



Stakeholder Advisory Committee (SHAC)

April 26, 2023, 9:00 a.m. to 12:00 p.m.

Location:

Butte County Chico Library
1108 Sherman Avenue, Chico CA
And Online Via Zoom (LISTEN/VIEW ONLY)

Please use the following information to remotely view the Vina GSA SHAC meeting online using the Zoom platform. ***Pursuant to recent changes to the Brown Act Teleconferencing Rules, no public comments or questions will be taken online.***

ACCESSING THE ONLINE MEETING (Viewing/Listening Only)

The public may listen to the Vina Stakeholder Advisory Committee (SHAC) Meetings via landline or mobile telephone or via computer, with both video and audio enabled or audio only. Here are two methods for joining the meeting:

1) **Easiest Option: One-Click to Join:**

<https://us02web.zoom.us/j/82598978298>

2) **... or call in by phone:** One-Tap Mobile 16699006833,,82598978298#

Or

Manually Dial: then enter Meeting ID

Phone: +1 669 900 6833

Meeting ID: 825 9897 8298

PUBLIC COMMENT INFORMATION:

Public comment will be accepted in-person at the meeting or may be submitted by email prior to the meeting to VINAGSAPUBLICCOMMENTS@CHICOCA.GOV. A time limit of three (3) minutes per speaker on all items and an overall time limit of thirty minutes for agenda items has been established. If more than 10 speakers are present, the time limitation may be reduced to one and a half minutes per speaker.

When submitting public comment via email, please indicate the item number your comment corresponds to in the subject line. Comments submitted will be sent to the SHAC members electronically prior to the start of the meeting. Email comments will be acknowledged and read into the record by name only during the public comment period for each agenda item. Emailed comments received prior to the end of the meeting will be made part of the written record but not acknowledged at the meeting.

Agenda Posted: 4/21/2023



Stakeholder Advisory Committee (SHAC)

April 26, 2023, 9:00 a.m. to 12:00 p.m.

Location:

Butte County Chico Library
1108 Sherman Avenue, Chico CA
And Online Via Zoom (LISTEN/VIEW ONLY)

MEETING AGENDA

1. CALL TO ORDER and ROLL CALL

2. BUSINESS FROM THE FLOOR

The public and SHAC members will have an opportunity to comment on items not on the agenda and that are relevant to the SHAC. Committee members and Management Committee staff are not required to respond to any issues raised during the public comment period. Commenters are asked to respect differing perspectives and to keep remarks within three minutes.

3. *REVIEW AND APPROVAL OF THE 3/22/23 SHAC MEETING MINUTES.

4. OVERVIEW OF THE 2022 ANNUAL WATER REPORT. (Luhdorff & Scalmanini)

The Annual Report is available on the Vina GSA website at: <https://www.vinagsa.org/vina-gsp-annual-report>.

Action: None, this is an informational item only.

5. *UPDATE ON THE VINA GSA BOARD'S ACTION REGARDING THE LONG-TERM FUNDING TECHNICAL MEMORANDUM. (Kamie Loeser)

The Technical Memorandum is attached and more information regarding this agenda item is available at: <https://www.vinagsa.org/funding-the-vina-gsa>.

Action: None, this is an informational item only.

6. *UPDATE ON FUNDING PURSUITS FOR VINA GSP PROJECTS AND MANAGEMENT ACTIONS. (Christina Buck)

Action: None, this is an informational item only.

7. MANAGEMENT COMMITTEE UPDATES - None

8. CORRESPONDENCE – None

9. ADJOURNMENT: The Committee will adjourn to their next meeting on Wednesday, May 24, 2023 at 9:00 a.m. at Butte County Chico Library, 1108 Sherman Ave., Chico CA.

*Materials are included in the agenda packet

**MINUTES OF THE
VINA STAKEHOLDER ADVISORY COMMITTEE (SHAC)
REGULAR MEETING**

Meeting of
March 22, 2023, 9:00 a.m. – 11:00 p.m.
**BUTTE COUNTY CHICO LIBRARY
1108 SHERMAN AVENUE, CHICO CA 95928
AND VIA ZOOM (LISTEN/VIEW ONLY)**

1. **CALL TO ORDER AND ROLL CALL**– Meeting was called to order by Chair Lewis at 9:07 a.m.

ROLL CALL

SHAC Committee Members Present:

Jim Brobeck
Anne Dawson
Sam Geopp
Todd Greene
Samantha Lewis
Chris Madden
Evan Markey
Joanne Parsley
Bruce Smith
Greg Sohnrey

Committee Members Absent: None

Member Agency Staff Present:

Christina Buck and Kamie Loeser (Butte County Department of Water & Resource Conservation (BCDWRC),
Linda Herman (City of Chico).

2. **BUSINESS FROM THE FLOOR**

Members of the public may address the Board at this time on any matter not already listed on the agenda; comments are limited to three minutes. The Board cannot take any action at this meeting on requests made under this section of the agenda.

No public comments were received. SHAC Member Geopp had questions for City of Chico Staff.

3. **REVIEW AND APPROVAL OF 10/26/22 SHAC MEETING MINUTES**

The SHAC had no changes to the Meeting Minutes.

No public comments were received.

Motion made by SHAC member Sohnrey to approve the Meeting Minutes; seconded by SHAC member Parsley.
Motion carried as follows:

AYES: Committee Members Brobeck, Dawson, Geopp, Greene, Madden, Markey, Sohnrey, Parsley, Smith,
and Chair Lewis.
NOES: None.
ABSTAIN: None.
ABSENT: None

4. REVIEW OF FUNDING OPTIONS APPROVED BY THE BOARD AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN DEVELOPING A LONG-TERM FEE (Report - Management Committee)

Possible action: Recommendations regarding considerations for the Vina GSA Fee.

Management Committee members and the consultants led a detailed discussion of the potential long-term fee options for the Vina Groundwater Sustainability Agency (GSA). The consultants provided the following fee options:

1. Uniform Fee, such as an equal charge per acre
2. Irrigated/Non-Irrigated tiered charge.
3. Land Use Hybrid tiered charge

Although there were no formal votes, there was consensus from the SHAC members on the following:

- a. The fee option chosen should be fair, evenly distributed, and uncomplicated.
- b. The proposed fees with the projected percentage inflation rate should be annualized over the 5 years so that the fee does not go up each year.
- c. The benefits of groundwater management should be included in the public outreach materials.
- d. More information is needed on how the fees would be handled for the City of Chico parcels serviced by Cal Water.

SHAC Member Sohnrey proposed a different hybrid model where the Tier 1- charge for GSA Administration portion of the budget be applied on a per parcel basis, and the SGMA Compliance portion be charged on a per acre basis. He also wanted to go on record that he objects to the provision that Federal, State, and Tribal parcels are exempt from the fees.

SHAC Member Dawson proposed a tiered per acre fee structure in which those with more acres would pay a higher fee (e.g., one fee for 0-1000 acres, another for 1001-5000 acres etc.). Thinks this would be fairer for domestic well users.

SHAC Member Smith requested information from the consultant or possibly legal counsel regarding whether there are any groundwater models that have been held up in court to be provided at the next SHAC meeting.

Members of the public who commented on this agenda item were Susan Schrader, Pam Stoesser and Emily Alma

5. DISCUSSION AND POSSIBLE RECOMMENDATION ON OUTREACH MATERIALS FOR LONG TERM FUNDING PROJECT

Possible action: Recommendations on outreach materials

SHAC Member Greene had suggestions for the Frequently Asked Questions (FAQ) and public outreach materials, including adding a point that the fee will be amortized and will not go up during the 5 years, that the questions regarding "What happens if we fail" be placed further to the top of the FAQ list. Commented regarding using the irrigated vs non-irrigated in that the non-irrigated land still has groundwater impacts particularly for groundwater dependent ecosystems.

Chair Lewis also suggested that the outreach material also include the benefits of farming. Management Committee member Buck suggested that possibly an overarching statement about the benefits of groundwater management might address this.

6. *UPDATE ON FUNDING PURSUITS FOR VINA GSP PROJECTS AND MANAGEMENT ACTIONS

Action: none this is an informational item only.

Committee Member Buck provided a brief update on this topic and will provide more information at the next SHAC meeting.

7. MANAGEMENT COMMITTEE UPDATE (Verbal Report – Linda Herman, Management Committee)

a. *SHAC 2023 Meeting Calendar

The SHAC was provided with a copy of their 2023 Meeting Calendar that was approved by the Vina GSA Board on 3/8/23.

8. CORRESPONDENCE –There was no correspondence.

a. *Email Regarding Governor Executive Order No. N-4-23 Re: Floodwater Recharge.

9. ADJOURNMENT

The Committee meeting adjourned at 11:19 a.m. to their next meeting to be held on April 26, 2023 at the Butte County Chico Library, 1108 Sherman Ave, Chico CA



DRAFT | TECHNICAL MEMORANDUM

DATE: April 07, 2023 Project No. 22-1-131

TO: Kamie Loeser, Director, Butte County Water and Resource Conservation Dept.

FROM: Eddy Teasdale, PG, CHG, Supervising Hydrogeologist
Jacques DeBra, Principal, Supervising Water Resource Planner

SUBJECT: **Vina GSA – 2023 Long-Term Funding Project Summary**

INTRODUCTION

Luhdorff & Scalmanini, Consulting Engineers (LSCE) was hired by Butte County in 2023 to complete the Vina Groundwater Sustainability Agency (VGSA) 2023 Long-Term Funding Project (Project) to ensure that a long-term funding mechanism is in place by January 2024 to support GSA operations while meeting GSA Sustainable Groundwater management Act (SGMA) compliance requirements. The VGSA prepared and adopted its 2022 Groundwater Sustainability Plan (GSP) which was approved by the VGSA Board of Directors (Board) and submitted to the California Department of Water Resources (DWR) in accordance with the January 31, 2022 GSP submittal deadline. DWR is currently reviewing the VGSA GSP. The VGSA Board is now focused on GSP implementation and addressing long-term financial sustainability to maintain compliance with SGMA requirements and implement recommended management actions, projects, and programs to achieve groundwater sustainability within the Subbasin by 2042. This Technical Memorandum (TM) summarizes the long-term funding needs and options to facilitate approval of a long-term local funding mechanism to support GSP implementation over the next five year planning horizon. **Attachment 1** contains information regarding the VGSA GSP adoption process.

BACKGROUND

The VGSA's 2022 GSP identifies long-term funding needs for GSP implementation and SGMA compliance. This TM identifies long-term funding options and mechanisms to support the VGSA revenue needs required for achieving and maintaining SGMA compliance while meeting groundwater sustainability goals and objectives. Financial sustainability will support successful GSP implementation and compliance with SGMA requirements over the next 20-year time horizon through 2042.

