

# Cosumnes Long-Term Governance Committee Meeting Notes

Meeting #4 | November 3, 2020

## Meeting Overview

The Long-Term Governance Committee held its fourth meeting to:

- Learn about and discuss the Sacramento County-wide groundwater fee proposal
- Gauge preliminary interest to explore the county-wide fee proposal further

Next Meeting: **TBD. Two more meetings expected before Dec 16**

**WG Meeting:**

- 1) Update on the county-wide fee proposal analysis
- 2) Basin-wide administrative entity

### Key Outcomes

- Among the 5 of 7 GSAs present, the representatives support further exploring a county-wide fee program.
- Participants widely recognize the need to move quickly on exploring the fee program and decide on the basin-wide administrative entity.

## ACTION ITEMS

Who	What
Sac County	Work with HDR to explore and present different cost allocation examples (e.g., from SCGA, ESJ, and RD 800), with options applicable to the Cosumnes Subbasin.
CBI	Schedule next LT Governance meetings (2 before December's WG meeting; first one to include HDR).
CBI/Jay	Obtain contact information for RD 800, provide info to Sac County and HDR
CBI/Jay	Share UCLA law review paper on legal considerations – <b>[DONE]</b> <a href="https://escholarship.org/uc/item/3368r414">https://escholarship.org/uc/item/3368r414</a>
CBI/Mike S	Obtain E. San Joaquin contact information, provide to Sac County and HDR
Sac County	Ask county counsel about litigation risk related to public doctrine violation challenges

## MEETING NOTES

### County-wide Groundwater Fee Program Proposal

Kerry Schmitz and Linda Dorn, Sacramento County, presented a potential county-wide groundwater fee framework to support GSP implementation in the Cosumnes Subbasin. Sacramento County has been working with technical consultant HDR and county counsel to develop a methodology to equitably distribute GSP implementation costs. The fee program could potentially cover:

- 1) Sacramento County GSA area only
- 2) Sacramento County GSA + interested GSAs within Sacramento County
- 3) All Cosumnes Subbasin GSAs within Sacramento County

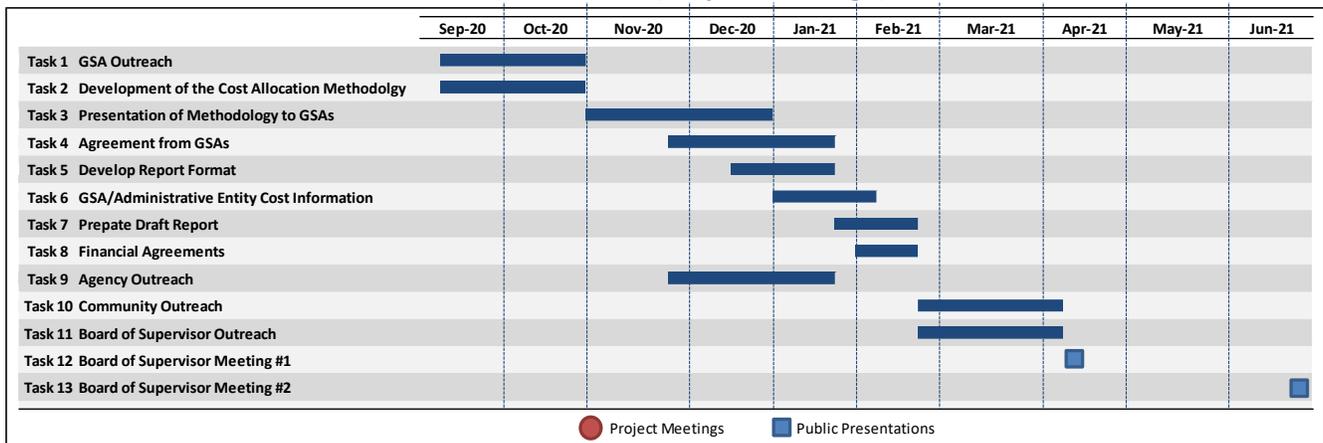
**Roles & Responsibilities.** If other GSAs (whose areas lie within Sacramento County) are interested in participating in the fee program, their responsibilities for their respective GSA areas would include: lead

outreach to constituents to support the assessment program, provide cost estimates for GSP implementation within their GSA area, obtain support from their GSA Boards, demonstrate support for Sac County to its BOS, and form an agreement and work with a basin-wide administrative entity (central hub for providing Sac County cost information and receiving funds from the Sac County). Sac County would lead the legal process (e.g., Prop 218) on behalf of the GSAs, create zone(s) for Sac County Water Agency in the subbasin, generate support from constituents and its BOS, support GSA’s outreach as needed, collect monies (via County tax roll), and distribute to GSAs (via subbasin administrative entity).

**Cost Allocations.** Costs are expected to include administrative costs, monitoring tasks, and regulatory requirements (Sac County unsure if/how to include projects at this time). Potential cost allocations are still TBD. Allocations could be based on per parcel and per acre foot of groundwater use (HDR developed similar model for SCGA in S. American Subbasin; however, a fee-program would be developed specific to Cosumnes Subbasin).

