



## Vina Groundwater Sustainability Agency

# Funding – Frequently Asked Questions

The Vina Groundwater Sustainability Agency (Vina GSA) has determined that Groundwater Sustainability Plan (GSP) implementation costs (not including projects and management actions) can be funded through the Groundwater Sustainability Agency (GSA) long-term fee setting process. This will ensure that the GSA has adequate revenues to cover the costs of GSP implementation and Sustainable Groundwater Management Act (SGMA) compliance.

## GRANTS AND FUNDING

### Does funding exist to help with SGMA compliance and GSP implementation?

The State provided planning grants to assist with covering the costs of preparing GSPs; the Butte County Department of Water and Resource Conservation managed the grant and consultant team that prepared the Vina Subbasin GSP that was submitted to the State in December 2021.

Ultimately, GSAs are responsible for covering costs for GSP implementation and SGMA compliance. However, the Budget Act of 2021 provided \$200 million in General Funds and Proposition 68 provided additional funds for SGMA implementation projects. The Vina GSA applied for grant funds for projects totaling approximately \$5.5 million through round two of the SGM Grant Program in December 2022. DWR is currently reviewing and scoring applications. The Vina GSA will continue to evaluate and pursue other grant funding sources as they become available.

Additional costs for GSA administration, GSP implementation (not including PMAs), and SGMA compliance will be funded through the GSA fee setting process.

For a copy of the grant application submitted to DWR please visit: [www.vinagsa.org/files/61baa1fe7/SGMgrantpackage\\_Vina.pdf](http://www.vinagsa.org/files/61baa1fe7/SGMgrantpackage_Vina.pdf).

### Can grants cover all the GSA costs?

Vina GSA costs include both GSA administrative costs and GSP implementation/SGMA compliance costs. GSA administrative costs are not included under the SGM grant program. As a result, the Vina GSA has initiated this long-term funding process to focus on the revenue needs to cover the GSA administrative costs and SGMA regulatory compliance activities.

The Vina GSA is working hard to keep landowner fees as low as possible by relying on grants to cover the costs of groundwater sustainability projects that were identified in the GSP and included in the SGM grant application. While grants are being sought to cover many of the costs of GSP implementation and SGMA compliance, 82 grant applications from groundwater subbasins throughout California have been submitted for the same limited pool of grant dollars.

### How Were Administrative Costs Funded Before?

To date, the daily activities of running the Vina GSA (GSA administration) have been provided through in-kind staff services from the three member agencies (Butte County, City of Chico, and Durham Irrigation District) and annual contributions. These contributions cover the cost of audit reports and legal services. The most recent Vina GSA activities that have required professional services consultant contracts, such as grant applications, preparation of annual reports,

and the long-term funding mechanism process have been paid for by one-time funding from Butte County. The Vina GSA is responsible for covering ongoing administrative costs going forward.

## **FEE DEVELOPMENT PROCESS**

### **Can GSAs charge a fee to landowners?**

California Water Code Part 2.74, Sustainable Groundwater Management, encompasses the requirements of SGMA. Included in the provisions of SGMA is the authority for a GSA to impose fees to fund the costs of groundwater management and associated activities (Water Code Sections 10730.2 and 10730.4). Fees can be charged for costs associated with administration, operation, and maintenance of the GSA as well as activities necessary to implement the Vina GSA's Groundwater Sustainability Plan ensuring SGMA compliance and long-term groundwater sustainability.

### **Why is the GSA going through this process?**

Vina GSA needs to generate revenue by collecting fees from landowners within the basin rather than rely on member agency contributions and in-kind staff services going forward. By implementing a long-term funding process, including landowner fees, the Vina GSA will be able to adequately administer the daily activities of the agency and manage groundwater resources within the basin.

Member agency contributions, approximately \$5,000 for each agency (Butte County, City of Chico, and Durham Irrigation District), were only meant to be a temporary measure to ensure that the Vina GSA prepared and submitted a GSP within the regulatory timeframe.

### **How come I haven't heard of this fee?**

Up until now, the Vina GSA has relied on member agency contributions for administration; specifically, agency financial reporting requirements, website fees, and legal services. This charge will be the first considered by the Vina GSA.

Public outreach and engagement are important aspects of the long-term funding process. To stay up to date on the fee setting process, check the Vina GSA website regularly at [vinagsa.org](http://vinagsa.org) and register for the Vina GSA [email list](#).