The overall funding needs for GSP implementation and SGMA compliance are outlined below. Future revenue needs were updated to reflect actual SGMA compliance costs to date and expected future costs to comply with SGMA regulations and cover on-going GSA administration costs. GSP implementation costs will be refined over time based on actual costs and the level of effort required to maintain SGMA compliance.

2023 LONG-TERM GSA FUNDING PROJECT

LSCE was engaged to review the VGSA GSP, project GSP implementation and SGMA compliance costs, analyze alternative funding options for allocating costs, and develop a long-term funding recommendation for consideration by the VGSA Board of Directors so that a sustainable local funding source could be in place by January 2024. There is currently no other funding source available to cover the on-going costs of VGSA operations and SGMA compliance actions. The recommended long-term funding option will be based on information in the VGSA GSP, and feedback provided by the VGSA Board, SHAC, and other stakeholders through GSA outreach activities. The long-term GSA funding option will address the following:

1. **GSP Costs:** Using the Vina Subbasin GSP, LSCE reviewed, categorized, and summarized costs to implement the GSP and meet SGMA requirements. LSCE, in coordination with the VGSA, updated key cost assumptions and corresponding changes to future revenue projections.
2. **Revenue Needs:** In coordination with the VGSA, GSA revenue needs were defined based on the updated GSP implementation and SGMA compliance costs. This task included identifying those costs which would be included or excluded from a long-term funding option that could be included in the final Fee Study.
3. **Cost Allocation Analysis:** LSCE developed alternative cost allocation methods in evaluating funding options to analyze considerations such as ease of implementation and understanding, equitability, reliability, and implementation costs.
4. **Recommendations:** Based on discussions and feedback with the VGSA, LSCE recommended cost allocation method to determine the costs assigned to landowners subject to the charge options considered that would be needed to cover GSA revenue projections.

LSCE will be subsequently developing a Fee Study to evaluate the services provided by VGSA and how each funding mechanism allocates the cost of service. The results of the Fee Study will be used to support and inform approval of the long-term funding mechanism at the July 2023 VGSA Board meeting.

Vina Subbasin GSP Development and Implementation Funding

The Vina Subbasin developed a single GSP on behalf of two groundwater sustainability agencies: includes the Rock Creek GSA and VGSA. The VGSA member agencies include Butte County, City of Chico, and Durham Irrigation District. The Vina Subbasin GSP was approved at the December 2021 VGSA Board meeting and submitted to DWR in accordance with the January 31, 2022 submittal deadline.

The Vina Subbasin GSP was funded largely by grant funding acquired by the GSAs. Specifically, GSP development was funded by a Proposition 1 (Water Quality, Supply, and Infrastructure Improvement Act of 2014) Sustainable Groundwater Planning Grant, and supplemental Proposition 1 grant funding for outreach and engagement. Additional technical evaluation of data gaps and projects and management actions was funded by a Proposition 68 (California Drought, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018) grant. Other implementation costs were funded under DWR grants for Facilitation and Support Services (FSS) and direct and in-kind contributions by the Vina GSA member agencies.

The GSAs will continue to pursue grant funding opportunities to support GSP implementation, including addressing data gaps and developing projects and management actions. Any shortfall in funding for additional GSP costs for staff time, administration, legal, reporting (annual reports and 5-year updates), and other technical studies would be funded by other local fees or assessments.

At the March 2023 VGSA meeting, the Board approved the use of five-year revenue projections for the long-term funding project. The VGSA Board also provided direction that revenue projection should account for the possibility that the VGSA could receive DWR grant funds that would allow lower long-term charges to be implemented over the initial five-year GSP implementation period.

The VGSA Board is implementing public outreach efforts to engage stakeholders and inform those that are subject to the GSA's proposed long-term charges. The VGSA has updated its website to include updated information and facts about the GSA's long-term funding strategy. A project Fact Sheet and Frequently-Asked-Question documents have been prepared and made available as part of the public outreach materials charge. More information is available at: vinagsa.org.

The VGSA is also coordinating with the Rock Creek GSA to share the costs associated with operating the VGSA and meeting future SGMA requirements. The GSAs are collaborating and working together to keep long-term GSA charges as low as possible. The VGSA is also preparing to update its project priorities and develop a long-range capital improvement program to implement projects that will assist the Subbasin meet its water balance by 2042. This will involve developing a long-term project funding strategy once the GSA knows which projects may be funded through its 2022 SGMA Implementation Round 2 grant funding application.

The VGSA member agencies will continue to work together and keep long-term revenue needs for GSA operations and SGMA compliance costs as low as possible. Butte County will continue to serve as the Program Manager for the VGSA which serves as the business model with the lowest GSA administration costs. This will benefit the member agencies and those within the GSA service area who are relying on the GSA to ensure that SGMA compliance is achieved for all landowners within the GSA boundary.

GSP Costs

The Vina Subbasin GSP split costs into three aggregate cost categories:

- **GSA Administration Costs:** Costs incurred by the VGSA for administration related to the GSP.
- **GSP Implementation and SGMA Compliance Costs:** Costs incurred by the VGSA related to GSP implementation and SGMA compliance.
- **Project and management Action (PMA) Costs:** Costs that are specific to individual PMAs. Funding sources for PMA costs have not been identified at this time. Grant funding and other sources will be evaluated to fund these projects and programs.

GSA Administration Costs

GSA Administration costs include costs that the VGSA will incur for implementation of the GSP on behalf of its members and stakeholders. GSA Administration costs in the Vina Subbasin were based on the estimated costs as reported in Chapters 5 and 6 of the GSP. LSCE reviewed and inventoried these costs, then evaluated different business models to identify the lowest cost option for GSA operations.

GSA Administration costs include GSA Administration personnel costs, office expenses, professional services, Assessor's Office fees, legal expenses, and contingency. The GSA Administration budget covers day-to-day activities to implement the GSP, such as public outreach, legal services, financial reporting, and other tasks. A 3% annual inflation factor is recommended for inclusion in the GSA Administration budget. Finally, the Contingency adds 10% of the estimated budget to cover unexpected costs. These costs are shown in **Table 1** below. The Vina Subbasin GSP estimated total GSA Administration costs at \$150,000 per year, with actual costs coming in at \$110,000 per year by continuing with the County serving as the Program Manager as the most cost-effective administration approach for the GSA.

Table 1. Vina GSA – Long-Term Funding Fee Project					
Updated Five-Year Revenue Projections – GSA Operational Budget (assuming NO DWR SGMA Implementation Grant Funds)					
5-Year GSP Implementation Inflation Adjustment	0%	3%	3%	5%	5%
Proposed	Year 1	Year 2	Year 3	Year 4	Year 5
Cost Category – GSA Admin	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Professional Services – Admin					
Auditor	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Financial Services	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Legal Services	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Program Manager (w/County Management)	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Professional Services – Admin Subtotal	\$167,500	\$167,500	\$167,500	\$167,500	\$167,500
Office Expense					
Bank Fees	\$250	\$250	\$250	\$250	\$250
Insurance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Outreach (per education and outreach plan)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Website	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Supplies	\$5,000	\$2,000	\$1,500	\$1,500	\$1,500
Office Expense Subtotal	\$19,250	\$16,250	\$15,750	\$15,750	\$15,750
Professional Services – GSP Implementation	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Legal Defense Reserve	\$100,000	\$50,000	\$30,000	\$30,000	\$30,000
County Tax Roll Fee Support	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Contingency (10%)	\$31,675	\$26,375	\$24,325	\$24,325	\$24,325
GSA Admin Subtotal	\$348,425	\$290,125	\$267,575	\$267,575	\$267,575

GSP Implementation and SGMA Compliance Costs

GSP implementation and SGMA compliance costs include Annual Reporting, GSP Five-Year Updates, GSA Coordination and Outreach, Surface-Groundwater interaction modeling, data management system (DMS) maintenance and updates, financial planning, and grant funding to implement priority projects. DWR is currently reviewing the Vina Subbasin GSP and will issue an assessment after it completes the review. In addition to this ongoing assessment, the Vina Subbasin GSP must be updated in 2027. Monitoring and Implementation covers GSA-level monitoring of wells and water uses and updating the DMS as needed.

The VGSA will coordinate with the Rock Creek GSA regarding GSP implementation and SGMA compliance activities. The Rock Creek GSA will pay its share of the GSA Administration and GSP implementation costs including the activities for implementation of the GSP. The Vina GSA GSP implementation and SGMA

compliance costs were based on the data reported in the GSP and updated to reflect actual GSP implementation costs and updates regarding SGMA compliance costs.

GSP Implementation and SGMA Compliance activities include:

- **Annual Reports:** Collect data, prepare and submit Annual Reports to DWR each April 1. These Reports serve as a report card on groundwater conditions in the Subbasin.
- **Five-Year GSP Updates:** The GSA must prepare and submit Five-Year GSP updates to DWR which includes conducting updated groundwater modeling calibrations and preparing the updated GSP Report based on Annual Report data.
- **Surface-Groundwater Interaction Modeling:** Collaborate with GSAs in the Northern Sacramento Valley to address surface-groundwater interactions especially for boundary conditions in GSA service areas to ensure that groundwater depletions will not impact surface water interactions or environmental uses.
- **GSA Coordination and Outreach:** The GSA will need to continue with intra and inter-basin GSA coordination and outreach activities to facilitate GSP implementation in an efficient and collaborative manner.
- **DWR Review of GSA GSP:** The GSA will need to respond to any comments provided by the GSA regarding submittal of the Vina Subbasin GSP. This may include items for inclusion in the 2027 GSP update process.
- **GSP Monitoring and Data Management:** Well monitoring and maintenance and the implementation and maintenance of a data management system.
- **GSA Financial Planning:** GSA financial planning will continue to evaluate future GSA funding sources for GSA operations and project implementation.
- **Grant Procurement:** Identify and apply for federal, state, and private grants to supplement GSP implementation activities and keep future charges as low as possible.
- **Contingency:** Ten percent for GSA administration and eight percent for estimated SGMA compliance budget to cover unexpected costs.

The long-term GSP implementation and SGMA compliance costs in the GSP were updated to reflect actual costs and refined assumptions that were incorporated into the updated revenue projections as shown in **Table 2** below. These costs are between \$175,500 and \$186,300 per year, or approximately \$900,000 over the 5-year period. Note that the costs do not include an inflation adjustment factor which is recommended for inclusion in the final revenue projections.

