

VINA

GROUNDWATER SUSTAINABILITY AGENCY

Proposition 218 Final Fee Report

June 2023



ACKNOWLEDGEMENTS

Vina GSA Board of Directors

Butte County, Board of Supervisors:

- Tod Kimmelshue (primary)
- Tami Ritter (alternate)

City of Chico, City Council:

- Kasey Reynolds (primary)
- Addison Winslow (alternate)

Durham Irrigation District, Board Directors:

- Raymond Cooper (primary)
- Matt Doyle (alternate)

Agricultural Well User Stakeholder:

- Jeffrey Rohwer (primary) (term expires 8/27/2023)
- Steven Koehnen (alternate) (term expires 8/27/2023)

Non-Agricultural Domestic Well User Stakeholder:

- Evan Tuchinsky (primary) (term expires 8/27/2023)
- Steve Kampfen (alternate) (term expires 8/27/2023)

The Vina GSA Stakeholders Advisory Committee (SHAC)

Board has appointed 7 at-large members:

Agricultural Groundwater Users (3):

- Greg Sohnrey
- Samantha Lewis
- Joanne Parsley

Domestic Well Users (2):

- Anne Dawson
- Sam Goepf

Environmental Representative (1):

- Jim Brobeck

Business Association Representative (1):

- Bruce Smith

In addition, an SHAC member will be appointed by the following entities:

Cal Water Chico (1):

- Evan Markey

CSU, Chico:

- Todd Greene

Butte College:

- Chris Madden

Vina GSA Member Agency Staff

Kamie Loeser, Director, Department of Water & Resource Conservation

Christina Buck, Asst. Director, Department of Water & Resource Conservation

Consultant Assistance: Luhdorff and Scalmanini Consulting Engineers (LSCE)

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LIST OF ACROYNMS AND ABBREVIATIONS

AF	acre-feet (generally equivalent to 325,851 gallons)
APNs	Assessor’s parcel numbers
Budget	Five-Year Annual Budget
CASGEM	California State Groundwater Elevation Monitoring
County	County of Butte
CPI	Consumer Price Index
DACs	Disadvantaged Communities
DWR	California Department of Water Resources
CY	Calendar Year
FY	Fiscal Year
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
IRWMP	Integrated Regional Water Management Plan
JPA	Joint Powers Agreement/Authority
LAFCO	Local Agency Formation Commission
MOU	Memorandum of Understanding
RCGSA	Rock Creek Groundwater Sustainability Agency
SGMA	Sustainable Groundwater Management Act
Subbasin	DWR delineated alluvial groundwater areas in VGSA boundary
SWRCB	State Water Resources Control Board
VGSA	Vina Groundwater Sustainability Agency
TM	Technical Memorandum

SECTION 1: INTRODUCTION AND SUMMARY

The Vina Subbasin Groundwater Sustainability Agency (Vina GSA) is an organization created through a Joint Powers Agreement (JPA) that was formed through adoption of a resolution in April 2019 (see **Appendix A**), which established the Vina GSA as a cost-effective regional governance model to achieve SGMA compliance and maintain local control over local groundwater resources. The Vina GSA is the Groundwater Sustainability Agency (GSA) responsible for compliance with the 2014 Sustainable Groundwater Management Act (SGMA) in its Vina GSA service area boundary. The Vina GSA coordinates and collaborates with the Rock Creek Reclamation District (RCRD) GSA (located within the Vina Subbasin GSA service area boundary) and serves as the fiscal agent on behalf of the GSAs in the Subbasin. The Vina GSA role serving as the administrative program manager lead in the Vina Subbasin was deemed as the most cost-effective governance model for achieving SGMA compliance. The Subbasin governance is more clearly depicted in the graphic below.

VINA SUBBASIN

Has 2 Groundwater Sustainability Agencies - 1. Vina GSA & 2. Rock Creek Reclamation District GSA

VINA GROUNDWATER SUSTAINABILITY AGENCY

Has 5 Board of Director seats (3 for Member Agency Directors, 2 for Stakeholder Directors)

<p>1. City of Chico</p> <p>Must:</p> <ul style="list-style-type: none"> • Be an elected official 	<p>2. County of Butte</p> <p>Must:</p> <ul style="list-style-type: none"> • Be an elected official 	<p>3. Durham Irrigation District</p> <p>Must:</p> <ul style="list-style-type: none"> • Be an elected official 	<p>4. Non-Agricultural Domestic Well User Stakeholder Director (Open application process, appointed by Butte BOS)</p> <p>Must:</p> <ul style="list-style-type: none"> • Reside in Vina GSA jurisdiction • Own or lease residential real property in the Vina GSA jurisdiction • Extract groundwater from Vina GSA jurisdiction for domestic water use only • Not be party to any pending litigation with Vina GSA or any Member Agency within the Vina GSA 	<p>5. Agricultural Stakeholder Director (Open application process, appointed by Butte BOS from list of 4 reps from the AGUBC* and considering recommendations from the Vina GSA ad-hoc committee and others see section 7.3 of the JPA)</p> <p>Must:</p> <ul style="list-style-type: none"> • Reside in Vina GSA jurisdiction • Own or lease residential real property in active commercial ag production within the Vina GSA jurisdiction OR • Be an employee of a commercial ag production operation with water use decisions • Not be party to any pending litigation with Vina GSA or any Member Agency within the Vina GSA jurisdiction <p>Also:</p> <ul style="list-style-type: none"> • The commercial ag production operation must extract groundwater from within the Vina GSA jurisdiction for irrigation/frost protection of at least 50 acres of ag crops in commercial operation • The business entity represented by the employee must have commercial interests
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*AGUBC – Agricultural Groundwater Users of Butte County

Vina GSA Stakeholder Advisory Committee Information (over)

Vina Subbasin governance is composed of a group of member agencies collaborating through a Memorandum of Understanding (MOU): Butte County, City of Chico, and Durham Irrigation District. The Vina GSA that develops the most cost-effective means to maintain GSA operations, comply with SGMA requirements, and implement the Vina GSA Groundwater Sustainability Plan (GSP) while maintaining local control over the management of groundwater resources within the Subbasin.

The Vina GSA will transition from the development of the GSA structure and the GSP to implementation of the GSP, achieve groundwater sustainability, and implement priority actions contained in the 2022 GSP submitted to the California Department of Water Resources in January 2022. The Joint Powers structure allows the Vina GSA to leverage the existing collaborative working relationships established through the GSP development phase. Ongoing collaboration provides economies of scale for sharing the cost of GSP implementation and SGMA compliance amongst the GSAs and stakeholders, while maintaining local control of its groundwater resources.

The VINA GSA is using a Proposition 218 process to approve a property related Fee to fund overall GSP implementation costs. The proposed Vina GSA Fee is proposed to be initiated on December 10, 2023 through the Butte County Tax Roll to cover the everyday operations of the Vina GSA (including legal, technical, administrative, accounting, office, insurance, audits, and outreach materials) and GSP implementation costs (including annual monitoring and reporting, five-year GSP updates, Subbasin coordination and outreach, data management system maintenance, and grant funding services) required to achieve and maintain SGMA compliance for all landowners within the VINA GSA service area. The Vina GSA received Proposition 1 and 68 grant funding to develop the Vina Subbasin GSP; however, costs for GSP implementation that will not be covered by grants will need to be covered by the proposed Vina GSA Fee. It is anticipated that any necessary management actions resulting from GSP implementation will be funded by other localized Fees or assessments, cost sharing arrangements, or through additional outside grant funding sources.

The Vina GSA fulfills its GSA role by facilitating SGMA compliance and support groundwater management actions that benefit VINA GSA stakeholders, while achieving long-term groundwater sustainability throughout the Vina GSA service area boundary. The Vina GSA will pursue outside funding sources to assist in securing additional grant funds to support cost-effective GSP implementation activities by the Vina GSA and its members. The Vina GSA will also participate in regional funding opportunities that benefit the VINA GSA to reduce long-term SGMA compliance costs and achieve long-term groundwater sustainability objectives.

The Vina GSA developed a Five-Year Budget which estimates the costs of SGMA compliance that includes both GSA operational and GSP implementation related costs. The budget estimates costs for the Vina GSA to achieve SGMA compliance (based on current requirements) at \$534,725 per year for GSP implementation related costs not covered by existing grant funding for a five-year period spanning fiscal years 2023-24 through 2027-28 (fiscal year beginning July 1, 2023). Based on the Vina GSA service of providing SGMA compliance and working toward achieving groundwater sustainability, the VINA GSA Board of Directors is seeking to collect the proposed Vina GSA Fee from each acre included in the Vina GSA service area to fund the Vina GSA operations for SGMA compliance and maintain local control as defined herein. The Vina

GSA Fee would cover GSP implementation costs beginning July 1, 2023, based on adoption and submittal of the Vina Subbasin GSP in accordance with the DWR GSP filing deadline of January 31, 2022. The proposed Vina GSA Fee would cover the ongoing Vina GSA operational and GSP implementation costs over the initial five-year implementation period.

The proposed Vina GSA Fee is a property-related service Fee governed by Proposition 218 (as allowed by the Water Code) and are planned to apply on a cost of service per acre basis to lands within the Vina GSA boundaries within Butte County in the manner described in this Fee Report. SGMA provides authority for GSAs to use fees to establish support for its operations to facilitate compliance with SGMA. Failure to adequately manage groundwater in the Subbasin may result in intervention by the State Water Resources Control Board (SWRCB). If the SWRCB were to intervene, it would be authorized to impose annual Fees ranging from \$100 per de minimis well (using less than 2 ac-ft of water per year), to \$300 per well plus up to \$55 per acre-foot of groundwater pumped per well, with no guarantee of assistance in bearing costs to address the groundwater issues for which it intervenes (see **Appendix B**). By adopting the Vina GSA Fee, the Vina GSA will provide landowners with a more affordable and locally managed service for managing groundwater in the Vina Subbasin. The proposed Vina GSA Fee is based on the Vina GSA's service area boundary for parcels on the 2023 tax rolls of Butte County. The tax roll lists property owners and their associated assessor's parcel numbers (APNs) that would be subject to the proposed Vina GSA Fee and is included as **Appendix C**. The complete roll will be submitted to the County Assessor if the Vina GSA Board of Directors adopts the Vina GSA Fee in July 2023.

The City of Chico and Durham Irrigation District will have two options for paying their share of the proposed Fees. For option 1, these agencies would opt to have landowners within their respective service areas receive the Vina GSA Fee Proposition 218 Notice (see **Appendix D**) for payment of Fees through the property tax bill. Option 2 would exclude those agencies from the protest process and instead those agencies would pay the Vina GSA Fee for lands within their district areas directly to the VINA GSA to cover the per acre cost of the Vina GSA service through a Funding Agreement and consistent with existing agreements for GSP implementation. In the event these agencies choose to enter into Funding Agreements to cover the Vina GSA Fee, payment of specified Fees would be paid to the Vina GSA in the middle of its fiscal year (beginning January 1, 2024, and every year thereafter through 2028). The Local Agency Formation Commission (LAFCO) boundaries and Butte County Fee Roll for each of these entities were used for assessable acreage and Fee calculations. The Vina GSA 2023 Funding Agreement List is included as **Appendix E** if the Funding Agreement option is exercised.

Parcels listed by the assessor as tax-exempt will not be included in the Vina GSA Fee, and therefore not included in assessable acreage and Fee calculations. These parcels primarily include the exclusion of Federal, Tribal, and State-owned parcels.

The following Table 1-1 provides an example schedule of the proposed Vina GSA Fee to be collected to proportionally fund operating expenses calculated using the Vina GSA's budget on a cost per acre basis during the next five years. The annual Fee assessment will be set each year by the Board, based on the budget needs and to ensure the Vina GSA Fee does not exceed the cost of service, but it will not exceed the proposed maximum rate of \$3.07 per acre. The budgeted operations expenses are in 2023 dollars and include an average inflation factor of 4% per annum

based on the expected average Consumer Price Index (CPI) during the period. The maximum annual inflation factor to be applied to the Vina GSA Fee would not exceed 5% annually, with the actual inflation factor applied each year at the discretion of the Vina GSA Board through Fiscal Year 2027-28. Operations expenses have not been projected beyond Fiscal Year 2027-28. The Board will update the Vina GSA Fee for Fiscal Year 2028 and beyond based on actual expenses experienced during the first five years of GSP implementation and projected expenses over the subsequent five-year period.

Table 1-1: Vina GSA Proposed Fee – For SGMA Compliance

Cost Category	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
GSA Annual Budget	\$539,125	\$495,250	\$485,772	\$508,685	\$519,071
Assessable Acreage	174,327	174,327	174,327	174,327	174,327
Proposed Total Annual Fee (\$/ac)	\$3.09	\$2.84	\$2.79	\$2.92	\$2.98

The Vina GSA operational and GSP implementation components comprise the total proposed Vina GSA Fee that covers the cost of SGMA compliance for the Vina GSA within its service area (and contributes to compliance for the Subbasin as a whole). Additional funds may be required to implement specific projects listed in the GSP. Project funding for these projects will come from other funding sources and be the responsibility of the project proponent(s) to identify funding sources and secure necessary funding for project implementation. The Vina GSA will assist project proponents with grant funding opportunities if available to improve groundwater management or lower future Vina GSA operations costs. Project funds could come from supplemental funding and/or local Fees or assessments greater than the maximum Fees recommended in this report, and approval by the landowners in a future Proposition 218 election will likely be required for those Fees or assessments.

The component costs that make up the total budget are shown in the table and explained further in this Report. Note that the proposed Vina GSA Fee is expected to be the same from year to year but will not exceed the maximum amount unless an increase is approved through a subsequent Proposition 218 proceeding. **The necessary funding for the Vina GSA will be reviewed annually by the Board and, depending on the funds projected to be needed for the year, may be adjusted up to the maximum assessment rate.** The proposed maximum annual rate allows the Vina GSA to apply the approved Vina GSA Fee throughout the five-year period for services provided without any increases in operating expenses and fund special activities. Any additional costs having to be incurred would require an additional Proposition 218 process and associated expense.

The assessment process is being conducted in accordance with provisions of Proposition 218, as reflected in Article XIII D of the California Constitution and Sections 53750 through 53756 of the

State's Government Code. These constitutional and statutory provisions of Proposition 218 establish specified mandatory procedures that local agencies must follow.

Under the Proposition 218 process, prior to adopting the Vina GSA Fee, the Vina GSA Board must notify landowners of the proposed Vina GSA Fee and provide the opportunity to protest the adoption of the Vina GSA Fee. At the public hearing, the Vina GSA will consider and address comments and questions from owners of land that would be subject to the proposed Vina GSA Fee. Landowner protests received at the protest hearing will be counted and the protest results will be certified. If owners of a majority of total assessed parcels included in the Vina GSA service area submit protests, the Vina GSA will not adopt the proposed Vina GSA Fee. Absent a majority protest, the Vina GSA is authorized to adopt the proposed Vina GSA Fee at its public adoption hearing starting at 5 p.m. on July 19, 2023, to be held at the City of Chico City Council Chambers, 421 Main Street, Chico, CA 95928.

Proposition 218 Process – Stakeholder Outreach

The Vina GSA plans to conduct public and stakeholder outreach prior to taking action on the proposed Vina GSA Fee on July 12, 2023. This may include public meetings, providing key information posted on the Vina GSA website, availability of Frequently Asked Questions (FAQ) information, Fact Sheet, and other outreach deemed appropriate to inform and involve those affected by the Vina GSA Fee (**Appendix F**). A Public Workshop was held on April 28, 2023, to discuss GSP implementation and long-term funding needs for SGMA compliance. And a second public workshop was held on June 14, 2023, to discuss the proposed Fees and address landowner questions and concerns. These outreach efforts were provided in addition to that required for a Proposition 218 Fee process, including sending all affected parcel owners of the proposed Fees and noticing of planned Fee adoption at least 45-days prior to Vina GSA Board consideration for approval. Additional outreach may be conducted through other Vina GSA venues before consideration for Vina GSA Fee adoption by the VINA GSA.

SECTION 2: REPORT PURPOSE

This Fee Report is prepared to describe the basis for the Vina GSA's proposed Vina GSA Fee to each assessable parcel within the Vina GSA jurisdiction. The proposal is for the Vina GSA to collect revenue in the form of that which will be used to cover everyday operations and SGMA compliance related costs of the Vina GSA providing groundwater management services. These operations include administration, legal services, technical services, funding services, insurance, consulting, office, outreach materials, accounting, annual monitoring and reporting, GSA coordination, five-year GSP updates to the Department of Water Resources (DWR), and potentially special studies on an as needed basis during GSP implementation. The cost of SGMA compliance characterized in this Report is based on current SGMA legislation requirements.

Sustainable Groundwater Management Act

On September 16, 2014, the Governor of California signed into law a three-bill legislative package (Senate Bill 1168, Assembly Bill 1739 and Assembly Bill 1319) that provided a state-wide framework for sustainable groundwater management for basins in California with a focus on those subbasins with a higher priority for formalized local and regional groundwater plans. These laws are collectively known as the Sustainable Groundwater Management Act (SGMA). SGMA defines sustainable groundwater management as the *management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results*. Undesirable results are defined in SGMA as any of six primary effects caused by groundwater conditions occurring throughout the basin:

Table 2-1: SGMA Legislation Primary Effect Descriptions

Groundwater Effects (1-6)	SGMA Legislation Primary Groundwater Effect Descriptions
1	Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply
2	Significant and unreasonable reduction of groundwater storage
3	Significant and unreasonable seawater intrusion
4	Significant and unreasonable degraded water quality
5	Significant and unreasonable land subsidence
6	Depletions of interconnected surface water that have significant and unreasonable adverse impacts on

These potential undesirable results are the focus of SGMA and must be addressed in GSPs prepared by GSAs. GSPs will need to focus on assessing, monitoring, and mitigating undesirable results from groundwater use. Some of these undesirable results, such as sea water intrusion, are not applicable to the Vina GSA area, while others, such as lowering of groundwater levels and

reduction in groundwater storage are significant issues in some areas and will need to be addressed. Each of these undesirable results has been investigated and prioritized as part of the GSP development process. The GSP also includes measurable objectives and implementation actions to achieve and maintain groundwater basin sustainability in the Subbasin. SGMA requires the development and implementation of GSPs that document the proposed plans and programs for achieving groundwater basin sustainability within a prescribed 20-year window. During the GSP implementation phase, GSAs are required to adopt programs to facilitate measures outlined in the GSP, update the GSP every five years, conduct regular GSA coordination activities, and provide DWR with annual updates on the progress of achieving sustainability based on annual monitoring and reporting requirements for each GSP. The Vina GSA has received Proposition 1 and 68 grant funding to cover a majority of the work to develop the GSP; however, costs for GSP implementation that cannot be covered by SGMA grants will need to be funded through the proposed Vina GSA Fee. Projects and management actions required by GSP implementation may be funded by other local and regional cost sharing and funds, or through other grant funding programs.