### **How was the fee determined and how much will it be?**

The fee has not yet been determined. Vina GSA is working hard to ensure that any fee implemented is equitable and as low as possible. The Vina GSA Stakeholder Advisory Committee (SHAC) and the Vina GSA Board of Directors are considering various options for determining fees for landowners. Charges could be a simple per acre fee, a fee based on other parcel-based data such as irrigated and non-irrigated land or land use, or a combination of the two. Some options may require additional data and analysis prior to imposing the fee. The more complex the data needed to determine the fee for each parcel or acre, the higher the administrative cost.

To keep up to date on the fee setting progress register on the Vina GSA [email list](#).

### **I am a residential user and most water is used by agriculture, why do I have to pay the fee?**

Depending on the selected fee approach, smaller parcels may pay an incrementally lower fee than larger parcels; the same would be true for residential land uses compared to agriculture uses. The Vina GSA Board will be considering various options (described above) that will be evaluated in a fee study. Approval of the fee study is anticipated at the Vina GSA May 2023 Board meeting and will be available on the [vinagsa.org](http://vinagsa.org) website.

### **When will landowner fees be put in place?**

The Vina GSA anticipates that charges will be approved in July 2023 and implemented in the 2023-2024 fiscal year.

## How will GSA Charges be managed in the future?

The Vina GSA Board's goal is to keep GSA charges as low as possible. Once the GSA fees are in place, the Vina GSA Board could approve a reduced fee based on the proposed annual GSA budget or charge the annual maximum amount as identified and approved in the fee study.

## What is the Fee Report?

The Fee Report is a document that justifies any proposed fees or charges for a specified purpose. It considers the revenue projections over the planning period, evaluates fee options, considers cost allocation for those subject to the fee and provides and communicates the rationale for recommended fees the Vina GSA may approve that provide a nexus between fees paid and benefits received. The Fee Report is submitted to the Vina GSA Board for review and approval prior to the establishment of any fees being implemented. The Fee Report will be available on the GSA website and will be updated as needed over time to reflect any changes in future charges.

## COST SHARING

### Why are landowners responsible groundwater fees?

SGMA requires that the cost of GSP implementation is shared between all landowners, except for Federal, Tribal, and State lands which are exempt from SGMA. The GSA will be imposing charges upon landowners subject to the fee to cover the cost of GSA administration, GSP implementation, and SGMA compliance. The Vina GSA is working to keep costs down, including pursuing state and local agency funding.

### How do I benefit from the fee if I don't use groundwater?

In the Vina Subbasin, groundwater is the primary water source for agriculture, municipal, and domestic use. Groundwater also replenishes and moderates the temperatures of streams, rivers, and wetlands and supports groundwater dependent ecosystems. Therefore, to varying degrees, everyone benefits from sustainable groundwater management.

Ensuring that the Subbasin manages groundwater sustainably and complies with SGMA not only ensures future water availability but also prevents the State Water Resources Control Board from intervening in local groundwater management and decision-making processes.

### Can I file for an exemption from this charge?

Only Federal, Tribal, and State lands are exempt under SGMA. There are no exemptions for other landowners including cities, counties, residential, agriculture, and other land uses. Vina GSA is working hard to keep SGMA compliance charges as low as possible for those subject to the Vina GSA charges.

### Why can't the County or member agencies continue to pay the fee?

Parcels on county lands subject to the charge will pay their share of the total Vina GSA administration, GSP implementation, and SGMA compliance costs. The County, along with the other Vina GSA member agencies have provided member agency contributions to cover GSA administration costs and legal services temporarily until the Vina GSA could pursue and implement a funding mechanism. In addition, the County allocated one-time funding to be used by the County Department of Water and Resource Conservation for GSA administration services (SGM grant application and long-term funding mechanism) and SGMA compliance activities (preparation of annual reports). The County is providing additional funds to the Vina GSA through the 2022/23 fiscal year but does not anticipate any future funding.

## **Do I have to pay a fee if I get my water from Durham Irrigation District, Cal Water, or Rock Creek Reclamation District?**

All landowners in the Subbasin will contribute their share of the Vina GSA costs depending on the fee method selected. How fees are collected may be different for those who receive water from Durham Irrigation District or Cal Water or are within the City limits. The Rock Creek Reclamation District has formed a separate GSA but is working in coordination with the Vina GSA. Rock Creek will pay the Vina GSA their share of the total Vina GSA GSP implementation and SGMA compliance costs on behalf of Rock Creek landowners subject to the charge through an agreed upon cost sharing arrangement.

## **If the Tuscan Water District forms, will I have to pay two fees?**

There will only be one fee for GSA administration, GSP implementation, and SGMA compliance. Fees charged by the Vina GSA are different and separate from the charges that would be imposed by the Tuscan Water District. How the GSA fee is collected will be determined by the Tuscan Water District once formed.