Table 2. GSA SGMA Compliance Cost Projections (assuming no DWR SGMA grants)					
Cost Category – SGMA Compliance	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Annual Reporting (with continued DWR Monitoring)	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Five Year GSP Update w/Modeling Calibrations	\$50,000	\$50,000	\$50,000	\$50,000	\$40,000
Surface – GW Interaction Modeling	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
GSA Coordination & Outreach (w/in and between GSAs)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Data Management System Maintenance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Long-Term Financial Planning/Fees	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Grant Procurement	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Contingency (8%)	\$13,800	\$13,800	\$13,800	\$13,800	\$13,000
SGMA Compliance Subtotal	\$186,300	\$186,300	\$186,300	\$186,300	\$175,500

PMA implementation and PMA costs would be covered through outside grant funding sources and other revenue sources as available. Project funding efforts would be the responsibility of the lead project proponent (or partners) based on any cost sharing arrangements or project implementation agreements in place between the interested parties.

A summary of the VGSA projects and programs requesting grant funding through the 2022 SGMA Implementation Round 2 funding cycle are included in **Table 3** below.

Table 3. Vina GSA PMA – DWR 2022 SGMA Grant Funding Request	
Vina GSA DWR SGMA Grant Application Task	Budget
Task 1. Grant Administration	\$200,000
Task 2. Monitoring Network Enhancements	\$400,000
Task 3. Community Monitoring – Domestic Wells	\$100,000
Task 4. GSP Implementation & Compliance Activities	\$660,000
Task 5. Inter-basin Coordination Activities	\$450,000
Task 6. Extend Orchard Replacement Program	\$1,500,000
Task 7. Lindo Channel Surface Water Recharge Implementation	\$350,000
Task 8. Ag Surface Water Supplies Feasibility Analysis	\$275,000
Task 9. Ag Irrigation Efficiency Pilot Program and Education	\$1,000,000
Task 10. Groundwater Recharge Feasibility Analysis & Site Evaluation	\$600,000
Total DWR Grant Funding Request	\$5,535,000

LSCE assisted with the preparation of the Vina GSA DWR SGMA Implementation Round 2 grant funding application which was submitted to DWR in December 2022 with grant awards expected to be released by DWR in the Summer of 2023. Depending on DWR grant award decisions, future VGSA charges could be lower if some of the SGMA compliance actions are grant funded. The Vina GSA Board will consider this item as part of the long-term charge approval process.

Vina Subbasin GSP Revenue Needs

The Vina Subbasin GSP implementation revenue needs are based on the estimated GSP costs for GSA Operations and SGMA Compliance. As described earlier, LSCE coordinated with the GSA and stakeholder process to present and receive feedback on the estimated GSA costs. Outcomes included:

- GSA administration and legal costs are updated to reflect the GSA's best estimates of implementation costs assuming the County serves as the Program Manager for the GSA and that some legal costs are set aside in the event of legal challenges that could impede GSA progress.
- The Vina Subbasin GSA administration budget includes approximately \$110,000 in costs that the GSA would incur on behalf of its members because of its role as the lead for GSP implementation.
- The Rock Creek GSA would pay their proportional share of total GSA revenue projections since they are located within the Subbasin.
- PMA costs will be excluded from the initial revenue needs assessment because these costs may be developed and funded by individual project proponents under separate funding processes or through other funding sources.

Revenue needs account for expected general cost inflation over a five-year planning horizon, the statutory limit for projected charges under a Proposition 218 charge process. The GSA will periodically review, and revise revenue needs as the GSA moves forward with GSP implementation based on updated cost information, economies of scale, and related factors.

Table 4 summarizes total projected revenue needs for the five-year period from FY23-24 through FY27-28 showing additional detail for cost categories within the GSA Administration and GSP implementation and SGMA compliance costs. While actual costs for particular budget items may be projected, these items reflect the best current estimates available from known information. Initial revenue needs are approximately \$348,425 in administration costs and \$186,300 for GSP implementation and SGMA compliance costs with total annual revenue projections ranging between \$481,108 and \$534,725.

Table 4. Vina GSA – Long-Term Funding Fee Project					
Updated Five-Year Revenue Projections – GSA Operational Budget (assuming NO DWR SGMA Implementation Grant Funds)					
5-Year GSP Implementation Inflation Adjustment	0%	3%	3%	5%	5%
Proposed	Year 1	Year 2	Year 3	Year 4	Year 5
Cost Category – GSA Admin	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Professional Services – Admin					
Auditor	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Financial Services	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Legal Services	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Program Manager (w/County Management)	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Professional Services – Admin Subtotal	\$167,500	\$167,500	\$167,500	\$167,500	\$167,500
Office Expense					
Bank Fees	\$250	\$250	\$250	\$250	\$250
Insurance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Outreach (per education and outreach plan)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Website	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Supplies	\$5,000	\$2,000	\$1,500	\$1,500	\$1,500
Office Expense Subtotal	\$19,250	\$16,250	\$15,750	\$15,750	\$15,750
Professional Services – GSP Implementation	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Legal Defense Reserve	\$100,000	\$50,000	\$30,000	\$30,000	\$30,000
County Tax Roll Fee Support	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Contingency (10%)	\$31,675	\$26,375	\$24,325	\$24,325	\$24,325
GSA Admin Subtotal	\$348,425	\$290,125	\$267,575	\$267,575	\$267,575
Annual Reporting (with continued DWR Monitoring)	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Five-Year GSP Update w/Modeling Calibrations	\$50,000	\$50,000	\$50,000	\$50,000	\$40,000
Surface – GW Interaction Modeling	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
GSA Coordination & Outreach (w/in and between GSAs)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Data Management System Maintenance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Long-Term Financial Planning/Fees	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Grant Procurement	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Contingency (8%)	\$13,800	\$13,800	\$13,800	\$13,800	\$13,000
SGMA Compliance Subtotal	\$186,300	\$186,300	\$186,300	\$186,300	\$175,500
Total VGSA Administration (w/inflation adjustment)	\$384,425	\$298,829	\$283,630	\$297,008	\$310,387
Total VGSA SGMA Compliance (w/inflation adjustment)	\$186,300	\$191,889	\$197,478	\$206,793	\$203,580
Total VGSA Operational Budget	\$534,725	\$490,718	\$481,108	\$503,801	\$513,967

Adjusting for Inflation

GSP implementation costs will be impacted by inflation as they are long-term fees and inflation is a long-term force that impacts the costs of service for consumers, producers and suppliers in the economy. Over the past ten years we have moved from a low inflation to a high inflation environment. It is important to include an inflation adjustment factor in the VGSA revenue projections so that adequate revenues are available to accomplish necessary tasks and actions. LSCE recommends that the VGSA consider including an average 3% annual inflation adjustment in the proposed revenue projections so that charges may be collected in a stable fashion. The most recent consumer price index (CPI) data indicates that higher inflation is persisting in recent months and may continue into the near future. An inflation rate of 3% was applied to all revenue needs over years 2 and 3 and 5% inflation rate applied in years 4 and 5 over the five-year period for an average inflation rate of 4% which is consistent with recent CPI inflationary trends.

GSA Charges

GSAs may levy fees and assessments within their respective subbasin boundaries, pursuant to the applicable requirements and authorities of SGMA, Proposition 13, Proposition 26, and Proposition 218. California Water Code (CWC) § 10730 et seq. describes the various financial authorities provided to GSAs to fund the costs of their GSP and groundwater sustainability management efforts. SGMA authorizes GSAs to impose charges to fund the cost of administration, operations, permitting, property and services acquisitions, water supply, a prudent reserve, and other activities necessary or convenient to implement the plan. The different authorities allow GSAs to structure funding that could be imposed upon different units of measure. Charges that are adopted by the GSA may be adjusted periodically as new needs are identified and new data becomes available. Proposition 218, which is based on a property fee, is the most common method by which GSAs currently structure funding. Additional information regarding the Proposition 218 approach to establishing potential VGSA charges is provided in **Attachment 2**. The recommended long-term funding mechanism for the VGSA is to pursue a Proposition 218 process which is the most common method applied by GSAs to date and supports a property-based charge structure for all landowners within the GSA service areas boundary.

Attachment 2 also contains additional information about Proposition 218 and 26 funding options. The Proposition 218 process allows for a majority vote whereby those subject to the charge can submit protest ballots voting against the proposed charges being considered by the GSA Board. The GSA Board would count the number of protests received at the close of the public hearing. If a majority protest is received (50% + 1, one vote per parcel) the GSA Board would not be able to approve a proposed charge. Proposition 218 has specific notice, ballot, and voting requirements that require notice to all landowners subject to a proposed charge at least 45-days before the Board would consider approving a proposed charge disclosing the time and location of the public hearing before.

Member agencies may consider paying the property fee collectively for their constituents in urban areas with smaller parcels through an MOU or similar method on an annual basis. Member agencies can decide which charge approach they want for their customers by May 2023 when the Vina GSA plans to approve the 2023 Charge Report. A draft Charge Report table of contents is included in **Attachment 3**.

Member agencies who choose to enter into a cost sharing MOU with the Vina GSA would commit to making annual contributions to the GSA with agreed to payment schedule and amount based on approved Vina GSA charges and final determination as to the appropriate cost sharing allocation for each contributing entity. It is recommended that MOUs making this payment commitment be approved in July 2023 in accordance with when the VGSA Board would consider approving new long-term GSA charges that cover the updated revenue projections included in **Tables 1-3**.

FUNDING OPTIONS - COST ALLOCATION APPROACHES

The VGSA established updated revenue projections over the upcoming five-year period for use in evaluated long-term funding options. The VGSA discussed a range of funding options and resulting cost allocation approaches. These included simpler options, such as combining GSA-level administration and its share of GSP implementation and SGMA compliance costs and uniformly distributing costs per acre within the GSA, and more complex options, such as distributing costs based on irrigator/non-irrigator delineations and considering land use hybrids that would consider land and/or water use factors. The VGSA Board expressed support for cost allocation approaches that were easy to understand and implement, fair and equitable, reasonable, and had lower implementation costs that would not significantly increase final funding recommendations. All funding options being considered were based on meeting updated VGSA revenue projections over the project planning horizon.

The VGSA Board discussed long-term funding options while developing the updated revenue projections and wanted staff to consider any legal implications for different charge options that could further increase legal expenses for the GSA or result in new legal challenges. Legal challenges challenging any funding mechanism result in increased future charges for all landowners within the Subbasin.

The VGSA Board approved the exploration of the following long-term charge options at the March 2023 meeting and directed staff to conduct a funding option evaluation process with more in-depth evaluation and analysis noting trade-offs (pros/cons) between the options that would assist the Board in selecting a preferred funding mechanism at the April 2023 Board meeting. The funding options prioritized for further evaluation include:

- **Uniform.** A uniform cost allocation would combine all costs and evenly distribute them across the Vina Subbasin on a per-acre basis. In a uniform approach, a flat fee per acre would be assessed to landowners within the VGSA Subbasin. The uniform charge is supported because it provides SGMA administration to all landowners paying the fee.
- **Irrigated/Non-irrigated.** This option would allocate a higher percentage of total GSA costs to irrigators who rely on groundwater resources and would benefit directly from achieving groundwater sustainability. Non-irrigators would be subject to lower GSA charges and pay a smaller proportion of total GSA costs. This method would require parcel-level data distinguishing between irrigated and non-irrigated parcels and would require the development of user class definitions.
- **Land Use Hybrid.** This option could consider land use, Evapotranspiration (ET), and/or estimated groundwater use criteria to refine property fees based on the inclusion of more intricate parcel-level data. This option would focus define parcels by their respective dependence on groundwater

use. More user classes would be included in this approach with distinct user class definitions based on levels of groundwater use. This method could include currently metered and acceptable estimated groundwater pumping based on a 15–20-year groundwater use dataset. This option would have higher implementation costs than the uniform or irrigated/non-irrigated charge options.