Vina GSA's Authority to Levy Assessments

The Vina GSA is a multi-agency organization that was formed through the Vina Subbasin SGMA compliance formation process in 2017 with coordinating agreements executed in 2019 with DWR subbasin boundary amendments thereafter to facilitate cost-effective SGMA compliance for all GSAs with the Vina Subbasin in Butte County. A copy of the GSA formation resolution establishing the VINA GSA and related information can be found in **Appendix A**. A description of its members follows.

VINA GSA Member Agencies

Membership:

- Butte County (Appointed by Board of Supervisors)
- City of Chico (Appointed by City)
- Durham Irrigation District (Appointed by Board)

The Vina GSA is the GSA responsible for the compliance and implementation of the provisions of SGMA for a portion of the DWR-defined Vina Subbasin (5-021.57) which is classified as a High Priority Basin by DWR encompassing approximately 184,917 acres in Butte County. **Appendix A** contains the adopted resolution establishing the Vina GSA to serve as the primary GSA for its service area within the Subbasin with one other GSA (RCRD) responsible for SGMA compliance within their respective service areas within the Vina Subbasin. The Rock Creek GSA overlays a portion of the Vina Subbasin (approximately 4,625 acres) which is located within Butte County with the Rock Creek GSA responsible for SGMA compliance for the portion within their GSA boundary. GSA responsibility for SGMA compliance is as follows:

Table 2-2: DWR Vina Subbasin – GSA Delineations

DWR GW Subbasin #	DWR GW Subbasin Name	GSAs	Total Area (Acres)
5-021.57	Vina Subbasin	VINA GSA	184,917
5-021.57	Vina Subbasin	RCRD	4,625

The Vina Subbasin is located within Butte County and the division of GSA jurisdiction is referenced in Table 2-2 above. The GSAs coordinated on the development of a single Subbasin GSP with responsibility for their respective Subbasin service area boundaries; the GSP approved by the GSAs was submitted to DWR by the January 31, 2022, regulatory deadline. There is a cooperating agreement (MOU) between the GSAs which was initially prepared to cover the GSP development phase of SGMA compliance. Any existing coordinating agreements required for effective GSP implementation will be approved as necessary between the parties. GSP implementation responsibility is demarcated as follows: each GSA is responsible for covering their GSA administration costs, and the GSAs jointly share the GSP implementation costs on a regional basis based on the relative acreage in each GSA. The Vina GSA may develop, adopt, and implement sustainable management of groundwater underlying the Vina GSA service area and take actions as necessary to ensure SGMA compliance for all landowners within its service area.

The Vina GSA will rely on the proposed Vina GSA Fee for the initial five years of GSA operations and SGMA compliance. The Vina GSA will update its long-term funding plan at least every five years to operate the GSA at the lowest possible costs while achieving the goals and objectives of the GSP and member agencies.

Pursuant to Chapter 8 (commencing with Section 10730) of Part 2.74 of Division 6 of the Water Code, a GSA may impose Fees, including, but not limited to, permit Fees and Fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, including, but not limited to, preparation, adoption, and amendment of a GSP, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.

State Intervention Alternative

If local GSAs are unable or unwilling to sustainably manage their portion of the groundwater Subbasin, the SWRCB may step in to protect the groundwater resources using a process called state intervention. The SWRCB is responsible for setting and collecting Fees to recover the costs associated with state intervention and has established a Fee structure as shown in **Appendix B**. The SWRCB Fee schedule, if applied to the Vina GSA area, would cost overlying users of groundwater significantly more than current estimates under the local management option.

As illustrated in **Appendix B**, the SWRCB could intervene and implement the requirements of the SGMA legislation in the Vina GSA service area boundary (as well as other areas of the State) if local GSAs are unable or unwilling to comply with the law. In such a case, the Subbasin would be considered a “Probationary Basin” by the SWRCB and directly Fee the intervention Fees to each groundwater extractor (landowner). The SWRCB Fees would be as follows:

- Base Filing Fee: \$300 per well, plus \$40 per acre-foot (AF) per year (Probationary Basin) or \$55 per AF per year (Interim Plan), plus costs for needed studies.
- De minimis wells (less than or equal to 2 AF per year) would be a Fee of \$100 per year.

For perspective on these costs, if the SWRCB determines the basin to be a Probationary Basin and a landowner has 40 acres with one well and the demand is 3.0 AF per acre. The associated annual SWRCB Fees would be \$300 (filing Fee) plus \$4,800 (3.0 AF/acre x 40 acres x \$40/AF) for a total of \$5,100 per year. If the SWRCB determined the basin needed an Interim Plan, the annual cost would go to \$6,900. Over the next five years, the 40-acre landowner would pay \$25,500 to \$34,500 in SWRCB Fees, without achieving the benefit of any project development to help comply with SGMA.

By comparison, under the Fees and schedule proposed for the Vina GSA through the proposed Vina GSA Fee, this same landowner would pay a maximum of \$123 per year (40 acres x \$3.09/acre) and \$614 over a five-year period, plus an annual inflation factor. From a cost and regulation standpoint, the desire is to prevent state intervention while maintaining local control in a cost-effective manner. As such, the purpose of the Vina GSA is to fully comply with SGMA on behalf of its landowners to avoid state intervention or excessive groundwater-related Fees.

Proposition 218 Requirements

In November 1996, the California voters approved Proposition 218, the *Right to Vote on Taxes Act*, which added Article XIII D to the California Constitution. Proposition 218 imposes certain requirements relative to the imposition of certain assessments, Fees, and Fees by local agencies. There are several processes for approval of revenue generation under Proposition 218 – Section 4 identifies revenue requirements, Section 5 identifies parcels subject to the Fee, and Section 6 is for calculating Fees or Fees on a unit basis (i.e., per acre Fee) for land-based assessments based on revenue requirements and assessable acreage.

For this initial five-year budget, the VINA GSA Board of Directors would approve applying Fees under Section 6 of Proposition 218 for GSA operations. SGMA requires every acre in each high and medium priority subbasin to be managed by a GSA and guided to sustainability through a GSP. Therefore, the service provided by the Vina GSA covers mandatory SGMA compliance for each and every acre in the subbasin. The Vina GSA does not currently have pumping data for individual parcels, which disallows the Vina GSA from attempting to develop Fees proportional to extractions in a practical, applicable, or defensible manner. Therefore, collecting Fees on a cost per acre basis fulfills the proportionality requirement by differentiating operational vs. GSP implementation costs with the cost allocation based on level of service required for SGMA compliance.

In general, before a local agency can levy new Fees subject to Section 6 of Proposition 218, the Agency (or VINA GSA) must comply with the following Proposition 218 requirements to achieve SGMA compliance in a reasonable fashion, while only charging customers for proposed Fees that are necessary to achieve the goals and objectives of the VINA GSA and its members as follows:

1. Revenues derived from the Fee or Fee must not exceed the funds required to provide the property-related service. The Vina GSA will not exceed maximum Fees and budgets.
2. Revenue from the Fee or Fee must not be used for any purpose other than that for which the Fee or Fee is imposed. The Vina GSA will only use Fees for GSA operations and SGMA compliance purposes.
3. No Fee or Fee may be imposed for general governmental services, such as police, fire, ambulance, or libraries, where the service is available to the public in substantially the same manner as it is to property owners. The Vina GSA is a specific Fee for purpose of achieving SGMA compliance for all landowners in the Subbasin.
4. The amount of a Fee or Fee imposed upon any parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel. The Fee amount is allocated proportionally be acreage with all landowners their share of total GSA costs.
5. The Fee or Fee may not be imposed for service, unless the service is actually used by or immediately available to, the owner of the property in question. Upon approval of the proposed Fee, all landowners would receive the immediate benefit of SGMA compliance through the Vina GSA.

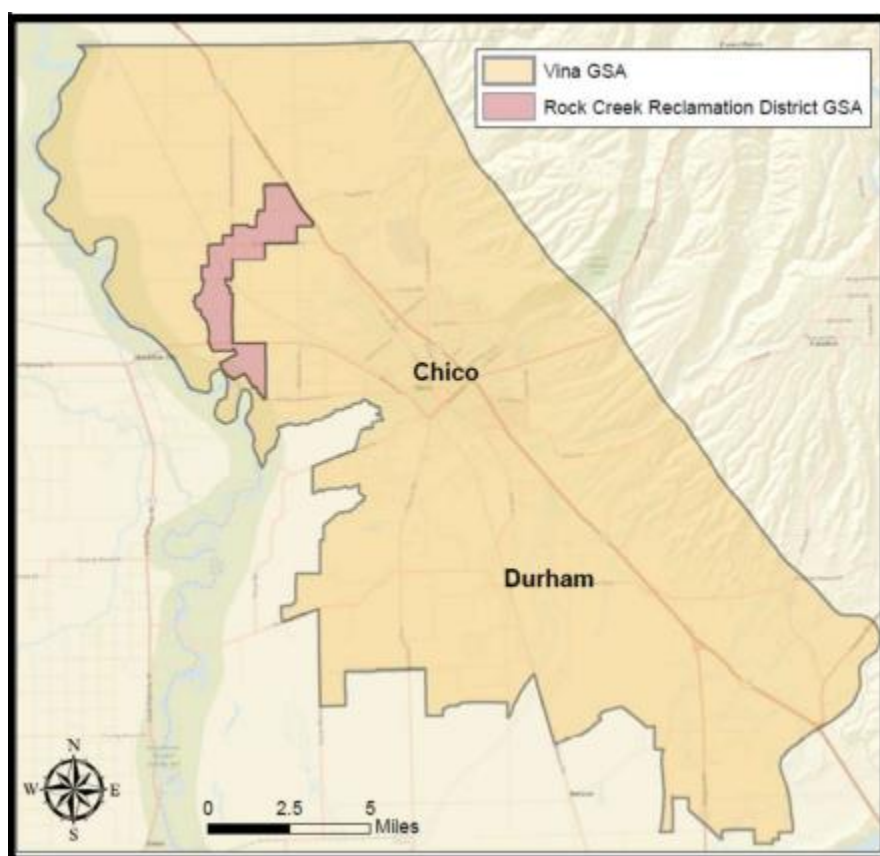
This Report is limited to the proposed assessments to fund the Vina GSA's annual operations and to comply with the requirements of the SGMA legislation forecast over the next five years. The Vina GSA will monitor DWR SGMA compliance requirements and policy direction to achieve SGMA compliance for its members at the lowest possible cost. To achieve SGMA compliance in the Subbasin, all GSAs serving a portion of the Subbasin must be in compliance with SGMA. The proposed Fee will enable the Vina GSA to meet its SGMA requirements within their service area boundary for all landowners subject to the Fee.

The proposed Fees do not collect more funds than required for the Vina GSA to reliably provide SGMA compliance to all landowners subject to the Fee in the Subbasin and will not be used for any other purposes. The service (SGMA compliance) is provided and used or immediately available to all landowners as long as the Fee is in effect. And the SGMA compliance Fee is not considered a general government service because it provides a specific property-based benefit.

SECTION 3: VINA GSA BACKGROUND INFORMATION

The VINA GSA was formed and established in 2017 and inter-agency coordination agreements executed in 2019 (see **Appendix A**) and is located in the Sacramento Valley Groundwater Basin – Vina Subbasin (5-021.57) in the central portion of the Sacramento Valley and encompasses a total area of approximately 185,000 acres within the VINA GSA jurisdiction. There are approximately 4,625 acres in the Vina Subbasin within the RCRD GSA service area boundary in Butte County within the VINA GSA jurisdiction that was a participant in the development and preparation of the Vina Subbasin GSP. The location of the VINA GSA is illustrated in **Figure 3-1**. The VINA GSA is within Vina County with the four (4) other GSAs serving the remaining portion of the Subbasin in Vina County designated by DWR’s basin prioritization policy as defined in DWR Bulletin No. 118. More information is available at <https://www.Vinagsp.com/Vina-subbasin/>.

Figure 3-1: VINA GSA Subbasin Service Area Boundaries



Butte County has a population of approximately 207,303 with a diversified economy. Agriculture is an important major producing industry in the VINA GSA service area dependent on both surface and groundwater. Top crops include rice, almonds, walnuts, prunes, and nursery stock products. There are areas in the VINA GSA service area that are identified by DWR as disadvantaged communities (DACs). The VINA GSA boundary service area includes Butte County, City of Chico, and Durham Irrigation District. Rock Creek Reclamation District is

located within the VINA GSA service area. The City of Chico with a population of approximately 87,000 is the largest city located within the VINA GSA service area boundary.

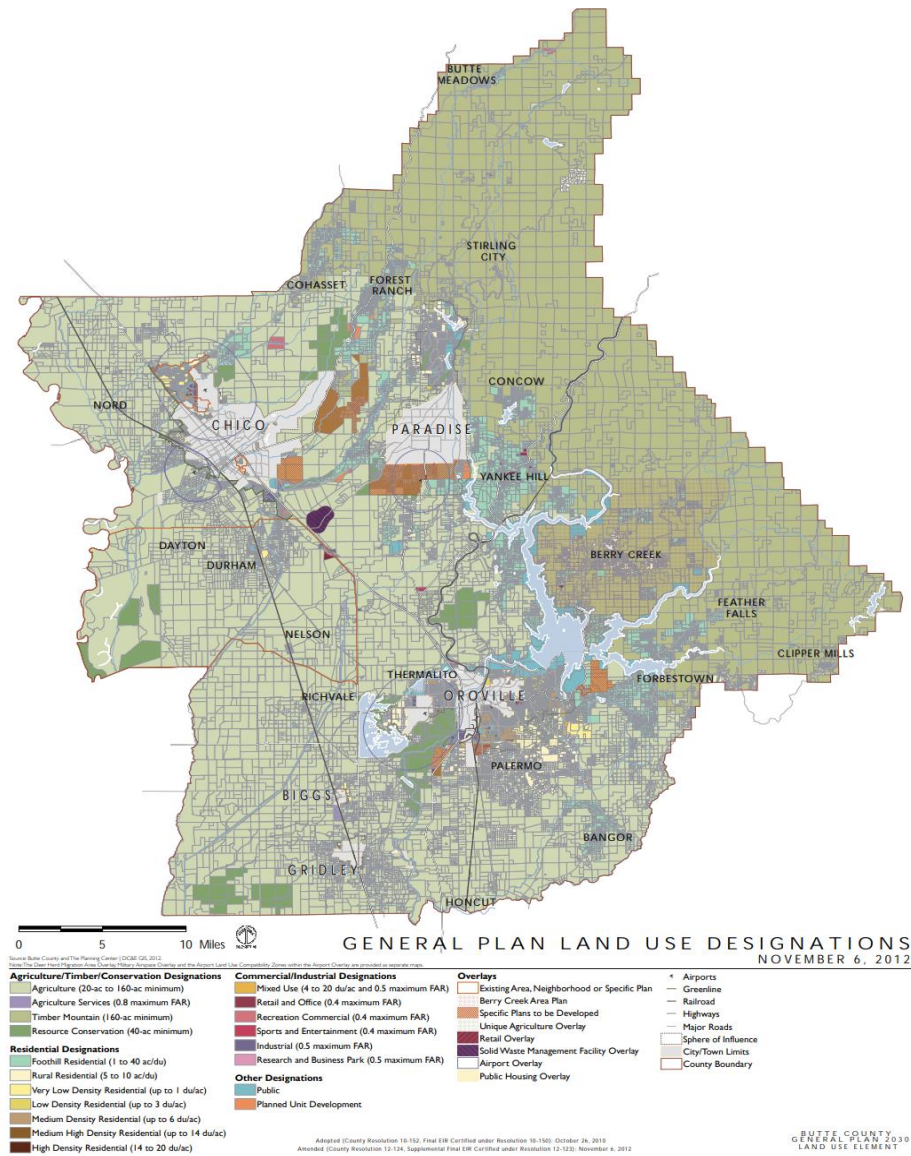
VINA GSA Service Area Climate Description

The climate in Butte County can vary within a moderate range in the valley areas with increased rainfall and snowfall in higher elevations. Hot, dry summers and temperate winters generally characterize the weather patterns in the County region. The average maximum temperature in July is approximately 93 degrees with average low temperatures of approximately 36 degrees. The average maximum temperature in January is approximately 59 degrees with average low temperatures of approximately 35 degrees. The average annual rainfall in the County is approximately 44 inches and average annual snowfall of approximately 3 inches. The majority of rainfall and snowfall occurs during the December through March period. The documented high and low annual rainfall amounts are approximately 84 and 12 inches respectively. There are about 245 sunny days per year with summer high temperatures above 90 degrees. January low temperatures are typically in the range of 30 to 40 degrees. The warm summer climate allows for an active and diverse agricultural and recreational economy with multiple crops to thrive. Water supplies in the County are from both surface and groundwater sources to meet agricultural, urban, and environmental water supply needs. Weather can vary drastically in the region with a high variability of hydrologic conditions resulting in a wide range of very wet to very dry years with multiple year dry periods not uncommon on a historic basis. These varying hydrologic conditions can impact the mix of annual surface and groundwater use allocations that may occur with groundwater extractions increasing during extended dry year periods when surface water allocations may be limited.

VINA GSA Service Area Demographics Description

The demographics in the region include a 2022 population of approximately 207,303 and Household Median Income of approximately \$59,863 with about 16% of the population living in poverty. The median age is 35 years old. The population grew by approximately 0% from the previous year. The labor force is approximately 60,377 with a 6.7% unemployment rate. There are jobs in the agricultural, government, retail, technology, manufacturing, health care, school district and other service industries. A land use map for the Butte County region is below as an excerpt from its General Plan.

