



Extend Orchard Replacement Pilot Program Guidelines

DRAFT FOR PUBLIC REVIEW



October 2023

Public Review Period: October 24, 2024 - November 25, 2024

Send comments to: vinagsa@gmail.com

Table of Contents

INTRODUCTION	3
Objectives and Goals	3
INCENTIVE COMPONENTS	4
Groundwater Savings Component	4
Temporary Land Transition Component	5
Participation Bonus Component	5
Incentives – Additional Information	6
Summary of Potential Incentives per Acre:	6
How It Works:	6
Comparison to LandFlex:	6
Next Steps:	6
ELIGIBILITY AND EXCLUSIONS	7
PROGRAM MINIMUM REQUIREMENTS	8
APPLICATION PROCESS	8
Required Information:.....	9
REVIEW PROCESS	10
Administrative Review	10
Technical Review.....	10
Selection.....	10
Scoring Criteria	11
PROGRAM TIMELINE	13
Additional Info regarding timeline:.....	13

INTRODUCTION

The Agricultural Groundwater Users of Butte County (AGUBC) and Land IQ, in partnership with the Vina Groundwater Sustainability Agency (Vina GSA), are pleased to announce a competitive application process for the Extend Orchard Replacement Pilot Program (EOR Pilot). This program serves agricultural operations with tree crops within the Vina Subbasin.

Severe drought conditions and groundwater overdraft have the potential to impact Vina Subbasin agricultural operations, groundwater dependent ecosystems and domestic well users who rely on shallower wells. In response, the Vina GSA has adopted a Groundwater Sustainability Plan (GSP) with the goal of eliminating groundwater overdraft by 2042. Achieving this goal requires collaboration among growers, domestic well owners, industry and commercial partners, and state and local agencies, all of whom share a vested interest in ensuring the long-term sustainability of groundwater resources in the Vina Subbasin.

The EOR Pilot is designed to help reduce groundwater demand in the Vina Subbasin. This program encourages agricultural operations to voluntarily extend the fallow period by delaying replanting for one or two years during the orchard replacement cycle. By temporarily pausing irrigation and replanting, participants contribute to immediate groundwater savings, which aligns with the Vina GSA's GSP and helps mitigate groundwater overdraft in the subbasin.

Approximately \$1.25 million, sourced from a California Department of Water Resources (DWR) Sustainable Groundwater Management Act (SGMA) Implementation Grant, will be awarded to landowners through the EOR Pilot. This funding reflects the Vina GSA's commitment to support sustainable groundwater practices and ensuring the resilience of agricultural operations in the region.

The EOR Pilot will offer incentive payments to landowners. By delaying replanting and leaving land fallow for a specified period, participants can contribute to groundwater sustainability efforts while benefiting from these incentives.

AGUBC has partnered with the Vina GSA to provide free, one-on-one assistance with the development and submission of an application. This includes guidance on application development and compliance with program requirements. Staff for AGUBC can be reached at info@agubc.org or 530-487-0139.

OBJECTIVES AND GOALS

The specific objectives of the EOR Pilot are as follows:

1. **Data Collection and Water Savings:** Gather critical data on water savings achieved through extended fallowing periods during orchard replacement. This data will provide insight into how fallowing contributes to reduced groundwater demand as part of an overall demand management strategy within the Vina Subbasin. The data collected will also help quantify the impact of this strategy on groundwater levels and the sustainability

of agricultural operations.

2. **Develop a Basin-Wide EOR Program:** Implement this pilot program to test and refine the EOR strategy in preparation for a broader, basin-wide program. Lessons learned from this trial will be used to inform future program design, helping to scale efforts across the Vina Subbasin and potentially other similar groundwater basins facing demand management challenges.

These objectives support the broader goals of the GSP, including:

3. **Groundwater Demand Reduction:** Achieve measurable reductions in groundwater extraction by incentivizing orchard operators to extend the fallow period before replanting. The reduction in irrigation needs during this extended fallow period will contribute to groundwater sustainability while supporting long-term agricultural viability in the Vina Subbasin.
4. **Alignment with SGMA.** Support the objectives of the Vina GSA under SGMA by piloting innovative strategies that contribute to long-term groundwater sustainability. The EOR Pilot is a critical component of the Vina GSP's demand reduction initiatives, promoting proactive groundwater management to prevent overdraft and improve the resilience of the subbasin.