- **Metering Groundwater Extraction (excluded).** Metering all groundwater use in the Subbasin would be extremely expensive to implement and would significantly increase GSA charges. This option was excluded from further exploration because there is not sufficient information currently available and the projected costs to install meters and implement supporting meter reading program and data management system are high.
- **Well Registration Program (excluded).** Establishing a well registration program is a substantial and expensive undertaking. The first step is to conduct a broad survey with field verification as to the location of all wells in the Subbasin and to document key information about each well including well casing size and pumping horsepower. Then the well information would need to be incorporated into a data management system for easy access, updating, and possible future charge assessments. This option was excluded from further exploration because this information is not currently available and would be expensive to develop the well database and applying the information to a future charge approach that would take years to implement.
- **Land Use Hybrid-Real-time ET (excluded).** Open ET and other tools such as Land IQ can make real-time ET information available as a surrogate for metering water use. ET based approaches for setting GSA charges are being utilized in other parts of the State where groundwater overdraft conditions exist. While the ET data can be collected and validated with in-field instrumentation, it is very costly to implement and would increase GSA administration costs. This option was excluded from further exploration because of the higher implementation costs and impacts on future GSA revenue projections and increased complexity for charge implementation and understanding. And the GSA does not want to become the revenue collector.
- **Member Contributions (excluded).** Butte County, City of Chico and Durham Irrigation District are the member agencies of the VGSA. If all three entities had adequate reserves or available funds in their respective budgets, they could each make annual contributions based on their fair share of total GSA revenue projections to fund the GSA operations and SGMA compliance action items. This option was excluded from further exploration because the member agencies do not have adequate funds available from their respective budgets and do not expect to have adequate funds available in their future budgets to pursue a member contribution approach for meeting future GSA revenue projections.
- **Land Use Hybrid-Parcel-Area Based Charges (excluded).** This option would have separate funding structures for GSA operational costs and SGMA compliance costs. funded on a per acre basis and SGMA compliance costs funded based on a per acre basis. This option is excluded from further exploration because the parcel charge would undercharge small parcels and overcharge large parcels. In addition, this charge model has not been adopted by any other GSAs at this time.

The VGSA will assess the funding options analyzed in this TM and provide a recommendation for the proposed charges to be included in the Fee Study which will be considered at the May 2023 GSA Board meeting. Several cost allocation methods, and revenue recovery methods, would result in additional

implementation costs for additional data acquisition, monitoring and enforcement, such as remote sensing or metering, and technical support that would result in higher charges for those subject to the charges. **Table 5** summarizes funding option implementation cost estimates. These implementation costs would add to actual charges calculated using any given option below.

Table 5. VGSA Funding Option Estimated Implementation Cost (\$/ac.)					
Charge Option	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Irrigated/Non-Irrigated	\$0.17	\$0.17	\$0.18	\$0.18	\$0.19
Land Use Hybrid Crop Type	\$0.88	\$0.90	\$0.93	\$0.96	\$0.98
Land Use Hybrid Crop ET	\$1.78	\$1.83	\$1.88	\$1.94	\$1.99
Well Registration/Permit System	\$3.03	\$3.12	\$3.21	\$3.30	\$3.40
Metered Groundwater Extraction	\$10.88	\$11.40	\$11.91	\$12.43	\$12.95

Funding options consider the GSA service area information in **Attachment 4** and are guided by the factors below to help determine which charge option would be most suitable for the VGSA Board to consider for approval in 2023.

- Reasonable
- Sufficient
- Equitable
- Easy to Understand and Implement
- Low Implementation Costs

The VGSA Stakeholder Advisory Committee requested that the TM include the funding options charges on an equivalent annualized total assessment basis for discussion purposes. The annualized charge is the average of the charges over a five-year period that could be charged per year. Annual charges would be the same throughout the five-year period as long as they do not exceed the established maximum charge.

Uniform Funding Option

This option typically results in a \$/acre charge based on spreading the GSA revenue needs across the Subbasin on a per acre basis. This is the most common type of GSA charge in place throughout California. The charge is calculated by dividing the total GSA costs by the total net assessable acreage in the Subbasin. Federal, State and Tribal lands are exempt from SGMA related charges, see **Table 6** below.

Table 6. VSGSA Funding Option by Charge Basis					
VGSA Funding Option Charge Basis	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Total GSA Revenue Needs (\$)	\$534,725	\$490,718	\$481,108	\$503,801	\$513,967
Total GSA Net Assessable Acres	181,435	181,435	181,435	181,435	181,435
Proposed Total Assessment (\$/ac.)	\$2.95	\$2.70	\$2.65	\$2.78	\$2.83
Annualized Total Assessment (\$/ac.)	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78

Pros: Easy to understand and implement, low implementation costs, minimal impact on GSA budget.

Cons: Inability to distinguish and categorize benefits from groundwater sustainability.

Uniform charges are presented annually as well as on the annualized basis over the five-year period to indicate the possible charge impacts. The VGSA will annually assess the GSA revenue needs and consider adjusting the assessment within the maximum allowable charge included in the Fee Study.

The annual estimated assessment using the Uniform funding option is summarized in **Table 7** below.

Table 7. VGSA Funding Option Charge Basis by Acre Parcel					
	0.5 Acre Parcel	1.0 Acre Parcel	5 Acre Parcel	10 Acre Parcel	50 Acre Parcel
Proposed Total Assessment (\$/ac.)	\$1.47	\$2.70	\$13.26	\$27.77	\$141.64
Annualized Total Assessment (\$/ac.)	\$1.39	\$2.78	\$13.91	\$27.83	\$139.13

The Uniform funding option would be levied through the landowner’s property tax bill through the County Assessor’s Office. The GSA would update annual assessments for the GSA assessment based on GSA revenue needs within the maximum allowable charge approved by the Board.

DWR Grant Funding Impact

If DWR approves some of the top priority projects in the VGSA DWR SGMA Implementation Proposition 68, Round 2 grant funding application the actual assessments could be set below the maximum charge based on lower revenue needs and corresponding lower charges are presented below for informational purposes, see **Table 8** below.

Table 8. VGSA Uniform Funding Option, with DWR Grants					
	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Total GSA Revenue Needs (\$)	\$397,025	\$348,887	\$335,146	\$503,801	\$513,967
Total GSA Net Assessable Acres	181,435	181,435	181,435	181,435	181,435
Proposed Total Assessment (\$/ac.)	\$2.19	\$1.92	\$1.85	\$2.78	\$2.83
Annualized Total Assessment (\$/ac.)	\$2.31	\$2.31	\$2.31	\$2.31	\$2.31

The annual charge impact for the Uniform charge option with DWR grant funding on different users is summarized in **Table 9** below.

Table 9. VGSA Funding Option Basis					
	0.5 Acre Parcel	1.0 Acre Parcel	5 Acre Parcel	10 Acre Parcel	50 Acre Parcel
Proposed Total Assessment (\$/ac.)	\$1.09	\$1.92	\$9.24	\$27.77	\$141.64

Annualized Total Assessment (\$/ac.)	\$1.16	\$2.31	\$11.57	\$23.14	\$115.68
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Irrigated/Non-Irrigated Funding Option

This option typically results in a different \$/acre assessment for irrigated vs. non-irrigated lands based on allocating a higher percentage of the total GSA revenue needs to irrigated acreage which may receive more benefit from Subbasin achieving water balance and sustainability metrics by 2042. This type of assessment has recently been considered by many GSAs in California, however very few have adopted this type of assessment option. The Irrigated/Non-irrigated funding option is based on allocating more of the total GSA costs to the irrigators who will be able to continue to divert a reliable source of water if Vina Subbasin can meet its long-term water balance objective. The cost allocation for this funding option is summarized in **Table 10** below.

Table 10. VGSA Irrigated/Non-Irrigated Funding Option - Cost Allocation Summary		
	Irrigated Parcels	Non-Irrigated Parcels
GSA Administration Costs	53.52%	46.48%
SGMA Compliance Costs	87.50%	12.50%

The GSA Administrative costs are shared based on acreage with slightly more lands classified as irrigated (urban areas are included in the irrigated category). Non-irrigated cost allocation for SGMA compliance costs including cost share for the Five-Year GSP Update item because they are in the Subbasin and must be included in that Report to DWR to achieve SGMA compliance. The other SGMA compliance cost items are allocated to the irrigators because they are directly or indirectly related to groundwater use which benefits irrigated lands at a higher rate than non-irrigated. If a non-irrigated lands become irrigated (e.g., adds a new well with a County permit) the land would be reclassified as an irrigated under this option upon approval of the well permit. This option would only include net assessable acreage with Federal, State and Tribal lands exempt from SGMA related charges as indicated in **Attachment 4**.

The Irrigated assessments based on the cost allocation assumptions above are presented in Table 11 below.

Table 11. VGSA Irrigated/Non-Irrigated Funding Option – Irrigated Charge Basis					
	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Total Irrigated GSA Revenue Needs (\$)	\$349,543	\$349,543	\$349,543	\$349,543	\$349,543
Total Irrigated GSA Net Assessable Acres	97,107	97,107	97,107	97,107	97,107
Proposed Total Irrigated Assessment (\$/ac.)	\$3.60	\$3.60	\$3.60	\$3.60	\$3.54
Annualized Total Irrigated Assessment (\$/ac.)	\$3.59	\$3.59	\$3.59	\$3.59	\$3.59

The Non-Irrigated charges based on the cost allocation assumptions are presented in Table 12 below.

Table 12. VGSA Irrigated/Non-Irrigated Funding Option – Non-Irrigated Charge Basis					
	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Total Non-Irrigated GSA Revenue Needs (\$)	\$185,182	\$158,085	\$147,604	\$147,604	\$142,956
Total Non-Irrigated GSA Net Assessable Acres	84,328	84,328	84,328	84,328	84,328
Proposed Total Non-Irrigated Assessment (\$/ac.)	\$2.20	\$1.87	\$1.75	\$1.75	\$1.70
Annualized Total Non-Irrigated Assessment (\$/ac.)	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85

The cost impact on the Irrigators is summarized in Table 13 below.