Figure 3-2: Butte County Region Land Use Map



Butte County lies in north central California at the northern end of the Sacramento Valley, approximately 150 miles northeast of San Francisco and 70 miles north of Sacramento. Butte County's regional location is shown in Figure BC-1. Butte County is bounded on the west by Glenn and Colusa Counties, with the Sacramento River and Butte Creek forming portions of the westerly boundary. To the north and northwest, the county adjoins Tehama County; to the east, Plumas County; to the west Glenn and Colusa Counties; and on the south and southeast, Sutter and Yuba Counties. The South Fork of Honcut Creek forms the southeast boundary with Yuba County. Aside from the lines of demarcation created by the Sacramento River, Butte Creek and Honcut Creek, the county's boundaries do not reflect natural features or changes in landscape character.

Butte County is located in the northeastern part of the Sacramento Valley and extends into the northern Sierra Nevada Mountain range. The county's total land area including incorporated municipalities is approximately 1,680 square miles (1,073,000 acres) and ranges in elevation from approximately 60 Feet above sea level in the southwest corner of the county, adjacent to the Sacramento River, to 8,100 Feet above sea level in the northeast corner of the county, near Butte Meadows. Humboldt Peak, located in northeastern Butte County, is the county's highest point. The county's three general topographical areas, the valley region, the foothills east of the valley and the mountain region east of the foothills, are distinct environments each with their unique wildlife and natural resources.

Defined by mountains, hills and rivers, the valley is where Butte County shows off its agricultural bounty. Occupying almost half of the county's land, the valley is a wide and expansive green plain, neatly divided with hedge rows that protect acres of cropland, nut and fruit orchards, and meadows for livestock grazing. Late spring brings inundated wetlands with slim green rice stalks protruding from the water's surface, and migratory birds rising in their flocks from the wetlands. Fresh water from the Sierra Nevada snowpack is fed into the valley from the Feather River, the Sacramento River and Butte Creek, where wildflowers and butterflies bring color to the water's edge.

Agriculture has a major influence on the Butte County landscape and its economy and was the County's primary industry in the nineteenth and twentieth centuries. Manufacturing and service industries also flourished during the twentieth century, as exemplified by the Diamond Match Company, canning, lumber and wood processing enterprises. Other local industries included the manufacture of lead tube containers and prefabricated houses, structural steel fabrication, olive processing, sugar manufacturing, rice milling, walnut and almond processing and dairy processing.

Agriculture generates considerable economic activity and trends indicate that agriculture will maintain a strong position within Butte County's economy. Agriculture also supports other industrial sectors in Butte County, such as manufacturing, transportation and warehousing, which all generate a significant portion of the total sales volume in unincorporated Butte County. Other strong sales sectors in unincorporated Butte County are construction, wholesale and retail trades, and educational services.

All water users in the region require reliable long term water supplies that prudently manage available surface and groundwater sources within the safe yield of local groundwater aquifers.

VINA GSA Service Area – Single GSA Governance Approach

The VINA GSA manages groundwater in the Vina Subbasin in coordination with RCRD GSA. The Vina Subbasin GSP was prepared by the GSAs, including the Vina and RCRD GSAs, and submitted to DWR by the January 31, 2022, deadline. The VINA GSA will assist with and facilitate GSP implementation within and between the GSAs to achieve the GSP sustainability goal within twenty (20) years of implementation (by 2042). DWR classified medium and high priority subbasins must comply with the provisions of SGMA. The Vina Subbasin is classified as a High Priority subbasin with current groundwater withdrawals exceeding the safe yield. Working collaboratively through the single subbasin GSP will allow GSA members to cost-effectively achieve SGMA compliance and maintain local control over groundwater use and management decision-making and policy.

Projects that are recommended in the adopted Vina Subbasin GSP will be planned and implemented by the lead applicant(s) and through regional collaboration as needed to accomplish VINA GSA groundwater management objectives. The VINA GSA members will collaborate and coordinate on projects of mutual interest and maximize outside funding sources to deliver projects in a cost-effective manner and reduce long-term VINA GSA costs of service. The VINA GSA will maintain a list of GSP projects and work within its Subbasin and prioritize its project funding list accordingly to take advantage of grant funding sources as they become available. The VINA GSA will continue to apprise its members of upcoming grant funding opportunities and assist in securing funds for shovel ready projects and actions that can reduce long-term SGMA compliance costs for its members and achieve safe yield metrics by 2042.

SECTION 4: VINA GSA FINANCIAL INFORMATION

The VINA GSA is a relatively new organization and has obtained funding for administrative and GSP development related activities from inception to date primarily through secured grant funds and some in-kind voluntary contributions from member agencies. For the initial five years of GSP implementation, the VINA GSA is proposing to fund GSA operations, GSP implementation, and SGMA compliance actions through the Vina GSA Fee.

There have been approximately \$200,000 of in-kind agency contributions to date to supplement existing grant funded activities to ensure adequate staffing to complete the work on schedule given SGMA compliance schedule targets. In addition, there have been in-kind staff and GSP partner staffing contributions to ensure that the GSP was completed and submitted to DWR by January 31, 2022. As discussed above, the primary purpose of the VINA GSA is to organize and represent the landowners for the purposes of SGMA compliance while maintaining local control over groundwater policy and management. The VINA GSA's administrative activities are expected to continue annually to complete annual monitoring and reporting requirements and complete the Five-Year GSP update, which will be coordinated between each GSAs who participated in the approved GSP. It is also planned that in the initial several years of GSP implementation additional technical evaluations may be undertaken to better understand Subbasin groundwater characteristics, address data gaps, and refine preferred projects the VINA GSA members can implement to improve long-term groundwater resource sustainability for the region. The VINA GSA will also be coordinating with other GSAs on an inter-basin basis on a regular basis during GSP implementation consistent with the requirements of SGMA. The technical report evaluations and GSP development actions are intended to prioritize water resource actions that help reliably meet long-term agriculture, urban, and environmental groundwater supply needs within the Subbasin sustainable yield.

The VINA GSA projected Five-Year Annual Budget (Budget) is based on the GSA members using the single VINA GSA governance model to serve the VINA GSA service area in Butte County and coordinate with other GSAs in the Subbasin as required to update their GSP on a five-year basis. The VINA GSA Budget would be funded through the proposed Fees and all budget revenues and expenditures would be held in a special account that can only be used for approved VINA GSA activities related to GSA operations and GSP implementation costs. The Budget is presented over the initial five-year implementation period of the VINA GSA post-GSP development on annual fiscal year budget cycle of July 1 through June 30 on an annual basis. Any annual rate increase would be effective December 10 of the specified year as implemented through updated County Assessor tax roll assessments.

The GSA administration and GSP implementation costs were developed through a collaborative effort of the GSAs with SGMA compliance responsibilities. Member agencies working with the LSCE Team, prepared a technical memorandum (TM) to memorialize the agreed upon GSA cost estimates for SGMA compliance and cost allocation approach for sharing regional costs based on the best available acreage estimates for landowners subject to the proposed Vina GSA Fee within the VINA GSA service area. This information will be updated in the future based on the actual costs for GSP implementation, any revisions to the cost allocation formula, the availability of grant funds to offset GSA administration or changes in GSP implementation regional costs, or modifications to annual GSA revenue requirements because of any changes to the SGMA

legislation requirements constituting SGMA compliance for GSAs in the Subbasin. The VINA GSA will continue to work together with members and GSAs to comply with SGMA at the lowest possible cost to their respective GSA stakeholders. The VINA GSA will need the proposed Fee in place to serve as a dedicated revenue source to cover their costs for SGMA compliance during the first five years of GSP implementation broken down by Fiscal Year. The Fee Options TM is included in **Appendix G**.

The VINA GSA’s projected Five-Year Budget in Table 4-1 is allocated into Operational Costs associated with maintaining the GSA as a functioning organization to meet SGMA compliance requirements. The budget projections also include GSP implementation related costs primarily for annual monitoring and reporting, five-year GSP updates, and Subbasin coordination activities required for SGMA compliance. The proposed Fees would be based on the Annual Avg. Costs in Table 4-1 which will enable the VINA GSA to meet SGMA compliance requirements in the most cost-effective manner on both a short- and long-term basis.

Table 4-1: Vina Subbasin GSA Five-Year Budget (FY23-24 through FY27-28)

Fee Cost Category	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
VINA GSA Admin. Budget					
Prof. Services (Admin)	\$167,500	\$167,500	\$167,500	\$167,500	\$167,500
Office Expenses	\$19,250	\$16,250	\$15,750	\$15,750	\$15,750
Prof. Services (GSP)	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Legal Services	\$100,000	\$50,000	\$30,000	\$30,000	\$30,000
County Tax Roll	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Contingency	\$32,075	\$26,775	\$24,725	\$24,725	\$24,725
Admin. Sub-total	\$352,825	\$294,525	\$271,975	\$271,975	\$271,975
Admin. w/inflation	\$352,825	\$303,361	\$288,294	\$301,892	\$315,491
SGMA Compliance w/inflation	\$186,300	\$191,889	\$197,478	\$206,793	\$203,580
TOTAL VINA GSA Costs	\$539,125	\$495,250	\$485,772	\$508,685	\$519,071
Annual Avg. Costs	\$509,581	\$509,581	\$509,581	\$509,581	\$509,581
GSA Administration: Program Manager, Office Expenses, and legal services for GSA operations with VINA GSA serving as fiscal agent for members and stakeholders.					
GSA SGMA Compliance: Annual Reports, 5-Year GSP Updates, GSA coordination, Data Management, Financial Planning, Surface-Groundwater modeling, and grant funding.					

VINA GSA Operational Budget Overview

The VINA GSA will provide staffing through Butte County to support ongoing GSA operations, including administration and GSP compliance actions over the initial five-year implementation period post-GSP development and adoption by the Board of Directors. The VINA GSA operations budget is comprised of primary legal, technical, funding, and administrative (staffing responsibilities) service components which will include staff administration and Subbasin coordination tasks associated with an active GSA maintaining SGMA compliance. The VINA GSA staff will report to the Board of Directors and be assigned to, but not limited to, the following tasks:

1. Coordinate meetings, prepare and distribute agenda packets, attend VINA GSA Board meetings, establish action items, and brief the Board on all relevant issues in a timely manner.
2. Create, supervise and coordinate accounting, technical, legal and administration services, hydrogeological, and similar technical work necessary to accomplish the VINA GSA directives.
3. Conduct educational, outreach, and collaborative activities (within and between the GSAs).
4. Coordinate the annual collection and maintenance of general VINA GSA watershed information necessary to comply with SGMA, including land ownership, land use types and acreage, surface water deliveries, groundwater usage, key climate factors and data, and GSP management and project objective assessment tracking.
5. Facilitate timely completion of Annual Monitoring and Reporting requirements to maintain SGMA compliance.
6. Facilitate timely completion of Five-Year GSP Update requirements to maintain SGMA compliance.
7. Pursue outside grant funding sources that reduce SGMA compliance costs.

The VINA GSA will achieve SGMA compliance for its members to maintain local control of groundwater resources in its service area boundary with no State intervention or Fees.

SECTION 5: VINA GSA MANAGEMENT BENEFITS

For the activities covered in this initial Five-Year Budget, the VINA GSA proposes to levy Fees equally to all assessable acreage based on the sum of VINA GSA administrative costs and VINA GSA GSP implementation costs as required to achieve SGMA compliance. The rationale is that the existence of the VINA GSA provides the benefit of SGMA compliance to all landowners within its boundaries and maintains local control with no State imposed Fees. Although some properties might not presently utilize groundwater, all parcels have overlying groundwater rights. The information generated by the development of the Vina Subbasin GSP will inform the landowners about the available water supply to their land on a current and future basis, the potential for additional groundwater recharge, and allow them to be directly represented through the VINA GSA as it proceeds to meet the requirements of SGMA over the 2042 planning horizon.

This section provides the breakdown of the benefits that are to be attributed to landowners within the VINA GSA service area boundaries if the proposed Vina GSA Fee is approved. Table 5-1 summarizes the acreages used in the analyses.

Table 5-1. Acreage Subject to VINA GSA Fee

VINA GSA Vina Sub-basin	VINA GSA Five-Year Budget Operational/GSP Costs	VINA GSA Five-Year Budget Data Source
Total Vina GSA	184,917 acres	Vina Subbasin GSP
Total Federal Lands	-934 acres	Vina Subbasin GSP
Total State Lands	-1,104.4 acres	Vina Subbasin GSP
Total Tribal Lands	-1,443.6 acres	Vina Subbasin GSP
Other Unbillable	-7,108 acres	Vina Subbasin GSP
NET ASSESSABLE ACRES	=174,327 acres	
Net acreage = Total VINA GSA – exempt parcels (e.g. Federal/Tribal Lands). State lands are considered uncollectible and not reliable for VINA GSA budget purposes. Other Unbillable = roads, surface water features, other similar items. <i>(source: Land IQ 2022 Data, County Assessor’s data for boundary and parcel data)</i>		

The lands have been identified as subject to the proposed Vina GSA Fee and would fund the required VINA GSA Five-Year Budget. The Operational and GSP Implementation Costs are applicable to all parcel owner acreages listed in Table 5-1 as reflected in net assessable acres above to all who will have an adopted 2022 GSP funded through the Proposition 1 and 68 programs. The proposed 2023 VINA GSA Fee Roll is based on the VINA GSA net assessable acreage located within portions within the VINA GSA, 2023 tax rolls of Butte County. The tax roll list of property owners and their associated APNs that would be subject to the proposed Fees

are included as **Appendix C**. The complete roll will be submitted to the County Assessor upon implementation of the VINA GSA Fee by August 10, 2023.

The Vina GSA service area boundary includes the City of Chico, Durham Irrigation District, lands within the Rock Creek Reclamation District GSA boundary, and lands within Butte County. All property owners subject to the proposed Vina GSA Fee would pay the County through their property tax bill for specified Fees. The City of Chico and Durham Irrigation District may opt to pay the Vina GSA directly for their share of the Vina GSA costs based on applicable net assessable acres through a Funding Agreement with the Vina GSA. If so, the City and District would fund the Vina GSA Fee not through individual property tax collection, but pursuant to Funding Agreements between the Vina GSA and the member who agrees to pay the Vina GSA Fee directly. The Butte County Assessor's Office will verify the Butte County GIS boundaries for each of these entities to be used for assessable acreage and Fee calculations. The Vina GSA will maintain a Funding Agreement List and update as necessary to ensure that all parcels subject to the proposed Fee pay their fair share of the Vina GSA's total Five-Year Budget amount. **Appendix E** contains a current Funding Agreement List. At this time the City of Chico and Durham Irrigation District have decided to participate in the Vina GSA 2023 Proposition 218 process and forego Funding Agreements as mechanism to pay their share of total Vina GSA costs.

Parcels listed by the assessor as tax-exempt will not be included in the Fee Roll, and therefore are not included in assessable acreage and Fee calculations. These parcels include primarily Federal, Tribal, and State-owned parcels per SGMA legislation. State lands are considered uncollectible. And other non-billable acreage that would not be paying the Fee.

SECTION 6: VINA GSA PROPOSED FEES

This section describes the proposed Vina GSA Fees for funding Vina GSA operational and GSP implementation costs over the initial five-year period (FY2023-24 through FY2027-28) post-GSP adoption in January 2022. The Vina GSA Fee would cover the associated legal, technical and administrative costs, as well as GSP SGMA compliance costs associated with annual monitoring and reporting, five-year GSP updates, subbasin coordination, data management, financial planning, and grant funding procurement. Based on the services to be provided by the VINA GSA, the VINA GSA proposes to levy Fees to all assessable parcels within the service area boundary of the VINA GSA that are identified on the tax rolls of Butte County.

In conformance with this Report, the VINA GSA would seek to fund its GSA operational and GSP related implementation costs associated with SGMA compliance for all parcels in the Vina GSA service area boundary. Section 4 presents the proposed VINA GSA Five-Year Budget and total Fees needed to fund the VINA GSA efforts over the next five years and the methodology for setting Fees in proportion to cost of service based on available information. Proposition 218 requires that Fees levied to each parcel owner be proportional to the cost of service attributable to that customer. The costs of administering the GSA on behalf of the parcels within the VINA GSA includes the legal, technical and administrative costs for landowners in the VINA GSA service area boundary and are proportional to the number of acres covered by the VINA GSA with all parcels equally benefitting from the VINA GSA’s single GSA low-cost governance model, SGMA compliance, and local control attributes (no State Intervention or imposed Fees). Therefore, collecting the operational and GSP implementation portions of the Fee based on a cost per acre basis fulfills the proportionality requirement.

The proposed Vina GSA Fee includes the GSA operational and GSP implementation costs necessary for SGMA compliance that would be proportional to the number of acres covered in meeting the annual operational budget target over the five-year Fee period for the benefit of all landowners within the VINA GSA service area boundary and is presented in Table 6-1. Fiscal Year 2023-24 represents the maximum Fee allowed (\$3.09 per acre) during the initial five-year funding period. An annualized Fee (average annual Fee) option is presented. The recommended Fee is based on the annual amount per acre (\$/ac).

Table 6-1. Recommended VINA GSA Fees

Fee Recommended	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
Operational Budget	\$539,125	\$495,250	\$485,772	\$508,685	\$519,071
Proposed Fee (\$/ac)	\$3.09	\$2.84	\$2.79	\$2.92	\$2.98
Annualized Fee (\$/ac)	\$2.92	\$2.92	\$2.92	\$2.92	\$2.92

Table 6-2. Best Option VINA GSA Fees – With DWR Grants

Fee Best Option	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
Operational Budget	\$401,425	\$353,419	\$339,810	\$508,685	\$519,071
Proposed Fee (\$/ac)	\$2.30	\$2.03	\$1.95	\$2.92	\$2.98
Annualized Fee (\$/ac)	\$2.43	\$2.43	\$2.43	\$2.43	\$2.43

The proposed Vina GSA Fee is the combination of the GSA Operational and GSP implementation and SGMA compliance portions based on updated revenue projections and assessable acreage in the VINA GSA service area.