INCENTIVE COMPONENTS

The EOR Pilot will offer a **tiered incentive** structure designed to compensate participants for temporarily removing orchards from production. These incentives aim to cover some of the economic losses associated with delayed replanting and promote short-term contributions to groundwater sustainability. Participants will receive financial compensation based on three distinct, but complementary public benefits: **Groundwater Savings, Temporary Transition Practices, and Program Participation Bonuses.**

GROUNDWATER SAVINGS COMPONENT

This component rewards participants for reducing groundwater extraction by keeping land fallow and halting irrigation over a specified period (either 1 or 2 years). Compensation is based on the estimated acre-feet of water saved by the orchard being out of production.

- **Incentive:** Up to **\$XX per acre** for each acre of orchard that remains fallow and out of irrigation for the agreed period (calculated based on typical water use for the crop type, using regional data on historical evapotranspiration rates, irrigation practices, and crop-specific water requirements, as well as the potential for groundwater savings outlined by local or state agricultural water use studies).
- **Example:** An orchard that would typically use 3 acre-feet of groundwater per year per acre could receive \$XX for each acre that remains unplanted for the agreed upon period.

This payment helps alleviate immediate pressures on groundwater supplies by rewarding landowners for water savings during the fallow period.

TEMPORARY LAND TRANSITION COMPONENT

To support sustainable agricultural practices and encourage temporary environmental improvements, this component rewards participants for implementing temporary land-use changes during the fallow period. These changes might include using cover crops, enhancing soil health, or reducing greenhouse gas emissions through improved management practices.

- **Incentive:** Up to \$YY per acre for implementing temporary sustainable practices such as:
 - **Cover cropping:** To improve soil health, prevent erosion, and support groundwater recharge.
 - **Weed and pest management:** Environmentally sustainable management strategies to maintain fallowed land.
 - **Temporary irrigation system removal or decommissioning:** Reducing the risk of non-beneficial evapotranspiration during the fallow period.
- **Example:** A participant could receive \$YY per acre for planting cover crops that enhance groundwater recharge and improve soil conditions during the fallow period.

This payment incentivizes participants to adopt temporary, beneficial agricultural practices while their land is out of production.

PARTICIPATION BONUS COMPONENT

This component provides a small bonus to participants who comply with the program's reporting and monitoring requirements and contribute to the overall success of the EOR Pilot. The bonus could also encourage long-term cooperation with the GSA in future programs.

- **Incentive:** Up to \$ZZ per acre for full program compliance, which includes:
 - Submitting annual reports (e.g., pictures of fallowed land, evidence of water savings).
 - Allowing access for monitoring and verification.
 - Attending at least one workshop or training session on groundwater sustainability, land management, or other relevant topics.
- **Example:** A landowner who participates fully, provides the required documentation, and engages in program workshops can receive a \$ZZ bonus per acre.

This bonus rewards participants for their engagement and ensures the program is run efficiently with high-quality data collection and compliance.

INCENTIVES – ADDITIONAL INFORMATION

Summary of Potential Incentives per Acre:

- **Groundwater Savings Component:** Up to \$XX/acre for water savings.
- **Temporary Land Transition Component:** Up to \$YY/acre for sustainable land-use practices.
- **Participation Bonus Component:** Up to \$ZZ/acre for compliance and participation.

Total Maximum Incentive: \$XYZ per acre.

How It Works:

- Participants can earn up to \$XYZ per acre by implementing all three components.
- A lump-sum payment will be distributed at the beginning of the Agreement Term. The Vina GSA will monitor each participating property for compliance with groundwater savings, land transition practices, and reporting requirements.
- The incentive structure is designed to cover the **short-term economic opportunity loss** of keeping orchards out of production, while also promoting groundwater sustainability and best agricultural practices during the temporary fallow period.

Comparison to LandFlex:

- Unlike LandFlex, which focuses on permanent acreage removal, the EOR Pilot is designed for **temporary removal**, so the incentive is lower.
- The **Groundwater Savings Component** is similar to LandFlex's drought relief, but tailored to temporary savings.
- The **Temporary Land Transition Component** offers support for **sustainable, short-term land-use practices**, as opposed to permanent land-use changes.
- The **Participation Bonus Component** encourages compliance and engagement without the permanent impacts required by programs like LandFlex.

