



SLOUGHHOUSE

Resource Conservation District

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Special Meeting of the Board Sloughhouse Resource Conservation District Agenda

When: Wednesday, June 23, 2021
Where: <https://us02web.zoom.us/j/84147731434>
Meeting ID: 841 4773 1434
Call in Number: +1-669-900-9128

Time: 1:00 pm – 3:00 pm

PUBLIC COMMENT – Any member of the public may address the Board concerning any matter on the agenda before or during its consideration of the matter. Public comment is limited to three (3) minutes per person and no more than fifteen (15) minutes per topic. For good cause, the Board Chairman may waive these limitations.

AGENDA ITEM TIME FRAME – All agenda items are suggested by staff and are an estimate only and subject to change.

OPENING:

1. Call to Order*

PUBLIC COMMENT FROM THE FLOOR (Non-Agenda Items) (15 minutes)

BUSINESS ACTION ITEMS:

1. District Manager Job Description (10 minutes)
2. Cosumnes Subbasin GSP Development (30 minutes)
 - a. Discussion: 7 Month Look Ahead
 - b. Discussion Monitoring Network Update
 - c. Discussion: GSP Implementation Administrative Entity
3. Groundwater Sustainability Fee (30 minutes)
 - a. Consider Direction to Staff to:
 - Publish Groundwater Sustainability Fee Notice
 - Mail Landowner Letter
 - Make Available for Public Review Cosumnes Subbasin Fee Study
 - b. Discussion: Draft Groundwater Sustainability Fee Resolution
4. South American Subbasin GSP Development (20 minutes)
 - a. Discussion: 7 Month Look Ahead
 - b. Discussion GSP Implementation, Key Discussion Items
 - c. Discussion: GSP Executive Summary Overview

IDENTIFICATION OF ITEMS FOR FUTURE MEETINGS

- a. Board Members may request items to be placed on future agendas. (5 minutes)

ADJOURNMENT



AGENDA ITEM #1

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Position: District Manager

30% - General District Management:

1. Manage Board operations, including pre- and post- meeting logistics:
 - a. Develop agendas and supporting documentation in cooperation with the Board Chairperson.
 - b. Prepare formal minutes for each meeting.
 - c. Prepare and post meeting announcements in accordance with Board policy and Brown Act regulations.
 - d. Maintain and update an online archive of pre- and post-meeting documents.
2. Ensure efficient and effective District operations:
 - a. Safeguard District integrity by carrying out functions that adhere to all statutes, governmental rules, regulations, and compliance requirements pertaining to or affecting Special Districts, Resource Conservation Districts, and Groundwater Sustainability Agencies.
 - b. Set a high standard for District communications, including timely response to phone calls, emails, and other correspondence.
 - c. Prepare and manage contracts with consultants and/or partner agencies.
 - d. Serve as Board liaison with external entities, including legal counsel.
 - e. Provide oversight and leadership for any additional staff brought on by the Board
3. Lead efforts to create new opportunities for the District to meet its Mission and Vision of broad service to multiple constituencies:
 - a. Create/update as needed a long-term strategic plan and complementary annual work plans for Board consideration; implement Board directives and priorities.
 - b. Administer and supervise the District's participation in watershed and community groups, including fostering relationships with potential funders.
 - c. Work with the Board, external partners, and constituents to develop projects and programs in accordance with our mission to protect natural resources within the district.
 - d. Actively seek out and write grant proposals in collaboration with Board members that continue and maintain the work of the RCD at the level of operations directed by the Board.
2. Supervise other staff members
 - a. Assist with the recruitment and hiring of new staff
 - b. Provide daily oversight of staff as necessary

10% - Financial Management:

1. Lead the preparation and editing of the annual budget.
2. Provide ongoing management of the District's finances. These tasks include, but are not limited to:
 - a. Preparing and submitting financial documents on a monthly basis.
 - b. Working with the County of Sacramento's Department of Finance to ensure the District's financial accounts are accurate.

AGENDA ITEM #1

3. Oversee the annual audit, including supplying the auditor with requested financial paperwork.

10% - Outreach:

1. Represent and promote the District at local, state, regional, and federal levels.
2. Serve as a liaison to the Elk Grove office of the NRCS by helping disseminate information about loans, new programs, and new information about soil and water conservation practices.
3. Working with consultants, maintain a website for the District. Prepare content, reply to inquiries, and help maintain the security of the site.
4. Promote the District and successful projects implemented by the District within the community and with the media.

50% - Groundwater Sustainability:

1. Work with the Board to implement the Sustainable Groundwater Management Act. This includes:
 - a. Support the Board in the development, adoption, and implementation of the Cosumnes Subbasin and South American Subbasin Groundwater Sustainability Plans (GSPs).
 - b. Organize and participate in local outreach and educational efforts.
 - c. Assist with intra- and inter-basin coordination.
 - d. Work with local landowners and other stakeholders to facilitate the collection of groundwater data.
 - e. Support the Board in evaluating and summarizing reports from consultants.
 - f. Maintain accurate records of meetings and actions associated with the development of the GSP.
2. Explore other opportunities aimed at improving the groundwater conditions within the District.



