



VINA GSA Board of Directors

Fee Study

June 26, 2024

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Today's Objectives

- Present and Discuss
 - Fee Study Goals
 - Funding Pathways
 - Fee Structure Options
 - Case Study Research
- Fee Study Timeline

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Fee Study Goals

1. **Establish a fee that more accurately considers the diverse groundwater users and land uses within the GSA's boundaries**
2. Examine all fee setting options allowable under SGMA that are legally defensible
3. Secure a fee structure that generates a sufficient, stable revenue stream based on best available data and developed information
4. Secure a fee structure adopted with maximum buy-in from fee payors
5. Demonstrate due diligence to incorporate input and knowledge received during the outreach process into the fee-setting process

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Funding Pathways

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How are GSA Activities Funded?

SGMA Tools

Regulatory Fees

Water Code 10730
Permits, Inspections
Government Services/Products

Property Related Fees

Water Code 10730.2

Meter Installation Cost Recovery

Water Code 10725.8(b)

General Tools

Contributions

Memberships
Partnerships

Grants

Debt

Specialized Tools

Special Taxes

Assessments

Mitigation Fees

Land-Secured Special Taxes
or Assessments

Tax Increment

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Decide Purpose of the New Fee

Regulatory Activity Only

- Report to the Department of Water Resources on mandated items
- Document well and pumping activity
- Conduct studies and run programs
- Fill data gaps (monitoring wells, weather stations etc.)
- Inspections/enforcement of regulations adopted by the GSA
- General program administration expenses

PROP 26

Management Activity

- Land acquisition for projects
- Build projects (recharge basins, surface water delivery pipelines etc.)
- Be a water provider

PROP
218

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	Regulatory Fee (Prop 26)	Property-Related Fee (Prop 218)
Capital Projects	Cannot fund	Can fund capital projects
Nexus	Must demonstrate reasonableness (\$ for the activity and burden to benefit received)	Must demonstrate reasonableness and meet 5 requirements in a cost-of-service study : 1. Revenues shall not exceed funds required to provide the service 2. Revenues shall not be used for any other purpose than for what the fee was imposed for 3. The fee is an incident of property ownership and must not exceed proportional cost-of-service attributable to the parcel 4. Service must be used by, or immediately available to, the owner of the property charged 5. Service is not available to the public at large
Noticing	Public noticing 14 days before the hearing in newspaper(s) and materials on VGSA website 20 days before	Notice mailed to every owner of record on the last equalized roll at least 45 days before the public hearing

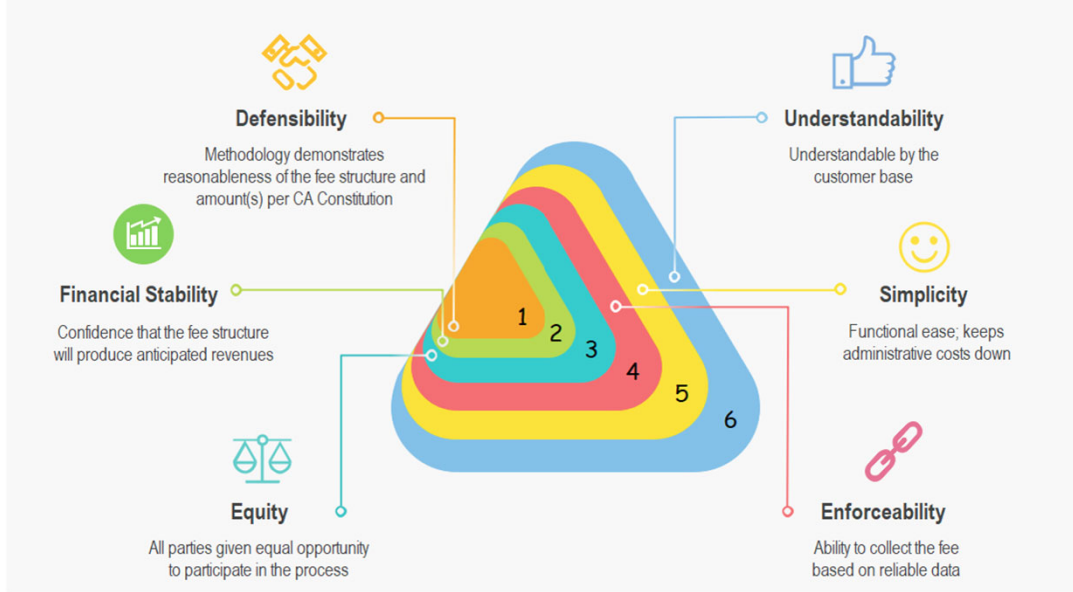
	Regulatory Fee (Prop 26)	Property-Related Fee (Prop 218)
Customer Vote	No vote / no ballot	No vote / no ballot Can protest (1 per parcel)
Adoption	Resolution or Ordinance	Resolution or Ordinance upon finding there is <u>not</u> a majority protest
Adjustments	Can adjust whenever needed by following the noticing and adoption requirements Consideration of annual inflation adjustment recommended in resolution	Maximum fees are set for the period noticed, or maximum fees could be indexed for up to 5 years New process required at end of the period noticed



Fee Structure Options

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Vina Board Considerations



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Fee Structure Options

- Wellhead Fee
- Parcel Fee
- Acreage Fee
- Point of Connection Fee
- Extraction Fee
- Hybrid – combination of options

