

**BEFORE THE BOARD OF DIRECTORS OF THE SLOUGHHOUSE RESOURCE
CONSERVATION DISTRICT**

RESOLUTION No. 2024.05.08.02

**Resolution Adopting a Groundwater Management Sustainability Fee in the Cosumnes
Groundwater Subbasin**

RECITALS

WHEREAS, the State of California enacted the Sustainable Groundwater Management Act (“SGMA”) in 2014, inter alia, to provide for the sustainable management of groundwater basins, to enhance local management of groundwater consistent with rights to use or store groundwater, to provide local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater, and to manage groundwater basins through the actions of local governmental agencies to the greatest extent feasible. (Water Code, § 10720.1 et seq.); and

WHEREAS, The Sloughhouse Resource Conservation District is the exclusive Groundwater Sustainability Agency over part of its jurisdiction in the Cosumnes River Subbasin under the provisions of SGMA and the Board of Directors (“Board”) of the Sloughhouse Resource Conservation District also concurrently functions as the Sloughhouse Resource Conservation District Groundwater Sustainability Agency (“Agency”); and

WHEREAS, SGMA authorizes a GSA to impose a fee on the extraction of groundwater or other regulated activity to fund the costs of a groundwater sustainability program. (Water Code, § 10730.) The levy of a fee on groundwater extraction for the purpose of managing the sustainability of a groundwater subbasin constitutes (1) a charge imposed for a specific benefit conferred directly to the payor that is not provided to those not charged, and (2) a charge imposed for a specific government service provided directly to the payor that is not provided to those not charged; and

WHEREAS, In July 2021 the Agency imposed a fee on the extraction of groundwater on irrigated land parcels pursuant to RESOLUTION No. 2021.07.14.01. This fee was based on the Cosumnes Subbasin Fee Study prepared by HDR, a professional engineering consulting firm, prepared for the Cosumnes Groundwater Authority (“CGA”). While that fee study determined that the fee adopted at that time was not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity, nonetheless new additional information is now available and preparation of an updated fee study and updated expanded Fee is warranted.

WHEREAS, The CGA arranged for the preparation of an updated Fee Study by SCI Consulting Group, a recognized public finance and urban economic consulting firm for public, nonprofit and private sector organizations. The “Cosumnes Groundwater Authority Rate and Fee Study” (“Fee Study”), was approved by the CGA Board on April 3, 2024 for use by its Member Agencies to justify the adoption of the fees herein. The Fee Study is hereby

incorporated by reference into this Resolution, The Fee Study shows that the fee adopted herein is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity; and

WHEREAS, the Agency seeks to modify the existing groundwater sustainability fee established by RESOLUTION No. 2021.07.14.01 in 2021 through this Resolution ("the Fee") within its jurisdictional boundaries in the Cosumnes Subbasin as authorized by Water Code section 10730 based on the Fee Study; and

WHEREAS, SGMA authorizes a GSA to impose a fee on de minimis users of water (less than 2-acre feet per year for domestic purposes, see Cal. Water Code sec. 10721 (e) only after the GSA unless the agency has regulated the users pursuant to this part. Since the Agency has determined it will regulate de minimis extractors pursuant to Resolution 2024.05.08.02, and this Resolution modifies the previous fee to place a fee on de minimis extractors, residential, commercial, irrigated agriculture and public water system using groundwater; and

WHEREAS, pursuant to Water Code section 10730(d), prior to imposing the Fee, the Agency has held a public meeting, at which written or oral presentations have been made; and

WHEREAS, pursuant to Water Code section 10730(d), the Agency posted notice of the time and place of the public meeting at which the Fee will be considered, the notice was published in the newspaper in compliance with Government Code section 6066, the notice was posted on the Agency's website and was mailed to interested parties, and the data to support the Fee was available to the public at least 20 days before the Agency's public meeting to impose the Fee.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sloughhouse Resource Conservation District as follows:

1. The Agency finds that all of the RECITALS above are correct and are hereby incorporated into this Resolution.
2. The Agency finds that all prerequisites required before adopting the Fee have been met, including the proper public noticing of the hearing and the conduct of the public hearing.
3. The Agency approves the Fee Study and finds that it is the proper basis on which to establish the Fee, and that the Fee adopted herein is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.
4. The Agency hereby adopts the Fee, including a Fee on de minimis extractors, de minimis extractors, residential, commercial, irrigated agriculture and public water system using groundwater as set forth in Attachment A hereto.

5. The Agency Administrator is hereby authorized and directed to work with the County of Sacramento Department of Finance Auditor-Controller Division to add the Fee as more fully set forth in Attachment A to the County's annual secured tax roll; and

6. The Agency Administrator and Agency Counsel are hereby authorized and directed to take such other and further steps as may be necessary or appropriate to implement the intent and purpose of this resolution.

PASSED AND ADOPTED on this 8th day of May, 2024 by the following vote, to- wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

I, the undersigned, hereby certify that I am the duly appointed and acting Secretary of the Sloughhouse Resources Conservation District, and that at a meeting of the Board of Directors of the District held on May 8, 2024 that Resolution 2024.05.08.02 was adopted and has not been rescinded or amended since the date of its adaptation and that it is now in full force and effect.

Brittany Friedman, SRCD Secretary

Date

**SLOUGHHOUSE RESOURCE CONSERVATION
DISTRICT GROUNDWATER SUSTAINABILITY
AGENCY**

GROUNDWATER SUSTAINABILITY FEE
ATTACHMENT A

SECTION 1. DEFINITIONS

1.1 “Acre Foot” or “AF” is a unit of measurement defined by the volume of water necessary to cover one acre of surface area to a depth of one foot. It is equal to 325,851 gallons.

1.2 “Administrator” means the Administrator of the Agency.