Table 13. VGSA Irrigated Funding Option Annual Charge Impact					
	0.5 Acre Parcel	1.0 Acre Parcel	5 Acre Parcel	10 Acre Parcel	50 Acre Parcel
Proposed Total Assessment (\$/ac.)	\$1.80	\$3.60	\$18.00	\$36.00	\$176.81
Annualized Total Assessment (\$/ac.)	\$1.79	\$3.59	\$17.93	\$35.87	\$179.35

The cost impact on the non-irrigators is summarized in Table 14 below.

Table 14. VGSA Non-Irrigated Funding Option Annual Charge Impact					
	0.5 Acre Parcel	1.0 Acre Parcel	5 Acre Parcel	10 Acre Parcel	50 Acre Parcel
Proposed Total Assessment (\$/ac.)	\$1.10	\$1.87	\$8.75	\$17.50	\$84.76
Annualized Total Assessment (\$/ac.)	\$0.93	\$1.85	\$9.27	\$18.53	\$92.67

There will be some additional Irrigated/Non-irrigated funding implementation costs vs. the Uniform charge which has the lowest implementation costs for any option. If considering the benefit of extraction is a critical driver for the VGSA long-term charges, then Board may wish to consider this option which accounts for benefit of extraction compared to the Uniform charge option with relatively low implementation costs. Under this funding option irrigators (those using most of the groundwater resource) would pay a majority of the SGMA compliance costs because they benefit from the majority of total groundwater extractions in the Subbasin and the VGSA’s ability to meet long-term water balance and sustainability metrics.

Pros: Considers relative benefit from groundwater extraction.

Cons: Higher implementation costs, not as easy to understand, maintain, or implement.

Land Use Hybrid Funding Options

Land use hybrid methods could allocate funding by other parcel-specific data, such as crop type, specific water use basis, geographic location of parcel, or other data that could indicate why a parcel would benefit from SGMA sustainability more or less than another parcel. To further evaluate this option, additional parcel level data would need to be developed so that more detailed cost allocation and assessment options could be analyzed for a long-term funding strategy. The challenge with this option is that the additional implementation costs associated with collecting, analyzing and applying the additional parcel level data are much higher than either the Uniform or Irrigated/Non-irrigated charge options.

Land use hybrid options evaluated are summarized in Table 15 below.

Table 15. VGSA Irrigated/Non-Irrigated Funding Option – Non-Irrigated Charge Basis					
	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Irrigated/Non-Irrigated	\$0.17	\$0.17	\$0.18	\$0.18	\$0.19
Land Use Hybrid Crop Type	\$0.88	\$0.90	\$0.93	\$0.96	\$0.96
Land Use Hybrid Crop ET	\$1.78	\$1.83	\$1.88	\$1.94	\$1.99

Irrigated/Non-Irrigated is a simplified form of a land use hybrid option with the lowest implementation costs. There is some overlap in benefit between the Land Use Hybrid Irrigated/Non-Irrigated and Crop Type options. Both options require at least annual updates to the associated parcel level data to ensure that any GSA funding is implemented in a fair and equitable manner. The Crop ET method is relatively expensive with the idea being to collect real-time ET data to accurately measure consumption use of crop and land use types with tiered charges possible to allocate more GSA costs to high users. This method is very data intensive and would likely require more GSA staff time to administer the charges than either the Uniform or Irrigated/Non-Irrigated options. Most GSAs have declined to develop specific land use funding because of the increase in implementation costs without receiving additional benefits for the GSA and those subject to the charges. The VGSA has provided direction that funding options that would require the GSA to be responsible for billing and collections will likely result in assessments that too high to consider. The most efficient method for collecting long-term GSA charges is through the County property tax roll process.

Pros: Ability to consider specific land use data and development of tailored assessments.

Cons: High implementation costs, more difficult to implement and understand, higher charges.

Funding Option Comparison

Table 16. Funding Option Comparison					
VGSA Funding Options Comparison	Ease of Understanding	Ease of Implementation	Specific Parcel Benefit Analysis	Additional GSA Administration	Revenue Sufficiency
Uniform Charge	1	1	3	1	1
Irrigated/Non-Irrigated	2	2	2	2	1
Land Use Hybrid	3	3	1	3	2
Option Ranking: 1 = best, 3 = lowest					

The Uniform option has the highest ranking considering all funding option ranking criteria except for the specific parcel benefit analysis. The Uniform option is also proven and has been utilized successfully by many GSAs throughout California. Several GSAs who are updating their current GSA assessments are considering these same options as they update their long-term GSA charges to meet future SGMA compliance costs. The bottom line is that specific parcel benefit analysis can be achieved, however it will increase charge implementation costs. Each GSA will have to decide what level of additional funding option implementation costs they are willing to pay to improve understanding benefits at the parcel level. Many GSAs want low charges that are easy to understand and implement without burdening GSA staff.

LONG TERM FEE RECOMMENDATION

The recommendation is that the VGSA Board of Directors considers approving the Uniform and Irrigated/Non-irrigated charge options in the Fee Report to be approved at the May 2023 Board meeting.

FEE DETERMINATION

The goal of the VGSA Board is to establish a long-term sustainable revenue source to reliably fund the GSA operations and SGMA compliance and GSP implementation costs at the lowest possible cost for landowners within the VGSA service area. This is the first long-term charge the VGSA has considered. Working together in the watershed will be the key to success in managing local groundwater resources through a local GSA. The VGSA plans to implement its new long-term funding through the local property tax bill which is the lowest cost method available for implementing these necessary assessments. The VGSA will be using this TM to evaluate the best available funding options. During the May 2023 VGSA Board meeting the Board will consider providing direction on the recommended charge to include in the Fee Study.

The next steps in the Vina GSA’s 2023 long-term funding project are highlighted below:

- April 12 VGSA Board Meeting – consider Project Funding Option Evaluation TM and provide direction on Fee Study development.

Ms. Kamie Loeser

April 7, 2023

Page 19

- May 10 VGSA Board Meeting – approve Project Fee Study (with recommended charges).
- July 19 VGSA Board Meeting – hold hearing and vote on proposed long-term VGSA charges.
- August 2023 – Property Tax Roll data to Butte County Assessor’s Office.

Information regarding long-term funding will be updated regularly on the VGSA website regarding the 2023 long-term funding project and next steps in the process.

AGENDA ITEM 6- GRANT APPLICATION WITHOUT ATTACHMENTS

APPENDIX B: Regional Block Grant Application

This is the application for the Multi-Benefit Land Repurposing Program. The solicitation details the background and requirements to apply for funding under the program.

Application Instructions

- Each application must contain all of the materials listed in the checklist below.
- Materials should be presented in the order indicated on the checklist.
- Please complete all materials using an easy-to-read font, 11 point or larger.
- In the header or footer of each page of the application, applicants should include: (1) name of applicant and (2) sequential page numbers.
- Materials not specifically requested (e.g., press clippings or brochures) will not be considered during the evaluation.

Application Checklist

1. Cover Sheet
2. Applicant Eligibility and Capacity
3. Basin(s) Description
4. Proposal Summary
5. Partnerships and Collaboration
6. Community Engagement
7. Disadvantaged Community Benefits
8. Policy and Project Expertise
9. Budget Summary
10. Project Maps
11. Authorizing Resolution from Governing Body

1. Cover Sheet

Project Information

Project Title: Vina GSA Multibenefit Land Repurposing Program

Location (County/ies): Butte County

District Number(s): Senate: 1st Senate District

Assembly: 3rd Assembly District

SGMA Sub-basin(s): Vina – 5-021.57

Applicant Information:

Vina Groundwater Sustainability Agency (Vina GSA)

Organization Type: GSA

Federal Employer ID Number: 32-0616608

Mailing Address: 308 Nelson Avenue, Oroville, CA 95965-3302

Contact Person: Kamie Loeser

Title: Vina GSA Administrator and Plan Manager

Phone Number: 530-552-3590

Email Address: KLoeser@buttecounty.net

Partner Information:

Rock Creek Reclamation District / GSA

Organization Type: Special District

Federal Employer ID Number:

Mailing Address: 5130 Anita Road, Chico, CA 95973

Contact Person: Hal Crain

Title: Chairman of the Board of Trustees

Phone Number: 530-864-0347

Email Address: rockcreekreclamation@gmail.com

Partner Information:

Butte County Department of Water and Resource Conservation

Organization Type: County Water Department

Federal Employer ID Number: 94-6000506

Mailing Address: 308 Nelson Avenue, Oroville, CA 95965-3302

Contact Person: Kamie Loeser

Title: Director, BC Dept of Water and Resource Conservation

Phone Number: 530-552-3590

Email Address: KLoeser@buttecounty.net

Partner Information:

Resource Conservation District of Butte County

Organization Type: Special District

Federal Employer ID Number: 33-1054051

Mailing Address: 150 Chuck Yeager Way, Ste A, Oroville, CA 95965

Contact Person: Thad Walker

Title: District Manager

Phone Number: 530-693-3173

Email Address: thad@bcrd.org

Partner Information: **Butte County Farm Bureau**
Organization Type: Non-Profit
Federal Employer ID Number: 94-1262232
Mailing Address: 1148 Richvale Highway, Richvale, CA 95974
Contact Person: Colleen Cecil
Title: Executive Director
Phone Number: 530-533-1473
Email Address: colleen@buttefarmbureau.com

Partner Information: **Agricultural Groundwater Users of Butte County**
Organization Type: 501(c)(6)
Federal Employer ID Number: 82-4919012
Mailing Address: 30 Independence Circle, #300, Chico, CA 95973
Contact Person: Rich McGowan
Title: Board Member
Phone Number: 530-342-4040
Email Address: rmfrich@hotmail.com

Partner Information **Sacramento River Conservation Area Forum**
Organization Type: Non-Profit
Federal Employer ID Number: 68-0461944
Mailing Address: 2440 Main Street, Red Bluff, CA 96080
Contact Person: Jane Dolan
Title: Executive Director
Phone Number: 530-518-1011
Email Address: jane@riverforum.org

Partner Information **Family Water Alliance**
Organization Type: Non-Profit
Federal Employer ID Number: 68-0262939
Mailing Address: 2963 Davison Ct, Suite A, Colusa, CA 95932
Contact Person: Nadine Bailey
Title: Executive Chief Operations Officer
Phone Number: 530-458-8726
Email Address: nadine@familywateralliance.com

2. Applicant Eligibility and Capacity

Eligibility

Applicants must provide all the following to demonstrate eligibility:

- Verification that the applicant is a: (1) Groundwater Sustainability Agency; (2) federally recognized California Native American tribe, or (3) non-federally recognized California Native American tribe on the contact list maintained by the Native American Heritage Commission OR is a public agency; nonprofit group with 501(c) status; or Watermaster implementing an approved groundwater sustainability plan or approved alternate plan and is partnering with a GSA to submit an application.
 - Non-profit groups must provide a copy of their IRS 501(c) Tax Determination Letter.