Table 6-3. GSA & GSP Implementation Cost Elements For VINA GSA Fees

Fee Cost Category	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
GSA Admin. (\$/ac)	\$2.02	\$1.74	\$1.66	\$1.73	\$1.81
SGMA Fee (\$/ac)	\$1.07	\$1.10	\$1.13	\$1.19	\$1.17
Proposed Total Fee (\$/ac)	\$3.09	\$2.84	\$2.79	\$2.92	\$2.98

The VINA GSA is seeking to implement an annual Fee in the maximum amount shown in Table 6-1, specifically \$3.09 per acre for all assessable parcels. The budgeted operational expenses are in 2023 dollars and includes an average annual inflation factor of 4% to adjust for the impact of future inflation on the GSA Operational Budget during the five-year Fee implementation period for the subsequent four years. Note that the Fee applied by the VINA GSA may vary from year to year but will not exceed the maximum amount unless an increase is approved through a subsequent Proposition 218 proceeding. **The necessary funding for the VINA GSA will be reviewed** annually by the Board and, depending on the projected funding level needed for the year, may be approved up to the maximum assessment rate. The proposed maximum annual Fee allows the VINA GSA to apply Fees to pay for anticipated increases in operating expenses and actions required to achieve SGMA compliance for members without having to incur the expense of routinely repeating the Proposition 218 process.

The Board has the option of adopting the proposed Vina GSA Fee during the five-year duration and can adopt the first annual Fee in 2023 and perform the planned annual budget review assessment to determine if Fees need to be adjusted for a given year during the five-year duration to cover the costs of providing service to landowners within the GSA service area boundary. If

annual Fee adjustments are required within the approved maximum Fee amount, the GSA would approve updated Fees for the upcoming August Assessor's Office Fee roll update deadline so that the appropriate revenues can be collected during a given fiscal year during the five-year duration of the proposed Fees.

VINA GSA Service Area – Assessment Roll

Appendix C is the proposed 2023 VINA GSA Fee Roll. This roll serves as the basis for providing notice to each landowner in the VINA GSA service area boundary whose land will be subject to the Fee, identifying each landowner, the parcels they own as reflected in County records, and the acreage for each parcel. The protest is directly related to the number of owners of parcels subject to the VINA GSA Fee. The Fee will apply unless written protests accounting for a majority of the total assessed parcels are submitted at the public hearing. **Appendix D** includes the Public Notice, which was distributed to all parcels subject to Fee.

VINA GSA Conclusion

The primary objective of the Vina GSA Fee is to ensure that the cost of the service provided is allocated in a fair and equitable manner to those lands receiving the benefit of service. Based on the revenue objectives, VINA GSA's proposal is to fund its annual operational and GSP implementation related future activities identified in this five-year budget for the benefit of all parcels within the VINA GSA that pay the Fee. Absent the creation of the Vina GSA (or a similar entity) and funding by the proposed Fee, the VINA GSA landowners would have no direct representation or cost-effective means for complying with SGMA requirements. Without such representation, the SWRCB would take corrective action as provided by SGMA to achieve compliance at a higher cost without local control. However, with this proposed Fee, properties will receive SGMA compliance benefits with local representation for substantially lower costs than if no GSA were formed. If no GSA were formed, the landowners would pay much higher Fees and be left subject to regulation and oversight by the SWRCB with no guarantee that costs for addressing groundwater issues would be shared by the State.

SECTION 7: VINA GSA IMPLEMENTATION PROCEDURES

The Vina GSA intends to consider the adoption of the Vina GSA Fee pursuant to the requirements in Article XIII D of the California Constitution.

The VINA GSA Board of Directors will consider the following actions: (a) approve and accept the Fee Report; (b) approve the notice for public hearing on the proposed Vina GSA Fee which includes (i) notices to these landowners informing them of the proposed Fees, and (ii) instructions for protest. At the public hearing, the VINA GSA will state its intentions and justifications for pursuing a Proposition 218 effort, take into consideration any objections received to the proposed Vina GSA Fee, and count any eligible written protests received as of the close of the public hearing. If written protests are submitted and received from a majority of the total assessed parcels by the close of the public hearing, the Vina GSA may not adopt the Vina GSA Fee. Absent a majority protest, the Vina GSA will adopt the proposed Vina GSA Fee to comply with SGMA and maintain local control over groundwater management decisions.

The VINA GSA shall maintain a record of the Report, protest notice and received protests, public outreach and notifications, and meeting agendas and minutes for all pre-Fee adoption actions consistent with Proposition 218 procedures and to document VINA GSA process transparency for the benefit of all stakeholders.

During the initial five-year Proposition 218 Fee period (FY2023-24 through FY2027-28) the VINA GSA will keep Fees as low as possible based on actual expenses associated with VINA GSA operations and GSP implementation activities as required to maintain compliance with SGMA requirements. The Vina GSA may not approve a Fee more than the maximum Fee during the initial five-year period. The Board will review the Vina GSA Fee annually and determine if any adjustments are necessary based on actual expenditures to date and projected expenses over the initial five-year implementation period.

The VINA GSA will provide members and stakeholders with updated Five-Year Budget financial information regarding the revenues and expenditures associated with VINA GSA Fee collections and SGMA compliance status. Subbasin coordination and grant funding efforts will be documented and updated on a regular basis. The VINA GSA will conduct periodic financial audits to ensure efficient use of Fees and maintain transparency to members and stakeholders.

SECTION 8: VINA GSA REFERENCES

The VINA GSA referenced and used information from the following sources to prepare this Fee Report for the VINA GSA and its members. All documents referenced are available as indicated on the website links below.

Vina Subbasin Groundwater Sustainability Agency

<https://www.vinagsa.org/>

Bulletin No. 118, California's Groundwater, 2003 and 2016 Interim Update

California Department of Water Resources

[California's Groundwater \(Bulletin 118\)](#)

2014 Sustainable Groundwater Management Act (including Fee related provisions)

California Department of Water Resources

[Sustainable Groundwater Management Act \(SGMA\) \(ca.gov\)](#)

Vina County Assessor's Office, Parcel/Tax Data Year 2023, provided April 2023.

Vina County Crop Report

[Archive Center • Butte County, CA • CivicEngage](#)

Vina Subbasin – 2022 Groundwater Sustainability Plan

Vina Subbasin website: [Read the Groundwater Sustainability Plan \(GSP\) - Vina Groundwater Sustainability Agency \(vinagsa.org\)](#)

Department of Water Resources Disadvantaged Communities Mapping Tool

<https://gis.water.ca.gov/app/dacs/>

Proposition 218, Local Agency Guidelines for Compliance, 2007 Update

Association of California Water Agencies

Proposition 26 and 218, Local Agency Implementation Guide, 2021 Update

League of California Cities

[Propositions 26 and 218 Implementation Guide | Cal Cities](#)

APPENDIX A

Vina Subbasin GSA – Resolution Establishing The GSA (2019)

Appendix A

Vina GSA – Establishing Resolution

Joint Powers Agreement
Member Agency MOUs
Four County MOUs

VINA SUBBASIN

Has 2 Groundwater Sustainability Agencies - 1. Vina GSA & 2. Rock Creek Reclamation District GSA

VINA GROUNDWATER SUSTAINABILITY AGENCY

Has 5 Board of Director seats (3 for Member Agency Directors, 2 for Stakeholder Directors)

<p>1. City of Chico</p> <p>Must:</p> <ul style="list-style-type: none"> • Be an elected official 	<p>2. County of Butte</p> <p>Must:</p> <ul style="list-style-type: none"> • Be an elected official 	<p>3. Durham Irrigation District</p> <p>Must:</p> <ul style="list-style-type: none"> • Be an elected official 	<p>4. Non-Agricultural Domestic Well User Stakeholder Director (Open application process, appointed by Butte BOS)</p> <p>Must:</p> <ul style="list-style-type: none"> • Reside in Vina GSA jurisdiction • Own or lease residential real property in the Vina GSA jurisdiction • Extract groundwater from Vina GSA jurisdiction for domestic water use only • Not be party to any pending litigation with Vina GSA or any Member Agency within the Vina GSA 	<p>5. Agricultural Stakeholder Director (Open application process, appointed by Butte BOS from list of 4 reps from the AGUBC* and considering recommendations from the Vina GSA ad-hoc committee and others <i>see section 7.3 of the JPA</i>)</p> <p>Must:</p> <ul style="list-style-type: none"> • Reside in Vina GSA jurisdiction • Own or lease residential real property in active commercial ag production within the Vina GSA jurisdiction OR • Be an employee of a commercial ag production operation with water use decisions • Not be party to any pending litigation with Vina GSA or any Member Agency within the Vina GSA jurisdiction <p>Also:</p> <ul style="list-style-type: none"> • The commercial ag production operation must extract groundwater from within the Vina GSA jurisdiction for irrigation/frost protection of at least 50 acres of ag crops in commercial operation • The business entity represented by the employee must have commercial interests
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The map displays the Vina Subbasin with two Groundwater Sustainability Agencies (GSA) jurisdictions. The Vina GSA jurisdiction is shaded in yellow and covers a large area including Chico and Durham. The Rock Creek Reclamation District GSA jurisdiction is shaded in pink and is located in the western part of the subbasin. A legend in the top right of the map area identifies these two areas. The map also shows major roads, water features, and a scale bar indicating 0, 2.5, and 5 miles. A compass rose is located in the bottom left corner.

*AGUBC – Agricultural Groundwater Users of Butte County

Vina GSA Stakeholder Advisory Committee Information (over)

VINA SUBBASIN

- Has 2 Groundwater Sustainability Agencies ; Vina GSA and Rock Creek Reclamation District GSA

VINA GROUNDWATER SUSTAINABILITY AGENCY

- Has a 5 Member Board and a Stakeholder Advisory Committee

VINA GSA STAKEHOLDER ADVISORY COMMITTEE (See Appendix A of JPA for more info.)

- Makes recommendations to the Vina GSA Board - members may not serve concurrently on Vina GSA Board
 - If Vina GSA Board doesn't agree with recommendations of committee must state reasoning
- Administered by one member of Management Committee which is comprised of Member Agency staff
- Represents social, cultural and economic diversity of population and area stakeholders within the Vina GSA jurisdiction to provide stakeholder perspective and a forum for stakeholder/public participation
- Will actively be involved in discussions before and during Groundwater Sustainability Plans development and implementation

COMPOSITION OF VINA STAKEHOLDER ADVISORY COMMITTEE

- Final determination of composition and final appointments to be made by the Vina GSA Board
- Up to 10 members representing beneficial uses and users of groundwater as identified in SGMA
- Vina GSA Board will establish the timeline and process for appointment of initial members
- Draft list includes:
 - Agricultural groundwater user representatives
 - Business representative
 - California Water Service - Chico representative
 - Domestic well user representatives
 - Environmental representative
- Vina GSA Board may appoint other interests representing beneficial uses and users of groundwater

APPENDIX 1-C

Joint Powers Agreement

**JOINT EXERCISE OF POWERS AGREEMENT
ESTABLISHING THE VINA GROUNDWATER SUSTAINABILITY AGENCY**

This JOINT EXERCISE OF POWERS AGREEMENT (“Agreement”) establishing the Vina Groundwater Sustainability Agency is made and entered into and effective upon the date when the last Member Agency signs this Agreement (“Effective Date”) by and among the public agencies listed on the attached Exhibit A (“Members”) for the purpose of forming a Groundwater Sustainability Agency (“GSA”) and achieving groundwater sustainability in a portion of the Vina Groundwater Subbasin (“Basin”) within the jurisdictional boundaries of its Members.

Recitals

WHEREAS, in 2014, the California legislature adopted, and the Governor signed into law, three bills (SB 1168, AB 1739, and SB 1319) collectively referred to as the “Sustainable Groundwater Management Act” (“SGMA”), that initially became effective on January 1, 2015, and that has been amended from time-to-time thereafter; and

WHEREAS, the stated purpose of SGMA, as set forth in California Water Code section 10720.1, is to provide for the sustainable management of groundwater basins at a local level by providing local groundwater agencies with the authority, and technical and financial assistance necessary, to sustainably manage groundwater; and

WHEREAS, SGMA requires the designation of Groundwater Sustainability Agencies (“GSAs”) for the purpose of achieving groundwater sustainability through the adoption and implementation of Groundwater Sustainability Plans (“GSPs”) or an alternative plan for all medium and high priority basins as designated by the California Department of Water Resources (“DWR”); and

WHEREAS, each Member is a local agency, as defined by SGMA, duly organized and existing under and by virtue of the laws of the State of California, and each Member has water supply, water management or land use responsibilities within the Vina Subbasin, which is designated subbasin number 5-021.57 in the most recent edition of DWR Bulletin Number 118; and

WHEREAS, Section 10720.7 of SGMA requires all basins designated as high or medium priority basins by the DWR in its Bulletin 118 be managed under GSPs or coordinated GSPs pursuant to SGMA; and

WHEREAS, The Members have determined that the sustainable management of the Basin pursuant to SGMA may best be achieved through the cooperation of the Members operating through a joint powers agency; and

WHEREAS, the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code; the “Act”), authorizes two or more public agencies to, by agreement, jointly exercise any power held in common by agencies entering into such an agreement and to exercise additional powers granted under the Act; and

WHEREAS, the Members desire, through this Agreement, to form the Vina Groundwater Sustainability Agency (“Agency”), a separate legal entity, for the purpose of acting as a GSA for the portion of the Basin within the jurisdictional boundaries of its Members; and

WHEREAS, the governing board of each Member has determined it to be in the Member's best interest and in the public interest that this Agreement be executed;

NOW THEREFORE, In consideration of the matters recited and the mutual promises, covenant, and conditions set forth in this Agreement, the Members hereby agree as follows:

TERMS OF AGREEMENT

ARTICLE 1. DEFINITIONS

As used in this Agreement, unless context requires otherwise, the meanings of the terms set forth below shall be as follows:

1.1. "Act" means the Joint Exercise of Powers Act, set forth in Chapter 5 of Division 7 of Title 1 of the Government Code, sections 6500, *et seq.*, including all laws supplemental thereto.

1.2. "Agency" means the Vina Groundwater Sustainability Agency.

1.3. "Agency Jurisdiction" means those areas in the Basin where the Agency is the exclusive GSA within the basin.

1.4. "Agreement" means this joint powers agreement, which creates the Vina Groundwater Sustainability Agency.

1.5. "Basin" means the Vina Subbasin, to reflect the most recent Bulletin 118 boundaries and as currently shown on the map attached to this Agreement as Exhibit B, which is incorporated herein by this reference.

1.6. "Board of Directors" or "Board" means the governing body of the Agency as established by Article 7 of this Agreement.

1.7. "Board Member" or "Director" shall mean a member of the Agency's Board of Directors.

1.8. "Committee" shall mean any committee established pursuant to Article 11 of this Agreement.

1.9. "Effective Date" means the date on which the last Member executes this Agreement.

1.10. "Fiscal Year" means July 1 through June 30.

1.11. "GSA" shall mean a groundwater sustainability agency.

1.12. "GSP" shall mean a groundwater sustainability plan.

1.13. "Member" means each party to this Agreement that satisfies the requirements of section 6.1 of this Agreement, including any new members as may be authorized by the Board pursuant to Section 6.2 of this Agreement.

1.14. "Member Director" means a director or alternate director appointed by the governing board of each Member pursuant to Article 7 of this Agreement.

1.15. "Member's Governing Body" means the board of directors, trustees or other voting body that controls the individual public agencies that are Members.

1.16. "SGMA" has the meaning assigned to it in the first Recital of the Agreement.

1.17. "Special Project" means a project undertaken by some, but not all Members of the Agency, pursuant to Article 14 of this Agreement.

1.18. "Stakeholder Director" means a Director appointed pursuant to Article 6 that represents stakeholder interests.

1.19. "Association" means Agricultural Groundwater Users of Butte County.

1.20. "State" means the State of California.

1.21. "Management Area" refers to an area within a basin for which a GSP may identify different minimum thresholds, measurable objectives, monitoring, and projects and actions based on unique local conditions or other circumstances as described in the GSP regulations. The GSP must describe each Management Area, including rationale for approach and demonstrate it can be managed without causing undesirable results inside the Management Area or outside of the Management Area.

1.22. "Coordination Agreement" means a legal agreement adopted between two or more GSAs that provides the basis for intra-basin coordination of the GSPs of multiple GSAs within a basin pursuant to SGMA.

ARTICLE 2. THE AGENCY

2.1. Upon the effective date of this Agreement, the Agency is hereby created. Pursuant to the provisions of the Act, the Agency shall be a public agency separate from its Members.

2.2. The Agency Jurisdiction boundaries shall be as shown on the map on Exhibit B, which is attached to this Agreement and incorporated herein by this reference. The Basin boundary will reflect the most recent Bulletin 118 boundaries as they become available. The Board of Directors may, upon a majority vote and without amendment to this Agreement, modify the boundaries of the GSA so as to continue serving as a GSA for the Vina Subbasin, as the same may be modified from time to time by DWR.

ARTICLE 3. PURPOSE OF THE AGENCY

3.1. The purpose of this Agreement is to create a joint powers agency (Agency) that will elect to be a GSA for the Basin. The purpose of the Agency is to (a) provide for the joint exercise of powers common to each of the Members and powers granted pursuant to SGMA (subject to the restrictions contained in this Agreement); (b) cooperatively carry out the purposes of SGMA; (c) become a GSA for purposes of management of the Basin in accordance with

SGMA; (d) develop, adopt, and implement a legally sufficient GSP for the Basin in order to implement SGMA requirements and achieve the sustainability goals outlined in SGMA; (e) to enter into a Coordination Agreement (as applicable) with other GSAs in the Vina subbasin to mutually achieve groundwater sustainability; and (f) to comply with any further legislative mandates that alter or amend SGMA within the Agency Jurisdiction. Additional organizing principles include (a) public involvement and stakeholder outreach and engagement in developing and implementing the Vina Subbasin Groundwater Sustainability Plan; and (b) mutual respect for the autonomy of individual Members and preservation of each Member's separate legal authorities, powers, duties and rights as separate public agencies, except as set forth in this Agreement.

ARTICLE 4. TERM

4.1. This Agreement shall become effective upon execution by each of the Parties and shall continue in full force and effect until terminated pursuant to the provisions of Article 17.

4.2. By execution hereof, each Member certifies and declares that it is a legal entity that is authorized to be a party to a joint exercise of powers agreement and to contract with each other for the joint exercise of a common power under Article 1, Chapter 5, Division 7, Title 1 of the Government Code, commencing with section 6500 or other applicable law including but not limited to California Water Code § 10720.3(c).

