

Cosumnes Long-Term Governance Committee Meeting Notes

Meeting #5 | December 10, 2020

Meeting Overview

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

- Continue discussions on a potential countywide fee (review examples and potential approaches)

Next Meeting: **Friday, January 15, 1:00-2:30p**

Key Outcomes

- General support for a hybrid approach for a countywide fee program that incorporates a flat fee for all those in the basin and an additional fee based on groundwater use.
- The group shared diverse perspectives on the appropriate methodology for the hybrid fee structure.
- Future discussions: The group will continue discussions on the fee program approaches, discuss implications for funding P/MAs, and revisit discussion on the administrative entity.

ACTION ITEMS

Who	What
CBI/WF	Reach out to GSAs individually on additional reflections for the fee program and potential criteria (potentially include thoughts on if/how to incorporate P/MAs) to help evaluate the different approaches

MEETING NOTES

County-wide Groundwater Fee Program Proposal

Kerry Schmitz, Sacramento County, presented updates on considerations for a potential county-wide groundwater fee framework to support GSP implementation in the Cosumnes Subbasin. Per the LT Governance Committee's recommendation at the previous meeting, Sacramento County worked with technical consultant HDR to develop more specific cost estimates for different fee program approaches.

Several of the estimates are based on various assumptions that will need to be revisited to confirm their accuracy (e.g., estimated annual budget for administrative costs); several unknowns also still exist (e.g., parcel sizes). The approaches were based on other basins' fee programs in the state.

Note: If the State Board needs to intervene, the costs are expected to be very high (e.g., S. American Basin estimated State Board Non-Compliance would cost **\$4.4M annually**).

Summary Table of Potential Approaches with Discussion Notes

(Discussion Comments" capture range of comments, and do not reflect group agreement)

Approach	Estimated Annual Charge	Advantages	Disadvantages	Discussion Comments (See discussion notes for more details)
[A] Annual Charge/Parcel Total Annual Cost/#parcels	\$32.26/parcel	<ul style="list-style-type: none"> Simple to calculate and update Simple to implement and administer 	<ul style="list-style-type: none"> Do not need to identify customer type or estimate groundwater use May not reflect impact on subbasin due to lack of use charge 	<ul style="list-style-type: none"> Large impact to City of Galt given number of parcels
[B] Charge/Parcel tied w/ Groundwater Use ("Hybrid Approach") 63% shared by GW users; 37% shared by all parcels	All parcels: \$11.93/parcel GW users, +charge: \$2.47/AF	<ul style="list-style-type: none"> Equitable allocation of costs between parcels Reflects impact of groundwater use on subbasin costs 	<ul style="list-style-type: none"> Need to develop groundwater use estimate Need to identify customer types for ground water use estimates 	<ul style="list-style-type: none"> Similar to SCGA methodology Approach is open to modifications Apply estimated GW use by customer type; then use rebuttable presumption approach Consider three tiers (all parcels, presence of well, and groundwater use) Diverse opinions on using per acre or per parcel (maybe adjust the weighted % for acres)
[C] Fixed Charge/Acre based on Estimated GW Use Basin's Ave GW Use/Acre=0.81 AF/Ac	\$3.18/Acre	<ul style="list-style-type: none"> More equitable rate based on estimated groundwater use Simple implementation based on parcel size 	<ul style="list-style-type: none"> Use of actual or estimated groundwater use Need to develop customer types for groundwater use assumptions 	<ul style="list-style-type: none"> Tied to the basin's GW use, not tied to a parcel's GW use. Assumes that GW use is the same across the basin
[D] Charge/Acre	\$3.17/Acre	<ul style="list-style-type: none"> Simple to calculate and administer Simple to update 	<ul style="list-style-type: none"> Ignores impacts of groundwater use on costs May not equitably reflect cost causer to cost payer 	<ul style="list-style-type: none"> Concern about impacts on those with large property but low GW use (e.g., rangelands).
[E] Charge on Actual GW Use Total Cost/Basin GW Use	\$3.92/AF	<ul style="list-style-type: none"> Simple approach and calculation Equitable method of recovering costs 	<ul style="list-style-type: none"> Need to obtain metered groundwater use Implementation of meters on all wells 	<ul style="list-style-type: none"> Installing meters = more expensive and controversial
[F] Charge on Estimated GW Use	\$3.92/AF	<ul style="list-style-type: none"> Simple approach and calculation Equitable method of recovering costs 	<ul style="list-style-type: none"> Need to estimate groundwater use by customer type 	<ul style="list-style-type: none"> Utilizes available data and less controversial/costly than metering People may challenge the estimate calculations.
[G] Charge/Well	[N/A; do not have info on # of wells]	<ul style="list-style-type: none"> Simple to calculate and administer Simple to update 	<ul style="list-style-type: none"> Ignores impacts of groundwater use on costs May not equitably reflect cost causer to cost payer 	<ul style="list-style-type: none"> Consider setting high enough to cover de minimus users or small parcel users (<5 Ac/parcel) Consider using rebuttable presumption approach Groundwater use differs across wells
[H] Flat per Parcel Charge + Weighted Charge Based on Parcel Size	[N/A; do not have info on parcel sizes]	<ul style="list-style-type: none"> Simple implementation based on parcel size 	<ul style="list-style-type: none"> Ignores impacts of groundwater use on costs 	<ul style="list-style-type: none"> Concern about impacts on those with large property but low GW use (e.g., rangelands).