Next Steps:

- **Incentive Estimate:** If selected, Participants will receive an estimate of potential payments based on three distinct, but complementary public benefits: Groundwater Savings, Temporary Land Transition and Program Participation Bonuses.
- **Monitoring and Verification:** Verification of water savings and land-use practices will be carried out annually through remote sensing, site visits, and participant reporting.

Note: The Vina GSA plans to utilize 100% of grant funds under this solicitation no later than March 31, 2026.

ELIGIBILITY AND EXCLUSIONS

Vina Subbasin farmers, ranchers, and landowners are eligible to apply.

- Applicants must be at least 18 years old and own or operate orchards within the Vina Subbasin in Butte County, California.
- An applicant cannot submit more than one application. EOR Pilot will cross reference tax identification number, mailing address, and contact name to verify that an applicant does not receive multiple awards.
- An agricultural operation or individual cannot receive a total EOR Pilot incentive award amount of more than \$200,000.
- The participating property must contain at least 20 acres of orchard trees.

The proposed EOR Pilot incentives must be provided to a California agricultural operation.

- Orchards scheduled for replacement capable of extending the following period by one or two years.
- This pilot program is for tree crops only.
- Medical and recreational cannabis crops are not eligible for funding.
- The farm location and the business mailing address must be in California.
- Universities, research institutions, and state governmental organizations are not eligible for funding.

Note: Additional eligibility criteria may be included in the final program guidelines based on the pilot project plan.

Executive Order N-6-22 – Russia Sanctions On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. By submitting a bid, proposal, or application, Bidder/Applicant represents that it is not a target of Economic Sanctions. Should the Vina GSA or the State determine Bidder/Applicant is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for rejection of the Bidder’s/Applicant’s bid/proposal/application any time prior to scontract/agreement execution, or, if determined after contract/agreement execution, shall be grounds for termination by the State.

PROGRAM MINIMUM REQUIREMENTS

Participants must meet the following requirements to ensure compliance and achieve the groundwater sustainability goals of the EOR Pilot Program:

- **Extended Fallowing Period:** Participants must agree to delay replanting for at least one additional growing season beyond the 2025 growing season or two additional growing seasons beyond the 2025 growing season. This period will ensure that the land remains fallow and irrigation-free, contributing to immediate groundwater savings.
- **Tree Removal Timing:** Trees must be removed no later than **April 30, 2025**. Timely removal of orchards is critical to initiating the fallowing period and ensuring that groundwater savings begin as early as possible.
- **Land Management Practices:** Fallowed land must be maintained in accordance with the Applicant Agreement.
- **Monitoring Access:** Participants must allow program representatives access to their property for the purposes of verification and monitoring. This includes on-site visits to inspect the land and ensure compliance with program requirements, as well as the collection of photographic evidence. Photos of fallowed fields will be taken at various stages of the program to document groundwater savings, verify fallowing practices, and ensure that land management practices are being followed. All data, including photos, will be securely stored and used solely for program purposes to ensure transparency and accuracy in reporting.
- **Reporting:** Participants are required to submit annual reports, including photographic documentation of land conditions, any challenges encountered, lessons learned, suggestions for future years, evidence of compliance with groundwater savings and land-use practices and any other improvements from the grower's perspective. This reporting process helps track progress and ensures program success.

APPLICATION PROCESS

- **Application Period:** Applications will be accepted from December 16, 2024, through January 10, 2025.
- **Submission Method:** Complete and submit the EOR Pilot online application form at <https://form.jotform.com/asdefg>.
- **Create a User Account:** Applicants must create a user account to submit a grant application. All applications, supporting documents and submissions may be subject to public disclosure through the Public Records Act. To ensure successful submission of applications and attachments, the Vina GSA strongly encourages applicants to comply with the computer system recommendations provided by Jotform:
 - Use Chrome, Firefox, Edge, or Safari

- Avoid using an iPad, iPhone or similar mobile device
- Save work often, as the system will time out after a period of time and applicants will lose any unsaved work.

Reminder: AGUBC has partnered with the Vina GSA to provide free, one-on-one assistance with the development and submission of an application. This includes guidance on application development and compliance with program requirements. Staff for AGUBC can be reached at info@agubc.org or 530-487-0139.

