Merced Integrated Regional Water Management
Merced Region Drought Grant Proposal

Attachment 8:
Disadvantaged Community Assistance

Attachment 8 consists of the following item:

- ✓ **Determining the DAC Status**
  Local DACs are defined utilizing the 2014 IRWM Drought Guidelines, Appendix G and mapped using data from the American Community Survey (ACS) of the U.S. Census, and targeted benefits to local DACs from the proposed projects are described.

- ✓ **Meeting a Critical Water Supply or Water Quality Need**
  A project that serves a DAC Program Preference critical water supply or water quality need where there is a severe threat to the health and safety of the DAC.

- ✓ **Funding Match Waiver**
  Projects requesting either full or partial funding match waivers are described.

The *Merced Integrated Regional Water Management (IRWM) Region Drought Grant Proposal* is requesting a local funding match waiver for the following projects, which provide targeted benefits to disadvantaged communities (DACs) in the Region:

- **Highlands Groundwater Conservation Project:** This project would deliver surface water from MID to 717 acres of land within the Highlands area each year to meet irrigation supply in lieu of groundwater pumping. This action would allow groundwater to be banked in the Merced Subbasin when it is not in use to meet potable water needs of the Highlands area and throughout the Merced Region as the basin is replenished. The Highlands area is considered a DAC based on data from the American Community Survey (ACS) of the U.S. Census. The project would generate water supply benefits in this area by providing a reliable water supply source and targeted water quality benefits by preventing exceedances of the MCL for nitrate.
- **Water Meter Conservation Project:** The LCGSD proposes to install 525 new water meters and transmitter equipment in the community of Le Grand. The project is an emergency drought-preparedness project and would help to immediately alleviate the dire drought impacts identified in Attachment 2 for this community. Le Grand is considered a DAC based on data from ACS of the U.S. Census. The project would provide critical water supply benefits as this community relies entirely on groundwater which has been declining precipitously this year. It would also address water quality needs by reducing the potential for MCL exceedances of arsenic.

This attachment is designed to assist DWR in evaluating the application with regard to DAC program preference, DAC funding targets, and waiver of funding match.

Determining the DAC Status

A DAC is defined by the State of California as a community with an annual median household income (MHI) that is less than 80 percent of the statewide MHI (Public Resources Code, 75005[g]). The 2010 State MHI, based on the U.S. Census Bureau's ACS, was $61,400; therefore, communities with an average MHI of $48,706 or less are considered DACs.

The majority of the Merced Region is considered a DAC, based on this definition. The Merced Region includes the incorporated cities of Atwater, Livingston, and Merced, and the unincorporated communities of Cressey, El Nido, Franklin/Beachwood, Le Grand, Planada, Snelling, Stevinson and Winton. As summarized in **Table 8-1**, with the exception of Franklin/Beachwood, Cressey and Stevinson, all of these communities meet the State's definition of a DAC using either the geography level of census place. The Highlands Area and community of Le Grand both have median incomes of less than $48,706. The Highlands Area is associated with a census tract that has a MHI of $43,661, and thus qualifies as a DAC.

Table 8-1: DACs in the Merced Region based on ACS (2006-2010)

Community	Median Household Income by Census Place	DAC
Snelling	$13,899	Yes
El Nido	$29,115	Yes
Winton	$29,586	Yes
Le Grand	$35,694	Yes
Planada	$35,880	Yes
Merced	$36,269	Yes

Community	Median Household Income by Census Place	DAC
Atwater	$42,226	Yes
Livingston	$46,198	Yes
Franklin/Beachwood	$52,748	No[1]
Cressey	$70,673	No
Stevinson	$85,625	No[1]
Highlands Area	$43,661	Yes

[1]Although not considered DACs by the State definition, the communities of Franklin/Beachwood and Stevinson are considered DACs by the Merced Region due to local knowledge of economic conditions. For the purposes of this proposal, Franklin/Beachwood and Stevinson are not considered DACs.

Figure 8-1 and **Figure 8-2** illustrate DACs within the Merced Region.

