

COSUMNES SUBBASIN FEE SUMMARY – WORKING DRAFT

March 12, 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, ADMINISTRATIVE and PROJECT. Both ADMINISTRATIVE and PROJECT fees relate to various combinations of groundwater use, land area, wells, and number of parcels. It is assumed that Amador County will pay 10-percent of the annual estimated administrative costs.

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
Amador Co.	1,270	52,500	4,240	3,000
Sacramento Co.	123,400	152,888	6,063	44,000
City of Galt	4,000	4,612	8000	-
Rancho Murieta	0	-	806	-

ADMINISTRATIVE –

The annual estimated administrative cost for the entire subbasin breaks down as follows:

ANNUAL ESTIMATED ADMINISTRATIVE COSTS

TASK	ESTIMATED ANNUAL COST
Annual Report	\$45,000
Annual Monitoring	\$60,000
5-Year Update of GSP	\$40,000 ¹
Data Management System (DMS)/Model Update	\$25,000
Public Outreach	\$10,000
GSA Coordination ²	\$10,000
Legal	\$30,000
General Administration	\$150,000
Address Data Gaps ³	\$15,000
Address State Comments ⁴	\$15,000
Contingency	\$20,000
Annual Escalator (3%)	\$12,600
TOTAL	\$432,600

1. \$40,000 per year for 5 years for a total of \$200,000. This amount could vary depending on the extent that the GSP needs to be modified/updated.
2. Includes coordination with GSAs both internal and external to the Cosumnes Subbasin.
3. These costs address any data gaps identified as part of the GSP development process.
4. These costs are to address any comments the State may have once the GSP has been submitted for their review.
5. The Annual Escalator acknowledges that costs increase approximately 3-percent per year with inflation.

This alternative assumes the administrative cost is divided across all parcels in the subbasin. The fee is assessed based on parcel size as illustrated below:

ADMINISTRATIVE FEE ASSESSMENT BASED ON PARCEL SIZE

PARCEL SIZE	ESTIMATED FEE	NUMBER OF PARCELS	REVENUE
Less than an acre	\$12	8963	\$107,556
One acre but less than 5 acres	\$35	2957	\$103,495
5 acres but less than 50 acres	\$60	2425	\$145,500
50 acres or more	\$75	524	\$39,300
Amador County ¹	\$43,260		\$43,260
TOTAL			\$439,111

1. Amador County to pay 10-percent of the Administrative Cost ($\$432,600 \times 0.10 = \$43,260$).

This alternative assumes the administrative cost is assigned to parcels that are dependent on groundwater.

ADMINISTRATIVE FEE ASSESSMENT BASED ON PARCELS DEPENDENT ON GROUNDWATER

PARCEL SIZE	ESTIMATED FEE	NUMBER OF PARCELS	REVENUE
Less than an acre	\$15	8157 ²	\$122,355
One acre but less than 5 acres	\$50	2957 ³	\$147,850
5 acres but less than 50 acres	\$75	1213 ⁴	\$90,975
50 acres or more	\$125	262 ⁴	\$32,750
Amador County ¹	\$43,260		\$43,260
TOTAL			\$437,190

1. Amador County to pay 10-percent of the Administrative Cost ($\$432,600 \times 0.10 = \$43,260$).

2. Excludes Rancho Murieta.

3. Assumes all ag-res parcels rely on groundwater.

4. Assumes 50-percent of parcels don't use groundwater.

This alternative assumes the administrative cost is assigned to wells in the subbasin. The Estimating Adjustment has been added to account for wells that may not have been identified.

ADMINISTRATIVE FEE ASSESSMENT BASED ON NUMBER OF WELLS

WELL TYPE	NUMBER
Domestic	2258
Agriculture	433
Estimating Adjustment	500
TOTAL	3191

Cost per well: $\$432,600 \text{ per year} / 3191 \text{ wells} = \mathbf{\$135.57 \text{ per year}}$

If an accommodation is made for de minimus users (2 ac-ft or less per year), an estimation per de minimus well would be: $2 \text{ ac-ft per year} \times \$3.50 \text{ per ac-ft} = \7.00 per year for de minimus wells. If this

accommodation is accepted an adjustment would have to be made in the cost per year for the remaining wells.

PROJECT –

Two methodologies have been identified for calculating the project component of the fee. The first method is based on project costs divided by total groundwater usage in the basin. The second method is based on project costs divided by total irrigated acres (according to the model there are 44,000 irrigated acres in Sacramento County and 3,000 irrigated acres in Amador County). Annual costs for implementing the project aspect of groundwater management in the Cosumnes Subbasin have been estimated at \$440,000 by the Project & Management Actions (P&MA) committee.

Project Costs Divided by Total Groundwater Usage –

$$\$440,000/128,670 \text{ AF} = \$3.42/\text{AF}$$

Project Costs Divided by Total Irrigated Acres –

$$\$440,000/47,000 \text{ irrigated acres} = \$9.36/\text{irrigated acre}$$

Note: It has been recommended that collection of fees for projects be delayed by at least two years.

TIMELINE –

March 26, 2021 – Each GSA to provide a resolution in support of fee program

April 20, 2021 – Board of Supervisors Groundwater Workshop – GSA consensus needed in support of fee program

May 4, 2021 – Presentation of Fee Program at Board of Supervisors – Methodology must be determined

July 13, 2021 – First Hearing for the Fee Program at Board of Supervisors – Second Hearing date set

July 31, 2021 – Deadline for submitting Request for New Direct Levy Number from Auditor's Office

August 24, 2021 – Second Hearing for the Fee Program at Board of Supervisors – create zone and adopt fee

August 2021 – Deadline for fee criteria to be submitted to the Auditor's Office

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. Can an Annual Escalator be included in the fee?
2. Is there a desire to provide a discount to parcels that install a meter, employ quantifiable conservation measures, or use exclusively surface water?
3. Need to refine parcel information and need Amador parcel information. Not needed under 10% assumption.
4. Should parcels prohibited from having a well be excluded from fee program?
5. How do we treat parcels irrigated only by surface water? Metered diversion data?
6. Non pumping parcels can apply for minimum fee????
7. Legal questions – fee on parcels with no gw, fee on parcel with gw use but no well, tiered fee structure vs. flat fee
8. Prohibition on well for parcels smaller than 2 acres?

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