1.3 “Agency” means the Sloughhouse Resource Conservation District or the Sloughhouse Resource Conservation District Groundwater Sustainability Agency.

1.3 “Board” means the Board of Directors of the Sloughhouse Resource Conservation District.

1.4 (e) “De minimis extractor” means a person who extracts, for domestic purposes, two acre-feet or less per year.

1.5 “Fee” means the Groundwater Sustainability Fee charged as set forth herein.

1.6 “Jurisdictional Area” means those parcels of real property within the Subbasin and those parcels of real property adjacent to the Subbasin that use groundwater derived, extracted, or otherwise obtained from within the Subbasin excluding therefrom any area for which the Agency has entered into an agreement that provides that the Fee shall not be charged within such area, or any portion thereof.

1.7 “Person” means the owner of property charged the Fee, or the owner of real property with a means of extracting groundwater.

1.8 “Subbasin” means the Cosumnes Groundwater Subbasin as set forth in Bulletin 118 of the California Department of Water Resources, as may be amended from time-to-time.

SECTION 2. ESTABLISHMENT OF FEE

2.1 Once enacted and in force, this Fee is intended to replace any previously enacted Groundwater Fees established by the Agency. There is hereby charged within the Jurisdictional Area a Fee pursuant to Section 10730 of the California Water Code, and as more fully set forth herein.

2.2 The Fee may consist of one or more of the following charges for each parcel utilizing groundwater and shall be payable to the Agency as follows:

2.3 Base Fee Charge - Persons using groundwater, including all parcels that directly utilize groundwater throughout the Agency's jurisdiction, shall pay to the Agency a Base Fee Charge. This includes residential parcels, commercial parcels, and agricultural parcels. As of the date of enactment, this Base Fee Charge is set at \$35.59 per Parcel. This Base Fee Charge is subject to an annual adjustment as set forth in the Annual Fee Adjustment Section below.

2.4 Public Water System Fee - The Public Water System Fee assigns a charge per acre foot payable to the Agency by all Public Water Systems that extract groundwater within the Agency's jurisdiction. This charge is a five-year average of groundwater uses as determined by the Electronic Annual Reports submitted to the State Water Resources Control. As of the date of enactment, this Public Water System Fee is set at \$5.98 per acre-foot of groundwater extracted. This Public Water System Fee is subject to an annual adjustment as set forth in the Annual Fee Adjustment Section below.

2.5 Irrigated Acreage Fee -The Irrigated Acreage Fee assigns a charge per irrigated acre to all irrigated lands within the Agency's jurisdiction. The actual annual charges for Persons irrigating with groundwater will be determined based on irrigated acreage as determined publicly available sources, including but not limited to, published Statewide Crop Mapping data provided by the California Department of Water Resources. As of the date of enactment, this Irrigated Acreage Fee is set at \$10 per irrigated acre. This Irrigated Acreage Fee is subject to an annual adjustment as set forth in the Annual Fee Adjustment Section below.

2.6 Annual Fee Adjustment – In order to keep pace with inflationary costs of service in carrying out the Agency's purposes for which the Fees are collected, The Agency may apply an annual inflation increase. The initial Annual Adjustments can only be in place for 5-years after approval of this Resolution, but can be extended through further Board action in the future. Each Fee presented above, will be adjusted annually for inflationary increases in the cost of service based on a 12-month period, as measured by the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U) West All Items (Series Id: CUUR0400SA0) for June through May of each respective year. The Annual Fee Adjustment will be limited to the lower of the actual cost of service increase, or the CPI-U increase, but will not less than zero.

2.7 The Agency shall determine those real properties that are subject to the Fee and shall submit the Fee data to the County of Sacramento Department of Finance Auditor-Controller Division to be included in the annual secured tax roll.

2.8 If any Person fails to pay the Fee as charged, the Person shall pay interest and/or penalties to the Agency as allowed by law.

2.9 In addition to the interest and penalty set forth in Section 2.4.2, above, the Board may elect to utilize any of the remedies available to it for failure to pay the Fee as set forth in Water Code section 10730.6.

2.10 Fee revenues may be used for support of the Agency's groundwater sustainability program, including but not limited to, administration costs, implementation of the Groundwater Sustainability Plan, planning projects and management actions, and reasonable reserves for the aforementioned activities.

SECTION 3. APPEAL

3.1 Should a Person wish to contest the projected amount of groundwater extraction on which the Fee is assessed, the Person shall first be required to pay the Fee as charged. Within thirty (30) days following payment of the Fee, the Person may file an appeal with the Agency, on a form approved by the Administrator, setting forth the basis upon which the appeal is made. The appeal will be considered timely filed if, within the time allowed, 1) the form is postmarked, United States first class mail, 2) delivered to the Administrator or Clerk of the Board by electronic mail, or 3) personally delivered to the Administrator.

3.2 Within thirty (30) days of filing the appeal, the Administrator shall meet with the Person to discuss the basis of the appeal. The Administrator is authorized to grant the appeal, in whole or in part, or deny the appeal. The determination shall be made no later than fifteen (15) days following the meeting and shall be in writing and delivered to the Person in the same manner as the filing of the appeal.

3.3 If the Person who filed the appeal is dissatisfied with the determination of the Administrator, the Person may file an appeal to the Board within thirty (30) days of delivery of the determination, following the procedures for filing an appeal as set forth in Section 3.1, above.

3.4 The appeal will be placed on the agenda for the next available Board meeting occurring within sixty (60) days of the filing of the appeal. The Board shall receive evidence, and hear from the appellant and staff regarding the merits of the appeal. The Board is authorized to grant the appeal, in whole or in part, or deny the appeal. The determination of the Board shall be memorialized in a minute order and shall be the final decision of the Agency.