Figure 8-1: DACs in the Merced Region by Block Group based on ACS (2008-2012)

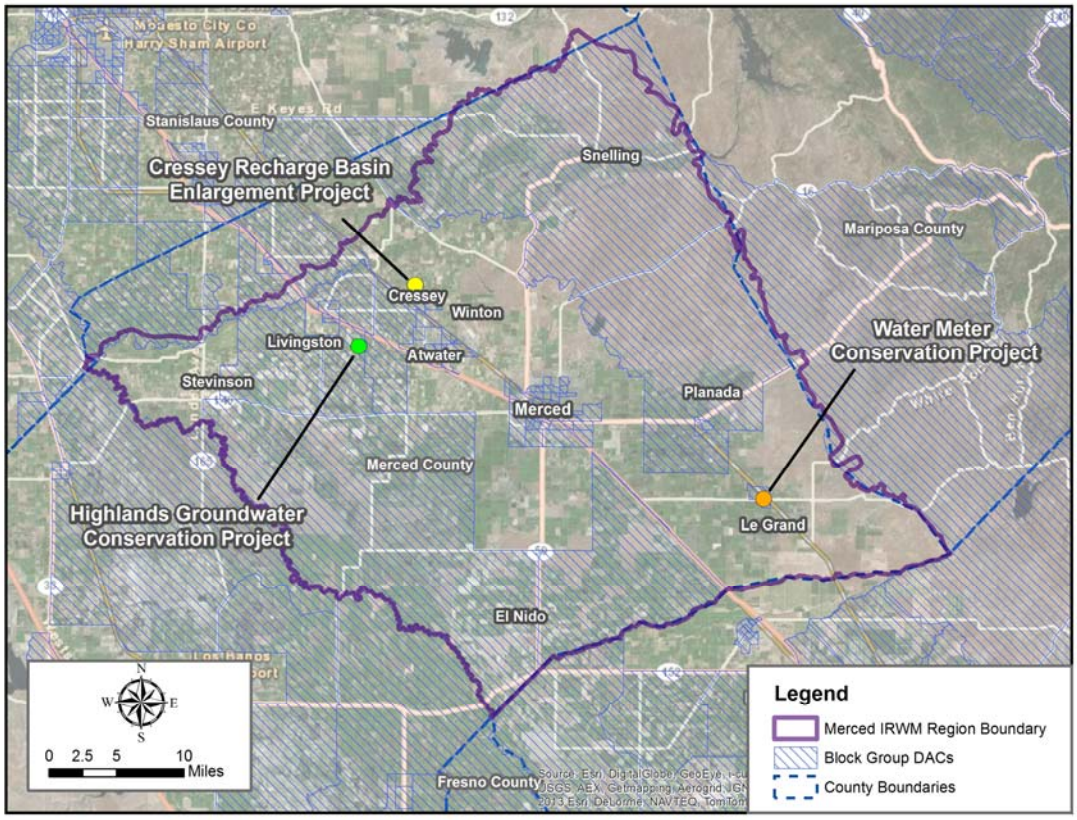
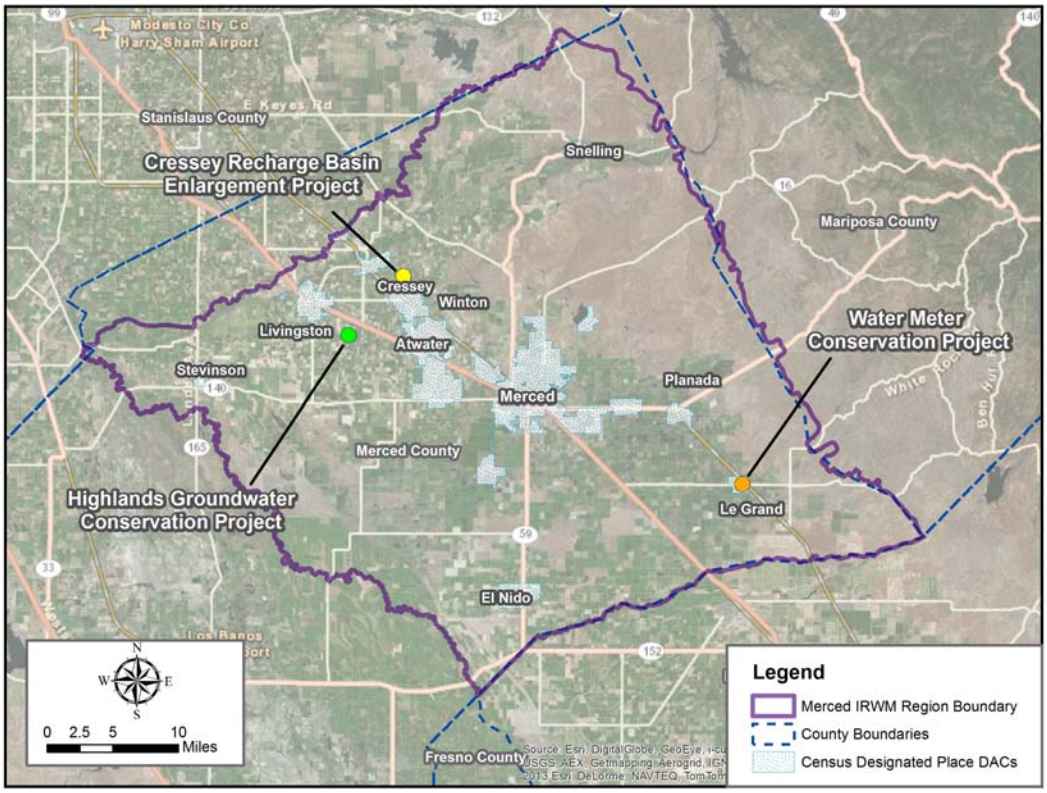