**Timeline.** Sac County aims to have the fee program established in time to contract and fund a technical consultant to develop the GSP annual report (due April 2022). To meet that deadline, the Sac County BOS must approve of the fee program by July 2021 to get onto the County tax roll. Due to the tight timeline, Sac County would need to know soon if GSAs are interested in participating and GSAs’ decision on forming a basin-wide administrative entity.

**DRAFT TIMELINE (subject to change)**



**DISCUSSION**

**GSAs’ Involvement & Administrative Entity**

- Amador County lies outside of SCWA boundaries and would not be included in the fee proposal scenario.
- Several Committee members indicated that working with Sac County would greatly leverage time and resources (as several GSAs likely lack the capacity to conduct a Prop 218 process in time to generate funding for developing the first annual report).
- The administrative entity governance structure is TBD. Based on previous LT Governance Committee discussions, the entity could be representatives from GSAs (similar to the Working Group), a single willing GSA, or a different entity (e.g., consultant, SSCAWA, etc.).

**Developing the Methodology**

- At this time, Sac County does not expect compensation from GSAs to explore and develop the cost allocation methodology; however, Sac County may revisit this depending on how the level of effort unfolds.

- If GSAs are interested in participating, HDR would develop a basin-wide methodology that would still preserve the option for a county-only area in case GSAs decide against participating in the county-wide program.
- Developing a fee program in the neighboring S. American Subbasin is underway, but on a slower timeline (less need to generate near-term funding for GSP implementation). GSAs that are in both basins (i.e., Sac County, OHWD, and SRCD) will be considering cost allocation options for S. American Subbasin (e.g., county-wide or basin-wide), and how that may impact the Cosumnes Subbasin fee program.

#### **Costs and Cost Allocations**

- Sac County does not have cost estimates at this time; it is looking to individual GSAs to develop cost estimates for GSP implementation within their area to fold into the fee assessment. Other nearby subbasins (S. American and ESJ) are spending \$600,000-800,000 annually (admin, monitoring, and compliance; does not include projects).
- The Cosumnes cost allocation would likely look different from the SCGA cost allocation model (S. American subbasin has substantially more urban areas and other land uses, whereas Cosumnes is predominantly ag). RD 800 may be a more suitable example.
- Different fee structures could include, but not limited to:
  - A relatively small base fee per parcel or per acre that includes de minimus users (to cover administrative costs), with additional pumping fees for groundwater users subject to SGMA (>2 AFY)
  - A standard pumping fee per AF (relatively simple structure; however, concern expressed by a Committee member)

#### **Potentially Including Projects**

- A Committee member suggested setting up a zone for the whole subbasin (similar to Zone 13 process), and preserve the opportunity for different entities to propose projects to be included in the annual engineering report to receive funding.
- Sac County is working with HDR and its county counsel to explore how GSAs might incorporate projects into the fee program. A Committee member suggested analyzing RD 800's fee program as a potential method to include projects.
- A member stated that the rationale for including projects may depend on what projects are needed to address the estimated 10,000 AF deficit (e.g., a small number of projects that broadly benefit the subbasin may be relatively simple to fold into the fee structure).

#### **Outreach & Support**

- Several Committee members emphasized the urgency to explore the fee program option and decide on the administrative entity to meet the annual report deadline.
- Demonstrating broad support from the GSAs will help underscore to the Sac County Board of Supervisors (BOS) the importance for approving a fee structure for GSP implementation and SGMA compliance. GSAs offered to submit letters of support and attend the BOS meetings in late spring 2021.
- Multiple Committee members advocated for simplifying the cost allocation and fee structure as much as possible. Complicated methodologies may make it difficult to explain to and generate support among decision-makers and the public.

#### **Other**

- A Committee member asked how the GSAs would address challenges that the GSAs violated public trust doctrine.
- UCLA published an applicable law review article on SGMA implementation and water rights to help inform GSAs about litigation risks - <https://escholarship.org/uc/item/3368r414>

**DISCUSSION OUTCOME:** Among the 5 of 7 GSAs present, the GSA Committee members strongly support further exploring a county-wide fee program. Participants widely recognize the need to move quickly on exploring the fee program and decide on the basin-wide administrative entity.

**NEXT STEPS**

- Invite HDR to present at the next LT Governance Committee meeting on different cost allocation examples and options. When presenting on SCGA’s model, HDR should remove the components that do not apply to the Cosumnes Subbasin.

**Attendees**

<b>GSAs</b>	
Amador County GMA	[Unable to attend]
City of Galt	Mike Selling
Clay Water District	Gary Silva Rick Wohle
Galt Irrigation District	[Unable to attend]
Omochumne-Hartnell Water District	Mark Stretars
Sacramento County	Linda Dorn Kerry Schmitz
Sloughhouse RCD	Herb Garms Jay Schneider Austin Miller
<b>Conveners/Facilitators</b>	
Water Forum	Tom Gohring
CBI	Bennett Brooks Stephanie Horii