

GROUNDWATER FEE STUDY APPROACH

Board Presentation
Omochumne-Hartnell Water District
June 15, 2021



PURPOSE OF GROUNDWATER FEE PROGRAM

- In September 2014, SGMA was signed into law
- SGMA 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”
- Groundwater basins must demonstrate sustainability by 2042
- A GSP must be developed for each subbasin
- The District is the GSA for the area within its service boundary

FEE PROGRAM BACKGROUND

- District's boundaries fall within both the Cosumnes and South American Subbasin (SASb)
- District is participating in the implementation of each subbasin's GSP
 - Funding of Cosumnes GSP is based on irrigated agriculture acreage within the OHWD service area as outlined by the Working Group
 - SASb GSP contribution will be based on same approach, based on irrigated acreage within the SASb
- Cosumnes subbasin fee approach developed with the Cosumnes Working Group
- SASb funding is a contribution based on OHWD proportional share of costs
- Fee funds administrative costs and PMAs

FEE METHODOLOGY

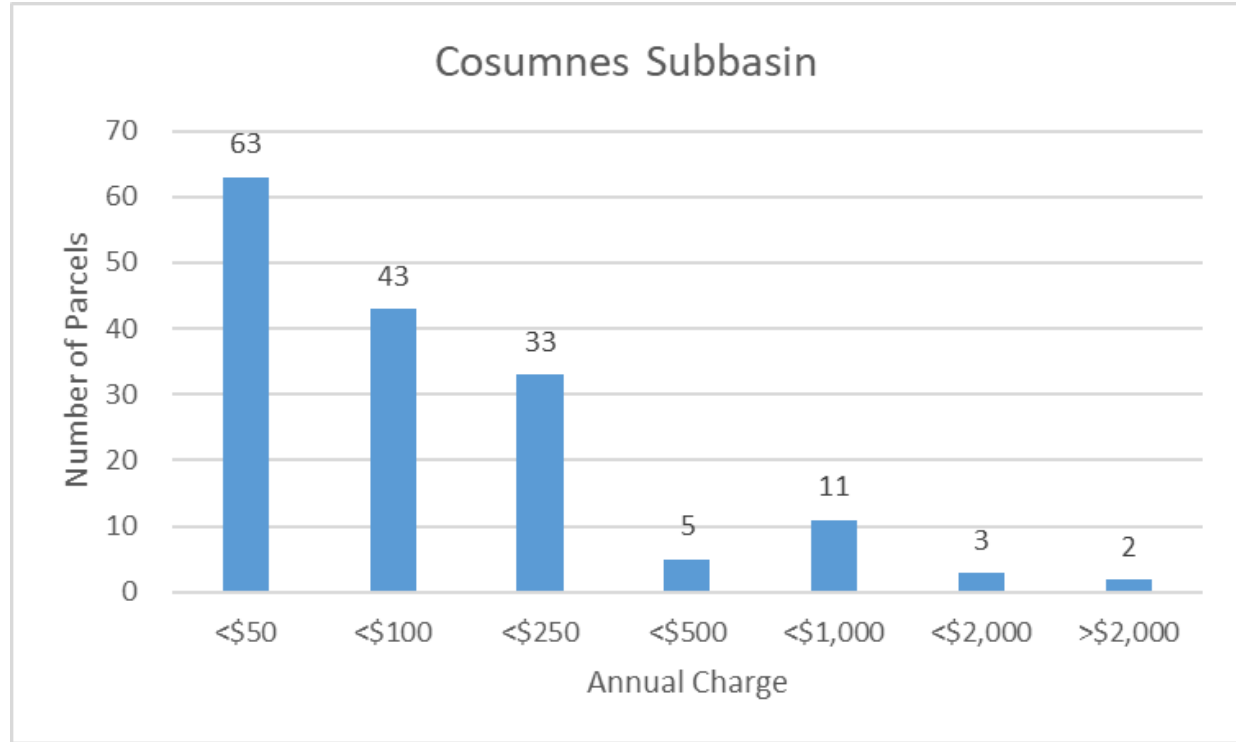
- Cost for implementation of GSPs will be allocated to the District's irrigated agriculture parcels within each subbasin
- Cosumnes Subbasin
 - Based on irrigated acreage within the subbasin (Year 1)
 - Year 1 fee is \$10.00 per irrigated acre
 - Fee for subsequent years may include alternative fee approaches
- South American Subbasin
 - Basis of the fee is irrigated acres – same approach as Cosumnes subbasin (Year 1)
 - Fee will be based on SASb cost share/contribution – estimated at \$10.00 per irrigated acre at this time
 - Fee for subsequent years may include alternative fee approaches

FEE IMPLEMENTATION

- Fee will be implemented as a “regulatory fee” under Proposition 26
 - Requires that the fee cannot exceed the cost of governmental activity associated with the program
 - Fee amount allocated to each customer must bear a reasonable relationship to the customer’s benefit received
 - Year 1 fee reflects the GSP implementation for groundwater users and is based on groundwater use
- Future year fees may be implemented under a different approach (i.e. Proposition 218)
- Fee will be placed on the County tax rolls for collection
 - Revenue will fund Cosumnes and South American Subbasin GSP implementation

SUMMARY OF THE ESTIMATED ANNUAL CHARGE

- Cosumnes subbasin (160 parcels with irrigated agriculture acres)



- Data for the South American Subbasin is still in development and will be updated as the data is confirmed

STATE INTERVENTION FEES

Proposed Schedule of Fees

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.

STUDY SUMMARY

- The District will levy a fee of \$10.00 per irrigated acre on all irrigated acres within the District's boundary
- This fee will be placed on the tax rolls for collection and distribution
- Revenue from parcels in the Cosumnes Subbasin will be approximately \$27,503
- Revenue estimate from parcels in the South American Subbasin is still being determined

QUESTIONS AN DISCUSSION