ARTICLE 5. POWERS OF THE AGENCY

5.1 Powers. To the extent authorized by the Members through the Board of Directors, and subject to the limitations of this Agreement, the Agency shall possess the ability to exercise those powers specifically granted by the Act and SGMA. Additionally, the Agency shall possess the ability to exercise the common powers of its Members related to the purposes of the Agency, including, but not limited to, the following:

- 5.1.1 To designate itself the GSA for the Agency Jurisdiction pursuant to SGMA.
- 5.1.2 To develop, adopt and implement a GSP for the Agency Jurisdiction pursuant to SGMA.
- 5.1.3 To adopt rules, regulations, policies, bylaws and procedures governing the operation of the Agency and adoption and implementation of a GSP for the Agency Jurisdiction.
- 5.1.4 To adopt ordinances within the Agency Jurisdiction consistent with the purpose of the Agency as necessary to implement the GSP and otherwise meet the requirements of the SGMA.
- 5.1.6 To obtain legal, financial, accounting, technical, engineering, and other services needed to carry out the purposes of this Agreement.
- 5.1.7 To perform periodic reviews of the GSP including submittal of annual

reports.

- 5.1.8 To require the registration and monitoring of wells within the Agency Jurisdiction.
- 5.1.9 To issue revenue bonds or other appropriate public or private debt and incur debts, liabilities or obligations.
- 5.1.10 To exercise the powers permitted under Government Code section 6504 or any successor statute.
- 5.1.11 To levy taxes, assessments, charges and fees as provided in SGMA or otherwise provided by law.
- 5.1.12 To regulate and monitor groundwater extractions within the Agency Jurisdiction as permitted by SGMA, provided that this Agreement does not extend to a Member's operation of its systems to distribute water once extracted or otherwise obtained, unless and to the extent required by other laws now in existence or as may otherwise be adopted.
- 5.1.13 To establish and administer projects and programs for the benefit of the Basin.
- 5.1.14 To cooperate, act in conjunction and contract with the United States, the State of California, federally recognized Tribes or any agency thereof, counties, municipalities, special districts, groundwater sustainability agencies, public and private corporations of any kind (including without limitation, Public Utilities Commission (PUC) regulated utilities and mutual water companies), and individuals, or any of them, for any and all purposes necessary or convenient for the full exercise of powers of the Agency.
- 5.1.15 To accumulate operating and reserve funds and invest the same as allowed by law for the purposes of the Agency and to invest funds pursuant to California Government Code section 6509.5 or other applicable State Law.
- 5.1.16 To apply for and accept grants, contributions, donations and loans under any federal, state or local programs for assistance in development or implementing any of its projects or programs for the purposes of the Agency.
- 5.1.17 To acquire by negotiation, lease, purchase, construct, hold, manage, maintain, operate and dispose of any buildings, property, water rights, works or improvements within and without the respective boundaries of the Members necessary to accomplish the purposes described herein.
- 5.1.18 To sue and be sued in the Agency's own name.
- 5.1.19 To exercise the common powers of its Members to develop, collect, provide and disseminate information that furthers the purposes of the Agency, including but not limited to the operation of the Agency and

adoption and implementation of a GSP for the Agency Jurisdiction to the Members' legislative, administrative, and judicial bodies, as well as the public generally.

5.1.20 To perform all other acts necessary or proper to carry out fully the purposes of this Agreement.

5.1.21 To enter into a Coordination Agreement with other GSAs in the Vina Basin who elect to develop and implement their own GSP.

5.2 Preservation of Powers. Each Member reserves the right, in its sole and absolute discretion and the Agency and all of its Members confirm that nothing contained herein shall grant the Agency any power to:

5.2.1 Alter any water right, contract right, or any similar right held by its Members or any Member's landowners or customers, or amend a Member's water delivery practice, course of dealing, or conduct without the express consent of the holder thereof.

5.2.2 Limit or interfere with the respective Members' rights and authorities over their own internal matters, including, but not limited to, an agency's legal rights to surface water supplies and assets, groundwater supplies and assets, facilities, operations, water management and water supply matters.

5.2.3 Modify or limit a Member's police powers, land use authorities, well permitting or any other authority.

5.2.4 Prevent an eligible local agency from becoming a GSA, and exercise the powers conferred to a GSA, within the Member's boundaries, except in the case of Butte County who shall have the right to become a GSA for those areas not overlapping other Members' boundaries;

5.3 Coordination within the Basin. Each Member acknowledges that SGMA requires that multiple GSAs within a Basin subject to SGMA must coordinate, and are required to use the same data and consistent methodologies for certain required technical assumptions when developing a GSP, and that the entire Basin must be managed under one or more GSP(s) to be deemed in compliance with SGMA.

5.4 Coordination between Basins. In order to maintain consistency and the efficient use of resources, to the extent feasible, the Agency shall strive to coordinate between and among the other adjoining subbasins for administration, matters involving public communication and outreach, and for developing frameworks to support groundwater management, which may include agreement to certain areas of coordination, provided that the Agency retain its own authority and that such recommendations are ratified by the Board. The Agency may clarify and acknowledge coordination among the other GSAs through a document or agreement if deemed appropriate.

ARTICLE 6. MEMBERSHIP

6.1. Initial Members. The initial Members of the Agency shall be the County of Butte, City of Chico, and Durham Irrigation District.

6.2. New Members. Additional Parties may join the Agency and become a Member provided that the prospective new member: (a) is eligible to join a GSA as provided by SGMA (Water Code §10723), (b) possesses powers common to all other Members, (c) pays its share of all previously incurred costs, if any, (d) pays all applicable fees and charges, if any, and (e) receives unanimous consent of the existing Members, evidenced by the execution of a written amendment to this Agreement signed by all Members, including the additional public agency.

6.3 Role of Members. Each Member agrees to undertake such additional proceedings or actions as may be necessary in order to carry out the terms and intent of this Agreement. The support of each Member is required for the success of the Agency in complying with and implementing SGMA. This support will involve the following types of actions:

6.3.1. The members will provide support to the Board of Directors and any third party facilitating the development of the GSP by making available staff time, information and facilities within available resources.

6.3.2. Each Member may contribute to the Agency.

6.3.3. Contributions of public funds and of personnel, services, equipment, or property may be made to the Agency by any Member for any of the purposes of this Agreement, provided that no repayment will be made for such contributions.

ARTICLE 7. AGENCY DIRECTORS AND OFFICERS

7.1. Formation of the Board of Directors. The Agency shall be governed and administered by a Board of Directors (“Board of Directors” or “Board”) which is hereby established and which shall be initially composed of one (1) voting seat per Member. Without amending this Agreement, the composition of the Board may be altered from time to time to reflect the addition of stakeholder directors, the withdrawal of any Member and/or the admission of any New Member. The governing board shall be known as the “Board of Directors of the Vina Groundwater Sustainability Agency.” All voting power shall reside in the Board. The Board shall consist of the following representatives, who shall be appointed in the manner set forth in Section 7:

7.1.1. One (1) representative appointed by the governing board of each Member, who shall be a member of the governing body of the Member (each, a “Member Director”).

7.1.2. Two (2) Stakeholder Directors appointed by the Butte County Board of Supervisors. One Stakeholder Director shall be representative of agricultural groundwater user stakeholders and interests within the Agency Jurisdiction and one Stakeholder Director shall be representative of domestic well user stakeholders and interests within the Agency Jurisdiction. The two (2) Stakeholder Directors shall meet the following qualifications:

(a) One (1) Agricultural Stakeholder Director. The Agricultural Stakeholder Director shall meet the following criteria, determined at the sole discretion of the Butte County Board of Supervisors: (1) reside in the Agency Jurisdiction; (2) own/lease real property in active commercial agricultural production overlying the Agency Jurisdiction or be an employee of a commercial agricultural production operation overlying the Agency Jurisdiction involved with water use decisions; (3) the commercial agricultural production operation extracts groundwater from the Agency Jurisdiction for the irrigation/frost protection of at least fifty (50) acres of agricultural crops in commercial operation; and (4) the business entity that the

Agricultural Stakeholder represents has commercial agricultural interests solely within the Sacramento Valley region. The Agricultural Stakeholder, or the entity he/she represents, may not be a party to any pending litigation against the Agency or any of its Members.

(b) One (1) Non-Agricultural Domestic Well User Stakeholder Director. The Domestic Well User Stakeholder Director shall meet the following criteria, determined at the sole discretion of the Butte County Board of Supervisors: (1) reside in the Agency Jurisdiction and owns or leases residential real property in the Agency Jurisdiction; and (2) extracts groundwater from the Agency Jurisdiction for domestic water use only. The Domestic Well User Stakeholder may not be a party to any pending litigation against the Agency or any of its Members.

7.2. Duties of the Board of Directors. The business and affairs of the Agency, and all of the powers of the Agency, including without limitation all powers set forth in Article 5, are reserved to and shall be exercised by and through the Board of Directors, except as may be expressly delegated to others pursuant to this Agreement, Bylaws, or by specific action of the Board of Directors.

7.3. Appointment of Directors. The Directors shall be appointed as follows:

7.3.1. Member Directors. Each Member Director must sit on the governing board of the Member agency and be appointed by that governing board by notification, which shall be transmitted to the Chair of the Agency following adoption by the Member.

7.3.2. Stakeholder Directors. The two (2) Stakeholder Directors shall be appointed as follows:

(a) Agricultural Stakeholder Director. Butte County shall conduct an open application process and identify the qualified candidates. The Agricultural Groundwater Users of Butte County (Association) shall provide a list of four (4) nominees selected from the list of qualified candidates.

(b) Domestic Well User Stakeholder Director. Butte County shall conduct an open application process and identify the qualified candidates.

(c) Ad-hoc Nomination Committee. Member Agencies, excluding Butte County, shall form an ad-hoc nomination committee that shall provide recommendations on Stakeholder Directors' selection to the Butte County Board of Supervisors through an open, transparent public process.

(d) The Butte County Board of Supervisors shall consider the four (4) agricultural nominees, the domestic candidates and recommendations of the Ad-hoc Nomination Committee at a regular meeting and shall appoint the Stakeholder Directors and Alternates.

7.4. Alternate Directors. Each Member's governing body shall also appoint one Alternate Director to the Board of Directors. An Alternate Stakeholder Director shall be appointed by the Butte County Board of Supervisors for each Stakeholder Director. All Alternate Directors shall be appointed in the same manner as set forth in Section 7.3. Alternate Directors shall have no vote, and shall not participate in any discussions or deliberations of the Board unless appearing as a substitute for a Director due to absence or conflict of interest. If the

Director is not present, or if the Director has a conflict of interest which precludes participation by the Director in any decision-making process of the Board, the Alternate Director appointed to act in his/her place shall assume all rights of the Director, and shall have the authority to act in his/her absence, including casting votes on matters before the Board. Each Alternate Director shall be appointed prior to the third meeting of the Board. Alternate Directors are encouraged to attend all Board meetings and stay informed on current issues before the Board. Alternate Board Members have no vote at Board of Director meetings if the Board Member is present. If the Board Member is not present, the Alternate Board Member shall be entitled to participate in all respects as a regular Board Member.

7.5. Terms of Office. The term of office for each member of the Agency's Board of Directors is four (4) years and these individuals may be reappointed. Each Member Director and Alternate Member Director shall serve at the pleasure of the appointing Member's Governing Body and may be removed from the Board of Directors by the appointing Members' Governing Body at any time. If at any time a vacancy occurs on the Board of Directors, a replacement shall be appointed to fill the unexpired term of the previous Board Member pursuant to this Article 7 and within ninety (90) days of the date that such position becomes vacant.

7.6. Removal of Board Members. A Director that no longer meets the qualifications set forth in section 7.1.1 is automatically removed from the Agency Board of Directors. Upon removal of a Director, the Alternate Director shall serve as a Director until a new Director is appointed. Members must submit any changes in Member Director or Alternate Member Director positions to the Chair in writing with submissions signed by the Member. A Stakeholder Director may only be removed by the Butte County Board of Supervisors for failure to attend three (3) consecutive meetings or as a result of no longer meeting the qualifications set forth in Article 7 of this Agreement.

7.7. Vacancies. A vacancy on the Board of Directors shall occur when a Director resigns or reaches the end of that Director's term, as set forth in Section 7.5. For Member Directors, a vacancy shall also occur when he or she is removed by his or her appointing Member's governing body. For Stakeholder Directors, a vacancy shall also occur when the Stakeholder Director is removed, as set forth in Section 7.6. Upon the vacancy of a Director, the Alternate Director shall serve as Director until a new Director is appointed as set forth in Section 7.3 unless the Alternate Director is already serving as an Alternate Director in the event of a prior vacancy, in which case, the seat shall remain vacant until a replacement Director is appointed as set forth in Section 7.4. Members shall submit any changes in Director or Alternate Director positions to the Chair by written notice signed by an authorized representative of the Member.

ARTICLE 8. AGENCY MEETINGS

8.1. Initial Meeting. The initial meeting of the Agency's Board of Directors shall be called by the County of Butte and held in the Chico City Council Chambers, 421 Main Street Chico CA 95928, within 60 days of the effective date of this Agreement.

8.2. Time and Place. The Board of Directors shall provide in its adopted bylaws or by other means authorized or required by law for the time and place for holding regular meetings, at least annually, and at such other times as determined by the Board of Directors.

8.3. Conduct. All meetings of the Board shall be noticed, held, and conducted in

accordance with the Ralph. M. Brown Act to the extent applicable. Board Members and Alternate Board Members may use teleconferencing in connection with any meeting in conformance with and to the extent authorized by the applicable laws.

ARTICLE 9. BOARD OF DIRECTORS VOTING

9.1. Quorum. A majority of the members of the Board of Directors shall constitute a quorum for purposes of transacting business.

9.2. Director Votes. Each member of the Board of Directors of the Agency shall have one (1) vote. With the exception of the items in section 9.3 below, an affirmative vote by a majority of the Board of Directors is required to approve any item. Prior to taking a vote on any item of business, the Board of Directors shall strive for consensus of all members on items.

9.3. Supermajority Voting Requirement. A supermajority requires an affirmative vote of four or more Directors. Items that require a supermajority vote to pass consist of the following, which may be amended from time to time by the Board by a supermajority, or as may otherwise be required by this Agreement or by law:

- Bylaws adoption, modification or alteration
- GSP adoption, modification or alteration
- Adoption of assessments, charges and fees
- Adoption of regulations and ordinances
- Adoption or modification of annual budgets, including capital projects
- Property acquisition (excepting right of ways)
- Appointment of Treasurer, subject to the provisions in Article 12, Administrator, Plan Manager or General Counsel
- Modifications to the composition and number or removal of members of committees
- Acceptance of Management Area chapters submitted by Member(s).
- Establishment of new or modification to existing Management Areas
- Development of the Management Area chapter(s) and associated cost allocations to Members within such Management Area(s) in the event of a failure by a Member(s) to develop Management Area chapter(s) for their respective portion of the subbasin.

ARTICLE 10. OFFICERS

10.1. Officers. The Board of Directors shall select a Chair and Vice-Chair and any other officers as determined necessary by the Board of Directors.

10.1.1. The Chair shall preside at all Board Meetings.

10.1.2. The Vice-Chair shall act in place of the Chair at meetings should the Chair be absent.

10.1.3. All Officers shall be chosen at the first Board of Directors meeting of the calendar year. An Officer may serve for multiple consecutive terms. Any Officer may resign at any time upon written notice to the Agency.

ARTICLE 11. COMMITTEE FORMATION

11.1 Management Committee. There shall be established by the Board of Directors a committee comprised of at least one (1) staff representative from each Member. The Management Committee shall meet as directed by the Board of Directors, and shall recommend agenda items, proposed action for the Board of Directors, administer the Stakeholder Advisory Committee, establish and administer technical working groups, and bring staff reports to the Board of Directors.

11.2 Internal Committee Formation. There shall be established such internal committees as the Board of Directors shall determine from time to time. Each such internal committee shall be comprised of a minority number of the seated Directors, shall exist for the term specified in the action establishing the committee, shall meet as directed by the Board of Directors, and shall make recommendations to the Board of Directors on the various activities of the Agency.

11.3. Stakeholder Advisory Committee Formation. The Board of Directors shall establish an advisory committee comprised of diverse social, cultural, and economic elements of the population and area stakeholders within the Agency Jurisdiction. The Board of Directors shall encourage the active involvement of the advisory committee(s) prior to and during the development and implementation of the GSP. The Board of Directors will ensure that at least one (1) member from the Management Committee administers the advisory committee(s). The advisory committee(s) shall meet as directed by the Board of Directors and as specified in Appendix A, and shall make recommendations to the Board of Directors as requested.

11.4. Technical Working Groups. There may be established by the Management Committee technical working groups from time to time, the purpose of which shall be to provide advice to the Management Committee on issues of a technical nature related to the activities of the Agency. The Board of Directors will ensure that at least one (1) member from the Management Committee administers technical working groups.

ARTICLE 12. OPERATIONS AND MANAGEMENT

12.1 Administrator and Plan Manager

12.1.1 Administrator: The Board may appoint an Administrator, from time-to-time and when it seems appropriate. If appointed, the Administrator shall serve at the pleasure of the Board of Directors and his/her duties and responsibilities shall be set forth by the Board in their bylaws or actions.

12.1.2 Plan Manager: The Board shall appoint a Plan Manager. The Administrator and Plan Manager may be the same individual. The Plan Manager shall serve at the pleasure of the Board of Directors and his/her duties and responsibilities shall be set forth by the Board.

12.2 Treasurer and Controller. The County of Butte shall act as treasurer and controller for the Agency. The controller of the Agency shall cause an independent audit of the Agency's finances to be made by a certified public accountant in compliance with California Government Code section 6505. The treasurer of the Agency shall be the depositor and shall have custody of all money of the Agency from whatever source. The controller of the Agency shall draw warrants and pay demands against the Agency when the demands have been approved by the Agency or any authorized representative pursuant to any delegation of Agency adopted by the

Agency. The treasurer and controller shall comply strictly with the provisions of statutes relating to their duties found in Chapter 5 (commencing with section 6500) of Division 7 of Title 1 of the California Government Code.