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**SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT
GROUNDWATER SUSTAINABILITY AGENCY**

NOTICE OF MEETING AND HEARING ON

PROPOSED GROUNDWATER SUSTAINABILITY FEE

NOTICE IS HEREBY GIVEN that on Wednesday, July 14, 2021, at the hour of 1 p.m., or as soon thereafter as the matter may be heard, the Board of Directors of the Sloughhouse Resource Conservation District, acting as a groundwater sustainability agency in the Cosumnes Subbasin, will hold a public meeting and hearing at the Rancho Murieta Community Service District office, 15160 Jackson Hwy, Rancho Murieta, California. In compliance with the Americans with Disabilities Act and in response to the COVID-19 pandemic, if you need special assistance to participate in this meeting or have concerns about attending the meeting in person, please contact the Clerk of the Board at 916-526-5447 or info@SloughhouseRCD.org to make reasonable arrangements or for call-in information. The Board will consider the following matter:

Proposed levy of a groundwater sustainability fee (the “Groundwater Sustainability Fee”) to fund the costs of a groundwater sustainability program in the Cosumnes Subbasin, including, but not limited to, the implementation of the Cosumnes Subbasin Groundwater Sustainability Plan, fund associated groundwater management activities, and meet the requirements of the Sustainable Groundwater Management Act.

The Sloughhouse Resource Conservation District GSA proposes to levy the Groundwater Sustainability Fee under its authority granted by California Water Code section 10730 on all irrigated land within the Sloughhouse Resource Conservation District GSA area within the Cosumnes Subbasin.

The Groundwater Sustainability Fee would be charged in the amount of \$10 per irrigated acre of land for fiscal year 2021-22.

Data upon which the proposed Groundwater Sustainability Fee is based may be obtained from the Sloughhouse Resource Conservation District online at www.SloughhouseRCD.org. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the District Manager of the District at any time prior to the close of the meeting and oral statements may be made at the meeting.

Dated/Published: June 24, July 1, and July 7, 2021

Austin Miller
District Manager
info@SloughhouseRCD.org
916-526-5447



SLOUGHHOUSE

Resource Conservation District

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Dear <PROPERTY OWNER>,

The Sloughhouse Resource Conservation District (SRCD) is one of seven Groundwater Sustainability Agencies (GSA's) working together to develop and implement a state mandated plan for managing groundwater in the Cosumnes Groundwater Subbasin. The plan must be submitted to the state by January 31, 2022. State funds have been provided to help prepare the plan. However, local property owners are responsible for providing the funds needed to carry out the adopted projects and to administer the plan.

The GSA's have agreed that this local funding will be provided through a usage fee charged to landowners who use groundwater for irrigation purposes and a parcel fee charged to all landowners in the Subbasin who benefit from maintaining stable groundwater levels. The usage fee - \$10 per irrigated acre per year - will initially be placed on the property tax role for collection in December 2021 and/or April 2022 (depending on the County of Sacramento Assessor's Office process). This fee will cover administrative expenses related to our role as a GSA under the state mandated Sustainable Groundwater Management Act.

SRCD expects to adopt the usage fee at its Board meeting scheduled for July 14, 2021 at 1:00pm and will hold a Public Hearing at that meeting. You are invited to attend. Please check our website (SloughhouseRCD.org) for information on the location of the meeting or contact our District Manager (contact info on Data Correction Form attached). Property owners who are subject to the usage fee can assist SRCD by reviewing the attached form to confirm the accuracy of the fee calculation. This form lists the owner's parcel number(s) and the number of irrigated acres associated with each parcel. Check to see that the acreage has been correctly calculated. If not, please indicate the correct amount. Additionally, since the data sources available to SRCD do not identify the source of the irrigation water, some of the listed acreage may be irrigated with surface water. If this is the case, please indicate the correct number of acres that are irrigated by groundwater.

If the fee is adopted, a roll of the affected parcels and the amount of the fee charged to each parcel must be transmitted to the County Assessor's office by August 6, 2021. If the information contained in the roll is inaccurate, property owners will have an opportunity to appeal and correct any misinformation. However, the fees set forth in the roll will have to be paid. Any overpayments resulting from appeals will be reimbursed. Time and money will be saved if corrections are made prior to SRCD's approval of the roll. Therefore, if you identify errors in the fee calculation, please return the attached form by e-mail or regular mail to our District Manager no later than July 23, 2021. Thank you for your cooperation.

Sincerely,

Herb Garms, Sloughhouse RCD Board Chairperson



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Sloughhouse Resource Conservation District
Groundwater Sustainability Fee – Data Confirmation Form
This form is also available online as a fillable PDF at SloughhouseRCD.org

Contact: Austin Miller, District Manager
916.525.5447 - info@SloughhouseRCD.org

Parcel Number: <PARCEL NUMNER>

Parcel Owner Name: <PARCEL OWNER>

Irrigated Acreage*: <IRRIGATED ACRES>

Proposed Fee: <PROPOSED FEE>

If the above information is correct, no action is needed. If you believe that the above information is incorrect, please complete the below section and return to Sloughhouse Resource Conservation District at info@SloughhouseRCD.org or 8698 Elk Grove Blvd., Elk Grove, CA 95624 before or on July 23, 2021.

Corrected Parcel Owner: _____

Corrected Irrigated Acreage*: _____

* Irrigated acreage should reflect acres irrigated by groundwater only (water originally extracted from a groundwater well). Please provide any relevant proof supporting the correction of the data. SRCD staff will contact you with any questions regarding the information you have provided.

Contact Name: _____

Contact Phone: _____

Contact Email: _____

By signing this form, you agree that the information you provided is accurate.