DISCUSSION

- Several expressed that it seems inequitable to have a parcel charged for groundwater if it has not used groundwater in the past and very low probability of using groundwater in the future (e.g., because there is no groundwater under the property to use). Additionally, it seemed additionally inequitable to charge parcels that are not using groundwater and are contributing groundwater through recharge. Others suggested that everyone needs “to have some skin in the game” and benefit from the overall subbasin groundwater management effort.
- Concerns raised that, given the Cosumnes Subbasin has a relatively lower number of parcels (~15,500), excluding parcels (e.g., those that do not have wells or are de minimus [have a well and <5 acres]) would increase the cost burden on others. As noted above, the presumed justification for including those who use little to no groundwater on their property to help pay for the administrative costs is that they still indirectly benefit from GSP implementation (e.g., supporting groundwater-dependent ecosystems and other entities who use groundwater).
- Concern that fee per parcel may put unfair costs on areas with many small parcels (e.g., cities); therefore, there was a preference by some for per acre. Conversely, fee per acre may put unfair cost on those who use little groundwater but have large property (e.g., rangelands).
- There was a suggestion to differentiate parcel type by zones (residence, commercial, or agricultural). EKI has data on land use types.
- Group members indicated support for a hybrid approach [B] that incorporates both parcel and groundwater use, as this reflects that everyone in the basin benefits from groundwater management in some way and should contribute to the administrative costs, and those who use groundwater pay an additional fee. Different suggested modifications included:
 - Use estimated groundwater use (based on customer type) rather than basin’s total estimated groundwater use; apply a rebuttable presumption approach (see below).
 - Apply three possible tiers: 1) basinwide to include all parcels; 2) presence of well; and 3) groundwater use.
 - Group expressed diverse perspectives about charging per acre or per parcel. There was a suggestion to applying a different weighted percentage for acres (e.g., differentiate b/w rangeland and irrigated lands).
- Using available information to estimate groundwater use seems more feasible than determining actual groundwater use on individuals’ properties (no metering = less expensive and less controversial). However, using estimates are also more susceptible to dispute.
- *Rebuttable presumption* – Several supported the concept that property owners who aren’t irrigating with groundwater or who use less groundwater than the calculated estimate could declare lower groundwater use to lower their fees (and is later verified). There would be an incentive for landowners to voluntarily install a meter (which are increasingly becoming cheaper) to prove their lower groundwater use.
- Consider some mechanism to account for changing land use patterns (e.g., be able to track when properties install new wells that did not previously use groundwater).
- Concern raised that groundwater use can vary dramatically for different wells (e.g., urban users in a city depending on one well will use more water than a small ag-res owner’s one well).
- There was the suggestion to reevaluate the fee program every five years -- would offer opportunities to ensure the program is effective and realistic while avoiding major Prop 218/26 effort every year.
- Need to discuss with Amador County about their perspectives on funding (as the countywide fee program under discussion applies to Sacramento County only).
- All GSAs reserve the ability to opt out of the countywide fee program. There was a suggestion to calculate individual GSAs’ administrative costs to help GSAs evaluate the tradeoffs for assessing fees

separate from Sacramento County. GSAs are encouraged to connect with their legal departments to see if there are concerns with the potential fee program approaches.

- Water Forum suggested applying an agreed-upon criteria for evaluating the different approaches (e.g., sufficient funds, equitable, legal, politically acceptable, adaptable, etc.).
- Committee member emphasized that the Prop 218/26 process is feasible, as long as the different stakeholders (homeowners, rangelands, ag-res, agriculture, etc.) are engaged and their input is meaningfully incorporated.

Projects & Management Actions (P/MAs)

- The group only briefly discussed funding for P/MAs and how that might relate to the countywide fee program. Overall, there was broad support for using a basinwide approach. Different perspectives were shared about how that might be incorporated with the fee program (e.g., to include and create a reserve, or to keep separate).
- This topic will be discussed further at a future LT Governance Committee meeting.

Administrative Entity

- Revisiting this topic at future meeting.
- Committee members stated the administrative entity needs to be a legal entity to enter into agreements to implement P/MAs (e.g., water transfers).

DISCUSSION OUTCOME: Among the 5 of 7 GSAs present, the GSA Committee members were generally leaning toward a hybrid approach [B] that incorporates a flat fee for all those in the basin and an additional fee based on groundwater use. The group shared diverse perspectives on the appropriate methodology for the hybrid fee structure. The discussion focused on fees to cover administrative costs; the group will discuss implications for funding P/MAs at a future meeting.

NEXT STEPS

- Water Forum/CBI will reach out to GSAs individually on additional reflections for the fee program and potential criteria (potentially include thoughts on if/how to incorporate P/MAs) to help evaluate the different approaches.

Attendees

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