

Cosumnes Long-Term Governance Committee Meeting Notes

Meeting #6 | January 15, 2021

Meeting Overview

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

- Present overview of feedback from CBI’s recent conversations with GSAs about cost-share/fee approaches
- Share and discuss cost-share/fee examples

The group is expected to meet approximately every two weeks to finalize recommendations on long-term governance. Next meeting will be in early February to allow various subgroups to gather sufficient information to further discuss the fee program options and implications on governance.

Next Meeting: **February 8 and February 11**

Key Outcomes

- Sacramento County provided an initial tool to help explore different fee structure options.
- A subgroup of the LT Governance Committee was formed to further explore the basin administrative entity’s responsibilities/costs and different fee structure cost estimates.
- Amador County to share its perspectives on its contribution to cost-share.

ACTION ITEMS

Who	What
Linda	Email table compiling other basins’ GSP administration costs
Kerry	Email fee structure spreadsheet tool
Rick F	Develop Amador County thinking regarding and its contributions to cost-share.
Austin	Convene subgroup to further explore the administrative entity’s potential tasks and associated costs and different fee structure cost estimates. Subgroup: Mike Selling, Rick Ferriera, Mike Wackman, Austin Miller, Darrell Eck/Linda Dorn, and Rick Wohle/Gary Silva Jr.

MEETING NOTES

Refer to **Presentation Slides**: <http://cosumnes.waterforum.org/wp-content/uploads/2021/01/Cosumnes-LT-Gov-Jan-15-Presentation.pdf>

Subbasin-wide Groundwater Fee Program Proposal

The Long-Term (LT) Governance Committee continued its discussions to consider the potential for a Cosumnes subbasinwide groundwater fee framework. Bennett Brooks, CBI, reviewed the feedback from previous LT Governance Meeting discussions and recent conversations CBI held with individual GSAs (refer to the [presentation slides](#)). There appeared to be broad agreement on the overall approach (e.g., one fee to cover administrative costs [hybrid of base fee and groundwater use-based fee] and a second fee to cover project costs [spread basinwide and based on groundwater use]) and several key criteria to help design the fee program (e.g., simple, adaptable, equitable, affordable, credible, etc.). GSAs had identified several information needs and

issues warranting further exploration, such as Amador County’s role and specific design for the administrative and project cost-shares. GSAs widely acknowledged the urgent need to finalize the fee program and long-term governance implications in the near future (given approaching growing season, monitoring implementation-related costs starting in April, and Sac County’s fee timeline).

Kerry Schmitz, Sacramento County, shared an initial tool to help GSAs explore different fee structure approaches. The tool currently includes options that consider different fees depending on the parcel size and irrigated v. non-irrigated lands. Other fee structures or modifications to these options are possible, she noted, and up to the GSAs’ discretion.

Kerry called out several tool assumptions and other unknowns likely to impact the fee structure:

- Actual administrative and project costs may be underestimated.
- For simplicity, the spreadsheet assumes administration costs are fully funded by an administration fee, and project costs are fully funded by a usage component.
- Amador County’s contribution is not included.
- Number of parcels in “size ranges” is currently unknown, but more Sacramento County parcel information will be known in the coming weeks.
- Limited information on Amador County’s data or perspectives on potential cost-share.

An important next step will be calculating the estimated administration costs, which will include tasks and roles such as maintaining the administrative entity, basin monitoring and reporting, administering the fee program, etc. GSAs will need to decide what tasks the administrative entity will do. GSAs should also decide whether they want to incorporate the costs for administering the GSP within their own GSA areas. Linda Dorn (Sacramento County) shared GSP implementation costs from other basins that have already submitted their GSPs that can help with estimating administration costs for the Cosumnes Subbasin:

Summary of Annual GSP Costs

Source: DWR SGMA Portal for GSP Submittals (44) by Critically Overdraft Subbasins by 31-Jan-20

	Total Annual Cost	Annual Report	5-Year Update	Annual Monitoring	DMS Update	Adminis-tration	Public Outreach			
Single GSP Subbasins										
Minimum:	\$110,000	\$30,000	\$300,000	\$60,000	\$20,000	\$130,000	\$25,000			
Maximum:	\$2,596,384	\$62,500	\$1,400,000	\$1,057,590	\$24,000	\$1,538,794	\$75,000			
Median:	\$1,052,000	\$48,750	\$528,795	\$225,000	\$22,000	\$770,000	\$47,500			
Mean:	\$1,306,285	\$47,500	\$655,798	\$433,577	\$22,000	\$872,809	\$49,167			
Count:	10	4	8	10	2	9	3	GSA Coord-ination	Legal	Ground-water Modeling
Detailed GSP Subbasins										
Minimum:	\$256,700	\$22,000	\$100,000	\$37,500	\$15,000	\$170,000	\$10,000	\$100,000	\$20,000	\$100,000
Maximum:	\$1,244,600	\$50,000	\$375,000	\$463,600	\$170,000	\$204,500	\$20,000	\$100,000	\$50,000	\$100,000
Median:	\$475,500	\$25,000	\$220,000	\$56,600	\$20,000	\$176,000	\$17,500	\$100,000	\$35,000	\$100,000
Mean:	\$613,075	\$30,500	\$228,750	\$153,575	\$68,333	\$183,500	\$16,250	\$100,000	\$35,000	\$100,000
Count:	4	4	4	4	3	3	4	1	3	1

Excludes data from 11 single annual cost GSPs and 19 multiple GSP subbasins
Excludes specific costs for projects or for management actions



The P/MA subgroup will help develop a more precise estimate for expected project costs.