The Vina Groundwater Sustainability Agency (Vina GSA) was established through a Joint Powers Agreement (JPA) comprised of three member agencies, the County of Butte, City of Chico, and Durham Irrigation District, as set forth in Water Code Section 10723.6(a)(1). Please see **Attachment 1** for a copy of the Vina GSA Joint Powers Agreement. A Vicinity Map of the Vina Subbasin is included as **Attachment 6**.

- Evidence that the applicant is locally based or has strong working ties to local stakeholders, communities, and/or GSAs.

Partnership commitment letters included with this application evidence that the Vina GSA is a local-based public agency and that it has strong working ties with various local stakeholders, communities, and other GSAs. Please see **Attachment 2** for copies of the partner support letters from the Butte County Department of Water and Resource Conservation (BCDWRC), Butte County Resource Conservation District (BCRCD), Rock Creek Reclamation District GSA (Rock Creek GSA), Butte County Farm Bureau (BCFB), Agricultural Groundwater Users of Butte County (AGUBC), Family Water Alliance (FWA), and the Sacramento River Forum (SRF).

The Vina GSA has also established cooperation agreements with Butte College and the Rock Creek GSA which more clearly define and establish a cooperative and ongoing working relationship to advance the purposes of the Sustainable Groundwater Management Act (SGMA) and groundwater sustainability for the Vina Subbasin. Please see **Attachment 3** for copies of the Cooperation Agreements and **Attachment 7** which shows the location of the Vina Subbasin and boundaries of the Vina GSA and Rock Creek GSA.

The Butte County Department of Water and Resource Conservation provides leadership and serves as the Administrator and Plan Manager in all three subbasins within Butte County, including the Vina GSA, County of Butte GSA, and Wyandotte Creek GSA. Staff from member agencies of the Vina GSA coordinate closely to support the administration and activities of the GSA. The Butte Subbasin has 11 individual GSAs including: Butte County, Butte Water District, City of Biggs, City of Gridley, Glenn County, Colusa Groundwater Authority, Richvale Irrigation District, Biggs West Gridley Water District, Reclamation District 2106, Reclamation District 1004, Western Canal Water District. The Wyandotte Creek GSA is the sole GSA within the Wyandotte Creek subbasin.

The Vina GSA's partner organizations work with other local, state, and federal agencies, further increasing the scale of local connections and regional impact of projects. For example, the Butte County RCD works with regional RCDs, California Association of RCDs, U.S. Fish and Wildlife Service, The Nature Conservancy,

and California Natural Resources Conservation Service, among other organizations. The SRF works with the counties of Butte, Sutter, Shasta, Tehama, and Yolo, California NRCS, National Marine Fisheries Service, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, and U.S Bureau of Reclamation, among others. The BCFB has more than 1,200 members and works with local farmers, the county and local municipal governments, school districts, GSAs, as well as various other state and federal agencies. AGUBC has deep ties with more than 75 farming families who own more than 60,000-acres of farmland in the Vina Subbasin that rely solely on groundwater. Further evidence of Vina GSA's working ties with GSAs and communities can be found on the Vina GSA website, here: <http://www.vinagsa.org>.

Capacity

Applicants must provide a short narrative description of their capacity to successfully implement the grant, should the project be funded. This description should address:

- How the applicant's board and/or management structure will contribute to the effective execution of project activities.

The Vina GSA is a local government agency overseen by a five-member Board of Directors. Members of the Vina GSA Board include representatives from its three member agencies (City of Chico, Durham Irrigation District, and Butte County) and two additional appointed members by the Butte County Board of Supervisors, one representing agriculture and one representing domestic well users within the Subbasin.

The Vina GSA has a Stakeholder Advisory Committee (SHAC) which includes members of the public. The Vina GSA Board has appointed 7 at-large members, which include: Agricultural Groundwater Users (3), Domestic Well Users (2), Environmental Representative (1), and Business Association Representative (1). In addition, there are SHAC members representing Cal Water Chico, CSU, Chico, and Butte College. The SHAC will serve as an important public venue for discussion, updates, and MLRP Plan development. The Vina GSA Board is the decision-making body who will ultimately approve the MLRP Plan and implement the program. SHAC and Vina GSA Board meetings will be crucial public venues for discussion and input on the project.

- Any professional staff within the applicant's employ who are qualified to develop and successfully implement the activities outlined in the proposal. The response should include a description of the skills and experience of such staff or, if the applicant does not possess such expertise, how the applicant will acquire this expertise.

The BCDWRC is a department within the Butte County government, headed by a Director and Assistant Director. BCDWRC staff report to the Butte County Board of Supervisors and to Subbasin GSA Boards in their role as Administrator and Plan Manager for activities of GSAs in the Vina, Butte, and Wyandotte Creek Subbasins. County/GSA staff work to develop and implement county policy and activities regarding surface water, groundwater, and watershed management. County/GSA staff also work with a variety of committees, organizations, and stakeholders across Butte County regarding water and natural resource issues. Primary responsibilities of the Department currently include SGMA implementation; management of County GSAs; management of the County's State Water Project Table A allocation; public education and outreach; and maintaining local/regional watershed health. Staff are qualified and equipped to implement and manage this project and will retain technical consultants as needed to expand the GSAs capacity to complete the project.

- Any financial resources at the applicant's disposal to support the implementation of the grant.

As a GSA in the Vina Subbasin, Vina GSA has the authority to adopt fees necessary to implement the GSP in accordance with SGMA legislation, including land retirement and repurposing. The Vina GSA is currently working on a rate study to fund administration of the GSA and SGMA compliance activities including annual reporting, monitoring, and the GSP five-year update. The funding will support a Program Manager for the GSA to provide staff support for GSA activities and the capacity to manage grants. The rate study will be complete in July 2023.

The Vina GSA is currently pursuing grant funds through the Department of Water Resources' (DWR) SGMA program on behalf of the subbasin. The Vina GSA prioritized its Extend Orchard Replacement Program for funding under this grant program, and award announcements for Round 2 are expected in June 2023. If funded, funds would be layered onto any funds awarded by the DOC MLRP program to increase project implementation.

In a separate but related effort, Butte County (i.e., County/Vina GSA staff) is pursuing a State Water Board grant which would provide funding for a county-wide program to address drought-related and/or contamination issues for small water systems and domestic wells serving Disadvantaged Communities and low-income households. Award announcements for the State Water Board grant are expected later in 2023. If funded, Vina GSA would expect to collaborate with Butte County to coordinate outreach within county-wide DACs to further extend the impact and benefits of the MLRP program.

Ultimately, funds awarded from the SGM Grant Program and State Water Board will be leveraged with awarded DOC MLRP funds in two ways: to increase community engagement during the Plan development phase, particularly as it relates to Disadvantaged Communities, and to extend efforts to implement multibenefit land repurposing projects, particularly as it relates to the Extend Orchard Replacement project.

- Any additional resources the applicant can draw on to ensure his/her success. Resources include, but are not limited to volunteers, physical capital, and existing partnerships.

Butte County stakeholders – including public agencies and private landowners – have a long history of working collaboratively to solve challenges, even when there are strong disagreements. For example, in the early 1980s, Butte County was among the first jurisdictions in California to enact an urban limit line near Chico, protecting valuable farmland from urban sprawl. In the mid-1990s, farmers and elected officials collaborated to successfully pass a local groundwater protection ordinance to prevent out-of-county groundwater substitution transfers without a permit, create a County Water Department, and implement annual groundwater monitoring activities.

The local leaders of the two previous efforts described above support the Vina GSA Multibenefit Land Repurposing Program effort and would be involved in Plan development through partner agencies, if funded. In addition, the involvement and willingness of the BCFB and AGUBC to engage on this issue represents a unique and major opportunity to introduce the concept of land repurposing in Butte County, and thereby to the Sacramento Valley, in a way that will resonate with landowners and ensure program success.

Applicants must provide the following to demonstrate capacity:

- A copy of the current annual organizational budget.
- A copy of the most recent financial audit (if an audit is not available, a copy of the organization's recent financial statements).

A copy of the Vina GSA annual budget as well as the most recent financial audit for Vina GSA have been attached with this application as Attachment 4.

To date, activities of the Vina GSA have been supported by the SGM Planning grant for GSP development and a significant amount of in-kind contributions by member agency staff. With completion of the rate study to fund administration of the GSA and SGMA compliance activities, the Vina GSA will have additional capacity and financial resources to implement this project, if funded.

3. Basin(s) Description (*1/2-page maximum*)

Briefly describe the basin(s) included in the proposal, including whether they are critically overdrafted, or whether they are high- or medium-priority basins where a state emergency drought declaration has been declared. Indicate whether a Groundwater Sustainability Plan has been approved for each critically overdrafted basin included in the proposal.

The proposed project takes place within the 184,917-acre Vina Subbasin, in Butte County California, which has been identified by DWR as a high priority subbasin. Butte County was included in the Governor's May 2021 drought state of emergency proclamation. The GSP describes conditions of historical groundwater level declines, interconnected surface water, and groundwater quality degradation. The Vina Subbasin lies in the eastern central portion of the Sacramento Groundwater Basin and includes the City of Chico and about 100,000-acres of agricultural land to the north, south, and west of Chico. Please see Attachment 8, which provides an illustration of the agricultural footprint within the Subbasin. A GSP, jointly developed by the Vina GSA and Rock Creek GSA, was submitted for the Subbasin in January 2022. The GSP is currently under review by the Department of Water Resources. A Vicinity Map is included as Attachment 6. Attachment 12 is a map of state and federal lands within the Subbasin.

The Vina Subbasin includes Disadvantaged Communities (DACs), Severely Disadvantaged Communities (SDACs), and the Mechoopda Indian Tribe of Chico Rancheria (Mechoopda Tribe). DAC and SDAC communities are primarily located within the subbasin's Chico Management Area. Using the DWR Mapping Tools ACS 2016-2020 datasets, the Median Household Income for the Vina Subbasin's DAC and SDAC communities ranges from as low as \$18,514 to \$57,357. Based on the ACS data in 2016-2020, 80% of the California Statewide MHI is \$62,938.

The Mechoopda Tribe is a federally recognized Tribe in the Subbasin, comprised of 560 Tribal Members. The Tribe's ancestral village was located on Little Butte Creek, south of the City of Chico. The Mechoopda Tribe's land is in the Chico Management Area in the Vina Subbasin. On February 1, 1998, the qualified voting members of the Mechoopda Tribe approved and adopted the Constitution of the Mechoopda Indian Tribe of Chico Rancheria, which serves as the foundation for implementing the Tribe's status as a federally recognized Indian Tribe. Please see Attachment 9 for a map of DACs and Tribes.

