

GROUNDWATER FEE STUDY

Omochumne-Hartnell Water District

July 28, 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

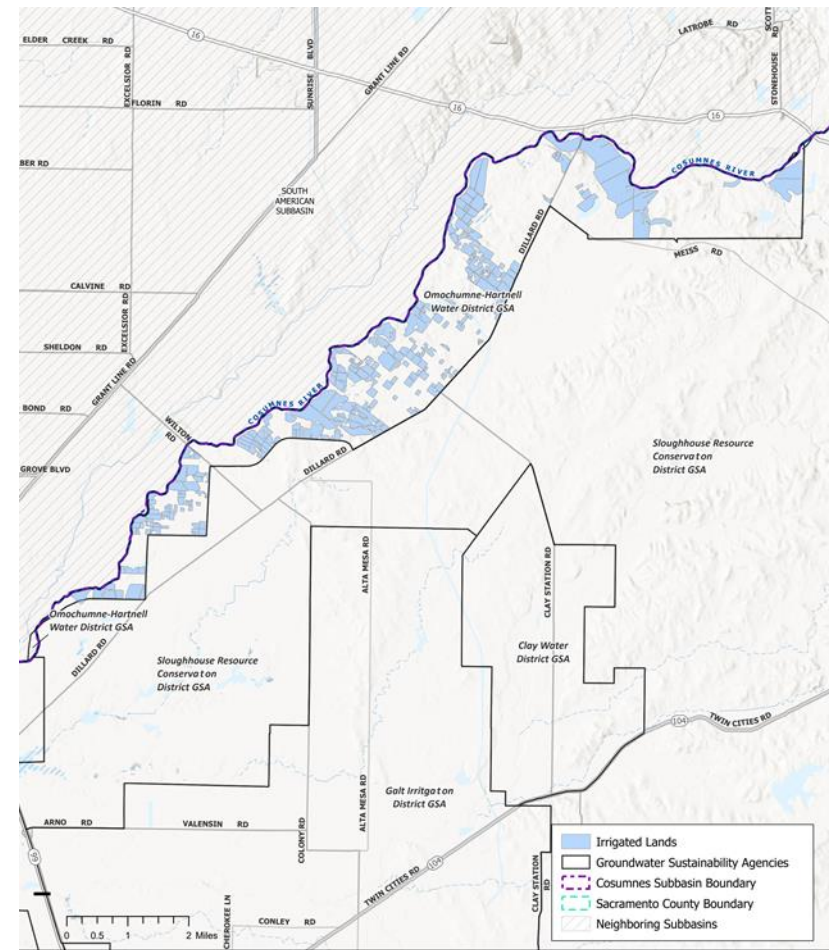
- District's boundaries fall within both the Cosumnes and South American Subbasin (SASb)
- District is participating in the implementation and funding of each subbasin's GSP
- Fee is based on the irrigated agriculture acreage as a proxy for groundwater use
 - Proxy for groundwater use as groundwater use is generally not metered or monitored for reporting purposes
- Irrigated agriculture acreage from California DWR 2018 Statewide Crop Mapping data
 - Does not include urban or ag-res customers
 - Excludes acreage of less than 1 acre
- Fee funds administrative costs and PMAs

COSUMNES FEE METHODOLOGY

- Based on irrigated agriculture acreage within the subbasin
- Cosumnes fee study calculated the fee based on total subbasin irrigated agriculture acreage

$$\frac{\$737,500 - (\$20,000 - \$230,000)}{48,754 \text{ irr. ag. acres}} = \$10.00 \text{ per irrigated acre}$$

- OHWD has approximately 2,971 irrigated agriculture acres and 161 parcels greater than 1 acre
 - Results in revenue of approximately \$29,700

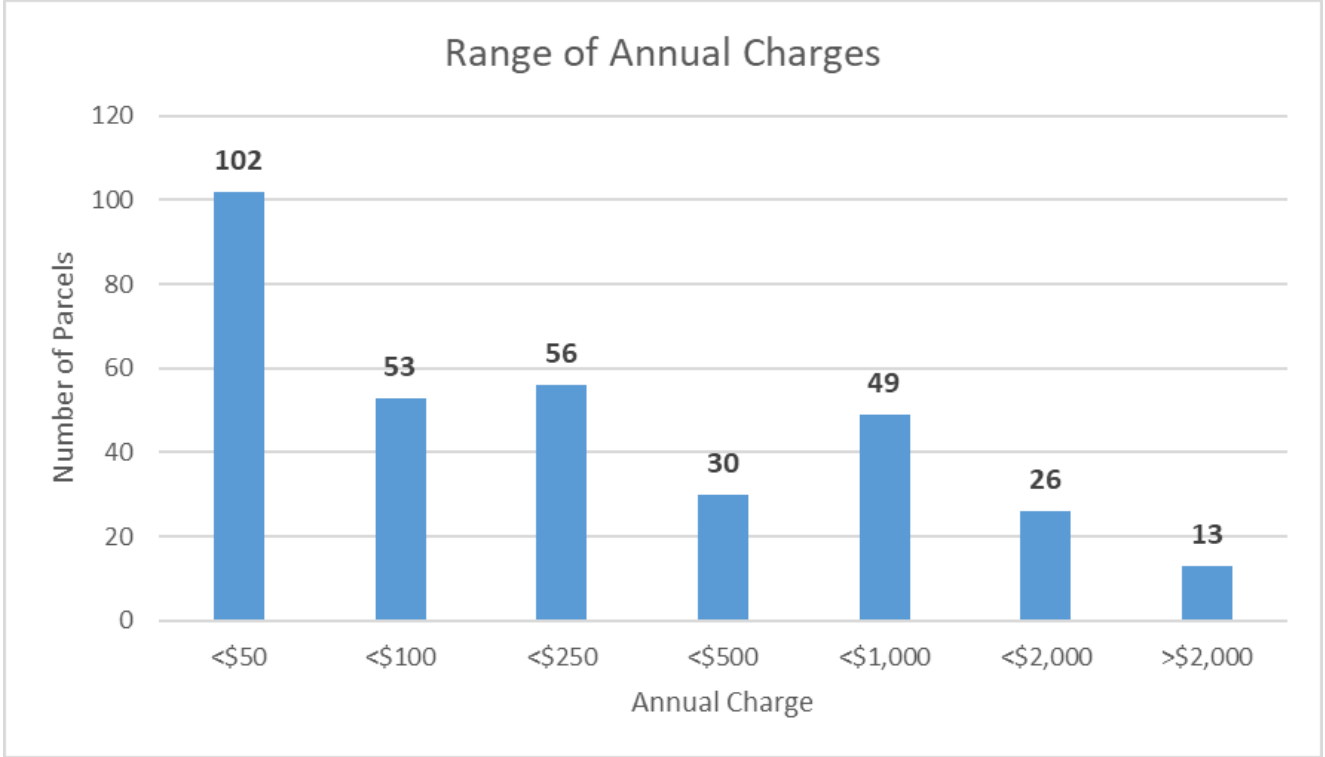


Irrigated Lands in the Omochumne-Hartnell Water District GSA of the Cosumnes Subbasin
More than 2,900 acres of irrigated land covering over 160 parcels

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
 - Proposed fee reflects the GSP implementation for groundwater users and is based on irrigated acreage as a proxy to 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



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 agriculture 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 and South American Subbasin will be used to fund the GSP implementation
- Future year fee approach may be revised to reflect working group direction for both subbasin's

QUESTIONS AN DISCUSSION