12.2. Legal Counsel and Other Consultants. The Board of Directors may appoint legal counsel who shall serve at the pleasure of the Board. Subject to the limits of the Agency's approved budget, the Board shall also have the power to appoint and contract for the services of other officers, consultants, advisers and independent contractors as it may deem necessary or convenient for the business of the Agency, all of whom shall serve at the pleasure of the Board. The appointed General Legal Counsel and other appointed officers of the Agency shall not be employees or contractors of one or more of the Members. Appointment of a General Legal Counsel shall be subject to all applicable Rules of Professional Responsibility, and notwithstanding anything to the contrary in this Agreement, each of the Members expressly reserve and do not waive their rights to approve or disapprove of potential conflicts of Agency General Legal Counsel.

12.3 Employees and Management. The Agency will not have any employees. In lieu of hiring employees, the Agency may engage one or more Members to manage any or all of the business of the Agency on terms and conditions acceptable to the Board of Directors. Any Member so engaged shall have such responsibilities as set forth in an agreement for such Member's services, which shall be approved by a super-majority vote of the Directors. The Agency shall have the power to employ competent registered civil engineers and other consultants to investigate and to carefully devise a plan or plans to carry out and fulfill the objects and purposes of SGMA, and complete a GSP.

12.4 Principal Office. At the initial meeting of the Board, the Board shall establish a principal office for the Agency, which shall be located at a place overlying the Agency Jurisdiction. The Board may change the principal office from time to time so long as that principal office remains at a location overlying the Agency Jurisdiction.

12.5 Bylaws. The Board shall adopt Bylaws governing the conduct of the meetings and the day-to-day operations of the Agency within six months of the Effective Date of this Agreement.

12.6 Official Seal and Letterhead. The Board may adopt, and/or amend, an official seal and letterhead for the Agency.

12.7 Conflict of Interest Code. The Board shall adopt and file a Conflict of Interest Code pursuant to the provisions of the Political Reform Act of 1974 within six months of the Effective Date. The Board may review and revise the Conflict of Interest Code from time to time as appropriate or when required by law.

ARTICLE 13. MANAGEMENT AREAS

13.1 Formation of Management Areas. There will be three Management Areas within the Agency's Jurisdiction. One Management Area overlies the Butte County area north of the City of Chico and Big Chico Creek, within the jurisdictional boundary of the Agency, referred to as the Vina North Management Area. The second Management Area encompasses the area that overlies the municipal area within and adjacent to the City of Chico as is, referred to as the Vina

Chico Management Area. The third Management Area overlies the Durham Irrigation District and the Butte County areas south of the City of Chico and is referred to as the Vina South Management Area. The final boundaries and titles of the Management Areas shall be determined by the Agency Board in consultation with the Vina Stakeholder Advisory Committee.

13.2 Management Areas Chapters. Management Areas refer to an area within a basin for which a GSP may identify minimum thresholds, measurable objectives, monitoring, and projects and actions based on unique local conditions. The Management Areas will be distinct “chapters” in the GSP that will include specific minimum thresholds, measurable objectives, monitoring and projects. All chapters must be consistent with the subbasin-wide sustainability goals.

13.3 Management Area Lead Responsibilities and Coordination. Subject to the reservation of authority in Article 13.5, each of the Members will have the responsibility to cooperatively develop their relevant Management Area chapter for inclusion into the GSP. The development of all Management Area chapters will be coordinated through the Management Committee to ensure consistency and efficiency. Butte County will be responsible for preparing the Vina North Management Area chapter within the Agency Jurisdiction. The City of Chico will be responsible for preparing the Vina Chico Management Area chapter for the municipal area within and adjacent to Chico. Butte County and Durham Irrigation District will be responsible for preparing the Vina South Management Area chapter.

13.4 Role of Agency. Subject to the reservation of authority set forth in Article 13.5, the Agency will serve a coordination and administrative role in the development of the Management Area chapters prepared by the applicable Member agencies. The Agency will be responsible for reviewing and accepting Management Area chapters which they determine to be compliant with SGMA and applicable regulations for inclusion into the GSP. Upon inclusion of Management Area chapters into the GSP, the Agency will be responsible for implementation and enforcement pursuant to Article 5.

13.5 Reservation of Authority. In the event of a failure by a Member to develop and submit a Management Area chapter within the deadline set by the Agency, the Agency reserves and retains all requisite authority to (1) develop and approve the Management Area chapter, and (2) allocate the cost of development of the Management Area chapter to Members within such Management Area.

13.6 Additional Management Areas. Additional Management Areas may be defined and established by the Board of Directors as set forth in 9.3.

ARTICLE 14. SPECIFIC PROJECTS

14.1. Projects. The Agency intends to carry out activities in furtherance of its purposes and consistent with the powers established by the Agreement with the participation of all Members.

14.2. Member Specific Projects. In addition to the general activities undertaken by all Members of the Agency, the Agency may initiate specific projects that involve less than all Members.

14.3. Project Agreement. Prior to undertaking any project that does not involve all Member Agencies, the Members electing to participate in the Project shall enter into a Project Agreement. A Member may elect not to participate in a specific project matter by providing notice and not entering into the Project Agreement specific to the matter in which the Member has elected not to participate. Each Project Agreement shall provide the terms and conditions by which the Members that enter into the Project Agreement will participate in the Project. All assets, rights, benefits, and obligations attributable to the Project shall be assets, rights, benefits, and obligations of those Members which have entered into the Project Agreement. Any debts, liabilities, obligations, or indebtedness incurred by the Agency in regard to a particular Project shall be the debts, liabilities, obligations, and indebtedness of those Members who have executed the Project Agreement in accordance with the terms thereof and shall not be the debts, liabilities, obligations, and indebtedness of those Members who have not executed the Project Agreement. Members that do not enter into Project Agreements will not receive or be entitled to any of the benefits accruing from the project.

14.4. Board of Directors Approval. The Board of Directors shall have the authority to disapprove any Project Agreement upon a determination that the Project Agreement has specific, substantial adverse impacts upon Members that have not executed the Project Agreement.

ARTICLE 15. FINANCIAL PROVISIONS

15.1. Agency Funding and Contributions. In order to provide the needed capital to initially fund the Agency, the Agency shall be initially funded through a GSP grant awarded by the DWR and through in-kind contributions of Members. In subsequent years and as needed, the Agency may be funded through additional voluntary contributions by Members and as otherwise provided in Chapter 8 of SGMA (commencing with section 10730 of the Water Code).

15.2. Budgets. Within ninety (90) days after the first meeting of the Board of the Agency, and thereafter prior to the commencement of each fiscal year, the Board of Directors shall adopt a budget for the Agency for the ensuing fiscal year.

15.3. Long-Term Funding. Upon formation of the Agency, the Board of Directors shall work on the development, adoption and implementation of a long-term funding plan to cover the operating and administrative expenses of the Agency.

ARTICLE 16. LIABILITY AND INDEMNIFICATION

16.1. Liability. The Members do not intend hereby to be obligated either jointly or severally for the debts, liabilities or obligations of the Agency, except as may be specifically provided for in California Government Code section 895.2, as amended or supplemented. Therefore, unless and to the extent otherwise required by law or agreed to herein by the Members, in accordance with California Government Code section 6507 the debts, liabilities and obligations of the Agency shall not be the debts, liabilities or obligations of the Member entities. The Agency shall own and hold title to all funds, property and works acquired by it during the term of this Agreement.

16.2. Indemnification. Funds of the Agency may be used to defend, indemnify, and hold harmless the Agency, each Member, each Director, and any officers, agents and employees of the Agency for their actions taken within the course and scope of their duties while acting on behalf of the Agency. Other than for gross negligence or intentional acts, to the fullest extent

permitted by law, the Agency agrees to save, indemnify, defend and hold harmless each Member from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, or are in any way attributable in whole or in part to, negligent acts or omissions of the Agency officers or agents, or the employees, officers or agents of any Member, while acting within the course and scope of a Member relationship with the Agency.

Members participating in special project agreements if conducted by the Agency, shall hold each of the other parties to this Agreement who are not parties to the special project agreement free and harmless from and indemnify each of them against any and all costs, losses, damages, claims and liabilities arising from the special project agreement.

ARTICLE 17. WITHDRAWAL AND TERMINATION

17.1. Withdrawal. A Member may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, effective upon sixty (60) days written notice to the remaining Members. The notice of withdrawal shall state whether the withdrawing Member will elect to serve as a GSA for all or any portion of the lands within its boundaries or if the Agency shall continue to serve as the GSA for the withdrawing Member's boundaries. In the event the withdrawing Member's notice of withdrawal would create an overlap of GSA boundaries with the boundaries of any other Member, not including Butte County, the affected Members will meet and confer in good faith to attempt to resolve the overlap. In the event Butte County withdraws, it will not create a GSA overlap with the boundaries of any of the other Members.

17.2. Termination of Agency. This Agreement may be rescinded and the Agency terminated by unanimous written consent of all Members, except during the outstanding term of any Agency indebtedness.

17.3. Involuntary Termination. The Members acknowledge that SGMA requires that multiple GSAs within a given subbasin must coordinate and are required to use the same data and consistent methodologies for certain required technical assumptions when developing a GSP and that the entire Basin must be implementing one or more GSPs for the Basin to be deemed in compliance with SGMA. As a result, upon a supermajority determination of the Board of Directors that the actions of a Member (1) fail to comply with the terms of this Agreement; or (2) conflict with or undermines the functioning of the Agency or the preparation and implementation of the requirements of the GSP, the Board of Directors may terminate that Member's membership in this Agency, provided that prior to any vote to remove a Member involuntarily all of the Members shall meet and confer regarding all matters related to the proposed removal.

17.4. Effect of Withdrawal or Termination. This Agreement may be terminated and the Agency dissolved by a unanimous vote of the Member Directors. Upon termination of this Agreement or unilateral withdrawal, a Member shall remain obligated to pay its share of all debts, liabilities and obligations of the Agency required of the Member pursuant to the terms of this Agreement which were incurred or accrued prior to the date of such termination or withdrawal, including without limitation, those debts, liabilities and obligations pursuant to Section 5. Any Member that withdraws from the Agency shall have no right to participate in the business and affairs of the Agency or to exercise any rights of a Member under this Agreement

or the Act, but shall continue to share in distributions from the Agency on the same basis as if such Member had not withdrawn, provided that a Member that has withdrawn from the Agency shall not receive distributions in excess of the contributions made to the Agency while a Member. The right to share in distributions granted under this section shall be in lieu of any right the withdrawn Member may have to receive a distribution or payment of the fair value of the Member's interest in the Agency.

17.5. Right of Member to Become GSA in Event of Withdrawal or Termination. Upon withdrawal or involuntary termination of a Member, or termination of this Agreement pursuant to section 17.2, regardless of its occurrence after June 30, 2017, the withdrawing or terminated Member will retain all rights and powers to become or otherwise participate in a GSA for the lands within its boundaries. A Member may, in its sole discretion, withdraw from the JPA, effective sixty (60) days after written notice to the Agency. In such an event, the Agency and its remaining Members will not object to or interfere with the lands in the withdrawing Member's boundaries; will facilitate such a transition to the extent necessary; and will withdraw from management that portion of the subbasin and so notify DWR. Upon withdrawal or termination, any Member shall be entitled to use data or other information developed by the Agency during its time as a Member. Further should a member withdraw from the Agency after completion of the GSP, it shall be entitled to utilize the GSP for future implementation of SGMA within its boundaries.

17.6. Disposition of Agency Assets upon Termination.

17.6.1. Surplus Funds. Upon termination of this Agreement, any reserves or surplus money on-hand shall be returned to the Members in the same proportion said Members have funded such reserves or surplus, in accordance with California Government Code section 6512.

17.6.2. Agency Property. The Agency shall first offer any assets of the Agency for sale to the Members on terms and conditions determined by the Board of Directors. If no such sale to Members is consummated, the Board shall offer the assets of the Agency for sale to any non-member for good and adequate consideration on terms and conditions determined by the Board of Directors.

ARTICLE 18. MISCELLANEOUS

18.1. No Predetermination or Irretrievable Commitment of Resources. Nothing in this Agreement shall constitute a determination by the Agency or any of its Members that any action shall be undertaken or that any unconditional or irretrievable commitment of resources shall be made, until such time as the required compliance with all local, state, or federal laws, including without limitation the California Environmental Quality Act, National Environmental Policy Act, or permit requirements, as applicable, has been completed.

18.2. Notices. Notices hereunder shall be sufficient if delivered via electronic mail, First-Class mail or facsimile transmission to the addresses below:

County of Butte: Department of Water and Resource Conservation, 308 Nelson Ave, Oroville, CA 95965

City of Chico: 411 Main Street, Chico, CA 95928

18.3. Amendment. This Agreement may be amended at any time, by unanimous agreement of the Members, provided that before any amendments shall be operative or valid, it shall be reduced to writing and signed by all Members hereto.

18.4. Agreement Complete. This Agreement constitutes the full and complete agreement of the Members. This Agreement supersedes all prior agreements and understandings, whether in writing or oral, related to the subject matter of this Agreement that are not set forth in writing herein.

18.5. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions will remain in force and unaffected to the fullest extent permitted by law and regulation.

18.6. Execution in Counterparts. The Parties intend to execute this Agreement in counterparts. It is the intent of the Parties to hold one (1) counterpart with single original signatures to evidence the Agreement and to thereafter forward four (4) other original counterparts on a rotating basis for all signatures. Thereafter, each Member shall be delivered an originally executed counterpart with all Member signatures.

18.7. Withdrawal by Operation of Law. Should the participation of any Member to this Agreement be decided by the courts to be illegal or in excess of that Member's authority or in conflict with any law, the validity of this Agreement as to the remaining Members shall not be affected thereby.

18.8. Assignment. The rights and duties of the Members may not be assigned or delegated without the written consent of all other Members. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void.

18.9. Binding on Successors. This Agreement shall inure to the benefit of, and be binding upon, the successors or assigns of the Members.

18.10. Other JPAs. Nothing in this Agreement shall prevent the Members from entering into other joint exercise of power agreements.

18.11. Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action related to the terms of this Agreement shall be brought and tried in Butte County Superior Court.

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective governing boards, have caused their names to be affixed by their proper and respective officers as of the date of execution of this Agreement.

County of Butte

By:  Date: 3/12/19
Chair
Board of Supervisors

City of Chico

By:  Date: 04/09/2019
Mayor
City Council

Durham Irrigation District

By:  Date: 3/12/19
President
Board of Directors

Exhibit A: List of Member Agencies

Exhibit B: Vina Subbasin Map

Appendix A: Stakeholder Advisory Committee to the Agency Board

EXHIBIT A

LIST OF MEMBERS

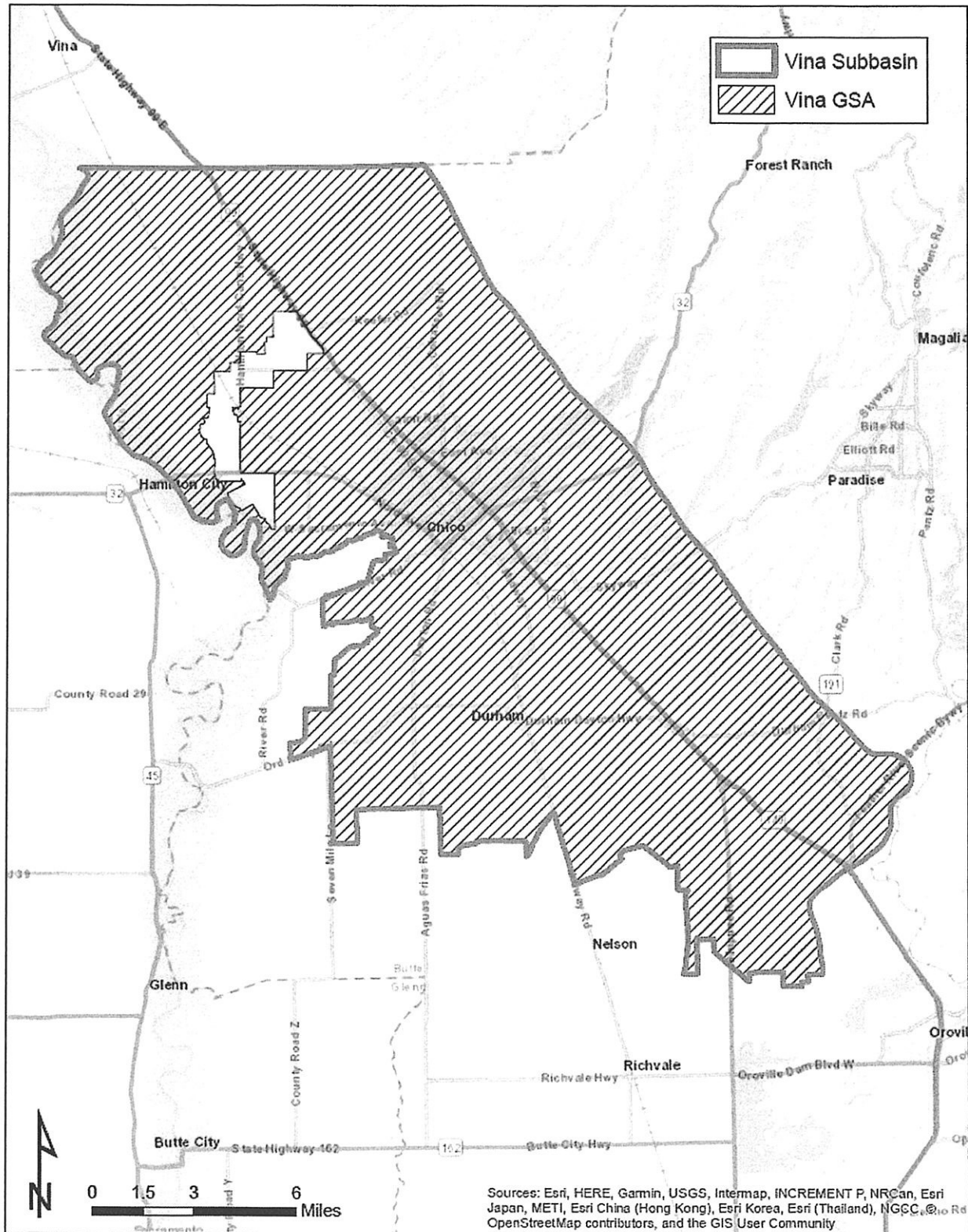
County of Butte
Department of Water and Resource Conservation
308 Nelson Ave
Oroville, CA 95973

City of Chico
411 Main Street
Chico, CA 95928

Durham Irrigation District
9418-C Midway
Durham, CA 95938

EXHIBIT B

**VINA SUBBASIN AND THE
BOUNDARY OF THE VINA GROUNDWATER SUSTAINABILITY AGENCY**



APPENDIX A

Stakeholder Advisory Committee to the Agency Board

The purpose of the Advisory Committee (AC) is to provide input and recommendations to the Agency Board of Directors concerning GSP development and implementation and on matters of policy affecting the GSA. The intent of the AC is to provide community perspective and a forum for public/stakeholder participation in the GSA.