REQUIRED INFORMATION:

- **Proof of ownership** or operation of the orchard land (submit documentation with the application).
- **Project Map(s)** with the following information (create a map and submit it with the application):
 - Property boundary
 - Property owner name
 - Property address
 - Contact & phone number
 - Assessor's Parcel Number (APN)
 - Property acres & tree acres
 - Estimated number of trees per acre and total
 - Tree type and age
 - Pump location
 - Indicate location of flowmeter on pump, if applicable
 - Indicate whether property uses of telemetry
 - Indicate whether property uses weather station or CIMIS for irrigation scheduling
 - Indicate the irrigation method (e.g., flood, solid set, micro, drip)
 - Identify streams, canals, ditches, levees on the property
 - Identify streams, canals, ditches, levees adjacent to the property
- **Management Plan:** Applicants are required to provide details for the following components. Note that specific fields will be provided in the online application for you to fill out; a separate management plan is not required.
 - Indicate duration of fallowing period:
 - Start date:
 - End date:
 - Tentative Replanting Schedule
 - Land Management Practices
 - Indicate planned erosion control measures, if any
 - Indicate planned soil health maintenance, if any
 - Indicate planned weed control strategies, if any
 - Indicate planned pest management strategies, if any
 - Cover Crops
 - Indicate species selection and anticipated benefits
 - Indicate anticipated management, including termination

- Water Management
 - Provide statement affirming that no irrigation will be applied during the following period.
- Access for Monitoring and Verification
 - Acknowledgement that AGUBC and Vina GSA reps are allowed access to the property.

REVIEW PROCESS

The Extend Orchard Replacement Pilot Program (EOR Pilot) will employ a two-tiered application review process to ensure that selected projects align with program goals and offer significant groundwater demand reduction benefits.

ADMINISTRATIVE REVIEW

In the first stage, all applications will undergo an administrative review to verify compliance with program requirements. This review will assess:

- **Completeness:** Confirmation that all sections of the application form are filled out and all required documents are submitted.
- **Eligibility:** Verification that the applicant meets all eligibility criteria, including location within the Vina Subbasin and ownership or operation of orchard land.
- **Submission Guidelines:** Assurance that the application was submitted by the deadline and follows all specified instructions.

Applications failing to meet these administrative requirements may be disqualified from further consideration.

TECHNICAL REVIEW

Applications that pass the administrative review will advance to the technical review stage, conducted by AGUBC.

During the technical review, applicants will be scored on a scale of 1 to 100 based on the scoring criteria outlined below, and projects will be ranked in order of score.

SELECTION

Upon completion of the Administrative and Technical reviews, a Review Panel will convene to review the ranked applicants. During this meeting, the Review Panel will:

- Assess the ranked list of applicants.
- Approve a final list of projects for funding based on the ranked scores.

Only those applications that score high enough and align with the EOR Pilot’s goals for groundwater demand reduction will be selected for funding. Once the Review Panel has approved the final list, the selected applicants will be notified, and the contracting process will begin and will culminate in an Agreement between the Vina GSA and the Applicant.

SCORING CRITERIA

Reviewers will use a 100-point scale to evaluate each application, with points allocated as follows:

1. Feasibility, Readiness & Commitment (30 points total)

- **Detailed Project Map, with the following annotations (15 points):**
 - Property boundary: 1 point
 - Property owner name: 1 point
 - Property address: 1 point
 - Contact & phone number: 1 point
 - Assessor's Parcel Number (APN): 1 point
 - Property acres & tree acres: 1 point
 - Estimated number of trees per acre and total: 1 point
 - Tree type and age: 1 point
 - Pump location: 1 point
 - Indicate location of flowmeter on pump, if applicable: 1 point
 - Indicate whether orchard uses telemetry: 1 point
 - Indicate use of weather station or CIMIS for irrigation scheduling: 1 point
 - Indicate irrigation method (e.g., flood, solid set, micro, drip): 1 point
 - Identify streams, canals, ditches, levees on the property: 1 point
 - Identify streams, canals, ditches, levees adjacent to the property: 1 point
- **Detailed Management Plan (15 points):**
 - Indicate duration of fallowing period (start, end, tentative replanting date): 3 points
 - Describe planned erosion control measures activities: 1 point
 - Describe planned soil health maintenance activities: 1 point
 - Describe planned weed control strategies: 1 point
 - Describe planned pest management strategies: 1 point
 - Indicate if cover crop will be used (species, termination): 8 points

2. Water Savings Potential (40 points total)

- Participants agreeing to a shorter fallowing period (2025-26) will receive 25 points.
- Participants agreeing to a longer fallowing period (2025-27) will receive 40 points.