Parcel Owner Signature

Date

AGENDA ITEM #3a

San Joaquin Valley Cosumnes Subbasin

Groundwater Fee Study

DRAFT REPORT

June 2021

Updated 6-18-21

Acronyms

CSD	Community Services District
CWD.....	Clay Water District
DoC	California Department of Conservation
DWR.....	California Department of Water Resources
GID	Galt Irrigation District
GMP	Groundwater Management Plan
GSA.....	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
MAR	Managed Aquifer Recharge
OHWD	Omochumne-Hartnell Water District
PMA	Projects and Management Actions
SAFCA	Sacramento Area Flood Control District
SGMA.....	Sustainable Groundwater Management Act
SGMO	Sustainable Groundwater Management Office
SRCD	Sloughouse Resource Conservation District
SWRCB.....	State Water Resource Control Board

Introduction

Sacramento County (County) retained HDR Engineering Inc, to develop the San Joaquin Valley Cosumnes Subbasin (Cosumnes Subbasin) Groundwater Fee Study (Study). The Study develops a fee program that will support the implementation of the Groundwater Sustainability Plan (GSP) in the Cosumnes Subbasin, fund associated groundwater management activities, and meet the requirements of the Sustainable Groundwater Management Act (SGMA). As a point of reference, the costs of GSP development and preparation have been funded separately. This study provides cost-based, equitable, and proportional groundwater fees for groundwater users in the Cosumnes Subbasin service area. This report documents the process and technical analyses used to develop these fees.

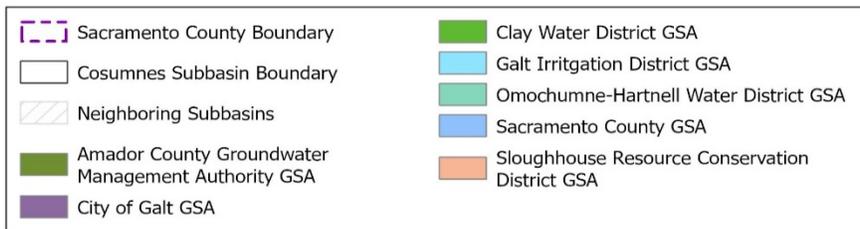
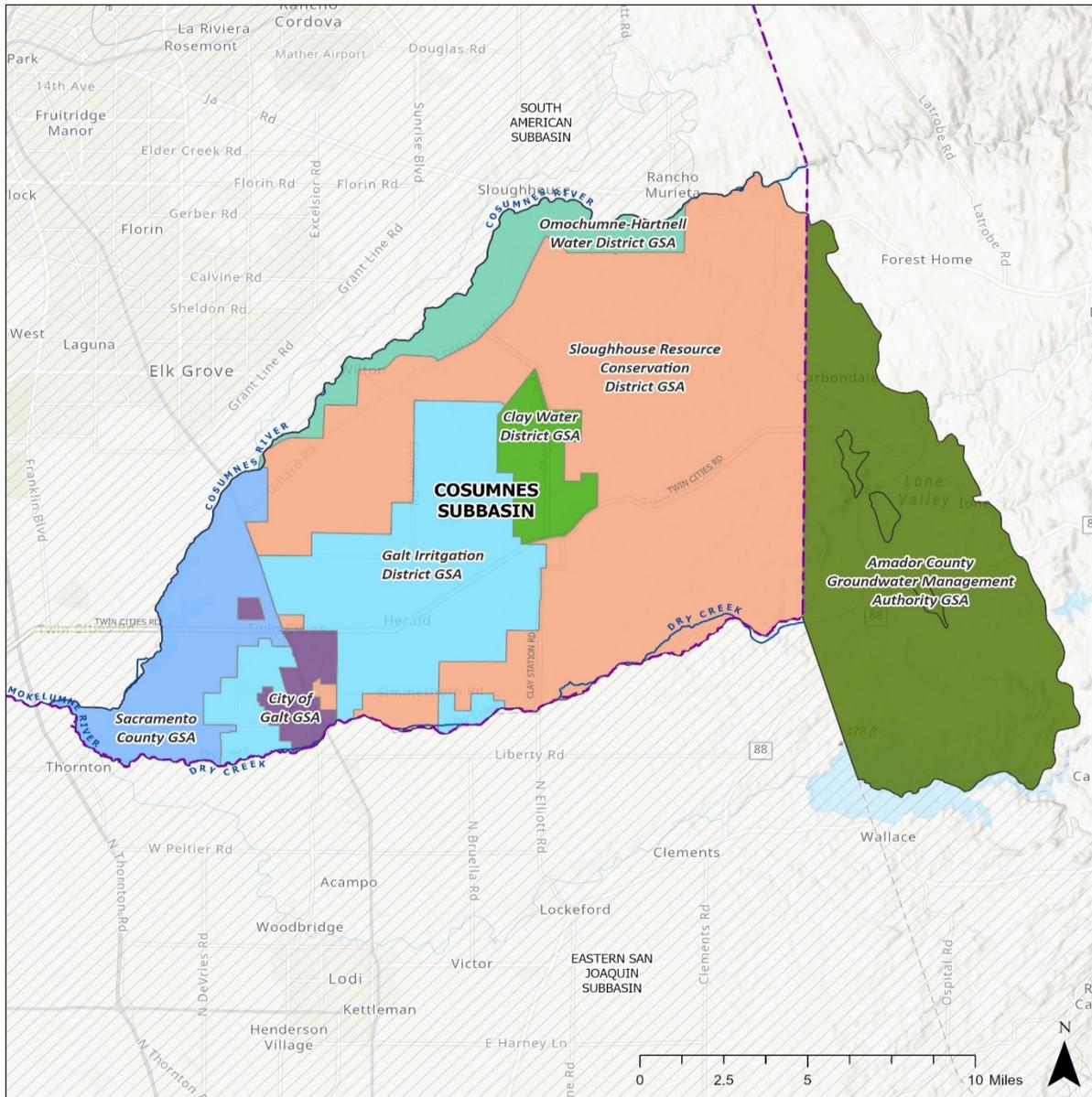
Overview of the Cosumnes Subbasin Working Group

Under California law, SGMA requires the Cosumnes Subbasin Groundwater Sustainability Agencies (GSAs) to have one or more groundwater sustainability plans (GSPs) in place by January 31, 2022.