The AC will review and/or provide recommendations to the Agency Board on groundwater-related issues that may include:

- Development, adoption, amendment of the GSP
- Sustainability goals and objectives
- Best management practices
- Monitoring programs
- Annual work plans and reports (including mandatory 5-year milestone reports)
- Modeling scenarios
- Inter-basin coordination activities
- Projects and management actions to achieve sustainability
- Community outreach
- Local regulations to implement SGMA
- Fee proposals
- Other

The AC will not be involved in the Agency's day to day operations, such as contracting, budgeting, etc.

Membership

Composition of the AC is intended to represent the beneficial uses and users of groundwater identified in SGMA, as applicable in the Agency Jurisdiction. AC members may not serve concurrently on the Agency Board. Members must live or work within the Agency Jurisdiction or represent an organization with a presence in the Agency Jurisdiction.

The Agency Board will appoint representatives to the AC, for a total not to exceed 10 members. The following represents a draft, proposed list of possible AC representation:

- Cal Water-Chico (1)
- Agricultural groundwater users (3):
- At-large domestic well users (2):
- At-large environmental representative (1)
- At-large business representative (1)

The Agency Board may appoint other interests representing beneficial users and uses of groundwater as per Water Code Section 10723.3.

Member Appointment

The Agency Board will appoint At-large members to fill AC seats. Interested individuals from the community or organizations may apply to the Agency Board, designating in the application the seat that the applicant would intend to fill.

The Agency Board encourages candidates with experience and familiarity with groundwater and its management. The Agency Board will also give preference to applicants who have the backing of multiple organizations or individuals and/or have experience working with diverse community-based groups.

Application Timeline

The Agency Board will establish a timeline and process for appointment of the initial AC following Agency formation. In subsequent years, applicants will submit an application for vacant seats. The GSA will post applications on its website.

Advisory Committee Member Terms

AC member seats are four-year terms. AC members are not term-limited. However, each term AC members must resubmit an application to the Agency Board.

The Agency Board can only remove an AC member if the member fails to attend three consecutive meetings or if the AC member no longer meets the criteria for AC membership. The Agency Board will appoint alternates, if the Agency Board deems alternates necessary.

Decision Making and Governing Board Consideration

To inform Agency Board decision-making, the AC will provide written recommendations that will be included in Management Committee reports. The recommendations will identify areas of agreement and disagreement. The AC will strive for consensus when possible, but reaching consensus is not necessary. When unable to reach consensus on recommendations, the AC will outline the areas in which it does not agree, providing some explanation to better inform Agency Board decision-making.

Pursuant to Agency Board direction, the Management Committee will develop the annual work plan and schedule for AC meetings. The AC will adopt a charter describing their purpose, operating principles and ground rules that will be confirmed by the Agency Board.

The Agency Board will consider AC recommendations when making decisions. If the Agency Board does not agree with the recommendations of the AC, the Agency Board shall state the reasons for its decision.

Public Process

All AC meetings are subject to the Brown Act and will be noticed and open to the public.

Jan 02 2020

**MEMORANDUM OF UNDERSTANDING BETWEEN THE VINA GROUNDWATER SUSTAINABILITY AGENCY
AND BUTTE COLLEGE RELATED TO THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and entered into between the Vina Groundwater Sustainability Agency and Butte College, each a "Party" and collectively the "Parties". The MOU becomes effective on the date of the last signature of the Parties.

WHEREAS, on January 1, 2015, the Sustainable Groundwater Management Act ("SGMA") went into effect; and

WHEREAS, the purpose of SGMA is to create a comprehensive management system in the State of California by creating a structure to manage groundwater at the local level, while providing authority to the State to oversee and regulate, if necessary, the local groundwater management system; and

WHEREAS, SGMA empowers local agencies to adopt groundwater sustainability plans that are tailored to the resources and needs of their communities to provide a buffer against drought and contribute to reliable water supply for the future; and

WHEREAS, Water Code Section 10723.6 authorizes a combination of local agencies overlying a groundwater basin to elect to become a Groundwater Sustainability Agency ("GSA") by using a memorandum of agreement or other agreement; and

WHEREAS, Butte County, the City of Chico, Durham Irrigation District, and Butte College were eligible local agencies and elected to become GSAs in the Vina subbasin (DWR Bulletin 118 basin number 5-021-57); and

WHEREAS, the Butte College agreed to relinquish its GSA status in exchange for assurances from Butte County that the Butte College would retain specific groundwater management decisions within their jurisdiction; and

WHEREAS, on April 9, 2019 Butte County, the City of Chico and Durham Irrigation District executed a Joint Powers Agreement which created the Vina GSA; and

WHEREAS, the Vina GSA has responsibility in the Vina subbasin within its jurisdictional boundary including the area overlying Butte College to carry out the requirements of SGMA including developing and implementing the groundwater sustainability plan; and

WHEREAS, the Butte College and the Vina GSA finds that developing a cooperative and ongoing working relationship will advance the purposes of SGMA and groundwater sustainability for the Vina subbasin; and

WHEREAS, the Vina GSA seeks the cooperation of the Butte College in the development and implementation of the Vina GSP; and

NOW THEREFORE, incorporating the above recitals herein and exhibits attached, it is mutually understood and agreed as follows:

1. The Vina GSA agrees to the following terms:

- a. To not impose fees, assessments, or other charges pertaining to groundwater management and extraction to Butte College without the prior written consent of Butte College.
 - b. To not limit groundwater extraction by Butte College without the written consent of Butte College.
 - c. To not alter the current boundaries of the Vina Subbasin or consolidation of the subbasin without the advance written consent of Butte College.
 - d. To not directly or indirectly regulate or interfere with the surface water rights or groundwater rights of the Butte College without the written consent of Butte College.
2. Butte College agrees to the following terms:
- a. To support the efforts of the Vina GSA or its Member Agencies to obtain grant funding for the development of the GSP for the Vina subbasin.
 - b. To provide to the Vina GSA associated data collected by the Butte College as related to the sustainability of the subbasin, which will be utilized in the development and implementation of the GSP for the Vina subbasin.
 - c. To work cooperatively with the Vina GSA in the review, development and implementation of the GSP for the Vina subbasin.
3. **TERM.** This MOU shall remain in effect unless terminated by one of the Parties in writing and as allowed by State law.
4. **AMENDING THE MOU.** This MOU and Exhibits hereto may only be amended by a subsequent writing, approved and signed by all Parties.
5. **HOLD HARMLESS.** No Party, not any officer or employee of a Party, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by another Party under or in connection with this MOU.

VINA GROUNDWATER SUSTAINABILITY AGENCY

BUTTE COLLEGE

By: 
Ann Schwab, Chair

By: 

DATE: 12/12/2019

DATE: 1/23/2020

**COOPERATION AGREEMENT
BETWEEN THE VINA GROUNDWATER SUSTAINABILITY AGENCY AND THE
ROCK CREEK RECLAMATION DISTRICT GROUNDWATER SUSTAINABILITY
AGENCY**

THIS COOPERATION AGREEMENT is entered into and effective this 18th day of November, 2020 (“**Effective Date**”), by and among the Vina Groundwater Sustainability Agency (“Vina GSA”) and the Rock Creek Reclamation District acting in the capacity of its Rock Creek Reclamation District Groundwater Sustainability Agency (“Rock Creek GSA”) (collectively “**Parties**” or individually a “**Party**”).

RECITALS

A. On August 29, 2014, the California Legislature passed comprehensive groundwater legislation contained in SB 1168, SB 1319 and AB 1739. Collectively, those bills, as subsequently amended, enacted the “Sustainable Groundwater Management Act” (“SGMA”). Governor Brown signed the legislation on September 16, 2014 and it became effective on January 1, 2015.

B. Each of the Parties overlies the Sacramento Valley Groundwater Basin, Vina Subbasin, California Department of Water Resources (“DWR”) Basin No. 5-21.57 as its boundaries may be modified from time to time in accordance with Water Code Section 10722.2 (the “Basin”).

C. The Rock Creek GSA elected to manage the groundwater for its boundaries and act as the Groundwater Sustainability Agency (“GSA”) pursuant to SGMA with the DWR on or about November 14, 2016.

D. The Vina GSA elected to manage the groundwater over the boundaries of its members and act as the GSA pursuant to SGMA with the DWR on or about June 5, 2019.

E. The Parties desire, through this Agreement, to cooperate in the work of the GSAs and the management of the Basin, in accordance with SGMA.

THEREFORE, in consideration of the mutual promises, covenants and conditions herein set forth, the Parties agree as follows:

ARTICLE 1: DEFINITIONS

1.1 **Definitions.** As used in this Agreement, unless the context requires otherwise, the meaning of the terms hereinafter set forth shall be as follows:

a. “**Agreement**” shall mean this Cooperation Agreement between the Rock Creek GSA and the Vina GSA.

b. “**Basin**” shall mean Vina Groundwater Subbasin, California Department of Water Resources Basin No. 5-21.57 as its boundaries may be modified from time to time in accordance with Water Code Section 10722.2.

c. **“Basin-Wide Activities”** shall mean those activities or actions that affect the Basin as a whole, or are otherwise required by SGMA to be determined as the Basin level.

d. **“Coordination Agreement”** shall mean a legal agreement adopted between two or more GSAs that provides the basis for intra-basin coordination for more than one groundwater sustainability plan (“GSP”) within a single basin.

e. **“DWR”** shall mean the California Department of Water Resources.

f. **“Effective Date”** shall be as set forth in the Preamble.

g. **“Groundwater Sustainability Agency”** or **“GSA”** has the meaning set forth in Water Code § 10721(j).

h. **“Groundwater Sustainability Plan”** or **“GSP”** shall mean a plan of a Groundwater Sustainability Agency or Agencies adopted pursuant to SGMA.

i. **“Joint Management Committee”** shall mean a committee comprised of two representatives from the governing board and/or staff of both of the Parties.

j. **“Management Area”** shall mean the area within the boundaries of a GSA that are managed separately or differently than the remainder of the GSP for the Basin.

k. **“Members”** shall mean the member agencies of Vina GSA’s Joint Powers Agreement.

l. **“Parties”** shall mean any of the signatories to this Agreement.

m. **“Project Agreement”** shall mean a separate Agreement amongst and between the Parties for a specific project, whose purpose, terms, or financial contributions are different than those set forth in this Agreement.

n. **“SGMA”** shall mean the Sustainable Groundwater Management Act of 2014 and all regulations adopted under the legislation (SB 1168, SB 1319 and AB 1739) that collectively comprise the Act, as that legislation and those regulations may be amended from time to time.

ARTICLE 2: KEY PRINCIPLES

2.1 The Parties intend to work together in mutual cooperation to develop a GSP in compliance with SGMA, for the sustainable management of groundwater for the Basin.

2.2 Subject to the terms and limitations of this Agreement, including reservation of rights and authorities set forth in Section 2.4, below, the Parties intend to mutually cooperate to the extent possible to implement the GSP within the Basin in a manner consistent with SGMA.

2.3 The Parties expressly intend that this Agreement shall not limit or interfere with the respective Parties’ rights and authorities over their own internal matters, including, but not limited

to, a Party's legal rights to surface water supplies and assets, groundwater supplies and assets, facilities, operations, water management and water supply matters. The Parties make no commitments by entering into this Agreement to share or otherwise contribute their water supply assets as part of the development or implementation of a GSP.

2.4 Nothing in this Agreement is intended to modify or limit a Party's police powers, land use authorities, or any other authority.

2.5 The Parties intend to collaborate in obtaining consulting, administrative and management services needed to efficiently and effectively develop a GSP, to conduct outreach to other Basin agencies and private parties, and to identify mechanisms for the management and funding commitments reasonably anticipated to be necessary for the purposes of this Agreement.

ARTICLE 3: FORMATION, PURPOSE AND POWERS

3.1 **Recitals:** The foregoing recitals are incorporated by reference.

3.2 **Certification.** Each of the Parties certifies and declares that it is a public agency that is designated as a GSA and authorized to manage groundwater for the portion of the Basin for which it, or its members overlie.

3.3 **Purpose of the Agreement.** The purposes of this Agreement are to:

- a. Cooperatively carry out the purposes, goals and objectives of SGMA;
- b. Provide for cooperation amongst and between the Parties to develop a GSP;
- c. Implement, where consistent with the terms and limitations of this Agreement, a legally sufficient GSP in compliance with SGMA for the Basin; and

3.4 **Authority Under the Agreement.** To the extent authorized by governing boards of the Parties, subject to the limitations set forth in this Agreement and the limitations of all applicable laws, the Parties may:

- a. Coordinate the implementation of projects and actions to be developed and included in the GSP;
- b. Adopt coordinated actions, rules, regulations, policies, and procedures related to implementation of the GSP;
- c. Perform all acts necessary or proper to carry out fully the purposes of this Agreement and to exercise all other powers necessary and incidental to the implementation of the powers set forth herein.

3.5 **Powers Reserved to Parties.** Each of the Parties will have the sole and absolute right, in its sole discretion, to:

- a. Act as a GSA within its boundaries or the Management Area managed in whole or in part by such Parties;
- b. Approve any portion, section or chapter of the GSP developed pursuant to this Agreement;
- c. Exercise powers and authorities granted to each Party pursuant to SGMA or under that Party's enabling legislation;
- d. Exercise authority to implement SGMA and any GSP adopted pursuant to this Agreement;
- e. Defend any challenge to the adoption or implementation of a GSP developed pursuant to this Agreement; and
- f. The right to terminate this Agreement pursuant to Article 7, below.
- g. Notwithstanding anything to the contrary in this Agreement, this Agreement does not provide any Parties the authority to undertake any activities within the geographic or service area boundaries of any other Parties pursuant to the GSP developed or adopted hereunder, unless the Parties have formally and expressly consented and agreed in writing to the activity proposed.

3.6 **Term.** This Agreement shall be effective as of the Effective Date and shall remain in effect until terminated in accordance with Article 7.4 of this Agreement.

3.7 **Participation of Parties.** Each of the Parties agrees to undertake such additional proceedings or actions as may be necessary in order to carry out the terms of this Agreement, including the support of its Members, to participate in this Agreement. This support will involve the following types of actions:

- a. Each Party agrees to designate two members of its governing body, staff, or other designated representative(s) to serve on the Joint Management Committee and to provide assistance to any third party facilitating the development of the GSP by making available staff time, information and facilities within available resources.
- b. Each of the Parties may contribute public resources including but not limited to personnel, services, equipment or property to facilitate this Agreement. Such in-kind resource support is made in order to facilitate this Agreement and comply with SGMA; without a separate Project Agreement, the contributions shall not be made with the expectation of reimbursement from other Parties.

3.8 **Other Officers and Employees.** To the extent the Parties need support from employees, officers, consultants or otherwise need to hire employees, and such retention requires financial contribution of the Parties, the Parties may do so through amendment of this Agreement setting forth the terms and conditions of such support.

ARTICLE 4: GOVERNANCE

4.1 **Joint Management Committee.** Activities under this Agreement will be guided by the appointed management committees of each Party (“Joint Management Committee”), the composition of which is set forth in Section 3.7(a). The Joint Management Committee shall work collaboratively under this Agreement for the purpose of attempting to develop recommendations for technical and substantive Basin-wide issues. Recommendations from the Joint Management Committee that require approval or action of the Parties shall, upon unanimous consent of the Joint Management Committee, be provided to each Parties’ respective governing boards for consideration of adoption, approval, or other recommended action. The Joint Management Committee may consider the following topics and make recommendations to the Parties governing boards:

- a. Develop budget(s) for any project or program where joint funding from the Parties is proposed;
- b. Draft reports or options with regard to decisions related to proposing new or enhanced taxes, assessments or property-related fees and charges;
- c. Propose guidance and options for obtaining grant funding;
- d. Recommend the adoption of rules, regulations, policies, and procedures related to the Agreement;
- e. Recommend the approval of contracts with consultants or subcontractors that would undertake work on behalf of the Parties pursuant to this Agreement;
- f. Update each Party’s respective governing boards on specific issues, including the development of the GSP, when appropriate or requested;
- g. Advise the Parties when the convening of an Ad Hoc committee is needed to resolve an impasse or inability to make a consensus recommendation;
- h. Conduct outreach with stakeholder groups;
- i. Participate and guide the development of GSP and materials in support thereof;
- j. Recommend action and/or approval of a GSP; and

All other topics consistent with the terms of this Agreement.

4.2 **Meetings.** The Joint Management Committee shall provide for regular and special meetings in accordance with Chapter 9, Division 2, Title 5 of Government Code of the State of California (the “Ralph M. Brown Act” commencing at Section 54950), and any subsequent amendments of those provisions.

4.3 **Advisory Committees.** The Joint Management Committee may utilize existing advisory committees of each Party and/or establish other advisory committees, technical committees or other committees for any purpose, including but not limited to the GSP purposes in Water Code Section 10727.8.

4.4 **Impasse Resolution.** To the extent the Joint Management Committee is unable to make a unanimous recommendation on an issue for which their respective governing boards need to make a decision, the Joint Management Committee may recommend that the Parties convene an Ad Hoc committee comprised of not more than two members of each Parties' governing board members in an attempt to resolve the impasse.

ARTICLE 5: INFORMATION AND DATA SHARING

5.1 **Exchange of Information.** The Parties acknowledge and recognize pursuant to this Agreement and SGMA, the Parties may need to exchange information amongst and between the Parties and will do so through collaboration and/or informal requests made at the Joint Management Committee level or through working/stakeholder committees. To the extent it is necessary to make a written request for information to other Parties, it will be communicated in writing and transmitted in person or by mail, facsimile machine or other electronic means to the appropriate representative as named in this Agreement.

