In December 2016, the Merced Streams Group (MSG) was awarded $10 million from the U.S. Department of Agriculture Natural Resources Conservation Services (NRCS) Regional Conservation Partnership Program (RCPP) for the much needed Black Rascal Creek Flood Control Project. The Merced Streams Group consists of three agencies: the City of Merced, the Merced Irrigation District, and Merced County.

The project will protect disadvantaged communities in the Merced area from a 200 year storm event. The Black Rascal Creek Watershed is the only remaining watershed which flows through the city of Merced that is not controlled. Flooding occurs on a routine basis, causing major damage to residential structures, personal property, infrastructure (bridges and roads), sanitary systems, domestic water delivery systems, and valuable agricultural land/crops.

The United States Army Corps of Engineers (USACE) originally planned to solve this problem by building “Haystack Dam” around 1990, after it had constructed five other dams in the surrounding area. USACE later determined that environmental issues might be a significant challenge to implementing the Haystack Dam. Over time, appropriated federal funds were lost due to inactivity by USACE despite many attempts by the MSG to breathe life into the project.

After even more flooding in 2006, the Merced Streams Group decided to move forward with the project on its own. In 2008-09, the Merced Streams Group had a Feasibility Study completed that showed a preferred alternative site that was located downstream from USACE's original site on less sensitive agricultural land. In 2014-15, the MSG received Prop. 84 grant funding to further define the project and to complete NEPA and CEQA environmental documents which will be completed within a year.

- Funding would provide up to 10 million dollars maximum toward an estimated 35 million dollar total project. Funding can be used for construction.

- Balance of project to be paid for by Merced Streams Group (County, City, and Irrigation District).

- Project benefits are:
  - Flood Control
  - Sedimentation Control
  - Ground Water Recharge
  - Wetland Restoration
  - Agricultural land protection and more.

- Project located in a USDA designated Critical Conservation Area (CCA), which is eligible for funds.