

COSUMNES SUBBASIN FEE SUMMARY – WORKING DRAFT

April 21, 2021

The purpose of the Cosumnes Subbasin Groundwater Fee is to fund groundwater management activities in the subbasin. The proposed fee is made up of two parts, Irrigated Acreage and Parcel Based. Both fees relate to various combinations of groundwater use, land area, wells, and number of parcels.

The following is a summary of the assumptions and methodology contemplated by the Long-term Governance Committee. The information provided is still preliminary and under discussion. The Working Group will determine which methodology is ultimately selected.

JURISDICTION SPECIFIC DATA –

Jurisdiction	Groundwater Use (AF)	Area (Acres)	Number of Parcels	Irrigated Acres ¹
Amador Co.	1,270	52,500	4,240	4,975
Sacramento Co.	123,400	152,888	6,063	48,582
City of Galt	4,000	4,612	8,000	-
Rancho Murieta	0	-	806	-

1. Irrigated acres from the State's Irrigated Lands Program information.

PROGRAM COSTS –

The annual costs for the program are separated into two categories – administrative costs and project costs. Administrative costs fund the ongoing administration of GSP compliance – monitoring, reporting, financial, public outreach, etc. Project costs will fund projects that have been identified in the GSP and are needed to maintain long-term sustainability. A detailed five-year summary of the program costs – both administrative and project – is included as Attachment A to this document.

Program Cost Summary

FY 21-22		FY 22-23	
Administration	Project	Administration	Project
\$505,000	N/A	\$440,000	\$505,000

Recommended Approach

At the April 2nd meeting GSA representatives agreed to recommend a phased fee approach that begins in year 1 with a fee based on irrigated acreage only followed by adding a parcel-based fee in year 2. This will allow for all GSAs, regardless of legal authority, to implement the program consistently.

Amador/Galt Assumptions

Amador GSA and City of Galt GSA plan to include groundwater management costs in their broader fee program so they are treated separately in the fee programs discussed below.

YEAR 1 FEE PROGRAM PROPOSAL (Irrigated Acreage)

The Year 1 fee program uses irrigated acreage as a proxy for groundwater use. The annual fee is based on Year 1 costs divided by total irrigated acres (according to the State's Irrigated Lands Program there are 48,582 irrigated acres in Sacramento County). Costs for implementing the first year of groundwater management in the Cosumnes Subbasin have been estimated at \$505,000 (see table above).

In year 1, Amador GSA and Galt GSA will be asked to make a contribution of \$5,000 and \$15,000 respectively to cover the approximate costs of their pumping based on the cost per acre-foot shown below.

Year 1 Program Costs Divided by Total Irrigated Acres –

$$(\$505,000 - \$20,000)/48,582 \text{ irrigated acres} = \mathbf{\$10.00/\text{irrigated acre}} \text{ (up to \$10)}$$

Alternatively, a cost per acre-foot can be calculated (for those agencies that are metered):

$$(\$505,000 - \$20,000)/123,400 \text{ AF} = \mathbf{\$3.93/\text{acre-foot}}$$

The revenue generated through this program will fund administrative costs through the first year and will transition to fund project costs in the second year when the parcel-based portion of the fee program is implemented.

YEAR 2 FEE PROGRAM PROPOSAL (Parcel Based)

The Year 2 fee program includes both the previously adopted Irrigated Acreage fee program and a new Parcel Based fee program. Revenue from the Parcel Based fee program will take over funding administrative costs, allowing the Irrigated Acreage fee revenue to transition to funding projects.

Amador, City of Galt and Rancho Murieta parcels are not included in the parcel-based program. This proposal assumes that those entities will make a voluntary contribution to the program (see below). All other parcels in the basin are included in the program – pumpers and non-pumpers.

Amador Contribution – Amador's annual contribution to administrative costs will be \$40,000 plus agreed upon annual inflator.

Galt Contribution – Galt's annual contribution to administrative costs will be \$100,000 plus agreed upon annual inflator.

