo acerca del proceso para fijar las tarifas.
3. Envíe un correo al equipo del proyecto a la dirección FeeStudy@MIUGSA.org o deje un comentario en <http://eepurl.com/g2qTqj>.
4. Ingrese sus datos en la lista de correos del Estudio Tarifario en <http://eepurl.com/g2qTqj> para recibir actualizaciones del proyecto y notificaciones de las reuniones de directorio, y para mantenerse informado acerca de las oportunidades de participación pública.
5. Visite frecuentemente el sitio web para conocer las actualizaciones.
6. Si está interesado en conocer de qué trata el GSP de la subcuenca de aguas subterráneas de Merced, visite el sitio www.mercedsgma.org

¿Se realizarán talleres para informarse sobre el estudio tarifario?

De acuerdo con las órdenes ejecutivas emitidas por el Gobernador de California, Gavin Newsom, con respecto a la restricción de reuniones públicas, la participación pública se llevará a cabo de manera **virtual** hasta que se levanten las órdenes estatales de prohibir las reuniones. MIUGSA tiene programado realizar dos talleres virtuales, que se realizarán el lunes 15 de junio a las 6 p.m. y el martes 16 de junio a las 6 p.m. Inscribese en <http://eepurl.com/g2qTqj> o revise el sitio web www.miugsa.org/feestudy después del 8 de junio para recibir instrucciones acerca de cómo unirse a los talleres.

En caso de que se levanten las restricciones para reuniones públicas, se informará en el sitio web sobre las opciones para asistir de manera presencial y se notificará a los correos de la lista.



Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA) yog dab tsis?

Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA) yog tsim los ntawm cov zej zog li hauv qab no: Nroog Merced, Livingston, thiab Atwater, Le Grand thiab Planada Community Services Districts, Winton Water thiab Sanitary District, thiab Merced Irrigation District. Cov kev pab zej zog tau tsim MIUGSA xyoo 2017 los tham txog kev ntsuam xyuas thiab ceev tej cuab yeej siv dej hauv ntsuab tiv thoob plaws lub xeev nyob hauv qab Sustainable Groundwater Management Act (SGMA). Yog tias koj nyob los yog muaj tej kev lag luam uas nyob rau thaj tsam tej kev pab no, koj yog ib tug yuav tau MIUGSA tej kev pab.

Sustainable Groundwater Management Act (SGMA) yog dab tsis?

Raws li Xeev California Water Board lub vassab (website), SGMA “tau ceeb toom tsis pub siv tshaj thiab ua kom tej dej nyob hauv nruab tiv txhob qis tshaj qhov yuav nqus tau.” SGMA tso cai rau cov kev pab cuam hauv zej zog los saib xyuas tej dej nyob hauv nruab tiv ntawm lawv thaj chaw. Ua raws li cov kev pab hauv thaj tsam Merced Groundwater yuav tau saib xyuas, lawv yuav tsum:

- Groundwater Sustainability Agency (GSA) ua ib daim ntaub ntawv thiab kev tswj ntawm SGMA uas nws nyob rau thaj tsam tej dej hauv ntsuab tiv.
- Tsim thiab xa daim Groundwater Sustainability Plan (GSP) mus rau California Department Water Resources ua ntej lub 1/31/2020.

MIUGSA yog ib qhov ntawm peb (3) GSAs hauv Merced Groundwater Sub-basin uas tau koom tes kom tiav ib yam GSP. Muaj lus tim tsum txog Merced Groundwater Sub-basin GSP, mus saib www.mercedsgma.org. Merced Groundwater Sub-basin mus raws li thaj tsam Nroog Merced sab hnuv tuaj ntawm tus dej San Joaquin thiab tus dej Merced sab qab teb.

GSA yuav tau saib li cas?

GSA yog tus tswv koom haum nroog nws pab pawg neeg. Nyob rau hauv MIUGSA, muaj cov neeg sawv kev tuaj ntawm xya (7) tus mej zej koom haum.

GSA yuav xav tau qhov nqi li cas?

SGMA pab GSAs tso cai sau nqi ntawm tej kev siv los khiav nws tej hauj lwm tag nrho GSA’s tej kev sib koom rau kev tsim thiab hloov kho ntawm groundwater sustainability plan(s), kev soj ntsuam, tshawb xyuas, pab cuam, tswj fwm, thiab tej neeg khiav hauj lwm, tag nrho rau yam yuav tau ua.

Tam sim no GSA tau nyiaj li cas?

Tam sim no, xya (7) lub koom haum pab nyiaj rau GSA qhov kev siv thawj kauj ruam, cov neeg ua hauj lwm feem ntau tuaj pab Merced Groundwater Sub-basin GSP ua. Kuj npaj tau ib qho nyiaj ntxiv rov qab rau cov koom haum tej kev pab nroog rau SGMA tej kev txhawb thiab yuav pab GSA qhov xav tau mus tom ntej.

GSA yuav tau nyiaj dab tsis los?

Qhov nyiaj txhua xyoo rau MIUGSA yuav muaj kev txawv txav ib xyoo rau ib xyoo raws li tej dej num uas tau ua; txhua yam, nws yog kwv yees li \$650,000 thiab 850,000 ib xyoo. Cov nqi yuav coj los siv tag nrho rau tej kev dhia koom haum thiab tej kev pab xws li ua kom GSP zoo ntxiv; tsim kho txhua xyoo, kev hloov pauv tswv yim thiab kev khiav dej num rau GSA 5 lub xyoo, xws li tso cov dej ntsuab tiv; sau ntawv nrhiav nyiaj; thiab ua kom raug txog cai. Tej kev ua dej num thiab tej nuj nqis tag nrho rau txhua yam kev siv xws li cov cuab yeej me, khoom siv thiab cov twj, mus los thiab tej nqi kawm, nyiaj tuav pov fwm, tau los thiab nqi daim ntawv tso cai, pab tej nuj nqi nroog rau khaws tej ntaub ntawv, thiab cov nqi rau county tso MIUGSA’s tej nqi ua se.

Cov nqi yuav muab xam li cas?

Qhov kev npaj tej nuj nqi yuav tau muab ua ntau yam tsom xam nroog rau ib yam uas yuav sawv kev tau lub zej zog tej ciam dej ciam av ntawm MIUGSA, txoj kev ncaj ncees thiab tej txiaj ntsim tag nrho rau cov uas muaj npe tawm lub tswv yim saib xyuas tej dej nyob ntsuab tiv, ua yooj yim thiab to taub tej nqi zoo npaum li zoo tau.

Qhov nqi yuav tau muab saib xyuas raws li txoj kev siv tej nyiaj txiag li 5 xyoo tom ntej. Qhov uas yuav tau muab nce tej nqi tshiab yog yuav tau muab faib rau cov neeg ntawm MIUGSA's tej kev pab.

Cov nqi yuav ntau npaum li cas?

Muaj ob txoj hauv kev uas yuav tau muab saib xyuas. Saib daim yeeb yaj duab ua txog qhov nqi ntawm hom neeg: Chaw tib neeg nyob, ua lag luam, ua liaj teb, ua cov tsev ntau tshooj/ntau chav.

Cov nqi yuav muab siv rau hnuv twg?

MIUGSA yog qhov tswv yim uas pom zoo qhov nqi rau lub 7 hli 2020. Qhov nqi yuav tso rau hauv county cov se xyoo 2020-21.

Qhov nqi no txawv txav li cas los ntawm tej nqi uas tau tso tawm ntawm lub koom haum?

Qhov nqi yog nrhiav nyiaj los ntawm MIUGSA pab rau GSA ua hauj lwm thiab tsi yog feem ntawm, los yog pab cuam nrog, tej nqi uas tau ua tawm los ntawm cov koom haum tej mej zeej ntawm cov ciam Merced Irrigation Urban GSA.

Puas yog kuv qhov chaw yuav raug ua nqi ntau tshaj ib yam los ntawm GSA?

Yog lawm. Nws muaj ob peb yam uas tus tswv thaj chaw muaj av zoo li cas los ntxiv rau tej ciam ntawm Merced Irrigation Urban GSA thiab Merced Sub-basin GSA. Nyob rau tej chaw, tej nqi yuav tau raws li tej qhov ntawm GSA. Saib daim qauv duab yog tias koj qhov chaw ntau tshaj tej ciam. Yog tias li ntawm, yuav tau ua daim ntawv thiab nrog rau koj qhov APN nyob rau hauv. Ib tug neeg mam hu rau koj.

Tug tswv av yuav muaj cuab kav kawm txog MIUGSA thiab tej nqi li cas?

Txoj kev koom ntawm lub zej zog yog ib qho tseem ceeb. MIUGSA xav kom cov muaj teeb meem muaj tej lus txhawj xeeb txog hais ua ntej yuav siv qhov nqi no. Lub zej zog yuav tau mus saib raws li hauv qab no:

1. Mus rau www.miugsa.org kom paub txog MIUGSA.
2. Mus rau www.miugsa.org/feestudy paub ntau yam txog MIUGSA kawm tej nqi thiab saib daim yeeb yaj duab uas tham txog txoj kev teeb tej nqi.
3. E-mail rau cov saib xyuas hauj lwm FeeStudy@MIUGSA.org los yog tso tej lus nug rau <http://eepurl.com/g2qTqj>.
4. Koom daim e-mail npe Fee Study <http://eepurl.com/g2qTqj> kom paub txog tej qhov tshiab, tej rooj sib tham thiab nyob rau kev qhia txog kev koom ntawm lub zej zog.
5. Saib lub vassab (website) muaj qhia qhov tshiab tas li.
6. Yog tias koj txaus siab xav paub txog Merced Groundwater Sub-basin mus tau rau ntawm www.mercedsgma.org

Puas yuav muaj kev qhia txog tej nqi?

Ua tawm tuaj ntawm tus Tswv Xeev California Gavin Newsom txog txoj kev txwv nyob ua ke ntawm lub zej zog, kev sib koom ua ke txog hnuv lub xeev tsis muaj kev txwv nyob ua ke. MIUGSA yuav npaj ob lub rooj cob qhia rau hnuv Monday, 6/15 thaum 6 teev tsaus ntuj thiab Tuesday, 6/16 thaum 6 teev tsaus ntuj mus rau npe ntawm <http://eepurl.com/g2qTqj> los yog saib ntawm lub vassab (website) www.miugsa.org/feestudy tom qab 6 hli tim 8 los txais tej kev qhia txog yuav koom tej rooj cob qhia li cas.