The following agencies are the GSAs responsible for groundwater management within the Cosumnes Subbasin in accordance with the requirements of SGMA:

- Omochumne-Hartnell Water District (OHWD) GSA;
- Sloughouse Resource Conservation District (SRCD) GSA;
- Galt Irrigation District (GID) GSA;
- Clay Water District (CWD) GSA;
- City of Galt GSA;
- Amador County Groundwater Management Authority (Amador County GSA); and
- Sacramento County GSA.

The GSAs have established the Cosumnes Subbasin SGMA Working Group (Working Group) with the goal of developing a single, integrated, SGMA-compliant GSP to foster plan effectiveness, coordination, and efficiencies. A map of the subbasin and each GSA area is shown in Figure 1.



Note: The Cosumnes Subbasin extends beyond Sacramento County.

Figure 1 – Cosumnes Subbasin Groundwater Sustainability Agencies

Overview of the Need for the Groundwater Fee Study

In September 2014, a three-bill legislative package, collectively known as SGMA, was signed into law. SGMA provides a framework for sustainable groundwater management and provides for the “management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.”¹ SGMA requires governments and water agencies in high and medium priority basins to halt overdraft and bring groundwater basins into balanced levels of groundwater use and recharge. The passage of this law requires the planning, implementation, and development of a GSP that includes projects and other management actions to accomplish these objectives. This Study is intended to address issues regarding the approach for a groundwater fee program following the adoption of the GSP by each of the GSAs.

Overview of the Approach and Methodology

The goal of this Study is to establish cost-based, equitable, and proportional fees for groundwater users in the Cosumnes Subbasin. The groundwater fee study process includes the development of a projection of operating expenses, identifying the various customer types and classes of service, determining a method of allocating expenses, and developing the groundwater fee structure.

Based on the approach approved by the Working Group, the proposed groundwater fee for the Cosumnes Subbasin would be made up of two parts; a fee for irrigated acreage and a fee levied on each parcel within the subbasin. Both fees are related to various combinations of groundwater use, land use and area, and number of parcels. This Study addresses the fee for irrigated acreage for the initial implementation. For subsequent years, this Study will be updated and modified to add the fee component which covers all parcels.

The following is a summary of the assumptions and methodology developed and approved by the Working Group’s Long-term Governance Committee. The Long-term Governance Committee is made up of representatives from each of the GSAs and are responsible for making recommendations to the Working Group on issues such as funding.

Groundwater Use and Parcel Data

As stated previously, the Cosumnes Subbasin contains seven GSAs. However, to further analyze the groundwater fee by groundwater use and parcel data, the basin has been divided into four subareas. These subareas include Amador County (Amador County GSA), Sacramento County (Sacramento County GSA, OHWD GSA, SRCD GSA [excluding Rancho Murieta Community Services District (CSD)], GID GSA, and CWD GSA), City of Galt (City of Galt GSA), and Ranch Murieta CSD (portion of SRCD GSA). Recent groundwater use estimates as outlined in the GSP show the average annual groundwater use is around 128,670

¹ California Department of Water Resources; <https://water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management>

ac-ft/year with 53,729 acres of irrigated land in the subbasin. There are approximately 19,109 total parcels in the proposed fee area.

Subarea	Groundwater Use (AF) ²	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	48,754
City of Galt	4,000	4,612	8,000	-
Rancho Murieta CSD	0	-	806	-
Totals	128,670	210,000	19,109	53,729

1. Irrigated acres from the California Department of Water Resources Land Use Data, 2018.

Irrigated acreage was determined from 2018 published Statewide Crop Mapping data provided by the California Department of Water Resources (DWR)³. The 2018 data set includes classifications of land by crop type requiring irrigation. Any urban classifications in the 2018 data set are not included in this fee study. Historically, DWR has collected land use data throughout the state and uses this information to develop water use estimates for statewide and regional planning efforts, including water use projections, water use efficiency evaluation, groundwater model development, and water transfers. Increased availability of digital satellite imagery, aerial photography, and new analytical tools make remote sensing land use surveys possible at a field scale. Current technologies allow accurate, large-scale crop and land use identification to be performed at time increments as desired, and make possible more frequent, comprehensive statewide land use information, which can be analyzed at a local level.