Rancho Murieta Contribution – Rancho Murieta's annual contribution to administrative costs will be \$10,000 plus agreed upon annual inflator.

PARCEL BASED FEE BASED ON PARCEL SIZE

PARCEL SIZE	ESTIMATED FEE	NUMBER OF PARCELS	REVENUE
Less than 2 acres	\$12	981 ¹	\$11,772
Greater than 2 acres but less than 10 acres	\$45	3,557	\$160,065
Greater than 10 acres but less than 20 acres	\$55	623	\$90,975
Greater than 20 acres	\$65	877	\$32,265
Amador County	\$40,000		\$40,000
City of Galt	\$100,000		\$100,000
Rancho Murieta	\$10,000		\$10,000
TOTAL			\$445,077

1. Excludes Galt, Amador and Rancho Murieta.

Irrigated Acreage Revenue for Projects in Year 2

Funds generated for projects in year 2 through the Irrigated Acreage program are:

Sacramento County GSAs (excluding City of Galt) -

$$\$10.00/\text{irrigated acre} * 48,582 \text{ irrigated acres} = \$485,000$$

City of Galt -

$$\$3.93/\text{AF} * 4,000 \text{ AF} = \$15,720$$

Amador County -

$$\$3.93/\text{AF} * 1,270 \text{ AF} = \$4,991$$

Rancho Murieta does not currently pump groundwater so they will not be responsible for project costs.

Total funds generated for projects through Irrigated Acreage Program = \$505,711

Important note-

The assumptions and calculations shown in this document are preliminary and will change as the fee study is developed. This document is intended to provide rough information to help guide decisions regarding methodology.

TIMELINE (based on Proposition 218)–

April 21, 2021 – Finalize approach and budget

May 5, 2021 – Board of Supervisors Groundwater Workshop; Discuss fee program

May 10, 2021 – Draft Engineer’s Report submitted to the Working Group

May 17, 2021 – Legal review of Engineer’s Report completed

May 24, 2021 – Draft final Engineer’s Report submitted to the Working Group

May 26, 2021 – Cosumnes Outreach Event; Discuss fee program

May 28, 2021 – Complete “Notice of Proposed Assessment” inclusive of the proposed amount of the fees or charges, an explanation of the need for the new fees or charges, and the date, time, and location of the public hearing.

June 8, 2021 – GSA Boards adopt a Resolution of Intent for assessment and sets date and time of public hearing

June 8, 2021 through July 27, 2021 – 45-day period required by Proposition 218

June 10, 2021 – Send out “Notice of Proposed Assessment”

July 27, 2021 – Public Hearing for the Consumes Fee Program at GSA Boards – Fee is adopted

July 31, 2021 – Deadline for submitting Request for New Direct Levy Number from Auditor’s Office (Attachment B of the Direct Levy instructions)

August 10, 2021 – Deadline for fee data, as required by the Direct Levy instructions, to be submitted to the Auditor’s Office to make 2021/22 Assessment

STATE INTERVENTION –

In the event the subbasin is unable to develop and implement a groundwater management program as required by SGMA the following charges will apply.

CHARGES	NUMBER	COST PER UNIT	TOTAL
Well (ag)	433 wells	\$300	\$129,900
Well (de minimus)	2258 wells	\$100	\$225,800
Adjustment Well	500 wells	\$100	\$50,000
Pumping	123,154 af	\$40	\$4,926,160
TOTAL			\$5,281,910

OUTSTANDING QUESTIONS –

1. Is there a desire to provide a discount to parcels that install a meter, employ quantifiable conservation measures, or use exclusively surface water?

2. Should parcels prohibited from having a well be excluded from fee program? Can we identify these during appeals process and exclude them using that process rather than invest effort into excluding them in advance? Will be built into fee program.
3. What does the appeals process look like? How do we verify conservation (for example) or fewer irrigated acres?
4. Since Galt and Amador contributions are largely static with the exception of an escalator, how do we accommodate growth?
5. Can we include previous expenditures for SGMA compliance in the fee program and reimburse agencies who have made investments? For example County HDR costs.

DRAFT