Figure 8-2: DACs in the Merced Region by Census Place based on ACS (2008-2012)



Needs of DACs

The needs of DACs in the Merced Region are best summarized by the MIRWMP objectives:

A. Manage flood flows for public safety, water supply, recharge, and natural resource management
B. Meet demands for all uses, including agriculture, urban, and environmental resource needs.
C. Correct groundwater overdraft conditions.
D. Improve coordination of land use and water resources planning.
E. Maximize water use efficiency.
F. Protect and improve water quality for all beneficial uses, consistent with the Basin Plan.
G. Protect, restore, and improve natural resources.
H. Address water-related needs of DACs.
I. Protect and enhance water-associated recreation opportunities.
J. Establish and maintain effective communication among water resource stakeholders in the Region.
K. Effectively address climate change adaptation and/or mitigation in water resource management.
L. Enhance public understanding of water management issues and needs.

The objectives addressed by each of the projects in the proposal are summarized in **Table 8-2**.

Table 8-2: DAC Needs Addressed by the Proposed Projects

Objective	Highlands Groundwater Conservation Project	Water Meter Conservation Project
Highest Priority Objectives		
A. Manage flood flows for public safety, water supply, recharge, and natural resource management	-	-
B. Meet demands for all uses, including agriculture, urban, and environmental resource needs.	●	●
C. Correct groundwater overdraft conditions.	●	●
D. Improve coordination of land use and water resources planning.	-	-
E. Maximize water use efficiency.	-	●
F. Protect and improve water quality for all beneficial uses, consistent with the Basin Plan.	●	●
G. Protect, restore, and improve natural resources.	○	-
H. Address water-related needs of disadvantaged communities (DACs).	●	●
I. Protect and enhance water-associated recreation opportunities.	-	-
J. Establish and maintain effective communication among water resource stakeholders in the Region.	-	-
K. Effectively address climate change adaptation and/or mitigation in water resource management.	●	●
L. Enhance public understanding of water management issues and needs.	-	○

● indicates the MIRWMP objective is a primary objective of the project

○ indicates the MIRWMP objective is a secondary objective of the project

- indicates the MIRWMP objective is not an objective of the project

Needs of DACs

Each of the proposed projects is designed to address critical water management needs of specific DACs. These targeted benefits are summarized in **Table 8-3**, and the communities targeted by each project are illustrated in **Figures 8-3** and **8-4**.