4. Proposal Summary (3-page maximum)

- Summarize the applicant's land repurposing vision for their region.

This proposal aims to identify and implement temporary and permanent land repurposing solutions in the Vina Subbasin to reduce reliance on groundwater while providing community health, economic wellbeing, water supply and recharge, habitat, and climate benefits. The proposal builds on planning work already done as part of the development of the Vina Subbasin's GSP, particularly as it relates to the implementation of the GSP's Extend Orchard Replacement project described in the GSP's PMA chapter.

While shovel-ready land repurposing projects are not identified in the application, the applicant intends to use a bottom-up community engagement approach to develop a multi-benefit agricultural land repurposing plan, through which they will identify and prioritize temporary and permanent land repurposing strategies and specific projects for implementation within the Subbasin. The applicant and their partners are collaborating with stakeholders representing a wide array of interests, including farmers and ranchers, disadvantaged communities, tribes, environmentalists, and land conservationists. Temporary and permanent land repurposing will be conducted through willing participants on lands least viable for agriculture and that contribute to resource connectivity.

Because agriculture is the primary economic generator in the Vina Subbasin of Butte County and because some agricultural land will be taken out of production – temporarily and/or permanently – due to the requirements of SGMA legislation, the Vina GSA's land repurposing vision involves undertaking appropriate efforts to preserve prime farmland and finding ways of repurposing less productive land through easements and other processes so that land is shifted from intensive irrigated use to less intensive or unirrigated uses in the most strategic fashion possible.

Repurposing less productive land into less intensive uses has multiple benefits in terms of achieving the goals of SGMA as well as providing agricultural and economic benefits to disadvantaged communities and the Vina Subbasin as a whole. Repurposing less productive agricultural land from irrigated production has the benefits of limiting of urban sprawl, improving air quality, and increasing groundwater recharge, reducing flood risk, and improving domestic water supplies in disadvantaged communities.

- Describe the proposed work to be conducted under the grant, including how the proposed work relates to the goals and objectives of the program. The summary of proposed work should include:
 - Development of a Multibenefit Agricultural Land Repurposing Plan

The proposed project will focus regionally within the Vina Subbasin, which has been identified by DWR as a high priority subbasin. The GSP describes conditions of historical groundwater level declines, interconnected surface water, and groundwater quality degradation. Various agencies and organizations within the project area that already have a history of working together will coordinate to implement the project including Butte County, Rock Creek GSA, BCFB, Butte County RCD, AGUBC, FWA, and SRF. These organizations will work with the public, including farmers and residents, to develop a plan for multi-benefit repurposing of lands least viable for agriculture across the Subbasin.

Unlike other areas of the Central Valley, the Vina GSA and farmers in the Vina Subbasin do not anticipate following large swaths of farmland to achieve groundwater sustainability. At the same time, repurposing

the least viable ag land for multiple benefits is an important part of the groundwater management toolbox and there is an important role for temporary and permanent multibenefit land repurposing solutions in the Vina Subbasin.

Of particular importance to the Vina GSA and its stakeholders is the Extend Orchard Replacement Program, a project identified in the Vina Subbasin's GSP and illustrated in **Attachment 13**. The Extend Orchard Replacement Program is a demand-side intervention aimed at conserving groundwater by extending the period between when an orchard is removed and when the acreage is replanted. Typically, the process for removing an orchard and replanting can take several months to complete, depending on the size of the orchard and the condition of the soil. Under the Extend Orchard Replacement Program anticipated here, the idea would be to extend this period between removal and replanting for a minimum of 10 years. This will reduce the average annual consumptive use (*i.e.*, evapotranspiration or ET) of groundwater by extending the fallowing cycle and reducing the total water use of the orchard. Given that the Vina Subbasin is primarily dependent on groundwater as its water supply source, the Extend Orchard Replacement Program will directly support Minimum Objectives and Minimum Thresholds related to groundwater levels, storage, and the depletion of interconnected surface waters. The goal of this program is to reduce overall groundwater pumping demand from the Vina Subbasin through increased, and rotational, land fallowing.

While shovel-ready land repurposing projects are not identified in the application, the Vina GSA proposal will start with a bottom-up community approach to engage farmers, ranchers, disadvantaged communities, environmentalists, and others throughout the Vina Subbasin to develop a multibenefit agricultural land repurposing plan, through which we will identify and prioritize temporary and permanent land repurposing strategies and specific projects for implementation within the Subbasin.

We anticipate the plan to be a voluntary, financial incentive-driven land repurposing program that would achieve reductions in groundwater pumping (demand management) in the Vina Subbasin. Under the plan, lands that enroll in a temporary or permanent program would receive a payment to forgo irrigation on those lands (repurpose to non-irrigated uses) for a specified period set by the program (e.g., annual, multiple years, permanent). The new plan will also explore the viability of additional forms of land repurposing, including requiring landowners to undertake habitat or other restoration activities to return the land to a more natural state as opposed to just fallowing the land or using it for grazeland.

Once developed, we believe our Plan will become a model for other northern Sacramento Valley Subbasins with high concentrations of tree and other permanent crops as they also strive to comply with SGMA while protecting their valued agricultural resources. Subbasins throughout the northern Sacramento Valley coordinated efforts during GSP development to understand approaches each were taking and developed a framework for future inter-basin coordination. This is documented in the *Northern Sacramento Valley Inter-basin Coordination Report* (<https://www.buttecounty.net/1234/Inter-Basin-Coordination>), which was included as an appendix in the GSPs throughout the region.

- o Project development and permitting

While the new plan will identify and prioritize temporary and permanent land repurposing solutions in the Vina Subbasin, the near-term focus will likely be on identifying and implementing temporary (*i.e.*, at least 10-year) repurposing projects or activities like the Extend Orchard Replacement Program. Therefore, project development and permitting activities for individual projects should be minimal. The new plan will be aligned with existing and upcoming projects and management actions across the Vina Subbasin.

Prioritized near-term projects identified in the plan would likely not require significant capital for permitting, new infrastructure or other costs.

- o Land repurposing project implementation

To the extent that the prioritized projects identified within the new plan are temporary repurposing like the Extend Orchard Replacement Program, project implementation should be straightforward. The program would reduce water demand from lands that voluntarily enroll, and the landowner/lessee would receive an incentive payment set by the Vina GSA Board reflecting then-current market conditions. Only irrigated lands removing an orchard would be eligible for enrollment in the program and the land would remain enrolled for a minimum of 10 years.

While the incentive payments currently are based upon the value of irrigated agriculture in the Vina Subbasin, it is conceivable to layer additional incentive payments that would account for parcel-specific multi-benefit repurposing opportunities, such as ecosystem services, floodplain management, or dry well mitigation. A landowner who wishes to layer additional multi-benefit repurposing activities on a parcel of land would be required to undertake habitat and or other restoration activities to return the land to a more natural state. This may include planting less-water intensive crops or dryland farming, creation of pollinator habitat, and creation of rangeland, among other non-irrigated land uses. With the support of partner or collaborating organizations, template landowner agreements will be developed during Plan development to describe program enrollment requirements more clearly.

- o Support of partner and collaborators' capacity needs

It is anticipated that both the Vina GSA and the proposed land repurposing project would have peak workloads that would exceed existing fulltime Vina GSA capacity. To alleviate these issues, the project has been structured so that the project work is spread out over the three key partner organizations (Butte County, Rock Creek GSA, and AGUBC) as a means of ensuring each has the capacity to carry out their specific activities and to decrease the administrative burden on any one agency.

For example, Vina GSA anticipates serving as the fiscal manager for land repurposing and for development of a plan for land repurposing. Butte County, Rock Creek GSA, and AGUBC would collaborate on the design of the Multi-benefit Land Repurposing Plan, encourage and facilitate farmer engagement in the program, and conduct outreach on the program's opportunities and benefits once the program is developed. BCRCD, BCFB, FWA and SRF would provide input on the design of the plan, conduct workshops, and create collateral materials for education on land repurposing options, and coordinate with stakeholders and advocacy agencies for disadvantaged communities. Vina GSA also anticipates working with a land trust to help develop template contracts for land repurposing, and an education non-profit to develop materials and information for schools and teachers about the multi-benefit land repurposing program and its benefits. Other potential partners would be brought in as necessary to handle other aspects of program development and implementation.

- o Outreach, education, and training to facilitate and build capacity to conduct land repurposing

Stakeholder outreach, education, training, and other engagement will build on existing partnerships developed as part of the formation of the Vina GSA and Groundwater Sustainability Plan under the SGMA legislation compliance process. Development of the new plan will include substantial stakeholder input through a series of traditional large and small public meetings, stakeholder workshops, interviews and

smaller, more nuanced discussions, and other informal meetings with landowners in the subbasin over a period of approximately 18 months that will provide better information to the decision-makers.

Initial workshops would work to obtain input and develop concepts for the land repurposing plan, land prioritization process, incentive structures, and restoration activities to be outlined in the proposed Multibenefit land repurposing plan. Later workshops and meetings would be conducted to finalize the plan design and create a process for implementation of the plan. Further workshops and outreach would take place to help guide landowners and agencies with implementing the land repurposing process following development of the plan.

- Monitoring to ensure defined conservation outcomes of projects.

Vina GSA is the implementing organization tasked to work with farmers to develop contracts for land repurposing and then implement a monitoring program under this proposed project. The monitoring program will be developed and overseen by the Vina GSA as the lead agency. Performance of the new program will be monitored for key performance indicators such as participation, compliance rates, and socioeconomic and environmental metrics. These should be reviewed regularly to assess program performance and recommend revisions for improvement.

If the application is funded, the Department will work with the applicant to convert this summary into a work plan to be included in the grant agreement.

5. Partnerships and Collaboration (1-page maximum)

Partners are defined as organizations, government agencies, private citizens or volunteer groups that provide funds or in-kind services. Collaboration is defined as working with other organizations, government agencies, groups, and individuals to ensure that all entities work in agreement and are non-duplicative of each other's activities, and to ensure that diverse interests are meaningfully incorporated into the block grant recipient's work. Proposals that demonstrate multiple, committed partnerships and extensive collaboration with other agencies, organizations, or entities will be given more points. Applicants are urged to work collaboratively with other groups and agencies to avoid multiple proposals for the same sub-basins.

- List any participating partners and describe how each partner will contribute to the work, including their proposed financial contribution, proposed in this application. For each partnership, provide a letter of commitment explaining the relationship between the partner and applicant and outlining the partner's contributions to the proposed work.
- List any participating collaborators and describe how each collaborator will contribute to the work proposed in this application. For each collaboration, provide documentation from the relevant individual(s)/organization(s) describing those collaborations.
- Describe your plan, if any, to expand these partnerships and/or collaborations to execute the grant.