Puas tsim nyog txhob txwv txiav lub zej zog txoj kev nyob ua ke, qhov ua kom tib neeg koom tau yuav muab tso rau lub vassab (website) thiab xa rau hauv daim e-mail.

APPENDIX A.4

INTERNET POSTINGS



NOTICE OF FEE STUDY AND PUBLIC INVOLVEMENT OPPORTUNITIES

The Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA), www.miugsa.org, is conducting a fee study as part of its effort to comply with the statewide mandate to measure and secure future groundwater supplies under the Sustainable Groundwater Management Act (SGMA). Under SGMA, groundwater sustainability agencies (GSAs) have the authority to collect fees to fund the costs of its regulatory activities including preparation, adoption, and amendment of a groundwater sustainability plans, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.

If you are a groundwater user within the MIUGSA boundaries, your property will be charged a fee. Public involvement is an important part of the process. MIUGSA wants those impacted to view the fee options under consideration and provide comments prior to the fee adoption. Go to www.miugsa.org/index.cfm/feestudy for information, watch video presentations, sign-up for email updates or leave comments.

Event: Merced Irrigation Urban GSA Public Workshops

Description: The Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA) is in the process of determining a funding mechanism to support agency operations and is currently exploring two fee options for groundwater users. Public involvement is an important part of the process. MIUGSA wants those impacted to provide comments about a preferred option prior to the fee adoption and is hosting two workshops to provide information about the study and obtain public feedback.

In keeping with governor Newsom's Executive Orders N-29-20 and N-35-20, the public workshops will be conducted by teleconference. Participants may join using a PC, Mac, iPad, iPhone or Android Device.

Public Participation

The public will be able to submit written comments during the workshops. Comments will be reviewed by the moderator and answered by one of the presenters. Comments may also be submitted in advance at <http://eepurl.com/g2qTqj>.

Start: 6 p.m.

End: 7:30 p.m.

Date: June 15 and 16, 2020

Location: Attend a virtual workshop!

Monday, June 15th at 6 p.m. Click to attend: <https://bit.ly/3dO3pwK>

Tuesday, June 16th at 6 p.m. Click to attend: <https://bit.ly/3dFWANz>

For questions about the workshops, email the fee study at FeeStudy@MIUGSA.org. For more information about MIUGSA and the fee study, go to <https://miugsa.org/feestudy>.

Cost: 0.00



Merced Irrigation Urban GSA Public Workshops

Merced Irrigation Urban GSA Public Workshops

You are here: [Home](#) / Merced Irrigation Urban GSA Public Workshops

Not interested in **Merced**? Please [choose a different community](#) .



More About Merced Irrigation Urban GSA Public Workshops

The Merced Irrigation Urban Groundwater Sustainability Agency (MIUGSA) is in the process of determining a funding mechanism to support agency operations and is currently exploring two fee options for groundwater users. Public involvement is an important part of the process. MIUGSA wants those impacted to provide comments about a preferred option prior to the fee adoption and is hosting two workshops to provide information about the study and obtain public feedback.

In keeping with governor Newsom's Executive Orders N-29-20 and N-35-20, the public workshops will be conducted by teleconference. Participants may join using a PC, Mac, iPad, iPhone or Android Device.

Event Details

Date: **June 16, 2020**

Time: **6:00pm - 7:30pm**

Visit Website

Contact:

Merced Irrigation Urban GSA

feestudy@miugsa.org

[More Local Events](#)

[Add to my Calendar](#)

Monday, June 15th, 2020

- **Merced Irrigation Urban GSA Public Workshops** | 6:00pm - 7:30pm | Meeting, Workshop, Groundwater, Merced Irrigation Urban Groundwater Sustainability Agency
- **Nature Photography Day** | | NATL - Public Interest

Tuesday, June 16th, 2020

- **Merced Irrigation Urban GSA Public Workshops** | 6:00pm - 7:30pm | Meeting, Workshop, Groundwater, Merced Irrigation Urban Groundwater Sustainability Agency

Wednesday, June 17th, 2020

APPENDIX A.5

FEE STUDY WORKSHOPS SUMMARY



Fee Study Workshops Summary

The Merced Irrigation Urban GSA (MIUGSA) hosted two virtual workshops on Monday, June 15, 2020 and Tuesday, June 16, 2020. The meetings were held virtually to remain compliant with California Governor Gavin Newsom's executive orders N-29-20 and N-35-20 regarding the restrictions of public gatherings during COVID-19.

The virtual meetings were held using a Microsoft Teams platform which allowed for closed captioning and simultaneous translations in Spanish and Hmong. Participants had the option to join live on any platform with an internet connection. A call-in number was also provided for those who wished to listen rather than view the workshop presentation.

Hicham ElTal, MIUGSA's chair, opened the meeting and introduced the fee study consulting team. The consulting team reviewed virtual meeting protocol and explained how to make comments during the workshop, then continued with the presentation.

Information was provided about the Sustainable Groundwater Management Act (SGMA) and MIUGSA's role in the development of the Merced Groundwater Sub-basin Groundwater Sustainability Plan. The fee study presentation included background, the two fee options under consideration for the respective beneficiaries including residential, agricultural, commercial and multi-unit residential, and the methodology used to calculate the fee options. Public outreach efforts were summarized and a virtual tour of the website's fee study tab was provided. A demonstration was also given about how to use the interactive map on the website to determine the location of specific parcels within MIUGSA's boundaries and how to calculate the rate for those parcels.

The fee consultant also provided clarification about the purpose of the fee, who was administering the fee and how it would be collected. This discussion point was as a result of comments received from the public via emails, comments and phone calls prior to the virtual workshops.

Responses to common comments included:

- The fee is not for water service or water storage, nor is it being assessed by any of the GSA member agencies; the fee is for administration of the GSA, and for most will be minimal.
- The fee recognizes and charges all beneficiaries (such as municipal, agricultural, commercial, and industrial) of groundwater sustainability.
- All beneficiaries of groundwater sustainability within the MIUGSA management area will be charged using the same methodology; fees will be uniform by beneficiary type.
- The fee is a regulatory fee, not a tax, and will be collected through the property tax bill.
- Private well owners will pay a fee as a beneficiary of groundwater; meters will not be placed on wells as part of this process.

A clarification was also made about the difference between surface water and groundwater. Other comments received during the virtual workshop were about specific property owners' concerns regarding their wells, water usage and similar, but did not relate specifically to the fee study.

The presentation concluded with the next steps regarding the fee study process. A draft report will be presented to the MIUGSA board of directors on June 24th. The final Fee Study presentation will be given to the Board on July 7, 2020, and the final report and direction of the board to adopt a resolution to establish the fee will take place at a public hearing July 28, 2020. The public hearing will be noticed in local papers two weeks prior to the public hearing. Should the resolution be adopted, the fee will be placed on the property tax roll with the first installment due November 1, 2020 and second installment due February 1, 2021.

More information about the fee study may be viewed at www.miugsa.org/feestudy including a link to view the virtual workshop from June 16, 2020. Questions may be emailed to FeeStudy@miugsa.org.

APPENDIX B

BOARD DISCUSSION MATERIALS

B.1 FEBRUARY 12TH 2020 BOARD MEETING

B.2 SUMMARY OF CASE STUDY RESEARCH AND FEE OPTIONS

B.3 APRIL 29TH 2020 BOARD MEETING

B.4 JUNE PUBLIC WORKSHOP PRESENTATION

APPENDIX B.1

FEBRUARY 12TH 2020 BOARD MEETING

MIUGSA

2020 Fee Study

Board Meeting

February 12, 2020

I. Objectives of Board Discussion Today

- Get clear direction on fee purpose
 - Account for framework of the GSA
- Capture initial thoughts and direction on best funding mechanism(s)
 - Account for local tolerances and legal considerations
 - Consider case studies of other GSA fees
- Get input on public outreach strategies
- Discuss next steps and timeline

II. Purpose of the Fee

What does the GSA want to fund with this fee?

Regulatory Activity Only

- Keep GSP current
- Track well and pumping activity
- Conduct studies
- Fill data gaps (monitoring wells, weather stations etc.)
- Inspections/enforcement of regulations adopted by the GSA
- General program administration expenses

Management Activity

Management activity classifies the GSA as a water provider

- Land Acquisition
- Build Projects (recharge basins, surface water delivery pipelines)

III. Comparison GSA Fees (all pre-GSP)

Name of GSA	Governance	Serves	Fee Authority	Fee Type	Collection	Fee Structure
Merced Subbasin	JPA	Portions of 2 counties, 2 mutual water co., 3 water districts, 1 irrig. district	Prop. 218 water fee (majority Protest)	Acreage Fee	Annual – Property Tax	\$2.48 per Irrigated Acre; \$0.31 per Acre
Madera County	County	White lands in the County	Water Code 10730 (Prop 26)	Acreage Fee	Annual – Property Tax	\$22.45 per Irrigated Acre
McMullin Area (Kings Basin)	JPA	Fresno County, Raisin City WD, Mid-Valley WD	Prop. 218 water fee (majority Protest)	Acreage Fee	Annual – Property Tax	\$15.00 per Acre
Kings River East (Kings Basin)	Special Act District	2 counties, 3 cities, 3 irrig. districts, 7 special districts	Proposition 26 regulatory fee	Extraction Fee	Annual Billing	\$1.45 per Acre-Foot
North Fork Kings (Kings Basin)	Special Act District	Fresno co, 7 special districts, 7 water companies	Proposition 218 (majority vote) - assessment	Acreage Assessment	Annual – Property Tax	\$10.00 per Acre
South Fork Kings (Kings Basin)	JPA	City of Lemoore, County of Kings, 2 irrig. districts, 1 PUD	Proposition 218 (majority vote) - assessment	Acreage Assessment	Annual – Property Tax	\$9.80 per Acre