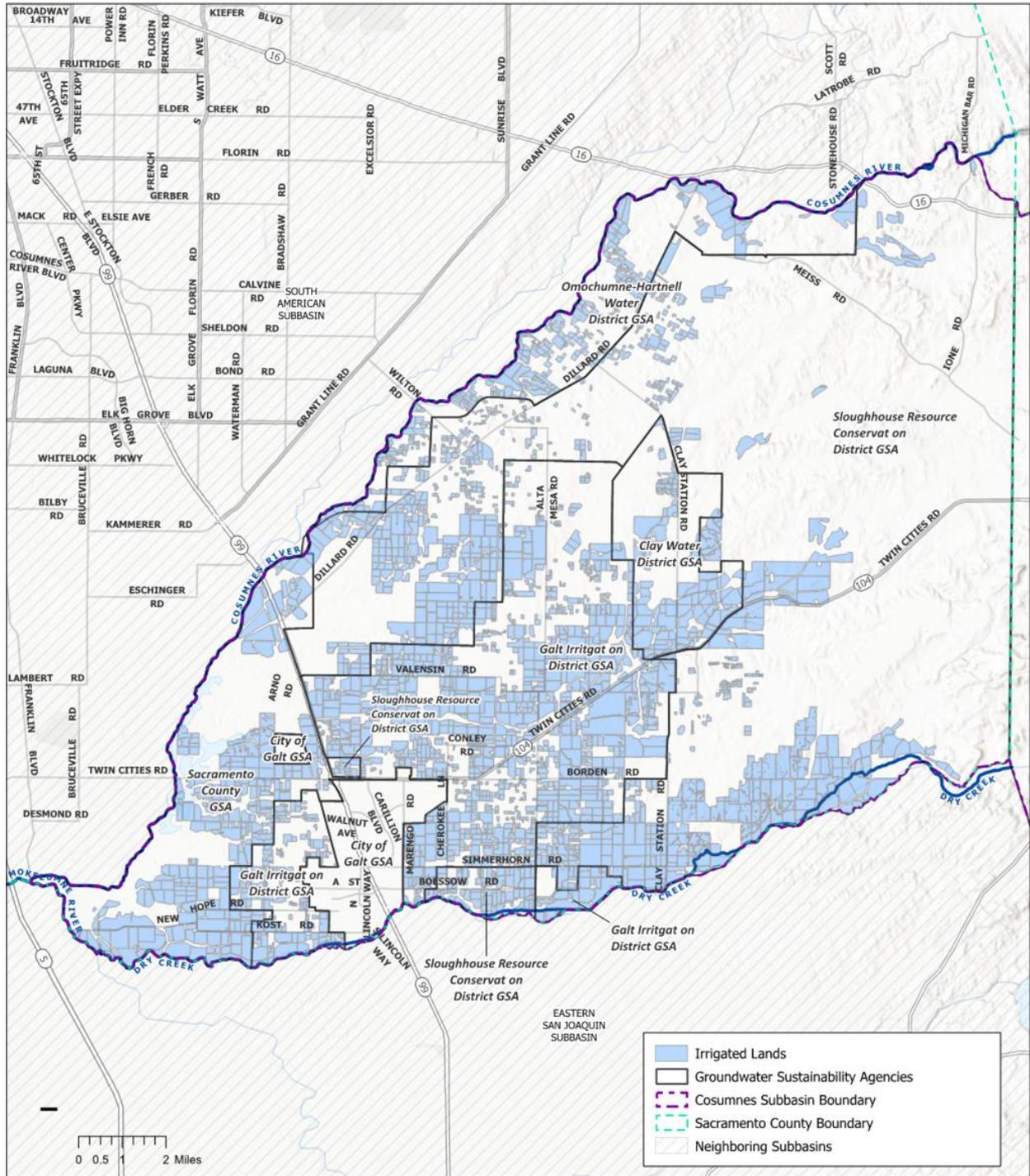
A spatial mapping base layer is essential for effective decision-making. Therefore, understanding the impacts of land use, crop location, acreage, and management practices on environmental attributes and resource management will be an integral step in the ability of Groundwater Sustainability Agencies (GSAs) to produce Groundwater Sustainability Plans (GSPs) and implement projects to attain sustainability. In response to this need for information, Land IQ was contracted by DWR to develop a comprehensive and accurate spatial land use database for Water Year 2018, covering over 9.4 million acres of irrigable agriculture on a field scale and additional areas of urban extent. The primary objective of this effort was to produce a comprehensive and accurate spatial land use database with overall accuracies exceeding 95% using remote sensing, statistical, and temporal analysis methods. DWR reviewed and revised the data in some cases. Detailed reviews and revisions of individual fields were determined by State DWR Land Use staff and the Regional Office contacts are available for understanding local details. This data and information were utilized in the development of the groundwater fee study to identify irrigated acreage.

² May 3, 2021, Draft Technical Memorandum #8 – Water Budget Information Cosumnes Subbasin, Sacramento County, CA, Table WB-8. Estimated Sustainable Yield for Selected Time Periods, Pg. 27, http://cosumnes.waterforum.org/wp-content/uploads/2021/05/GSP-Draft_TM8-Water-Budget-w-Figures_05-03-2021.pdf

³ 2018 California Department of Water Resources Statewide Crop Mapping, <https://data.cnra.ca.gov/dataset/statewide-crop-mapping>

The data from DWR was analyzed by the County to determine its applicability to parcels utilizing groundwater within the Sacramento County portion of the subbasin. The County then provided a summary of the parcel data and irrigated acreage to support development of this Study. For the initial fee program (i.e., Year 1), a review of the data was undertaken to include only those parcels with a crop type class code for agriculture (e.g. grain and hay crops, rice, pasture, truck, nursery, and berry crops, deciduous fruits and nuts, etc.). Based on the land use code, and the DWR irrigated acreage, the GIS data was reviewed, and the irrigable acreage determined. Aligning DWR irrigated acres with Sacramento County parcel data sometimes resulted in irrigated acreage being associated with parcels as greater than the acreage identified in the Sacramento County Assessor Parcel Viewer database⁴. When this occurred, County staff and HDR reviewed the data to determine the applicable irrigated acreage to apply to the parcel. This resulted in the total irrigated acreage in the Cosumnes Subbasin and within Sacramento County. This irrigable acreage, as noted in the table above, provides the basis for the initial fee program for year 1. Provided in Figure 2, is a summary of the agriculture irrigated acreage lands used within this study.