Three key partners – **Butte County (\$75,000), Rock Creek GSA (\$75,000), and AGUBC (\$150,000)** – will work with the Vina GSA to develop and implement a local multibenefit land repurposing program through the following activities:

- Collaboration on the design of a Multibenefit Land Repurposing Plan.

- Facilitating engagement of farmers and other stakeholders in the process of designing the program, including providing technical assistance on program participation.
- Conduct outreach on the program’s opportunities and benefits once the program is developed.

Four implementing partners – **Butte County RCD (\$100,000), BCFB (\$100,000), FWA (\$50,000), and SRF (\$25,000)** – will work with the Vina GSA and key partners to implement a local multibenefit land repurposing program through the following activities:

- Providing input on the design of the program.
- Planning and holding Plan workshop events.
- Designing Program workshops based on program benefits.
- Coordinating small group and individual meetings.
- Produce and distribute media articles and other related content to each entity’s monthly newsletters and weekly e-news recipients, and through social media accounts.

Two additional collaborators will work with the Vina GSA on specific objectives, listed below:

- **Northern California Regional Land Trust:** (\$25,000) Providing feedback on its proposed processes and procedures for monitoring its contract with landowners and provide feedback on contract terms in the land repurposing program.
- **CA Farm Bureau** (Ag in the Classroom DAC outreach, \$25,000): Providing class materials, information and support to schools and teachers within the Vina GSA regarding the local multibenefit land repurposing program.

As referenced above, please see Attachment 2 for partner support letters.

Do not submit general letters of support that do not specify the individual/organization’s specific contributions to the proposal, as these will not increase the number of points awarded.

6. Community Engagement (1-page maximum)

- Describe the applicant’s experience and expertise conducting effective and inclusive engagement and collaboration across diverse communities and organizations.

The Vina GSA and its member agencies have significant collective experience working with a variety of committees, stakeholders, and partner organizations regarding water and natural resource issues, particularly with regards to implementation of SGMA as well as with a variety of grant-funded projects that involve collaboration with farmers, ranchers, and disadvantaged communities around groundwater issues. The Vina GSA has engaged in a range of public engagement activities since GSA formation in 2017, including holding and engaging in more than 125 public meetings. More detail on the Vina GSA’s experience and expertise can be found in Attachment 5, the Vina GSP’s Communication and Engagement Plan.

The Vina GSA’s member agency staff – given their dual role with Butte County and other GSAs – routinely work with local stakeholders and communities on the SGMA implementation process as well as other related projects. Staff work with 14 GSAs across three subbasins in Butte County as well as regionally with neighboring subbasins through the Integrated Regional Water Management (IRWM) program and inter-basin coordination. The Department maintains an interested parties list for SGMA implementation in the three subbasins which collectively has more than 700 participants (including residents, farmers, businesses,

and local agencies) to whom the County sends regular monthly newsletters, invites to meetings and workshops, and emails up-to-date information on a weekly basis.

Within each of the subbasins, staff maintain a coalition of support from local associations and community groups, including the AGUBC, BCFB, FWA, SRF, and stakeholders within various Disadvantaged Communities.

- Explain how the applicant will engage with and include feedback from farmers, ranchers, disadvantaged community members, tribes, and other interested practitioners in the development and implementation of their land repurposing work.

Stakeholder engagement will build on existing partnerships with participating agencies, permitting agencies, communities, organizations, and participating local landowners that were developed as part of the formation of the Vina GSP under the SGMA legislation compliance process. Vina GSA and its partner agencies will make use of a variety of engagement strategies intended to increase information among stakeholders, provide clear/understandable information, and enable stakeholders to learn from one another. For more detail on strategies and tactics, please see [Attachment 5](#), the Vina GSA's Communication and Engagement Plan.

- Describe the disadvantaged community/ies to be served by the applicant's land repurposing work and describe how the work performed will result in benefits to those communities.

California Water Code Section 106.3, Human Right to Water, states that "every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes." The Human Right to Water was addressed in the Vina GSP (Section 1.9) and will continue to be an important part of GSP implementation. Likewise, the Human Right to Water will serve as a guiding principle for outreach conducted to farmers, DACs, Tribes, and Others throughout the development of the new Plan. Please see [Attachment 9](#) for a map of DACs and Tribes.

7. Disadvantaged Community Benefits (1-page maximum)

A disadvantaged community is defined as a) a community with a median household income less than 80 percent of the statewide average, or b) a community where the lands are under the control of a federally recognized Tribe.

- Describe how the proposal will provide substantiated benefits to disadvantaged communities, including through project prioritization and implementation.

As described above, the Vina Subbasin includes DACs, SDACs, and the Mechoopda Tribe. DAC and SDAC communities are primarily located within the subbasin's Chico Management Area. Using the DWR Mapping Tools ACS 2016-2020 datasets, the Median Household Income for the Vina Subbasin's DAC and SDAC communities ranges from as low as \$18,514 to \$57,357. Based on the ACS data in 2016-2020, 80% of the California Statewide MHI is \$62,938.

Many communities within the Vina Subbasin struggle with domestic wells that go dry, including the communities of Nord and Dayton. The majority of domestic wells in the Subbasin are less than 200 ft below ground surface. Private shallow domestic wells are susceptible to dewatering from depressed water levels, which could create a barrier to the Human Right to Water. Domestic well users, particularly those who are economically disadvantaged (SDAC and DAC) are more vulnerable as the cost for well

deepening/replacement and alternative supplies may be prohibitive. SDACs and other disadvantaged communities in the Vina Subbasin rely solely on groundwater for water supply and have very limited financial resources, making them particularly sensitive to changes in groundwater levels and quality.

By removing land from irrigated production, this project will allow domestic well levels to stabilize, minimizing risks to shallow wells and protecting the Human Right to Water as considered in the Vina GSP. Ultimately, the effects of land repurposing will include reducing groundwater use, potentially also reducing risk to lives and property with flood risk if land by levees is repurposed and improving domestic water supplies.

Attachments 9, 10, and 11 provide more detail on Underrepresented Communities in the Subbasin and illustrate the Vina GSA's commitment to identifying and engaging with stakeholders within these communities.

8. Policy and Project Expertise (1-page maximum)

Describe the applicant's land repurposing policy expertise and project implementation expertise. Applicants may demonstrate this ability in-house or through partnerships and collaborations.

As discussed above, the BCDWRC is a department within the Butte County government, headed by a Director and Assistant Director. BCDWRC staff report to the Butte County Board of Supervisors and to the Subbasin GSA Boards in their role as Administrator and Plan Manager for activities of GSAs in the Vina, Butte, and Wyandotte Creek Subbasins. County/GSA staff work to develop and implement county policy and activities regarding surface water, groundwater, and watershed management. County/GSA staff also work with a variety of committees, organizations, and stakeholders across Butte County regarding water and natural resource issues. Primary responsibilities of the Department currently include SGMA implementation; management of County GSAs; management of the County's State Water Project Table A allocation; public education and outreach; and maintaining local/regional watershed health.

While the County/GSA staff has the capacity to administer the proposed planning project, the GSA will hire a consultant to help support the development and implementation of the grant, if funded.

The BCDWRC has extensive experience in managing and implementing grant-funded projects from state and federal funding sources. A sampling of grants awarded and managed by the department over the past 5 years that demonstrate experience applicable to land repurposing projects is found below:

- 2017 – DWR Prop 1, SGMA Planning Grant - \$1,498,800 for SGMA Planning in Butte, Vina, and Wyandotte Creek Subbasins
- 2020 - DWR Disadvantaged Community Involvement Grant – Sierra Institute - \$45,000 for Palermo clean water grant application work
- 2021 – DWR Prop 1, Round 1, IRWM Implementation Grant - \$5,000,739 for Orland-Artois Canal Prescreen Project, Rock & Sand Creek Flood Mitigation, SCOR Primary Influent Pump Station, Yuba City Gilsizer North Detention Basin Improvements, and Yuba City Trash Capture Device for Gilsizer Slough
- 2021 – DWR Small Community Drought Relief Program - \$1,191,485 for Feather Ridge Estates Project
- 2022 - DWR Small Community Drought Relief Program Grant - \$894,060 for Berry Creek School
- 2023 – DWR NSV Mountain Counties Funding Area Drought Relief Grant – Sierra Institute - \$525,000 for Palermo Clean Water Consolidation Project

9. Budget Summary

Applicants must provide a budget broken down by cost type (line item). Cost estimates should be consistent with the proposal summary. All costs must be eligible. If awarded funding, the Department will work with the applicant to refine the budget for incorporation into the Grant Agreement.

Vina GSA Multibenefit Land Repurposing Program		
BUDGET SUMMARY		
Line Item	Total	% of Total
Development of Multibenefit Land Repurposing Plan	\$ 400,000	11.43%
Project Development & Permitting	\$ 100,000	2.86%
Land Repurposing Project Implementation	\$ 1,750,000	50.00%
Partner Capacity Needs	\$ 550,000	15.71%
Outreach, Education, and Training	\$ 150,000	4.29%
Monitoring	\$ 200,000	5.71%
Grant Administration	\$ 350,000	10.00%
Total Cost	\$ 3,500,000	100.00%

Project Map(s)

A location map (in PDF) that identifies the project area relative to nearby cities and/or landmarks must be included with the application.

Additional maps that further describe or otherwise support the proposal may be included as relevant (e.g., maps of the subbasins included in the proposal, maps of disadvantaged communities within the proposal area, etc).

All maps must be of sufficient resolution to be legible if printed on an 8 ½" x 11" sheet of paper.

The applicant may submit geographic information system (GIS) data along with any maps.

Attached are the following project maps:

- Attachment 6 – Vicinity Map
- Attachment 7 – Vina GSA and Rock Creek GSA boundaries
- Attachment 8 – Land uses, including an illustration of land in agricultural production
- Attachment 9 – DACs & Tribes
- Attachment 10 – DACs & Streams and Small Water Systems
- Attachment 11 – DACs & Domestic Wells Counts by Section
- Attachment 12 – State and Federal lands
- Attachment 13 – Extended Orchard Replacement Program, showing DACs and ag land

10. Authorizing Resolution from Governing Body

Applicants must submit a signed Resolution of Support adopted by the entity's governing body that evidences authority to submit the application and, if awarded funding, to enter into and perform under the terms of the Grant Agreement template ([Appendix C](#)).

The resolution must:

- Authorize the submittal of the grant application for a 2022 Multi-Benefit Land Repurposing Program grant.
- Authorize entrance into a grant agreement with the Department for the project and accept the template terms and conditions, if the project is awarded funding.
- Authorize a designated individual to, as agent, accept the award of grant funding and to execute tasks, such as signing documents, related to the application, grant agreement, reimbursement requests, if the project is awarded funding.

Please see **Attachment 14**.