3. **Proximity to Dry Wells:** Properties close to reported dry domestic wells will receive higher prioritization for selection into the program. Incentives will be scaled based on the distance to dry wells reported within the last 36 months to the Department of Water Resources (DWR). The following criteria will apply:

Distance from Dry Well Points	Points
0 to 0.5 mile from a reported dry domestic well	15
0.6 to 1 mile from a reported dry domestic well	10
1.1 to 2.5 miles from a reported dry domestic well	5
>2.5 miles from a reported dry domestic well	1

4. **Proximity to Potential Groundwater Dependent Ecosystems (iGDEs):** Properties near iGDEs, as defined in Section 2.2.7.1 of the Vina GSA GSP and as identified by the Natural Communities Commonly Associated with Groundwater (NCCAG) database on Figures 2-28 and 2-29 will also receive priority for program selection. The following criteria will apply:

Distance to iGDEs	Points
0 to 0.5 mile from an iGDE	15
0.6 to 1 mile from an iGDE	10
1.1 to 2.5 miles from an iGDE	5
>2.5 miles from an iGDE	1

This rigorous review process ensures that the EOR Pilot selects applicants who are most capable of contributing to groundwater sustainability goals through effective and feasible fallowing strategies. By employing expert reviewers and a transparent scoring system, the program maintains high standards and maximizes the benefits of the grant funding.

PROGRAM TIMELINE

Date	Event
October 24, 2024	Draft EOR Pilot Guidelines released for public comment. Send comments to info@vinagsa.org and info@agubc.org .
November 7, 2024	Webinar on the Extend Orchard and Precision Irrigation Pilot programs. Visit www.vinagsa.org for details.
November 20, 2024	SHAC Meeting.
November 25, 2024	Draft EOR Pilot Guidelines public comment period closes.
December 11, 2024	Vina GSA Meeting (anticipated approval of EOR Pilot Guidelines).
December 16, 2024	EOR Pilot Program Application period opens.
December 17 or 18, 2024	Public Meeting / Workshop on the EOR Pilot Program.
January 10, 2025	EOR Pilot Program Application period closes.
January 14 – 24, 2025	Administrative & Technical Review.
By January 31, 2025	Notification of Selected Applicants.
February 2025	Applicant Contracts Completed.
March – April 2025	Tree Removal Period.

ADDITIONAL INFO REGARDING TIMELINE:

1. Application Period (December 16, 2024 – January 10, 2025)

The application period opens on December 16, 2024, and closes on January 10, 2025. During this time, interested agricultural operations within the Vina Subbasin can prepare and submit their applications for participation in the EOR Pilot. Applicants should ensure that all required documentation, including the management plan for fallowed land, is complete and submitted by the deadline.

2. Administrative and Technical Review (January 11 – January 24, 2025)

Following the application deadline, the EOR Pilot team will conduct a two-tiered review process:

- Administrative Review (January 11 – January 14, 2025): Verification of application completeness and eligibility compliance.

- Technical Review (January 15 – January 24, 2025): In-depth evaluation by AGUBC. This review will use the 100 point Scoring Criteria to assesses the feasibility, potential groundwater savings, and overall merit of each proposal based on the supporting documentation.
- Review Panel: (January 25 – January 30, 2025): A review panel will convene to assess the ranked list applicants and approve a final list of projects for funding.

3. Notification of Selected Applicants (By January 31, 2025)

By January 31, 2025, the EOR Pilot will announce the selected applicants. Successful participants will receive notification via email or mail, including details about their selection, the next steps in the process, and any additional information required.

4. Participant Agreement and Contract Completion (February 1 – February 28, 2025)

Between February 1 and February 28, 2025, the EOR Pilot team will work with selected participants to:

- Prepare Participant Agreements, which include all necessary forms, agreements, and detailed information about the program requirements.
- Finalize and execute participation agreements. Participants must review, sign, and return these contracts by February 28, 2025, to confirm their commitment to the program.

5. Tree Removal Period (March – April 2025)

Trees must be removed no later than **April 30, 2025**. Timely removal of orchards is critical to initiating the fallowing period and ensuring that groundwater savings begin as early as possible.