Fee Structure can
have a base fee or
minimum fee

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Case Study Research

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Researched GSAs (with a 10730 or 10730.2 Fee)

Northern California (16)

- Merced Subbasin
- Sonoma County (3 GSAs)
- Madera County (3 GSAs)
- Merced Irrigation-Urban
- Corning Subbasin
- Wyandotte
- Sacramento Central Groundwater Authority
- Solano Groundwater Authority
- Ukiah Valley Basin
- Salinas Valley Basin
- Colusa Groundwater Authority
- Tehama County

Southern California (9)

- McMullin Area
- Kings River East
- Indian Wells Valley
- Fillmore and Piru Basins
- Cuyama Basin
- Tri-County Water Authority
- Mound Basin
- Carpinteria
- Montecito Groundwater Basin

Fee Pathway and Structure

Pathway

- ❖ 15 are Prop. 26 Fees
- ❖ 11 are Prop. 218 Fees (1 GSA has both a 26 fee and a 218 fee)

Structure

- ❖ 10 are extraction-only fee
- ❖ 12 have acreage-only fee
- ❖ 3 have hybrid fee (2 of which have base fees)

Note: GSAs with fees under injunction, or for a basin that is in probation, and GSAs with assessments were excluded.

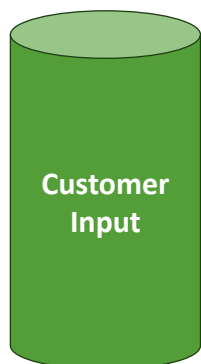
Summary of Researched GSA Fee Information

	Extraction	Acreage	Hybrid
PROP 26	Mound Basin GSA	Merced Irrigation-Urban GSA	Salinas Valley Basin GSA
	Sonoma Valley GSA	Chowchilla (Madera Co. GSA)	Ukiah Valley Basin GSA
	Santa Rosa Plain GSA	Delta-Mendota (Madera Co. GSA)	
	Petaluma Valley GSA	Madera (Madera Co. GSA)	
	Fillmore & Piru GSA	Tehama County GSA	
	Cuyama Basin GSA		
	Indian Wells Valley GSA		
	Kings River East GSA		
PROP 218	Tri-County Water Authority	McMullin GSA	Sacramento Central GW Authority
	Indian Wells Valley GSA	Merced Subbasin GSA	
	Carpinteria GSA	Montecito Groundwater Basin GSA	
		Solano Groundwater Authority	
		Corning Subbasin GSA	
		Wyandotte GSA	
		Colusa Groundwater Authority	

The 3 Sonoma GSAs & Carpinteria GSA are the only researched GSAs that place extraction fees on property tax bills

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How is the Fee Best Determined?



Considerations of:

- ❖ Reasonable relationship between the charge and benefit received
- ❖ Resources capabilities of the GSA to implement the fee
- ❖ Disparities in ability to pay
- ❖ Language and cultural barriers

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Summary Points

Researched GSA Fee Studies

Many of the fee studies that have been completed confuse assessments / engineer's reports, property-related fees / cost-of-service studies, and regulatory fees / fee studies

Comparison fees are not necessarily good for reference. VGSA should create a fee structure that works best for all the beneficiaries in VGSA; it could be unique to VGSA.



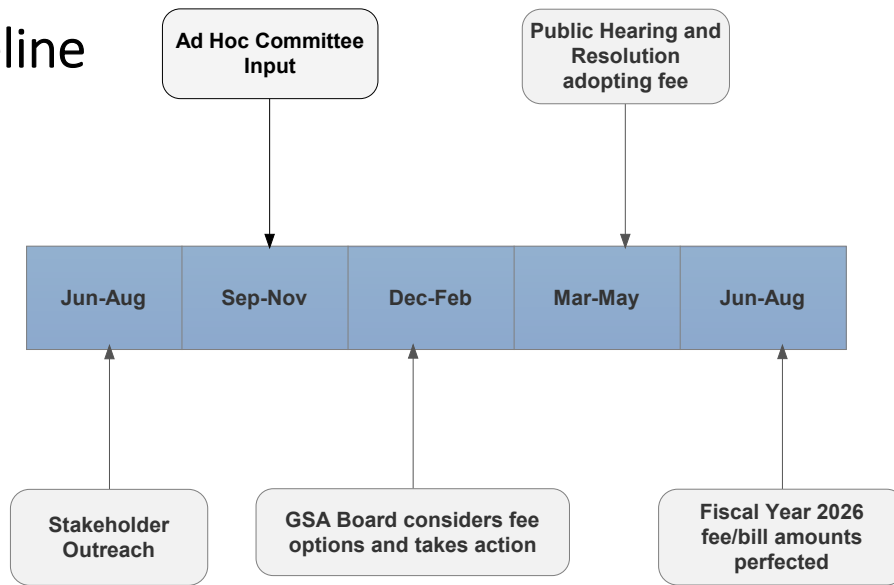
Fee Study Timeline

Fee Study Progress

Item	Action	Percent Complete
Authorization to Proceed	March 2024 Board Meeting	
Data Gathering	Ongoing	75%
Development of Interactive Web Map for Data Interpretation & Analysis	Prepared; the map will continue to be updated until the project is complete, when it will be published on the GSA's website	80%
Outreach Plan	Complete	100%
Case Studies Research	Complete	100%
Stakeholder Meetings	In Progress	

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Timeline



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