III. Comparison GSA Fees (all Pre-GSP)

Name of GSA	Governance	Serves	Fee Authority	Fee Type	Collection	Fee Structure
Salinas Valley Basin	JPA	Irrigated land and urban areas served by private, mutual, small, public systems in the Salinas Valley	Water Code 10730 (Prop 26)	Irrigated Acreage Fee & Connection Fee	Annual – Property Tax; some water systems direct billed	\$4.79 per Irrigated Acre; \$2.26 per Connection
Santa Rosa Plain <i>Regulated De Minimis Users</i>	JPA	4 cities, 2 conserv. districts, Sonoma Co. Water Agency, Sonoma Co., independent water systems	Water Code 10730 (Prop 26)	Extraction Fee <i>(intended to sunset when GSP is adopted)</i>	Annual Billing	\$19.90 per Acre-Foot
Indian Wells Valley <i>Regulated De Minimis Users</i>	JPA	3 counties, City of Ridgecrest, BLM and US Navy	Water Code 10730 (Prop 26)	Extraction Fee <i>(sunsets Aug. 2020)</i>	Monthly Billing	\$3.00 per Acre-Foot
Cuyama Basin <i>Regulated De Minimis Users</i>	JPA	Kern, Santa Barbara, San Luis Obispo and Ventura counties, Cuyama CSD and Cuyama Basin WD	Water Code 10730 (Prop 26)	Extraction Fee <i>(sunsets when GSP adopted)</i>	Annual Billing	\$19.00 per Acre-Foot
Fillmore and Piru	JPA	United Water Conservation District, County of Ventura, City of Fillmore	Water Code 10730 (Prop 26)	Extraction Fee	Semi-Annual Billing	\$12.00 per Acre-Foot

GSA Framework and Fee Authority

- MIUGSA is an MOU not a JPA
 - Limits fee options to those specifically authorized by SGMA.
 - Cannot create special districts to fund projects. Cannot sell revenue bonds.
- Only option to fund Management Activity that pays for projects in a GSP under SGMA fee authority alone is an Extraction Fee *(not yet been done under SGMA)*
 - Proposition 218 adoption under majority protest
- Regulatory Activity Options
 - SGMA Section 10725.8(b) – Meter Installation Cost Recovery
 - SGMA Section 10730 – One-time regulatory fees (permits, inspections)
(Prop. 26 exception 1(e)(3))
 - SGMA Section 10730 – Ongoing regulatory fees both pre- and post-GSP adoption to pay for a specific government service or product
(Prop. 26 exception 1(e)(2))

IV. What Kind of Fee is Wanted?

These are all things to strive for but there will undoubtedly be trade-offs

- Simplicity/Understandability
- Equity
- Legal Defensibility *
- Administrative Ease
- Enforceability
- Affordability *
- Financial Stability/Predictability

** Not part of the ranking exercise today but will be considered as the fee study develops*

Regulatory Fee Structure Options

Fees cannot exceed amount necessary to cover reasonable costs of the governmental activity and the amount allocated to each payor must bear a reasonable relationship to the payor's burdens on the benefits received

- Permit Fee (one-time fee)
- Wellhead Fee
- Parcel Fee
- Acreage Fee
- Point of Connection Fee
- Hybrid - combination of the above

Summary of GSA Function & Fee Options

Fee Type	Regulatory Functions Only Not a Water Provider	+ Management Functions Water Provider	
Fee Authority	Water Code 10730 Prop. 26 Pre & Post GSP	Water Code 10730.2 Prop. 218 Post GSP	Why
Permit (one-time fee)	YES	YES	One-time because pays for specific activity cost (such as inspection or registering a well)
Wellhead	YES	NO	Not providing water service (not a management function)
Parcel	YES	NO	Not providing water service (not a management function)
Acreage	YES	NO	Not providing water service (not a management function)
Point of Connection	YES	NO	Not providing water service (not a management function)
Extraction	NO	YES	After GSP adopted fee HAS to be extraction-based
Special Tax	NO	NO	Not a JPA; ONLY fee authority is SGMA
Assessment	NO	NO	Not a JPA; ONLY fee authority is SGMA
Tolls / Other Charges for Service	NO	NO	Not a JPA; ONLY fee authority is SGMA

Regulatory Fee Option Considerations

Fee Option	How would it work?	Considerations
Permit Fee	<u>One-time fees</u> paid for a particular service. Examples: well registration, well inspection/investigation.	County already charges permit fees for wells, could be confusing. Appeal is that well owner responsible only pays for costs directly incurred with their well.
Wellhead Charge <i>Flat fee or based on max. output</i>	Annual charge per well (all wells unless abandoned on County record). Most likely annual billing, not on property taxes.	Might want to regulate all users first – require registration. Good relationship between users and the fee but not to amount of water used – what if not using well(s).
Parcel Fee <i>Every non-exempt parcel (property) in management area</i>	Annual fee placed on property tax bill for all properties benefiting from groundwater management. Options: uniform any parcel size, by parcel size ranges, can incorporate land use but only to extent use is characterized by County.	Not so strong relationship between users of groundwater and the fee amount, especially if parcel size and land use is not factored in. Could apply water use factors to represent potential water use.
Acreage Fee <i>All acres, only irrigated acres or irrigated acres higher fee</i>	Can apply to all property in management area but best used for areas outside of municipal water service. Annual fee placed on property tax bill.	All acres or only irrigated acres? Account for surface water use (credit for MID customers)? Account for ag. activity – if so will be a time lag with County records and what if multiple crops per year?
Connection Fee <i>Every connection with or without a meter</i>	Intended for water providers. Fee can be collected with property taxes or provider can be billed. Ideal for providers who do not want to add costs to their own rates.	Annual data provision needed from water providers if want fee collected with property taxes.

V. Outreach Activities

- Stakeholder/Interested Parties Engagement
- Public Workshops
- Fee Study Messaging
- Outreach Material Development
- Website Page
- Media as appropriate

Stakeholder Engagement

- City/Water Service Providers
- Domestic and Municipal Well Owners
- Agriculture
 - Merced County Farm Bureau
 - East San Joaquin Water Quality Coalition
 - Farmers/Ranchers
- Disadvantaged Communities
 - Self Help Enterprises
 - Merced County Community Action Agency

Stakeholder Engagement (continued)

- Environmental
- Tax/Financial Interests
 - Leadership Counsel for Justice and Accountability
- Business/Economic Interests
 - Greater Merced Chamber
 - Atwater-Winton Lions Club
 - Merced Assoc. of Governments
 - U. C. Merced

Public Outreach

Public Workshops

- Le Grand/Planada & Merced
- Atwater & Livingston

Fee Study Updates

- Communicate status (emails, newsletters, articles for newsletters/media)
- Opportunities to provide comments/vet options (public workshops, groups presentations, website comment form)

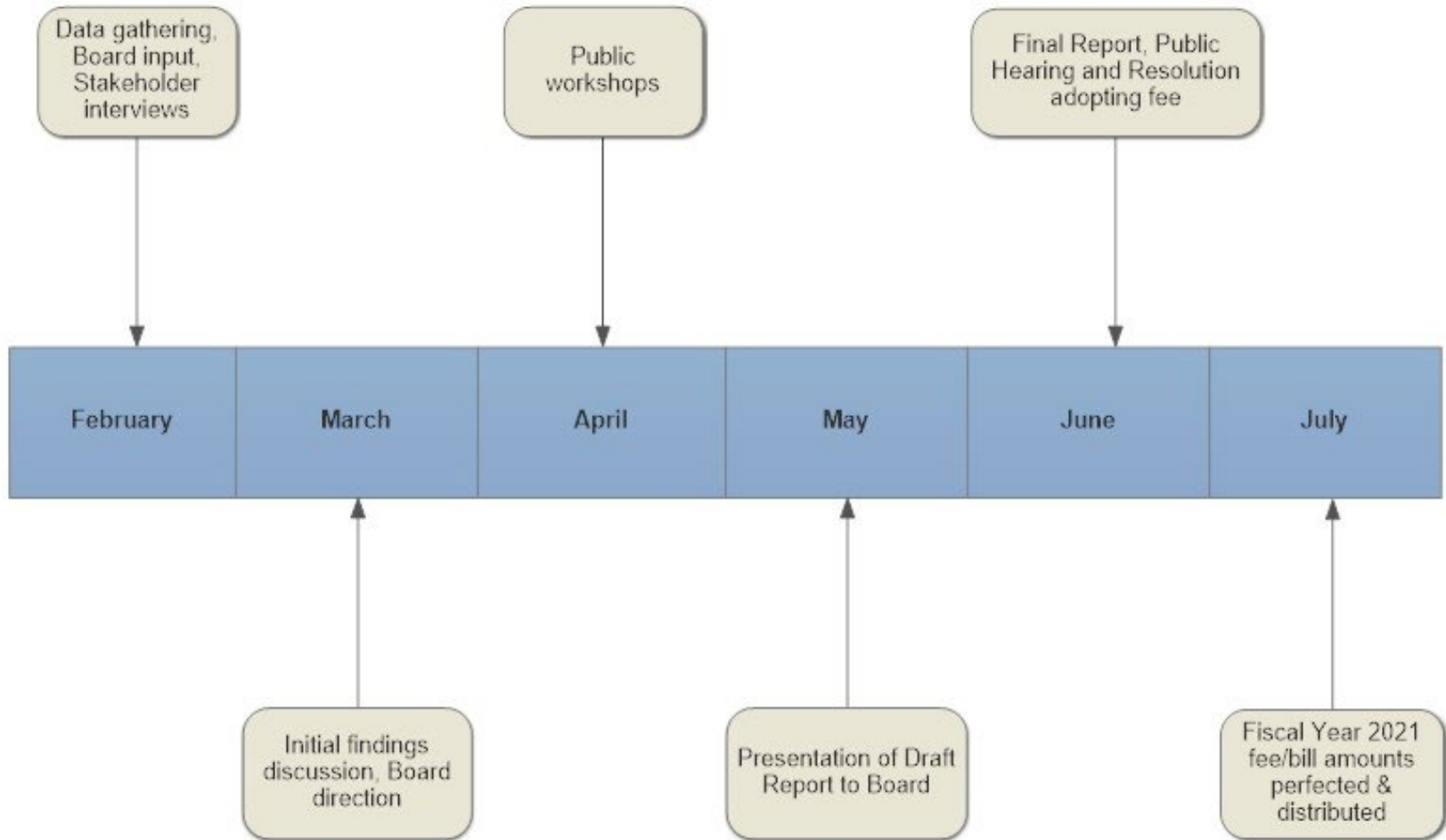
Fee Study Messaging

- The new fee will be specifically used for the MIUGSA operations and is not a part of, or associated with, any existing fees/charges/assessments imposed by other water agencies in Merced County.
- Although MIUGSA is working in conjunction with Merced Subbasin GSA and Turner Island GSA to form a groundwater sustainability plan, this fee is for the MIUGSA only, including its financial commitment to support the GSP, and is not related any other fees imposed by GSAs.
- The Fee Study is looking at several factors in determining possible funding options and will consider the unique needs of the communities and all water users within the basin.
- The public will be invited to attend workshops to learn about the fee study and offer comments to be considered while developing funding options.