Table 8-3: Targeted DAC Benefits Provided by the Proposed Projects

Project	Targeted DAC(s)	Targeted DAC Benefit(s)
Highlands Groundwater Conservation Project	• Highlands area and surrounding area downgradient of the Highlands area (to the south)	• By reducing groundwater pumping for irrigation use (through in-lieu recharge), groundwater would be preserved for drinking water purposes for the Highlands community and within the larger subbasin. Groundwater is the sole source of potable water in the Merced Region. • Improves water quality in the Highlands area and Merced Region by elevating groundwater elevations associated with in-lieu groundwater recharge and preventing exceedance of nitrate MCLs, as nitrates in this region varies in concentration from 25 to 45 mg/L. The MCL for nitrate is 45 mg/L. • Reduces demand for groundwater, thereby reducing overdraft and threat of domestic water supply wells running dry in the area.
Water Meter Conservation Project	• Le Grand	• Maximizes water use efficiency by facilitating the implementation of volumetric water rates, which ultimately reduces demand for groundwater and thereby reduces groundwater overdraft. • Includes infrastructural renovations (by installing water meters) necessary to assure continued reliability of the minimum quality and quantity of water. As Le Grand has had to deepen all its municipal wells because of the substantial drops in groundwater elevation, this project would reduce the possibility of completely losing its water supply. • Increasing water use efficiency and increasing groundwater elevations would the potential for arsenic to contaminate the water supply. Arsenic concentrations in the area ranges from 5 to 10 µg/L, the MCL for arsenic is 10 µg/L

Funding Match Waiver

The following projects are requesting a funding match waiver based on DAC benefits.

- **Highlands Groundwater Conservation Project:** This project is designed to meet critical water supply and water quality needs of the recognized DAC of the Highlands area by recharging the groundwater basin immediately upgradient. Thus, a 25% funding match waiver is requested.
- **Water Meter Water Conservation Project:** This project will provide water system improvements and complete water metering for the community of Le Grand, which is a DAC. This project is designed to meet critical water supply and water quality needs of Le Grand, so a 25% funding match waiver is requested.

Figure 8-3: Highlands Groundwater Conservation Project: Targeted DACs

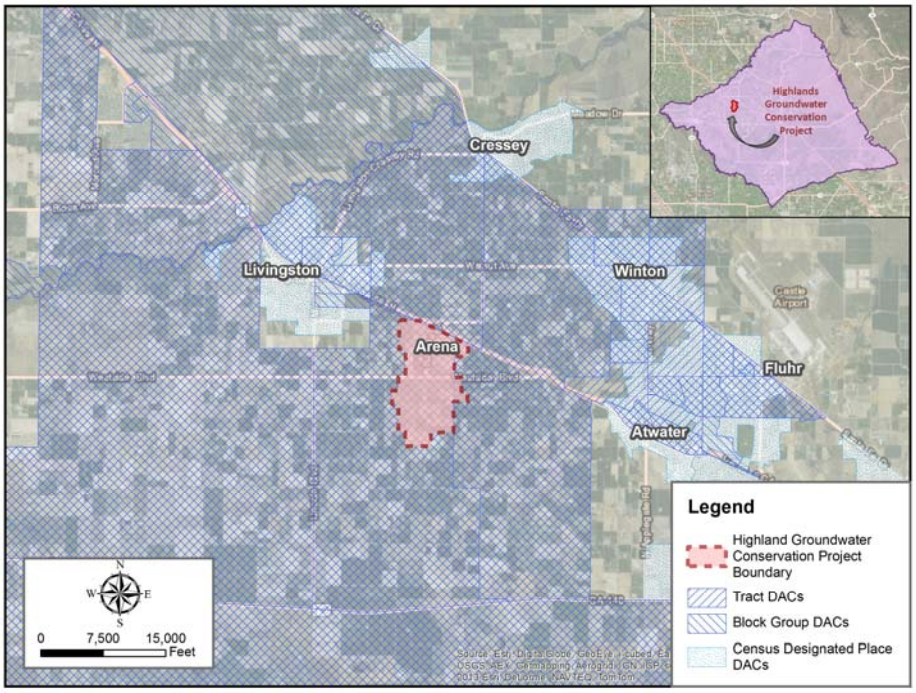


Figure 8-4: Water Meter Conservation Project: Targeted DACs