To more accurately estimate usage, Kerry suggested analyzing how other basins have approached this issue (e.g. Sacramento Central Groundwater Authority [SCGA]).

DISCUSSION

- County staff will need to explain the breakdown of the fee rationale to the Board of Supervisors (i.e., fees cannot be arbitrarily set)
- When estimating the administration costs, consider that landowners with large parcels may have less of an “administrative” effect (e.g., less to process with one person with a 100-acre parcel vs. 100 people with 1-acre parcels).
- Administrative costs from other single GSP subbasins have a wide range (approximately \$110,000 - \$2.6 million); these GSPs also are for basins with different groundwater situations (high priority and critically overdrafted).
- County staff indicated they plan to put forward the fee as an overall benefit to the basin (similar to how the engineer report for Zone 13 describes how projects benefit the whole zone). Zone 13 tax structure is by parcel that also considers parcel size and usage (e.g., flat fee for residential, and agricultural fee depends on the size) (other conditions/exemptions are also included). Sacramento County also plans to use the Water Agency Act to impose a fee (rather than under SGMA’s authority) and would need to work closely with the GSAs to ensure wide support for the fee program. Multiple participants emphasized the need for the GSAs to actively promote of the fee program to build political support.
- Several asked how Amador County will be involved in the governance and funding contributions. Rick Ferriera (Amador County) confirmed that the county is interested in contributing, and he will be working with Amador Water Agency and Amador County to further explore and confirm how they wish to contribute. (Amador County has about 27,000 parcels covering about 340,000 acres; a small portion of the county is in the Cosumnes Subbasin; and most of the water usage depends on surface water.)
- The group discussed tradeoffs between different fee structure options, particularly a fee per parcel vs. per acre. As discussed in previous meetings, per parcel would heavily impact areas with many small parcels (e.g., urban/residential), while per acre would heavily impact landowners with large properties who may not necessarily use substantial groundwater (e.g., rangelands). The group considered several alternatives, including a flat residential fee.
- In general, committee members reiterated their support for an administrative entity that supports the entire basin.

DISCUSSION OUTCOME: A subgroup of the Long-Term Governance Committee will meet to:

- Explore different fee structure cost estimates utilizing the fee structure spreadsheet tool.
- Flesh out more specific estimates for administration costs (particularly the tasks of the administrative entity).

The subgroup will present different potential fee structure approaches to discuss at a future LT Governance Committee meeting.

Subgroup: Mike Selling, Rick Ferriera, Mike Whackman, Austin Miller, Darrell Eck/Linda Dorn, and Rick Wohle/Gary Silva Jr.

Public Comment

- Concerns raised related to how fair it would be to tax landowners who do not and will not use groundwater, as well as those who are helping better groundwater conditions (e.g., growers participating in any land fallowing program). Support expressed to generally use a per parcel fee for those who have wells to cover administration costs with the exception that City of Galt, which could develop a different fee structure for its GSA area.

- The governance structure for GSP implementation needs to consider appropriate representation and process when making decisions (e.g., concern raised about a potential scenario in which the decision makers are people who do not live in the basin).
- There was a suggestion to explore and compare the authorities under SGMA to implement a fee program to those under the Sacramento County Water Agency Act.

NEXT STEPS

- A subgroup will meet to further explore administrative entity tasks/costs and fee structure estimates. Amador County will share its thinking regarding possible cost-share contributions. The LT Governance Committee will discuss the subgroup’s findings and Amador County’s information in early February. Sacramento County will need this information to provide more precise estimates on different fee structure options.
- The LT Governance Committee will begin to meet biweekly to finalize its recommendation on long-term governance.

Attendees

GSA's	
Amador County GMA	Rick Ferriera
City of Galt	Mike Selling
Clay Water District	Gary Silva Jr
Galt Irrigation District	[Unable to attend]
Omochumne-Hartnell Water District	Mark Stretars Mike Wackman
Sacramento County	Linda Dorn Kerry Schmitz Darrell Eck
Sloughhouse RCD	Herb Garms Austin Miller Jay Schneider (as member of the public)
Conveners/Facilitators	
Water Forum	Jessica Law
CBI	Bennett Brooks Stephanie Horii