VI. Estimated Schedule and Next Steps

- Complete data gathering and stakeholder interviews
- Set up map portal and conduct data queries using mapping tools
- Budget projection
- Present Board with fee options given outcome of discussions and ranking today and data possibilities/limitations
- Public workshops
- Draft report
- Edit/update/refine work products
- Possible additional public workshops
- Final Report
- Public Hearing

Timeline



APPENDIX B.2

SUMMARY OF CASE STUDY RESEARCH AND FEE OPTIONS

Merced-Irrigation Urban GSA

Summary of Case Study Research and Fee Options

April 2020

Case Studies

Highlights and Take-aways from Case Studies – General

- Of the 11 case studies, 7 fees adopted per Prop. 26 and 4 fees adopted per Prop. 218
- Five of the case studies set up extraction fees (intend to use the money for water management/projects)
- Six of the fees are collected with property taxes; none of those with extraction-based fees are collected with property taxes
- All of the case study fees were adopted pre-GSP; 3 sunset with adoption of their GSP

- *Prop 26 fee appropriate for MIUGSA (no management activities)*
- *Will not be an extraction fee; collection with property taxes most cost-effective, least work for urban water providers*

Highlights and Take-aways from Case Studies - Agriculture

- Acreage fee for agriculture ranges from \$2.48 per acre (Merced Sub-basin and will increase each year) to \$22.45 per acre (Madera County)
- For those with 'dry' agriculture (grazing) some have a base fee
- Two GSAs excluded parcels 2 acres or less from paying the fee on the grounds they are De Minimis users, but they were predominantly ag-only GSAs

- *Generally seems best to only charge the fee to properties with irrigation infrastructure*
- *Need to define what an Agricultural Acre or an Irrigated Acre is*
- *A base fee is not appropriate for MIUGSA as all agricultural properties have irrigation infrastructure*

Highlights and Take-aways from Case Studies - Urban

- Salinas uses a hybrid fee; two-step calculation that first allocates cost between the ag and urban users; urban fees are per connection
- Kings River East –some water suppliers pay a flat annual fee for administrative overhead (not considered contributors to groundwater problem)
- South Fork Kings – City of Lemoore allocated a cost share, City recoups from its customers in rates

- *A hybrid fee structure can work well when there is significant urban population in the GSA*
- *Experience in Salinas is that almost all water providers want the fee to be on the property tax bill*

Comparison GSA Fees (all pre-GSP)

Name of GSA	Governance	Serves	Fee Authority	Fee Type	Collection	Fee Structure
Merced Sub-basin	JPA	Portions of 2 counties, 2 mutual water co., 3 water districts, 1 irrig. district	Prop. 218 water fee (majority Protest)	Acreage Fee	Annual – Property Tax	\$2.48 per Irrigated Acre; \$0.31 per Acre
Madera County	County	White lands in the County	Water Code 10730 (Prop 26)	Acreage Fee	Annual – Property Tax	\$22.45 per Irrigated Acre
McMullin Area (Kings Basin)	JPA	Fresno County, Raisin City WD, Mid-Valley WD	Prop. 218 water fee (majority Protest)	Acreage Fee	Annual – Property Tax	\$15.00 per Acre
Kings River East (Kings Basin)	Special Act District	2 counties, 3 cities, 3 irrig. districts, 7 special districts	Proposition 26 regulatory fee	Extraction Fee	Annual Billing	\$1.45 per Acre-Foot
North Fork Kings (Kings Basin)	Special Act District	Fresno co, 7 special districts, 7 water companies	Proposition 218 (majority vote) - assessment	Acreage Assessment	Annual – Property Tax	\$10.00 per Acre
South Fork Kings (Kings Basin)	JPA	City of Lemoore, County of Kings, 2 irrig. districts, 1 PUD	Proposition 218 (majority vote) - assessment	Acreage Assessment, flat fee for City	Annual – Property Tax	\$9.80 per Acre

Comparison GSA Fees (all Pre-GSP)

Name of GSA	Governance	Serves	Fee Authority	Fee Type	Collection	Fee Structure
Salinas Valley Basin	JPA	Irrigated land and urban areas served by private, mutual, small, public systems in the Salinas Valley	Water Code 10730 (Prop 26)	Irrigated Acreage Fee & Connection Fee	Annual – Property Tax; some water systems direct billed	\$4.79 per Irrigated Acre; \$2.26 per Connection
Santa Rosa Plain <i>Regulated De Minimis Users</i>	JPA	4 cities, 2 conserv. districts, Sonoma Co. Water Agency, Sonoma Co., independent water systems	Water Code 10730 (Prop 26)	Extraction Fee <i>(intended to sunset when GSP is adopted)</i>	Annual Billing	\$19.90 per Acre-Foot
Indian Wells Valley <i>Regulated De Minimis Users</i>	JPA	3 counties, City of Ridgecrest, BLM and US Navy	Water Code 10730 (Prop 26)	Extraction Fee <i>(sunsets Aug. 2020)</i>	Monthly Billing	\$3.00 per Acre-Foot
Cuyama Basin <i>Regulated De Minimis Users</i>	JPA	Kern, Santa Barbara, San Luis Obispo and Ventura counties, Cuyama CSD and Cuyama Basin WD	Water Code 10730 (Prop 26)	Extraction Fee <i>(sunsets when GSP adopted)</i>	Annual Billing	\$19.00 per Acre-Foot
Fillmore and Piru	JPA	United Water Conservation District, County of Ventura, City of Fillmore	Water Code 10730 (Prop 26)	Extraction Fee	Semi-Annual Billing	\$12.00 per Acre-Foot

MIUGSA Recap of Items Discussed and Decisions Made

Purpose of the Fee

Regulatory Activity Only (determined at Feb. 12 Board meeting)

- Keep GSP current
- Track well and pumping activity
- Conduct studies
- Fill data gaps (monitoring wells, weather stations etc.)
- Inspections/enforcement of regulations adopted by the GSA
- General program administration expenses

GSA Framework and Fee Authority

- MIUGSA is an MOU not a JPA
 - Limits fee options to those specifically authorized by SGMA.
- Regulatory Activity Options
 - SGMA Section 10725.8(b) – Meter Installation Cost Recovery
 - SGMA Section 10730 – One-time regulatory fees (permits, inspections)
(Prop. 26 exception 1(e)(3))
 - SGMA Section 10730 – Ongoing regulatory fees both pre- and post-GSP adoption to pay for a specific government service or product
(Prop. 26 exception 1(e)(2))

February 12 Board meeting decision – only focus on the latter now. In the future, the GSA may exercise the right to fees under the first two options

Summary of GSA Function & Fee Options

Fee Type	Regulatory Functions Only Not a Water Provider	+ Management Functions Water Provider			
Fee Authority	Water Code 10730 Prop. 26 Pre & Post GSP	Water Code 10730.2 Prop. 218 Post GSP	Why		
Wellhead	YES	NO	Not providing water service (not a management function)		
Parcel	YES	NO			
Acreage	YES	NO			
Point of Connection	YES	NO			
Extraction	NO	YES	After GSP adopted fee HAS to be extraction-based		

February 12th the Board agreed this fee is only for regulatory functions and the fee should be adopted under Proposition 26 authority

Potential Proposition 26 Regulatory Fee Structure Options

Fees cannot exceed amount necessary to cover reasonable costs of the governmental activity and the amount allocated to each payor must bear a reasonable relationship to the payor's burdens on the benefits received

- Wellhead Fee **eliminated; insufficient data & does not account for water use**
- Parcel Fee
- Acreage Fee
- Connection Fee
- Hybrid - combination of the above

Regulatory Fee Option Considerations

Fee Option	How would it work?	Considerations
Parcel Fee <i>Every non-exempt parcel (property) in management area</i>	Annual fee placed on property tax bill for all properties benefiting from groundwater management. Options: uniform any parcel size, by parcel size ranges, can incorporate land use but only to extent use is characterized by County.	Weak relationship between users of groundwater and the fee amount, especially if parcel size and land use is not factored in. Could apply water use factors to represent potential water use.
Acreage Fee <i>All acres or only irrigated acres</i>	Can apply to all property in management area but best used for areas outside of municipal water service. Annual fee placed on property tax bill.	All acres or only agricultural production acres? Any way to incorporate crop types? What about double cropping?
Connection Fee <i>Every connection with or without a meter</i>	Intended for water providers. Fee can be collected with property taxes or provider can be billed. Ideal for providers who do not want to add costs to their own rates.	Annual data provision needed from water providers if want fee collected with property taxes. Does not account for water use by land use type.

Evaluation of Fee Structures and Recommended Options

Fee Structure Considerations

Fee Goals	Fee Basis		
	Parcel	Acre	Connection
Simplicity	All parcels benefit from groundwater availability	Understandable; decisions needed about vacant parcels etc.	Good nexus; any property with a connection has the ability to use water
Equity	Different sized parcels pay the same fee & does not recognize different land uses have different water demands	Good equity for groups of similar water users (ag, industry, resid)	Does not recognize different land uses have different water demands
Administrative Ease	Straightforward	Straightforward	Requires effort by water providers every year (list of APNs and # of connections)
Enforceability	Easy to enforce, everybody treated the same	Easy to enforce	Easy to enforce with water provider cooperation, otherwise water provider gets 1 bill and they recoup from customers
Financial Stability	Predictable, easy to collect with property taxes	Predictable, easy to collect with property taxes	Predictable, easy to collect with property taxes

Fee Structure Options (Hybrid Ideas)

Per Agricultural Acre / per Connection

Step 1: Allocate total cost to ag and urban properties using long-term historical pumping.

Step 2: Agricultural parcels- use Assessor land use codes to determine ag parcels. Fee is allocated cost divided by total parcel acreage. County GIS acreage will be used (no net for buildings, roads, etc.).

Step 3: Urban parcels - divide urban cost allocation by total number of service connections. **Issue:** Domestic well equity. Several subdivisions have individual wells. If include domestic wells, how to be sure you get them all? Poor records available.

Per Agricultural Acre / Per Urban Acre

Step 1: Allocate total cost to ag and urban properties using long-term historical pumping.

Step 2: Agricultural parcels- use Assessor land use codes to determine ag parcels. Fee is allocated cost divided by total parcel acreage. County GIS acreage will be used (no net for buildings, roads, etc.).

Step 3: Urban parcels - divide urban cost allocation by total acreage of urban parcels. **Issue:** No recognition of water use by different land use type. Should some parcels be exempt from the fee?