⁴ Sacramento County Assessor Office, <https://assessorparcelviewer.saccounty.net/jsviewer/assessor.html>



Irrigated Lands in the Cosumnes Subbasin
 More than 48,000 acres of irrigated land covering over 1,600 parcels

SACRAMENTO COUNTY
 Jun 2021 GR-14645

Figure 2 – Sacramento County GSA Irrigated Lands

Development of Operating Expenses

While the purpose of this Study is to develop the fee program for Year 1 (FY 21/22) of the fee program, it also describes how costs and revenues will be projected beyond Year 1. While an overview of these costs and revenues have been provided in this Study they will be more completely developed and discussed in a future update to develop and refine the fee program in subsequent years.

There are two expense categories that are identified to fund the implementation of the GSP by the GSAs. These are administrative expenses and expenses associated with Projects and Management Actions (PMAs). Administrative expenses include items such as the annual report, data management, public outreach, GSA coordination, legal resources, annual financial audit, general administration, addressing data gaps and state comments. Total administrative expenses for FY 21/22 are estimated to be \$407,500 for the initial implementation of the GSP. These expenses are projected to increase to \$465,000 in FY 22/23 (Table 1) and increase after this time period at an annual inflationary rate of approximately 2.0%. Total administrative expenses are projected to increase to approximately \$495,000 by FY 25/26.

PMA related costs in FY 21/22 include the Post-GSP Fee Process, Following Program Development/Outreach, Ag-Managed Aquifer Recharge (MAR)/Dry Well Feasibility Studies, funds to pursue Groundwater Banking, and unidentified future projects. These projects are estimated to be approximately \$330,000 in FY 21/22. Estimated PMA costs through FY 25/26 were provided by the Working Group and are shown in Table 1.

Total expenses, administrative and PMAs, for FY 21/22 are estimated to be \$737,500, increasing through FY 25/26 to approximately \$1.17 million based on inflationary impacts and projected PMA costs (Table 1). The total expenses for FY 21/22 will only be incurred for half a fiscal year, after the GSP is adopted in January 2022, but represent a full year of expenses.

**Table 1
Summary of the Projected Operating Expenses**

	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Administrative Expenses					
Establish Governance Structure	\$25,000	\$0	\$0	\$0	\$0
Prepare DWR Grant	40,000	0	0	40,000	0
Monitoring	30,000	30,000	30,645	31,290	31,935
Data Management System	15,000	25,000	25,538	26,075	26,613
Public Outreach	10,000	20,000	20,430	20,860	21,290
GSA Coordination	20,000	30,000	30,645	31,290	31,935
Legal	30,000	20,000	20,430	20,860	21,290
Financial Audit	20,000	20,000	20,430	20,860	21,290
Personnel incl Recruit	90,000	150,000	153,226	156,452	159,677
Address Data Gaps	25,000	45,000	45,968	46,935	47,903
Address State Comments	25,000	0	0	0	0
Annual Report	45,000	45,000	45,968	46,935	47,903
Contingency	32,500	40,000	40,860	41,720	42,581
5-year GSP Update	0	40,000	40,860	41,720	42,581
Total Administrative Expenses	\$407,500	\$465,000	\$475,000	\$525,000	\$495,000
PMA Expenses					
Post-GSP Fee Process Following Program	\$100,000	\$20,000	\$0	\$0	\$0
Dev./Outreach	40,000	80,000	155,000	30,000	30,000
Ag-MAR/Dry Well Feasibility Studies	160,000	280,000	280,000	140,000	140,000
Pursue GW Banking	30,000	110,000	110,000	0	0
Implement Voluntary Following	0	0	0	505,000	505,000
Implement GW Banking	0	0	0	0	0
SAFCA Program	0	0	0	0	0
Future GSP Identified Projects	0	195,000	120,000	0	0
Total PMA Expenses	\$330,000	\$685,000	\$665,000	\$675,000	\$675,000
Total Expenses	\$737,500	\$1,150,000	\$1,140,000	\$1,200,000	\$1,170,000

For many of the PMA expenses shown in Table 1, the GSA's will target grant funding opportunities to fund these projects through programs such as the Sacramento Area Flood Control Agency (SAFCA), California Department of Conservation (DoC) grants, and Sustainable Groundwater Management Office (SGMO) services grant. Provided in Table 2 is a summary of these funding source for PMA expenses as well as the contribution from the City of Galt GSA, Amador County GSA, and Rancho Murieta CSD.

Table 2
Summary of the Estimated Contributions and Funding Assistance

	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Outside Funding Assistance					
SAFCA Contribution	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
DoC Grant	60,000	60,000	60,000	0	0
SGMO Services Grant	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Outside Funding Assistance	\$230,000	\$160,000	\$160,000	\$100,000	\$100,000
Contributions					
City of Galt GSA	\$15,000	\$100,000	\$102,000	\$104,040	\$106,121
Amador County GSA	5,000	40,000	40,800	41,616	42,448
Rancho Murieta CSD	<u>0</u>	<u>10,000</u>	<u>10,200</u>	<u>10,404</u>	<u>10,612</u>
Total Contributions	\$20,000	\$150,000	\$153,000	\$156,060	\$159,181
Total Funding and Contributions	\$250,000	\$310,000	\$313,000	\$256,060	\$259,181

The estimated operating expenses contained in Table 1 (less the estimated outside funding sources in Table 2) provides the cost-basis for the development of the fee program discussed below. As the Cosumnes Subbasin begins to implement the GSP and develop additional specific needs, the budget will change and potentially increase to reflect future identified projects and actions necessary to meet the requirements of SGMA and implementation of the GSP.

