

Long-Term Governance
April 2, 2021

- **Updates**
 - Outstanding questions - CPI escalator, nexus study, other
 - Joint attorney meeting report back
 - Intra-GSA report back

- **Continue Discussion: Subbasin Approach to SGMA Fee Program**
 - Continue reviewing / revising subbasin approach
 - Goal is to gain clarity on several key decisions related to Admin Entity fee
 - Common methodology or not?
 - Across all parcels or groundwater pumpers only?
 - Approach to Rancho Murieta?
 - Fee levels by parcel size?
 - Additional adjustments needed to AE costs estimates?

- **Continue Discussion: Administrative Entity**
 - Review and discuss working draft JPA

- **Public Comment**

- **Next Steps**

**Sloughhouse Resource Conservation District
Cosumnes Subbasin DRAFT Proposed Fee Approach**

Year 1 (Pre-GSP) – PRIMARY GOAL:

5 GSAs will implement an Administrative Fee based on usage/extraction. The 5 GSAs are:

- Sloughhouse Resource Conservation District
- County of Sacramento
- Southeast Sacramento County Agriculture Water Authority (SSCAWA)*
 - Omochumne-Hartnell Water District
 - Clay Water District
 - Galt Irrigation District

*SSCAWA could implement this fee either as a JPA or each member GSA could implement the fee individually.

Administrative Fee Structure:

- Each GSA (or JPA if formed in time) applies an extraction fee (~\$10/irrigated acres OR ~\$3/AF) to cover Administrative Costs. This will contribute ~\$450,000 towards collaborative administrative efforts. Additional funds (on top of the fee collect to cover shared administrative activities) could be generated to support individual GSA expenses.
- The City of Galt GSA (~\$100,000) and the Amador County Groundwater Management Authority (~\$45,000) will contribute ~\$145,000 towards collaborative administrative efforts.
- This fee would not have a sunset date but the intention is to have it replaced by the post-GSP fee approach presented below (“Year 2 and Beyond”).
- In year 1, there will be **~\$595,000 for Administrative Costs**.

Table 1: SRCD Proposed Methodology (Pre-GSP based on usage)

Funding Source	Irrigated Acres	Fee per Irr. Ac.	Total
Sac County (Extraction Fee)	45,000	\$10	\$450,000
City of Galt (Voluntary Contribution)			\$100,000
Amador GSA (Voluntary Contribution)			\$45,000
		Total:	\$595,000

Timeline for Year 1:

- Technical Data Gathered / Fee Report Developed – Now to May
 - Need to identify parcels that are irrigated by groundwater (assume if not using surface water, they are using groundwater) and estimated use.
- Additional Outreach – May/June 2021
 - Not required but should be prioritized.
- Ordinance/Resolution (still needs clarity)

- Hearing Posted – June 24, 2021 (min. 20 days before hearing)
- Final Ordinance/Resolution Hearing and Adoption – July 14, 2021
- Fee Report Provided to County – July 31, 2021
- Fee included on property taxes – November 2021

Potential Example for Year 2 and Beyond:

Either the 5 individual GSAs or a Joint Powers Authority consisting of those GSA will implement an Administrative Fee based on usage/extraction in the jurisdictional area of those GSAs. Those GSAs are:

- Sloughhouse Resource Conservation District
- County of Sacramento
- SouthEast Sacramento County Agriculture Water Authority
 - Omochumne-Hartnell Water District
 - Clay Water District
 - Galt Irrigation District

This two-part fee that would cover Administrative Costs and Projects Costs. This will be subject to a Proposition 218 process.

Administrative Fee Structure:

- An extraction fee, using parcel size as a proxy for usage, applied to property tax roll
- A tiered rate will be used (<2 acre and no gw, <2 acres with gw, 2-10 acres, 10-20 acres, 20+ acres)
- Generates ~\$265,000 annually
- City of Galt GSA and Amador County Groundwater Management Authority GSA will contribute ~\$147,000 annually.
- This will generate ~\$410,000 for Administrative Costs annually.

Table 2: SRCD Proposed Methodology (Post-GSP fee by parcel for Administrative Costs)

Parcel Size	Location	No. of Parcels	Fee	Revenue
<2 acres	Sac County		\$0	\$0
No GW Use	Sac County		\$0	\$0
2-10 acres	Sac County	3,450	\$45	\$155,250
10-20 acres	Sac County	782	\$55	\$43,010
20+ acres	Sac County	1,004	\$65	\$65,260
Subtotal:				\$263,520
Voluntary Contribution	Rancho Murieta			?
Voluntary Contribution	Amador GSA			\$45,000
Voluntary Contribution	City of Galt GSA			\$100,000
TOTALS		5,236 parcels		\$408,520

Projects Fee Structure:

- An extraction fee, using irrigated acres as a proxy (~\$10/irrigated acre OR ~\$3/AF), will be applied to all water users in the Subbasin except those who use < 2 AFY (de minimis). This will generate approximately **~\$450,000 for Project Costs** annually.
 - \$450,000 will not cover all of the project costs in the long run as budgeted. However, the \$10/irrigated acre amount is an agreeable starting point established through discussions with several stakeholders. Once there is more progress toward Project and Management Action Implementation there may be positive support for increasing the fee to help fund the Plan. As currently projected, this fee would need to be increased or the Cosumnes Subbasin long term Project and Management Actions plan/funding structure would need to be revised. It is the intention of GSAs to review the fee at the same intervals as the GSP 5-year updates.
- The City of Galt GSA will contribute ~\$X,XXX towards projects and management actions based on ~XXXX AF of groundwater use.
- The Amador County GSA will contribute ~\$X,XXX towards projects and management actions based on ~XXX AF of groundwater use.

Table 3: SRCD Proposed Methodology (Post-GSP based on usage, for Projects)

Funding Source	Irrigated Acres	Fee per Irr. Ac.	Total
Sac County (Extraction Fee)	45,000	\$10	\$450,000
City of Galt (Voluntary Contribution)			?
Amador GSA (Voluntary Contribution)			?
Total:			\$450,000

Total Annual Revenue Generated by Cosumnes landowners:

- **~\$875,000 for Administrative and Project Costs.**