Suggested Hybrid Fee Options

Option 1: Acreage / Connection Fee

1A

Per Agricultural Acre

Per Urban Connection

Per Domestic Well

1B

Per Agricultural Acre

Per Urban Connection

Option 2: Acreage Fee

2A

Per Agricultural Acre

Per Urban Acre

(with exemptions)

2B

Per Agricultural Acre

Per Weighted Urban Acre

(with exemptions)

Fee Options Benefits and Drawbacks

Approach	Achieves	Benefits	Considerations
#1 Connection Fee / per Agriculture Acre Fee Hybrid	Allows for quantity of water used by ag & urban to be factored into the fee; allows for different fee structure for ag & urban water users.	Predictable revenue stream; easily enforceable	Water systems have option to either provide data identifying which parcels receive water service to put on tax roll OR GSA can bill the system directly based on # connections; requires all parties agree to ag/muni percentage cost split for Step 1. Equity concern not all urban land uses have same water requirements but pay same fee. Foster Farms would pay the same as a business or home, unless it was an exception and was categorized as agriculture. Have to decide whether to include domestic wells.
#3 Acreage Fee Hybrid	Allows for quantity of water used by ag & urban to be factored into the fee; can account for different land use water demands.	Most administratively easy; Predictable revenue stream; includes de minimis users so all urban users treated equally; easily enforceable	Requires all parties agree to ag/muni percentage cost split for Step 1. No input needed by water providers. Fee calculated entirely with County records. Option 2A: Little consideration in fee determination how much water is used by each parcel (equity concern). Option 2B: Need to define what (if any) parcels are exempt and water use weighting factors.

Fee Revisions

- MIUGSA Board has ability to revise the fee whenever needed by following procedures in the California Constitution
- Recommend annual automatic fee inflator (suggest the Bureau of Labor Statistics Western Region CPI)
 - Average annual increase past 20 years = 2.32%

APPENDIX B.3

APRIL 29TH 2020 BOARD MEETING



2020 Fee Study

All figures are preliminary and subject to change

Board Meeting

April 29, 2020

Objectives of Board Discussion

- Update on Work Completed
 - Input/ feedback
- Discuss Two Fee Structure Options
 - Pros and Cons input
- Outreach Plan
 - COVID-19 disruption & public meetings
- Schedule
 - Board input



This Presentation

- Intended to outline potential procedures
- Model input values presented are not final; they are place-holders for the purpose of discussion
- All figures may be revised until the Final Report is accepted by the Board of Directors.



Fee Study Progress

- Conducted case study research
- Obtained Board direction February 12
- Meetings with Atwater and Merced city staffs
- Tour of agricultural portion of the management area with MID staff
- Tour of Planada WWTP, self-tour from Le Grand to El Nido to Livingston
- Built GIS tool to display data and run queries in support of fee calculations
- Socioeconomic & agricultural production data gathering
- GW Pumping data obtained (GSP and MID AWMP)
- County Department of Public Health, Assessor, Auditor-Controller have all provided data and/or information
- Initial stakeholder meetings held by telephone
- Draft budget and cash flow developed
- Fee options developed



Mapping

A screen will be shared on your computer monitor showing the mapping tool.



Review of Deliverable 2 PowerPoint

- Highlights of findings of research
- Recommendations for fee options

*The next 5 slides are **Slides 15-19** of Deliverable 2*



Fee Structure Considerations

Fee Goals	Fee Basis		
	Parcel	Acre	Connection
Simplicity	All parcels benefit from groundwater availability	Understandable; decisions needed about vacant parcels etc.	Good nexus; any property with a connection has the ability to use water
Equity	Different sized parcels pay the same fee & does not recognize different land uses have different water demands	Good equity for groups of similar water users (ag, industry, resid)	Does not recognize different land uses have different water demands
Administrative Ease	Straightforward	Straightforward	Requires effort by water providers every year (list of APNs and # of connections)
Enforceability	Easy to enforce, everybody treated the same	Easy to enforce	Easy to enforce with water provider cooperation, otherwise water provider gets 1 bill and they recoup from customers
Financial Stability	Predictable, easy to collect with property taxes	Predictable, easy to collect with property taxes	Predictable, easy to collect with property taxes



Fee Structure Options (Hybrid Ideas)

Per Agricultural Acre / per Connection

Step 1: Allocate total cost to ag and urban properties using long-term historical pumping.

Step 2: Agricultural parcels- use Assessor land use codes to determine ag parcels. Fee is allocated cost divided by total parcel acreage. County GIS acreage will be used (no net for buildings, roads, etc.).

Step 3: Urban parcels - divide urban cost allocation by total number of service connections. **Issue:** Domestic well equity. Several subdivisions have individual wells. If include domestic wells, how to be sure you get them all? Poor records available.

Per Agricultural Acre / Per Urban Acre

Step 1: Allocate total cost to ag and urban properties using long-term historical pumping.

Step 2: Agricultural parcels- use Assessor land use codes to determine ag parcels. Fee is allocated cost divided by total parcel acreage. County GIS acreage will be used (no net for buildings, roads, etc.).

Step 3: Urban parcels - divide urban cost allocation by total acreage of urban parcels. **Issue:** No recognition of water use by different land use type. Should some parcels be exempt from the fee?



Suggested Hybrid Fee Options

Option 1: Acreage / Connection Fee

1A

Per Agricultural Acre

Per Urban Connection

Per Domestic Well

1B

Per Agricultural Acre

Per Urban Connection

Option 2: Acreage Fee

2A

Per Agricultural Acre

Per Urban Acre

(with exemptions)

2B

Per Agricultural Acre

Per Weighted Urban Acre

(with exemptions)



Fee Options Benefits and Drawbacks

Approach	Achieves	Benefits	Considerations
#1 Connection Fee / per Agriculture Acre Fee Hybrid	Allows for quantity of water used by ag & urban to be factored into the fee; allows for different fee structure for ag & urban water users.	Predictable revenue stream; easily enforceable	Water systems have option to either provide data identifying which parcels receive water service to put on tax roll OR GSA can bill the system directly based on # connections; requires all parties agree to ag/muni percentage cost split for Step 1. Equity concern not all urban land uses have same water requirements but pay same fee. Foster Farms would pay the same as a business or home, unless it was an exception and was categorized as agriculture. Have to decide whether to include domestic wells.
#3 Acreage Fee Hybrid	Allows for quantity of water used by ag & urban to be factored into the fee; can account for different land use water demands.	Most administratively easy; Predictable revenue stream; includes de minimis users so all urban users treated equally; easily enforceable	Requires all parties agree to ag/muni percentage cost split for Step 1. No input needed by water providers. Fee calculated entirely with County records. Option 2A: Little consideration in fee determination how much water is used by each parcel (equity concern). Option 2B: Need to define what (if any) parcels are exempt and water use weighting factors.



Fee Revisions

- MIUGSA Board has ability to revise the fee whenever needed by following procedures in the California Constitution
- Recommend annual automatic fee inflator (suggest the Bureau of Labor Statistics Western Region CPI)
 - Average annual increase past 20 years = 2.32%



Draft Budget and Cash Flow

Table 1: Accumulated Expenses and Five-Year Budget

Table 2: Estimated Cash Flow



Approach to Regulatory Fee Structure Options

- Initial stakeholder interviews pointed to an expectation that groundwater use would be incorporated into the fee
- Both options presented allocate the costs between urban and agricultural users of groundwater as a first step in the fee methodology
- Option 1 is the same as the Salinas Valley Groundwater Basin GSA (SVGBSA, Salinas) case study model



Two Fee Structure Options

Fees cannot exceed amount necessary to cover reasonable costs of the governmental activity and the amount allocated to each payor must bear a reasonable relationship to the payor's burdens on the benefits received.

Option 1: Acreage / Connection Fee (the Salinas model)

1A

Per Agricultural Acre

Per Urban Connection

Per Domestic Well

1B

Per Agricultural Acre

Per Urban Connection

Option 2: Acreage Fee (new model for local attributes)

2A

Per Agricultural Acre

Per Urban Acre

(with exemptions)

2B

Per Agricultural Acre

Per Weighted Urban Acre

(with exemptions)



Fee Options Similarities and Differences

Both options involve a fee methodology with 3 steps:

1. Allocate cost between Urban and Agricultural uses of groundwater (**same for both options**)
2. Calculate the fee for Agriculture (**same for both options**)
3. Calculate the fee for Urban (**different for each option**)



Step 1 (applies to both options)

Allocate costs between urban and agricultural uses of groundwater

Table 3: Estimated pumping based on historical best estimates:

20% Urban, 80% Agricultural split

Could change over time; could be a rolling average or 5-year review for example

Table 4: Agricultural pumping estimate (Acre Feet)



Step 2 – Agricultural Fee (applies to both options)

- Divide allocated Agricultural cost share by Agricultural Production Acres
- Agricultural Production Acres defined as parcels classified by the Merced County Assessor as:
 - Agriculture (General Farming)
 - Dairy
 - Grazing
 - Orchard
 - Poultry

All parcels pay the same per acre regardless of use and regardless whether currently in use or currently irrigated

Table 5: Assessor Parcel Acreage



Step 3 – Urban Fee Options 1A & 1B

- Divide allocated Urban cost share by number of Urban Connections
- Urban Connections defined as “a point of connection between the customer’s piping or constructed conveyance and the water system’s meter, service pipe, or constructed conveyance”. *(CA Health & Safety Code Section 11675 (s))*
- De minimis users (those properties with a domestic well) can be added to the definition for purposes of the fee

Table 6: Urban Groundwater Users



Option 1 Fee Illustration

Table 7: Acreage / Connection Fee Calculation

5% allowance for errors included

Cost per Agricultural Production Acre = \$5.08

Cost per Connection:

Option 1A = \$3.76 (includes de minimis)

Option 1B = \$3.91 (excludes de minimis)



Step 3 –Urban Fee Option 2A

- Divide allocated Urban cost share by number of Urban Acres
- Urban Acres defined as all Merced County Assessor land use classifications that are NOT Agricultural Production Acres
- May be appropriate to make some land uses exempt from the fee (review Table 5)
 - Some land is vacant for a purpose (such as railroad)
 - A fee applied to some land could be ‘hiding’ customer costs; for example if a City park is charged the fee, the City will recoup this in water rates, so the same customers will pay both in property taxes and in a ‘hidden’ form in their water rates
 - Or, no exemptions on the principal that everybody pays



Step 3 –Urban Fee Option 2B

- Divide allocated Urban cost share by number of Weighted Urban Acres
- Weighted Urban Acres are Urban Acres (defined under Option 2A) weighted by water use coefficients

Table 8: Comparison of Water Use per Acre by Land Use

Table 9: Urban Weighting Factors

Table 10: Calculation of Urban Weighted Acres

- May be appropriate to make some land uses exempt from the fee (as under Option 2A)