Method of Allocating Expenses and Projected Fees

The Working Group outlined an approach to recover the identified costs necessary to fund implementation of the GSP and meet SGMA requirements. The approach the Working Group developed include a fee for irrigated acreage and a fee for each parcel in the subbasin over the identified five-year period (FY 21/22 – FY 25/26). At the April 21, 2021 Working Group meeting, GSA representatives agreed to pursue a phased fee approach beginning in FY 21/22 with a fee based on irrigated acreage only for year 1 of the fee program. Starting in year 2 (FY 22/23) it is anticipated that a parcel-based fee will be added to the irrigated acreage fee. The development of the fee program for subsequent years will be developed in the future in collaboration with the Working Group. This will allow all participating GSAs to implement the program consistently across the various GSAs and parcels within the County area of the Cosumnes Subbasin.

Amador County GSA and the City of Galt GSA plan to include groundwater management costs in their broader fee program and provide an annual contribution to the Subbasin. As a result, their final fee structure will be different than other areas in the subbasin.

Fiscal Year 2021/2022 (Year 1) Program

The first year of the program reflects costs associated with implementation of the GSP and includes only those parcels that are irrigating with groundwater. For Year 1 implementation, the Working Group recommended the use of irrigated agriculture acreage data as the basis of the fee. The use of this data provides a nexus between the reason the costs were incurred (i.e., GSP implementation) and the benefit provided to parcels irrigated with groundwater. In this way, the costs of managing the groundwater resource in the subbasin are entirely funded by those utilizing groundwater for agriculture irrigation purposes. The annual fee is based on total Year 1 costs (\$737,500) less revenues from other sources of \$250,000 (i.e., SAFCA Contribution, DoC Grant and SGMO Services Grant, and Contributions) divided by the total number of irrigated acres. According to the DWR data referenced above, there are 48,754 irrigated acres in the Cosumnes Subbasin within Sacramento County for those parcels with a cropping code designating a type of irrigated agriculture, excluding parcels that are urban or not irrigated. As a note, this would exclude ag-res, and residential parcels in the County within the Cosumnes Subbasin along with irrigated agriculture parcels in Amador County, parcels within the City of Galt, and parcels within Rancho Murietta CSD. In Year 1, the total cost of service is \$487,500 (\$737,500 minus \$250,000). As noted, in Year 1, Amador County GSA and City of Galt GSA will make a contribution of \$5,000 and \$15,000 respectively.

The Year 1 fee for the irrigated acres is calculated as follows:

$$(\$737,500 - (\$230,000 + \$20,000))/48,754 \text{ irrigated acres} = \$10.00/\text{irrigated acre}$$

The revenue generated through this program will fund the costs through the first year of GSP implementation by agriculture parcels only and based on the DWR irrigated acreage data.

The use of irrigated acreage provides the relationship between the Year 1 costs of implementing the GSP and managing the groundwater resource for those customers using groundwater in Year 1 as parcels reliant on groundwater are recognized as receiving the direct benefits of GSP related actions to maintain groundwater sustainability and SGMA compliance. As a result, each acre of irrigated land, or fraction thereof, receives a proportional cost of providing management of the groundwater resource.⁵ This provides the equity between customers in Year 1 of the fee program given that the costs will be proportioned based on the use of groundwater, on an irrigated acre basis, between customers of different irrigated areas to reflect the use of groundwater. In this way, parcels with less irrigable acreage will have a lower groundwater charge than larger irrigable parcels which on average reflects the differences in groundwater use. As a point of reference, the use of groundwater is not metered or reported to the County or other agencies that would allow the development of a fee program based on actual groundwater use. It should also be noted that the irrigated acres are rounded to the nearest tenth (0.0) of an acre for purposes of this analysis.

⁵ It is anticipated that implementing ordinances will calculate the fee down to tenths of an acre, where the data shows partially irrigated acres.

Fiscal Year 2022/2023 (Year 2) Program Overview

While this Study focuses on the development of the fee program for the initial program and Year 1 expenses, it is also important to consider how costs and revenues will be developed beyond the initial year. As noted, the Year 2 fee program, as currently being developed, is anticipated to include both the previously developed Irrigated Acreage Fee and a Parcel Based fee. To assist in funding PMAs, the analysis has also included assumptions on supplemental support (funding) through grants and other sources of contributions. If this supplemental support is not received, the fee program will need to be modified to meet overall administrative and PMA costs.

The Year 2 parcel-based fee is anticipated to include all parcels, both parcels that use groundwater and those that do not currently use groundwater. For the calculation, Amador GSA, City of Galt GSA, and Rancho Murieta CSD parcels are not included as these GSA's will make contributions to the program in lieu of a charge based on the fee program approach. The parcel-based fee will be calculated on the remaining parcels within Sacramento County excluding those in Amador GSA, Galt GSA, and Rancho Murieta CSD. While an overview of these costs and revenues have been provided in this Study they will be more completely developed and a recommended fee program developed based on both irrigated acres and a parcel based fee in a future update of this initial study.

Fee Summary

At this time, the Working Group determined that the Year 1 fee will be implemented. After the implementation of the Year 1 fee, the Working Group will focus on the development of the fee program for the subsequent 5 years. As calculated previously, the Year 1 fee will be \$10.00/irrigated acre. This will result in revenue of approximately \$487,500. When supplemented with the contributions from the City of Galt and Amador County, and grant funding, revenues will total approximately \$737,500, the projected level of expenses in Year 1.