Option 2 Fee Illustration

Table 11: Acreage Fee Calculation

5% allowance for errors included

Cost per Agricultural Production Acre = \$5.08

Cost per Urban Acre = \$7.23

Cost per Weighted Urban Acre = \$7.10

In the Urban Fee illustration government land is excluded

** Policy needed what land uses, if any, to exempt, and if any land uses should have a lower fee (vacant land for example)*



Urban Fee Comparisons Options 2A & 2B

- More intensive water users (on a per acre basis) will pay a higher fee under Option 2B

Table 12: Urban Residential

Table 13: Urban Non-Residential



Fee Options Annual Fee Amounts Summary

	Option 1A	Option 1B	Option 2A	Option 2B
Agriculture Per Acre	\$5.08	\$5.08	\$5.08	\$5.08
Urban per Connection	\$3.76	\$3.91	--	--
Urban per Acre				
Residential				
Mobile Homes	--	--	\$7.23	\$6.82
Single Family Detached	--	--	\$7.23	\$7.10
Single Family Attached	--	--	\$7.23	\$11.22
Multi-Family	--	--	\$7.23	\$16.76
Non-Residential				
Commercial	--	--	\$7.23	\$9.38
Industrial	--	--	\$7.23	\$10.73
Governmental	--	--	\$0.00	\$0.00
Railroad/Utilities	--	--	\$7.23	\$3.55
Vacant	--	--	\$7.23	\$3.55
Common Areas	--	--	\$7.23	\$4.55
Religious	--	--	\$7.23	\$7.10

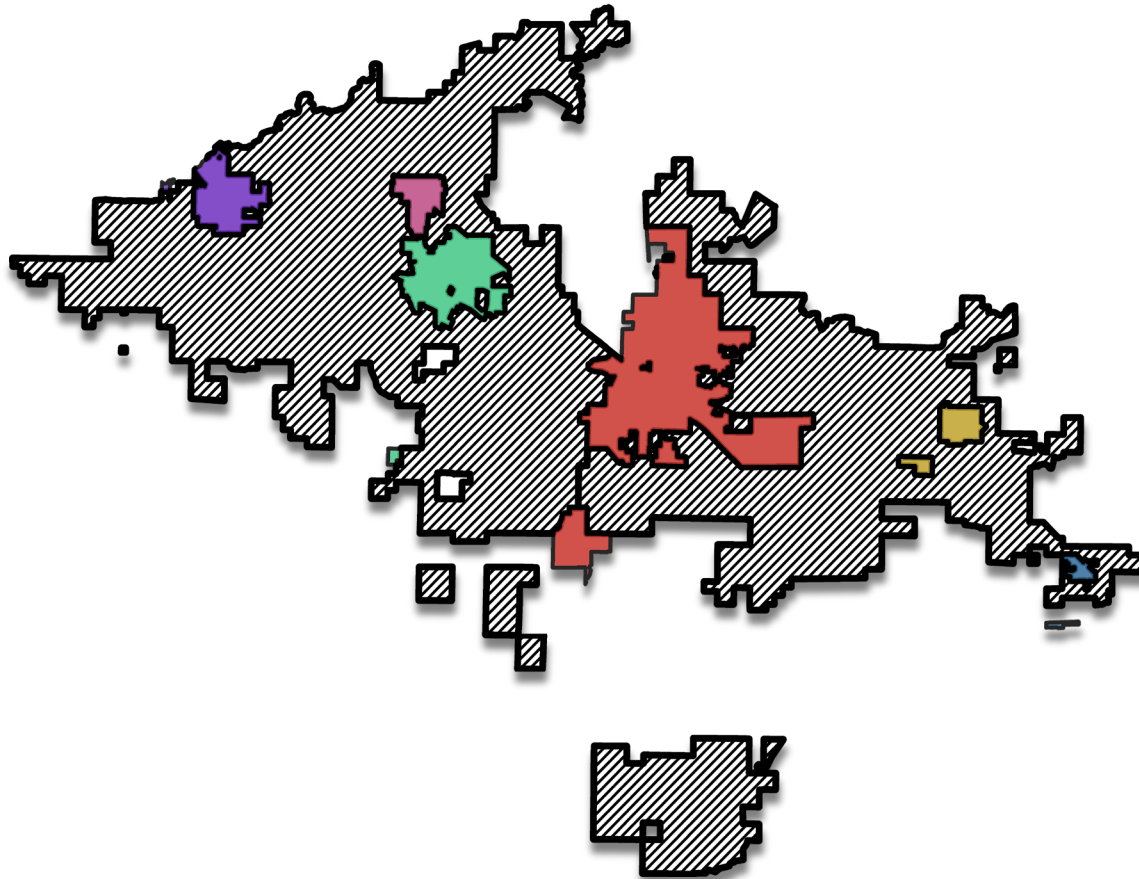
Note: Policies to exempt or not exempt certain Urban land use types would change the Option 2 Urban fees.



APPENDIX B.4

JUNE PUBLIC WORKSHOP PRESENTATION

Merced Irrigation-Urban Groundwater Sustainability Agency



2020 Fee Study Public Workshop:
June 15th and 16th, 2020

HANSFORD
ECONOMIC CONSULTING

Sustainable Groundwater Management Act Signed Into Law in 2014



Governor Brown signs historic groundwater legislation. Photo Credit: Justin Short, Office of the Governor.



What is the Merced Irrigation Urban Groundwater Sustainability Agency?

The Merced Irrigation-Urban Groundwater Sustainability Agency was formed in 2017 to address the statewide mandate of measuring and securing future groundwater supplies under the Sustainable Groundwater Management Act of 2014.

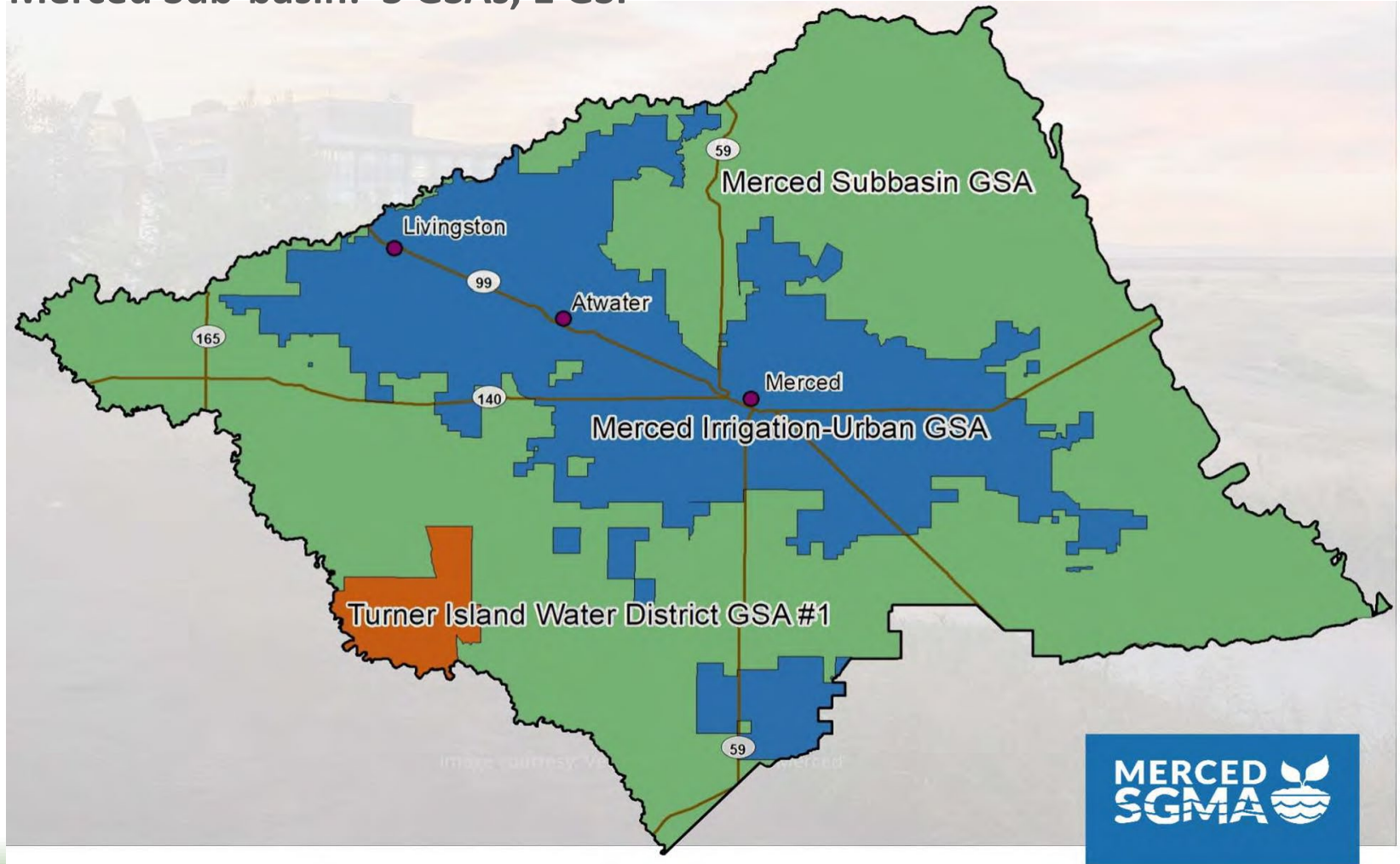
Member agencies include:

City of Merced	Planada Community Services District
City of Livingston	Winton Water and Sanitary District
City of Atwater	Le Grand Community Services District
Merced Irrigation District	



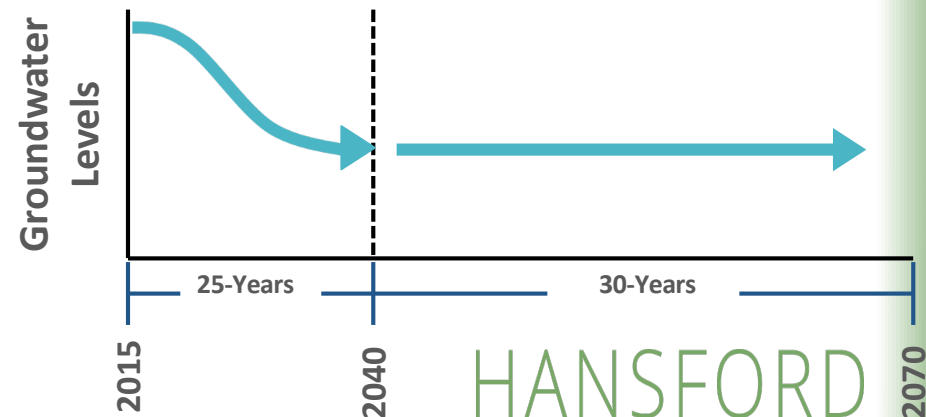
Sustainable Groundwater Management Act and Groundwater Sustainability Plan

Merced Sub-basin: 3 GSAs, 1 GSP



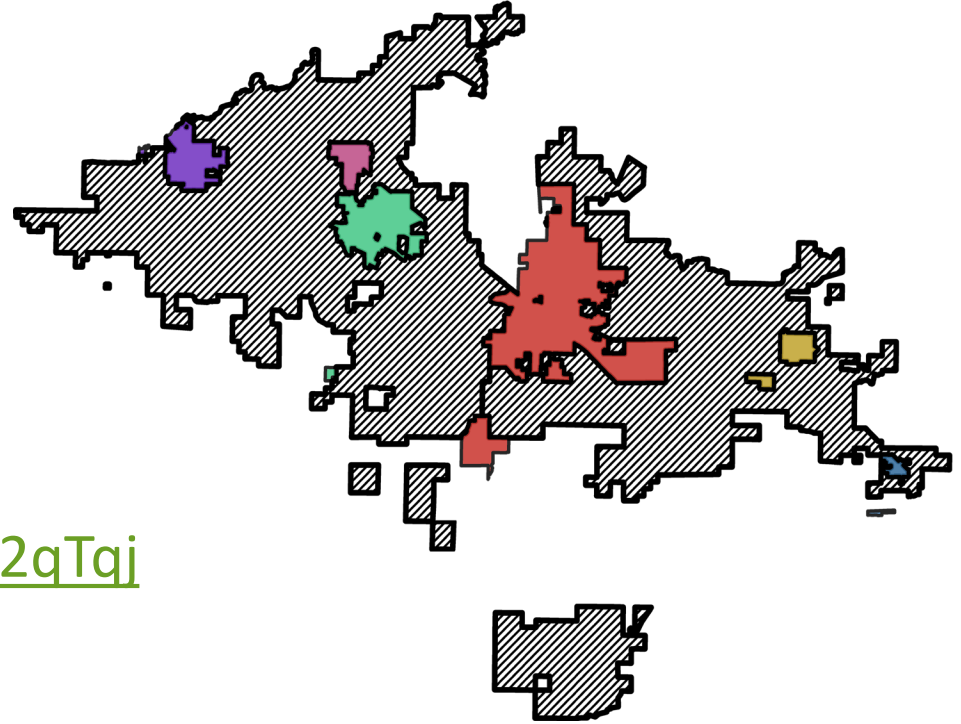
SGMA Objectives

- Develop Long-Term Groundwater Sustainability Plans
(Merced Subbasin submitted the plan in January 2020)
 - Establish sustainable yield for pumping volumes
 - Establish Measurable Objectives guiding the plan (water depths, groundwater storage, water quality, etc.)
 - Cover 20 year implementation period (with sustainability by 2040)
- Avoid Undesirable Results in Six Resource Areas
 - Lowering Groundwater Levels
 - Reduction of Storage
 - Water Quality Degradation
 - Land Subsidence
 - Surface Water Depletion
 - Seawater Intrusion



Stay Informed

- Visit website(s):
 - miugsa.org
 - mercedsgma.org
- Sign up for email list:
 - <http://eepurl.com/g2qTqj>





2020 Regulatory Fee Study

All figures are draft and subject to change

Public Workshops

June 15th and 16th 2020

Clarifying Points

This is a fee of the Merced-Irrigation Urban GSA (MIUGSA).

- It is NOT a fee or an increase of a fee charged by your water service provider. It is NOT a fee charged by Merced Irrigation District.

The MIUGSA regulatory fee is not a charge for water service.

- It is a charge for regulatory activity to meet the requirements of SGMA.

SGMA allows GSAs to regulate de minimis users (domestic well owners).

- MIUGSA passed a resolution in accordance with the law. This means that domestic well owners can be charged the regulatory fee but MIUGSA cannot require meters on domestic wells.



Need for a MIUGSA Regulatory Fee

Each of the GSAs in the Merced Subbasin need to fund their regulatory activities. The California Water Code allows GSAs to fund the costs of:

- Developing and implementing a groundwater sustainability plan
- Investigations, inspections, compliance assistance, enforcement, program administration, and
- A prudent reserve



MIUGSA's Budget

To date, costs incurred have been paid for by the member agencies. These costs, and future regulatory activity cost, need to be paid for by the beneficiaries of MIUGSA's activities.

Budget Item	Amount
Staffing	\$150,000
Professional Services	\$205,000
Compliance & Administration	\$210,600
Repay Prior Year Costs	\$149,500
Prudent Reserve	\$84,900
TOTAL	\$800,000



Who will pay the Regulatory Fee?

All property owners are beneficiaries of regulatory activities in the MIUGSA management area. It is proposed that All property owners will pay a fee, including those with a domestic well.

Beneficiaries are classified as either Urban or Agricultural Production

Urban

Residential

Non-Residential

Agricultural Production



Fee Development

- Began with a review of different funding structures and fee amounts adopted by other GSAs in California
- Fee goals discussion with the Board:
Simplicity, Equity, Administrative Ease, Enforceability, Financial Stability
- Initial stakeholder interviews pointed to an expectation that groundwater use would be incorporated into the fee
- Two fee options were developed. Both options account for the amount of groundwater use between Urban and Agricultural Production beneficiaries



Fee Options

Two fee options were developed. Under both fee options, the fees would be collected with property taxes.

Option A

Per Agricultural Acre

Per Urban Acre

*(same fee per acre for
all urban properties)*

Option B

Per Agricultural Acre

Per Weighted Urban Acre

*(weighted fee structure that
accounts for acreage & land use)*



Fee Options Similarities and Differences

Both options involve a fee methodology with 3 steps:

1. Allocate cost between Urban and Agricultural Production uses of groundwater (same for both options)
2. Calculate the fee for Agricultural Production (same for both options)
3. Calculate the fee for Urban (different for each option)



Step 1 (applies to both fee options)

Allocate costs between urban and agricultural production uses of groundwater

Estimated pumping based on historical data:

22% Urban, 78% Agricultural split

Pumping by each group could change over time; periodic fee reviews will update the percentages as necessary



Step 2 – Agricultural Production Fee (applies to both options)

- Divide allocated Agricultural cost share by Agricultural Production Acres
- Agricultural Production Acres defined as parcels classified by the Merced County Assessor as:
 - Agriculture (General Farming)
 - Dairy
 - Grazing
 - Orchard
 - Poultry

All parcels pay the same per acre regardless of use and regardless whether currently in use or currently irrigated



Illustration of Steps 1 and 2 for Agricultural Production Fee

Acreage of parcels is based on mapping software (GIS acres) and may not exactly match Assessor records of situs acreage

Step	Item	Calculation	Cost
Step 1	Estimated Cost Shares		
	Total Cost	a	\$800,000
	Agricultural Production Share	b = a*78%	\$624,000
	Urban Share	c = a*22%	\$176,000
Step 2	Agricultural Beneficiaries		
	Agricultural Production Acres	d	119,158
	Allowance for Errors	e = d*5%	5,958
	Acres in Fee Calculation	f = d-e	113,200
	Cost per Ag. Production Acre	g = b/f	\$5.52 per acre



Step 3 –Urban Fee Option 2A

- Divide allocated Urban cost share by number of Urban Acres
- Urban Acres defined as all Merced County Assessor land use classifications that are NOT Agricultural Production Acres



Illustration of Steps 1 and 3 for Option 2A

Acreage of parcels is based on mapping software (GIS acres) and may not exactly match Assessor records of situs acreage

Step	Item	Calculation	Cost
Step 1	Estimated Cost Shares		
	Total Cost	a	\$800,000
	Agricultural Production Share	b = a*78%	\$624,000
	Urban Share	c = a*22%	\$176,000
Step 3	Urban Beneficiaries		OPTION A
	Total Acres	h	29,582
	Allowance for Errors	i = h*5%	1,479
	Urban Acres in Fee Calculation	j = h-i	28,103
	Cost per Urban Acre	k = c/j	\$6.26 per acre



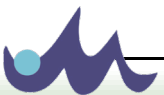
Step 3 –Urban Fee Option 2B

- Divide allocated Urban cost share by number of Weighted Urban Acres
- Weighted Urban Acres are Urban Acres weighted by water use coefficients
- More intensive water users (on a per acre basis) will pay a higher per acre fee under Option 2B



Illustration of Steps 1 and 3 for Option 2B

Step	Item	Calculation	Cost
Step 1 Estimated Cost Shares			
	Total Cost	a	\$800,000
	Agricultural Production Share	b = a*78%	\$624,000
	Urban Share	c = a*22%	\$176,000
Step 3 Urban Beneficiaries			
	Urban Weighted Acres	h	30,399
	Allowance for Errors	i = h*5%	1,520
	Weighted Acres in Fee Calculation	j = h-i	28,879
	Cost per Urban Weighted Acre	k = c/j	\$6.10 per acre
	Residential	factor	
	Mobile Home	k*weighting 0.96	\$5.86 per acre
	Single Family Detached	k*weighting 1.00	\$6.10 per acre
	Single Family >0.9 acre lot	k*weighting 1.28	\$7.80 per acre
	Single Family Attached	k*weighting 1.58	\$9.64 per acre
	Apartments	k*weighting 2.36	\$14.40 per acre
	Non-Residential		
	Commercial	k*weighting 1.32	\$8.06 per acre
	Industrial	k*weighting 1.36	\$8.30 per acre
	Religious	k*weighting 0.90	\$5.50 per acre
	Government	k*weighting 1.16	\$7.08 per acre
	Railroad/Utilities	k*weighting 0.18	\$1.10 per acre
	Open Space	k*weighting 0.64	\$3.90 per acre
	Vacant	k*weighting 0.10	\$0.62 per acre



Examples of FY 2020/21 Fees under Options for Urban Residential

Property	Acres	Option A	Option B
		\$6.26 per acre	varies
		Annual Fee per Unit	
Mobile Home	0.10	\$0.62	\$0.58
Home on Typical Lot	0.17	\$1.06	\$1.04
Home on Cul-de-Sac	0.22	\$1.38	\$1.34
Home on Lot >0.9 acres	2.00	\$12.52	\$15.60
Condo	0.07	\$0.44	\$0.68
Apartment	0.04	\$0.26	\$0.58



A Tool to Calculate your Fee

A tool to help you find if your property is in the MIUGSA Management Area is provided at

<http://www.miugsa.org/index.cfm/feestudy/>

Once zoomed in on your property, click the parcel to see the land use classification and GIS Acres.