The above revenues provide a stable revenue stream to fund the projected expenses in Year 1 of the program. Future analysis and projected fees will be developed to fund the projected administrative and PMA expenses outlined by the Working Group.

Fee Program Implementation

As this study is a joint effort between the GSAs, each governing body (e.g., District/Agency Board, County Board of Supervisors) will be adopting the ground water fee for their respective customers (i.e., parcels). Each GSA/Agency will establish a process, which at this time, the Working Group has agreed to as a Proposition 26 "non-tax fee" process. Under this process, each governing body will accept the fee study report, and hold the necessary public meetings to implement the fee for Year 1. Each GSA will then provide a listing of the parcels, and the fee for each parcel, to Sacramento County for inclusion on the property tax rolls. These funds will be collected and dispersed to the GSAs to fund the implementation of the GSP in Year 1.

State Intervention

Absent the development and implementation of the GSP and groundwater fee study, the State Water Resource Control Board (SWRCB) could step in to manage the subbasin. This will result in a set of fees that the State has outlined and is provided in Table 3.

Fee Category	Annual Fee Amount	Applicable Parties
Base Filing Fee	\$300 per well	All extractors required to report
Unmanaged Area Rate	\$10 per acre-foot, if metered	Extractors in unmanaged areas
	\$25 per acre-foot, if unmetered	
Probationary Basin Rate	\$40 per acre-foot	Extractors in probationary basins
Interim Plan Rate	\$55 per acre-foot	Extractors in probationary basins where the Board determines an interim plan is required.
De minimis Fee	\$100 per well	Parties that extract, for domestic purposes, two acre-feet or less per year from a probationary basin, if the Board decides the extractions will likely be significant.
Late Fee	25% of total fee amount per month late	Extractors that do not file reports by the due date.

Table 3. State Intervention Fees

As can be seen in Table 3, the State fees are substantially greater than those being proposed by the Cosumnes Subbasin GSAs in year 1. As a comparison for an agriculture customer that utilizes groundwater, assuming 25 acres of irrigated area at 2.0 AF/acre, the subbasin charge would be \$250/year. This is compared to State intervention of \$2,300/year including the \$300 base filing fee, and probationary basin rate of \$40/acre-foot.

Summary of the Study

This report has been developed to summarize the approach used by the Cosumnes Subbasin GSAs to establish a groundwater fee program for Year 1. The report provides the current budget estimates, rationale for incurring costs, number of parcels, and irrigated acreage to develop the charges as presented. A cost allocation approach was developed based on consultation with, and decisions by, the Working Group. The allocation approach and resulting fees that reflect the specific characteristics of the Cosumnes Subbasin and the allocation method is designed to reflect cost causation and provide equitable and proportional groundwater charges for the GSA’s various customers based on irrigated acreage for Year 1 of the fee program.

AGENDA ITEM #3b

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

DRAFT RESOLUTION No. 2021.07.14.01

(DRAFT resolution to be considered at the July 14, 2021 Board of Directors Meeting. This is a working draft and may be updated.)

Resolution Adopting a Groundwater Sustainability Fee

WHEREAS, the Board of Directors ("Board") of the Sloughhouse Resource Conservation District Groundwater Sustainability Agency ("Agency") seeks to establish a groundwater sustainability fee as authorized by Water Code section 10730; and

WHEREAS, there is hereby established a Groundwater Sustainability Fee ("Fee") on the terms and conditions set forth in Attachment A, attached hereto and incorporated herein by reference; 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 was to 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; and

WHEREAS, 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

WHEREAS, 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.

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

The Agency hereby adopts the Fee as forth in Attachment A hereto.

PASSED AND ADOPTED on this 14th day of July, 2021, by the following vote, to- wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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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 July 14, 2021 that Resolution 2021.07.14.01 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.

Austin Miller, SRCD Secretary

Date

DRAFT

AGENDA ITEM #3b

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 Groundwater Sustainability Agency.

1.3 "Board" means the Board of Directors of the Sloughhouse Resource Conservation District.

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

1.5 “Jurisdictional Area” means those parcels of real property within the Subbasin and those parcels of real property adjacent to the Subbasin that use groundwater or surface water 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.

1.6 “Person” means the owner of property charged the Fee, or a Public Water System, State Small Water System, 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 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 Persons using groundwater to irrigate shall pay up to \$10.00, per irrigated acre annually beginning August 1, 2021.

2.3 The actual annual charges for Persons irrigating with groundwater will be determined based on irrigated acreage as determined from the 2018 published Statewide Crop Mapping data provided by the California Department of Water Resources.

2.4 The Fee shall be payable to the Agency as follows:

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2.4.1 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.

2.4.2 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.

2.4.3 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.

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 fifteen (15) 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.

SECTION 4. PERIODIC REVIEW

4.1 Annually during the budget process, the Board shall review the Fee to determine if the Fee is sufficient to cover expenses consistent with the California Constitution. The Board may increase or decrease the Fee as necessary or appropriate in compliance with the California Constitution.

4.2 At least every five (5) years, the Board shall perform a comprehensive review of the Fee and its methodology to determine if the methodology for calculating and charging the

AGENDA ITEM #3b

Fee continues to be appropriate or should be changed. The Board may authorize the retention of a consultant to assist with the review and shall hold at least one public meeting to receive testimony from the public regarding the Fee. Any change in the methodology for calculating and charging the Fee shall be subject to the requirements of the California Water Code and the California Constitution.

DRAFT