Public Outreach

- Key stakeholders (from community and sectors of commerce) telephone interviews in March
- Mailers to all property owners in MIUGSA's boundaries end of May
- Display ads in the Merced County Times, Atwater-Winton Times, Merced Sun-Star, and Vida En El Valle early June
- Public outreach materials posted to the miugsa.org website May and June
- Public workshops June 15 and 16
- Public notices in newspapers and prominent community posting places (such as city halls) July



Steps to adopt the MIUGSA Regulatory Fee

- A fee study report is accepted by the Board of Directors. This report provides the justification for the fee, the data upon which the fee is calculated, and demonstrates that a reasonable relationship exists between the fee amount and the purpose of the fee.

Per the California Constitution, fees cannot exceed amount necessary to cover reasonable costs of the governmental activity and the amount allocated to each payor must bear a reasonable relationship to the payor's burdens on the benefits received.

- The Agency notices a public hearing date in local newspapers two weeks before the public hearing.
- Following the public hearing, the Agency can adopt a resolution establishing the fee.



Fee Revisions

- MIUGSA Board has ability to revise the fee whenever needed by following procedures in the California Constitution
- Annual automatic fee inflator would be applied each year (for example the Bureau of Labor Statistics Western Region CPI)
 - Average annual increase past 20 years = 2.32%



Fee Timeline

- Final Fee Study presented to the Board of Directors July 7th
- Public Hearing July 28th
- Fees paid with property taxes to Merced County due November 1st (first installment) and February 1st (second installment)



Informational Materials, Comments and Questions

For more information about MIUGSA and the fee study, go to <https://miugsa.org/feestudy>.

For questions about the workshops, email the fee study at FeeStudy@MIUGSA.org.

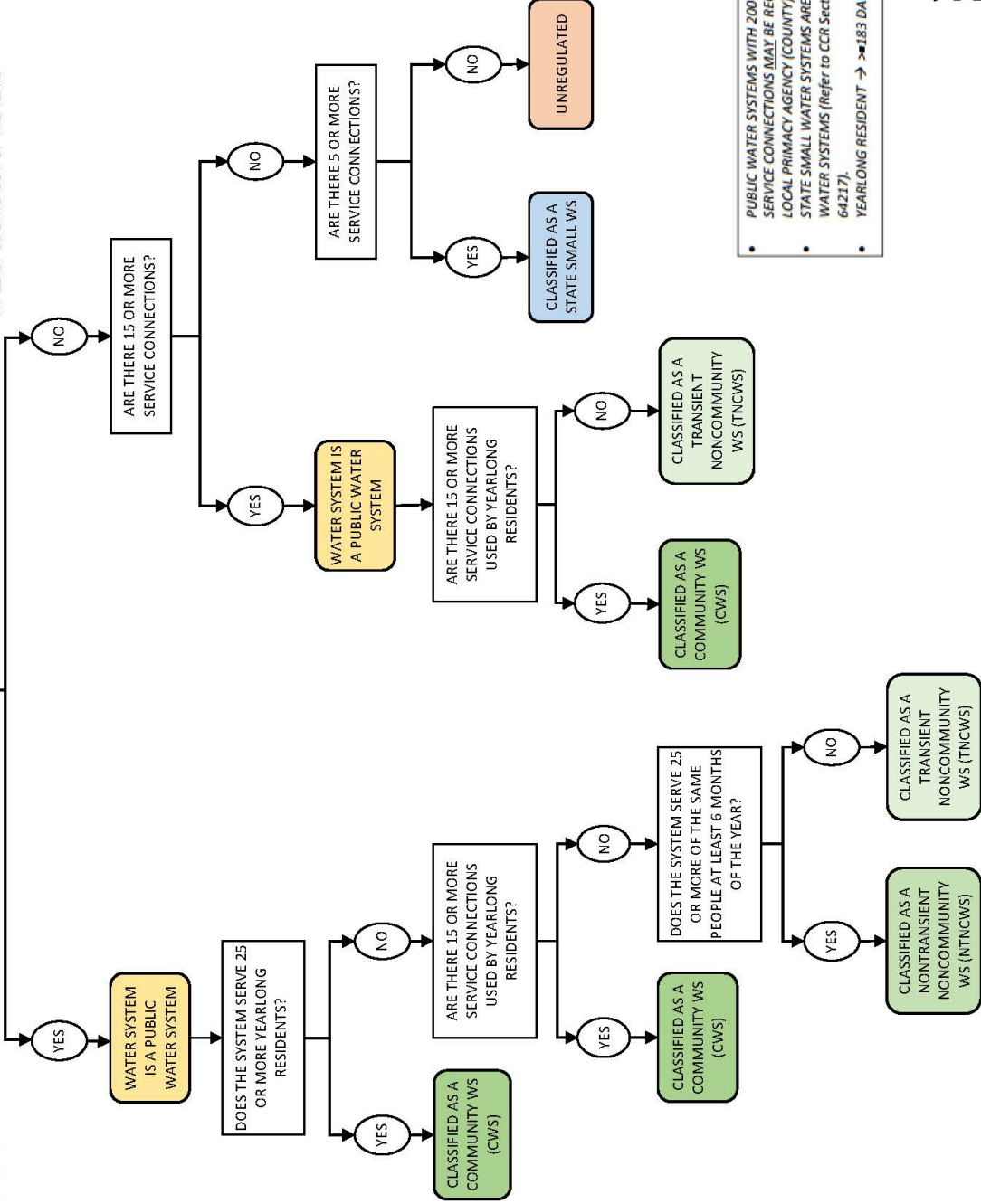


APPENDIX C

STATE WATER SYSTEMS CLASSIFICATIONS

DECISION TREE FOR CLASSIFICATION OF WATER SYSTEMS

"PUBLIC WATER SYSTEM" MEANS A SYSTEM FOR THE PROVISION OF WATER FOR HUMAN CONSUMPTION THROUGH PIPES OR OTHER CONSTRUCTED CONVEYANCES THAT HAS 15 OR MORE SERVICE CONNECTIONS OR REGULARLY SERVES AT LEAST 25 INDIVIDUALS DAILY AT LEAST 60 DAYS OUT OF THE YEAR.



- PUBLIC WATER SYSTEMS WITH 200 OR LESS SERVICE CONNECTIONS MAY BE REGULATED BY A LOCAL PRIMARY AGENCY (COUNTY).
- STATE SMALL WATER SYSTEMS ARE NOT PUBLIC WATER SYSTEMS (Refer to CCR Sections 64211-64217).
- YEARLONG RESIDENT → ≥183 DAYS/YEAR

APPENDIX D

MIUGSA RESOLUTION 2020-1

**MERCED IRRIGATION-URBAN
GROUNDWATER SUSTAINABILITY AGENCY
RESOLUTION NO. 2020-01**

WHEREAS, On September 16, 2014 then-Governor Jerry Brown signed into law three bills (SB 1168, AB 1739, and SB 1319) collectively referred to as the “Sustainable Groundwater Management Act” (‘SGMA’), which initially became effective on January 1, 2015. SGMA has been amended from time-to-time thereafter; and

WHEREAS, SGMA generally requires sustainable management of groundwater basins within California through the local development of groundwater sustainability plans (‘GSP’), which can be a single plan developed by one or more Groundwater Sustainability Agencies (‘GSA’), or multiple coordinated plans within the basin or subbasin; and

WHEREAS, the stated purpose of SGMA is to provide for the sustainable management of groundwater basins by providing GSAs with the authority, and technical and financial assistance necessary to sustainably manage groundwater resources; and

WHEREAS, said powers and authorities include, but are not limited to the imposition and collection of fees on all applicable properties to fund regulatory activities within the GSAs jurisdictional boundaries; and

WHEREAS, the California Department of Water Resources (‘DWR’) has designated the Merced Groundwater Basin (DWR Bulletin 118 Basin Number 5-022.04) as a high priority, critically over-drafted basin; and

WHEREAS, on April 24, 2017, Merced Irrigation District, the Cities of Merced, Atwater, and Livingston, the Community Services Districts of Planada and Le Grand, and Winton Water and Sanitary District created the Merced Irrigation-Urban Groundwater Sustainability Agency (‘MIUGSA’), through the execution of a memorandum of understanding for the purpose of being a GSA to manage a portion of the Merced Groundwater Subbasin (Merced Subbasin) underlying said agencies; and

WHEREAS, MIUGSA is one of the 3 GSAs overlying the Merced Subbasin, namely: Merced Irrigation-Urban Groundwater Sustainability Agency (MIUGSA), Merced Subbasin Groundwater Sustainability Agency, and the Turner Island Water District Groundwater Sustainability Agency – 1; and

WHEREAS, the 3 Merced Subbasin GSAs elected to collectively develop and coordinate the implementation of a single GSP covering the entire basin as part of their effort to maintain local control of groundwater management (Water Code, §10725 et seq.); and

WHEREAS, in compliance with SGMA, the 3 Merced Subbasin GSAs developed, adopted and submitted a GSP for the Merced Groundwater Basin before January 31, 2020; and


WHEREAS, the implementation of the GSP requires exercising the regulatory powers and authorities provided in SGMA for all applicable parcels within its boundaries, of which, include de minimis extractors (e.g., a person who extracts, for domestic purposes, two acre-feet or less per year); and

NOW, THEREFORE, BE IT RESOLVED, by the Governing Board of the Merced Irrigation-Urban Groundwater Sustainability Agency, that:


1. MIUGSA will regulate de minimis extractors by this Resolution, pursuant to Water Code, §10730(a).
2. While regulated, De Minimis Extractors will not be metered.
3. Fees that may be imposed and collected by MIUGSA in the future shall be done in accordance with the financial authority established by SGMA.

PASSED AND ADOPTED by the Board Members of the Merced Irrigation-Urban Groundwater Sustainability Agency this 13th day of May 2020, by the following vote:

Ayes:	Members:	Eltal, Angulo, Vinson, Ramirez, Valencia, Benevidez, Chavez
Noes:	Members:	None
Abstain:	Members:	None
Absent:	Members:	None



Hicham Eltal
Chair
Merced Irrigation District



Stephanie Dietz
Vice Chair
City of Merced