ARTICLE 6: FINANCIAL PROVISIONS

6.1 **Contributions and Funding.** The funding and implementation of the GSP will be initially funded through a grant award from the Department of Water Resources ("DWR"). Any funding not covered by grant shall be funded by separate unanimous agreement of the Parties.

6.2 **DWR Grant.** The DWR grant is being administered by Butte County on behalf of the Vina GSA, the Rock Creek GSA and all of the GSAs in adjoining Butte and Wyandotte Creek subbasins. To the extent practicable and consistent with this Agreement, the DWR grant will develop common components of the GSP. For GSP components subject to the independent discretion of the Parties, the Parties agree to utilize the DWR grant in an efficient and equitable manner.

6.3 **Funding Responsibility.** Each of the Parties shall be responsible to fund its participation in this Agreement. Each of the Parties will be solely responsible for raising funds for payment of the Parties' share of operating and administrative costs. The obligation of each of the Parties to make payments under the terms and provisions of this Agreement is an individual and severable obligation and not a joint obligation with those of the other Parties. Each of the Parties shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. No Parties shall be precluded from independently pursuing any of the activities contemplated in this Agreement. No Parties shall be the agent or have the right or power to bind any other Parties without such Parties' express written consent, except as expressly provided in this Agreement.

6.4 **Alternate Funding Sources.** The Parties may jointly seek to secure additional contributions of grant funding, state, federal, or county funding as funding or a portion of funding for implementation of the GSP, including projects and management actions that benefit the Basin.

ARTICLE 7: DISPUTE RESOLUTION, WITHDRAWAL AND TERMINATION

7.1 **Dispute Resolution.** It is the desire of the Parties to informally resolve all disputes and controversies related to this Agreement, whenever possible, at the least possible level of formality and cost. If a dispute occurs, one representative of each Party shall meet and confer in an attempt to resolve the matter. If informal resolution cannot be achieved, the matter will be referred to the Joint Management Committee for resolution. The Joint Management Committee may engage the services of a trained mediator or resort to all available legal and equitable remedies to resolve disputes.

7.2 **Withdrawal and Termination.** Either Party may, in its sole discretion, unilaterally withdraw and terminate its participation from this Agreement, effective upon thirty (30) days' prior written notice to the governing board of the other Party, provided that (a) the withdrawing Party will remain responsible for its proportionate share of any obligation or liability duly incurred while a Party to this Agreement and (b) the Parties will meet and confer to negotiate, a coordination agreement, if necessary, under SGMA.

7.3 **Disposition of Property Upon Termination.** Upon termination of this Agreement, the Joint Management Committee shall recommend the Parties distribute the assets between the successor entity and the Parties in proportion to how the assets were provided.

7.4 **Use of Data.** Upon withdrawal, a Party shall be entitled to use any data or other information developed during its time as a Party to the Agreement. Further, should a Party withdraw after completion of the GSP, it shall be entitled to utilize the GSP for future implementation of SGMA within its boundaries.

ARTICLE 8: MISCELLANEOUS PROVISIONS

8.1 **Amendments.** This Agreement may only be amended by a written instrument executed by all Parties.

8.2 **Binding on Successors.** Except as otherwise provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without a unanimous vote by the Parties. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations then in effect. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties hereto.

8.3 **Notice.** Any notice or instrument required to be given or delivered under this Agreement may be made by: (a) depositing the same in any United States Post Office, postage prepaid, and shall be deemed to have been received at the expiration of 72 hours after its deposit in the United States Post Office; (b) transmission by facsimile copy to the addressee; (c) transmission by electronic mail; or (d) personal delivery, as follows:

ROCK CREEK GSA

Hal Crain, Board Director
Rock Creek Reclamation District GSA
5556 Wilson Landing Road
Chico, CA 95973
530-345-3412
rockcreekreclamation@aol.com

VINA GSA
Paul Gosselin, Water and Resource Conservation
Vina GSA
308 Nelson Avenue
Oroville, CA 95965
530-552-3590
pgosselin@buttecounty.net
<http://www.buttecounty.net/>

With copy to: Valerie Kincaid
O'Laughlin & Paris LLP
2617 K Street, Suite 100
Sacramento, CA 95816
Email: vkinaid@olaughlinparis.com
Phone: 916.599.5498

Dustin Cooper
Minasian, Meith, Soares, Sexton & Cooper, LLP
1681 Bird Street
P.O. Box 1679
Oroville, CA 95965-1679
Email: dcooper@minasianlaw.com
Phone: 530-533-2885

8.4 **Counterparts.** This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original. All such counterparts shall together constitute but one and the same instrument.

8.5 **Choice of Law.** This Agreement shall be governed by the laws of the State of California.

8.6 **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Agreement are held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

8.7 **Headings.** The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Parties to this Agreement.

8.8 **Construction and Interpretation.** This Agreement has been arrived at through negotiation and each of the Parties has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Parties shall not apply in the construction or interpretation of this Agreement.

8.9 **Entire Agreement.** This Agreement constitutes the entire agreement among the Parties and supersedes all prior agreements and understandings, written or oral.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above-written.

“VINA GSA”

Vina Groundwater Sustainability Agency



Ann Schwab, Chair

Date: 11/19/2020

“ROCK CREEK GSA”

Rock Creek Reclamation District Groundwater Sustainability Agency



Hal Crain, Board Director

Date: 12/31/20



Vina Groundwater Sustainability Agency
308 Nelson Avenue, Oroville, California 95965
(530) 552-3592 • VinaGSA@gmail.com

June 28, 2021

Paula Daneluk, Director
Butte County Department of Development Services
7 County Center Drive
Oroville, CA 95965

Re: Vina Groundwater Sustainability Plan

Director Daneluk:

Under the Sustainable Groundwater Management Act (SGMA), Groundwater Sustainability Agencies (GSA) must submit a Groundwater Sustainability Plan (Plan) that will assure groundwater is sustainable within 20 years. In Butte County, the Vina subbasin is required to have a Plan submitted by January 31, 2022. In the Vina subbasin, the two GSAs, Vina GSA and Rock Creek Reclamation District GSA, are jointly developing a single Plan. SGMA requires that the GSAs provide at least a 90 day notice to cities and counties prior to adoption of a Plan. Through this letter, we are providing notice of the Plan development and seek your review of the draft Plan. (Water Code §10728.2)

SGMA recognizes the linkage between land use and groundwater management. Many of the projects and actions include recommendations for changes to land use, general plans, zoning and ordinances under your jurisdiction. The Plan takes into account projected growth from existing general plans. In the future, anytime a city or county readopts or substantially amends their general plan the planning agency shall review and consider an adoption of, or update to, a groundwater sustainability plan. (Under Government Code § 65350.5) We look forward to collaborating with you on groundwater sustainability in the Vina subbasin.

Various chapters of the Vina subbasin Plan are in draft form. The entire Vina subbasin Plan is expected to be released for a 60 day comment period in September, with a hearing to be held in November. Adoption of the Plan is expected in December. When the entire draft Plan is prepared in September, we will provide you with a notice of its

availability. In the meantime, draft chapters are available for review at www.vinagsa.org.

If you have any questions or would like more information please contact me.

Thank you.

Paul Gosselin, Administrator

Cc: Andy Pickett, Butte County CAO



Vina Groundwater Sustainability Agency
308 Nelson Avenue, Oroville, California 95965
(530) 552-3592 • VinaGSA@gmail.com

June 28, 2021

Brendon Vieg, Director
Community Development, Planning & Housing
City of Chico
411 Main Street, 2nd Floor
Chico, CA 95928

Re: Vina Groundwater Sustainability Plan

Director Vieg:

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availability. In the meantime, draft chapters are available for review at www.vinagsa.org.

If you have any questions or would like more information please contact me.

Thank you.

Paul Gosselin, Administrator

Cc: Mark Orme, City Administrator

APPENDIX C

Memorandum of Understanding Four County (Butte, Colusa, Glenn, and Tehama Counties) Regional Water Resource Coordination, Collaboration, and Communication

Memorandum of Understanding

Four County (Butte, Colusa, Glenn, and Tehama Counties) Regional Water Resource Coordination, Collaboration, and Communication

1. BACKGROUND

The counties of Butte, Colusa, Glenn, and Tehama share common surface water and groundwater resources. Based on these common resources, local water resource managers understand that regular coordination, collaboration, and communication can result in an improved water resource understanding at both the county and regional level.

2. PURPOSE

The purpose of this document is to establish the mutual understandings of the four counties with respect to their voluntary joint efforts toward regional coordination, collaboration, and communication.

3. GOALS

The goals of the Four County Memorandum of Understanding (MOU) are:

- 2.1. To foster coordination, collaboration and communication between the four counties on water-related issues, to achieve greater efficiencies, and enhance public services.
- 2.2. To provide a framework for the management and disbursement of funding associated with activities pursued jointly under this MOU.
- 2.3. To improve competitiveness for State and Federal grant funding.

4. DEFINITIONS

4.1. Four County. Participants including the counties of Butte, Colusa, Glenn, and Tehama, with representation by the following:

- Butte County: Department of Water and Resource Conservation
- Colusa County: Department of Planning and Building
- Glenn County: Department of Agriculture
- Tehama County: Flood Control and Water Conservation District

4.2. Project Manager. A project manager will be determined by the Counties signatory to this MOU for any given project regardless of funding source to meet the goals set forth in this MOU.

5. MUTUAL UNDERSTANDINGS

5.1. Participation. Signatories to this MOU constitute the current participants. Participation is strictly on a voluntary basis and may be

terminated at any time without recourse. Neighboring counties who share water resources common to the participating counties and who are engaged in similar activities will be invited to be signatory to this MOU. Signatories aspire to work collaboratively with other regional programs and technical outreach efforts.

5.2. Activities. Efforts pursued under this agreement will remain consistent with and will not exceed the current authority for any individual participating county. Efforts will include the study and investigation of water resources common to participants, monitoring and reporting, information dissemination and sharing between counties and with other county departments, public outreach and education, and other activities at the agreement and direction of individual county governing bodies.

5.3. County Funding. Counties are not required to commit funding associated with activities completed under this MOU. It is understood that activities under this MOU may result in the more efficient use of existing and future department funding resulting from improved collaboration and coordination.

5.4. External Funding. Signatories will work collaboratively in pursuit of external funding associated with common interest activities based on voluntary participation and agreement. When required, a mutually agreed upon County representative will serve as the Project Manager for activities completed under a contract with an external funding source. Existing county contracting mechanisms will be utilized where available for contractual and invoicing purposes between participating counties. Nothing in this MOU precludes individual counties from the individual pursuit, contracting and completion of work from an externally funded source regardless of a real or perceived regional interest.

5.5. Decision-making. Consensus will be sought when the need for a decision arises.

5.6. Non-binding nature. This document and participation under this MOU are nonbinding, and in no way suggest that a county may not continue its own activities as each county is expected to continue its own policies and procedures and undertake efforts to secure project funding from any source. A county may withdraw from participation at any time.

5.7. Termination. Because the MOU will require periodic review and updating for use into the future, it is envisioned that the joint efforts of those involved will be ongoing in maintaining a living document. Thus this document will remain as a reflection of the understandings of the participants. Individual signatories of this MOU may terminate their involvement at any time with no recourse.

6. SIGNATORIES TO THE MEMORANDUM OF UNDERSTANDING

We, the undersigned representatives of our respective counties, acknowledge the above as our understanding of how the Four County Coordination, Collaboration, and Communication MOU will be implemented.

MAR 14 2006 APPROVED JAN 24 2006

Date


Curt Josiassen, Chairman
Butte County Board of Supervisors

Approved As To Form:
Bruce Alpert, Butte County Counsel

2/28/06

6. SIGNATORIES TO THE MEMORANDUM OF UNDERSTANDING
We, the undersigned representatives of our respective counties, acknowledge
the above as our understanding of how the Four County Coordination,
Collaboration, and Communicative MOU will be implemented.

Date

April 4, 2006

Christy Scofield

Christy Scofield, Chairperson
Colusa County Board of Supervisors

Henry Rodegerdts

Approved As To Form:
Henry Rodegerdts, Colusa County Counsel

EXHIBIT B
PAGE 3 OF 3

6. SIGNATORIES TO THE MEMORANDUM OF UNDERSTANDING

We, the undersigned representatives of our respective counties, acknowledge the above as our understanding of how the Four County Coordination, Collaboration, and Communication MOU will be implemented.

12-13-05
Date
[Signature]
Vice Chairman, Tehama County Flood Control
And Water Conservation District

Approved As To Form:
by: *[Signature]*
County Counsel, Tehama County

Date
By Board Chair

County
Approved As To Form:

County Counsel

Date
By Board Chair

County
Approved As To Form:

County Counsel

Date
By Board Chair

County
Approved As To Form:

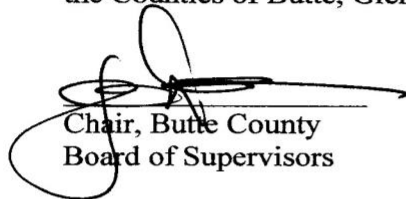
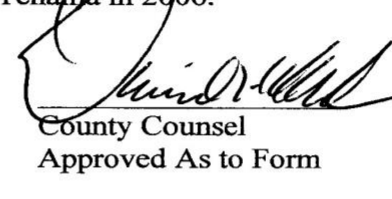
**FOUR COUNTY MEMORANDUM OF UNDERSTANDING
ADDENDUM ONE:**

Statement of Principles Regarding Water Related Programs and Projects

In recognition that certain activities related to water resources do not recognize jurisdictional boundaries and require regional solutions, the parties identified in the Four County Memorandum of Understanding hereby agree to adhere to the following Statement of Principles Regarding Water Related Programs and Projects:

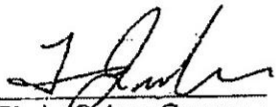
1. Programs and projects related to groundwater level and water quality monitoring shall be conducted in a cooperative manner and related data shall be shared between the participants to prevent negative impacts to our constituents.
2. Environmental documents associated with water projects and programs will automatically be circulated to all four counties for review and comment.
3. Incidents of abnormal water level or water quality readings will be immediately communicated to all participating counties resulting in a collaborative review and dissemination of related information.
4. Project and program related information will be disseminated on a regional basis through the independent county websites, augmented by regional public outreach meetings.
5. The parties will work cooperatively to acquire grant funding to conduct aquifer studies that further identify the linkages of the common groundwater resources.
6. Efforts pursued under this agreement will remain consistent with and will not exceed the current authority of any participating county.

We, the undersigned representatives of our respective counties, agree to adhere to the conditions of **Addendum One to the Four County MOU: Statement of Principles Regarding Water Related Programs and Projects**. The original MOU was signed by the Counties of Butte, Glenn, Colusa and Tehama in 2006.

 _____ Chair, Butte County Board of Supervisors	_____ Date	 _____ County Counsel Approved As to Form	_____ Date
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_____ Chair, Glenn County Board of Supervisors	_____ Date	_____ County Counsel Approved As to Form	_____ Date
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_____ Chair, Tehama County Board of Supervisors	_____ Date	_____ County Counsel Approved As to Form	_____ Date
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Vice-Chair Colusa County
Board of Supervisors

4-17-07
Date

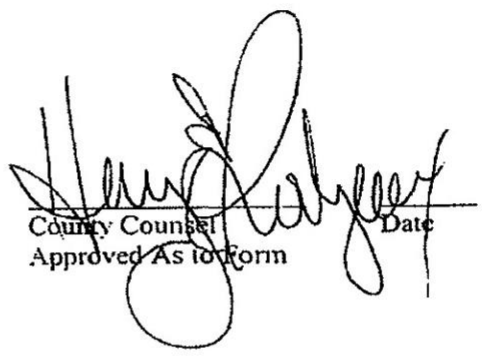

County Counsel
Approved AS to form
Date

EXHIBIT A
PAGE 2 OF 2

**FOUR COUNTY MEMORANDUM OF UNDERSTANDING
ADDENDUM ONE:**

Statement of Principles Regarding Water Related Programs and Projects

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2. Environmental documents associated with water projects and programs will automatically be circulated to all four counties for review and comment.
3. Incidents of abnormal water level or water quality readings will be immediately communicated to all participating counties resulting in a collaborative review and dissemination of related information.
4. Project and program related information will be disseminated on a regional basis through the independent county websites, augmented by regional public outreach meetings.
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Chair, Butte County
Board of Supervisors

Date

County Counsel
Approved As to Form

Date

[Signature]

Chair, Glenn County
Board of Supervisors

4/3/2007
Date

[Signature]

County Counsel
Approved As to Form

3/26/07
Date

Chair, Tehama County
Board of Supervisors

Date

County Counsel
Approved As to Form

Date

**FOUR COUNTY MEMORANDUM OF UNDERSTANDING
ADDENDUM TWO:
Adding Sutter County to the Four County MOU**

In recognition that certain activities related to water resources do not recognize jurisdictional boundaries and therefore require regional solutions, the parties identified in the original Four County Memorandum of Understanding: Counties of Butte, Colusa, Glenn and Tehama are hereby joined by Sutter County in the regional efforts discussed in the Four County MOU and the Statement of Principles Regarding Water Related Programs and Projects as discussed in Addendum One to the Four County MOU.

We, the undersigned as representative of our respective counties, agree to adhere to the conditions of the **Four County Memorandum of Understanding; Addendum One to the Four County MOU: Statement of Principles Regarding Water Related Programs and Projects. And Addendum Two: Adding Sutter County to the Four County MOU.**

The original MOU was signed by the Counties of Butte, Glenn, Colusa and Tehama in 2006. Through approval of this addendum, Sutter County makes the same commitment to regional cooperation and coordination that is outlined in the original MOU.

<u>Bill Connelly</u> Chair, Butte County Board of Supervisors	<u>05 MAY 2009</u> Date	<u>Bruce L. Alpert</u> County Counsel Approved As to Form	_____ Date
_____ Chair, Glenn County Board of Supervisors	_____ Date	_____ County Counsel Approved As to Form	_____ Date
_____ Chair, Tehama County Board of Supervisors	_____ Date	_____ County Counsel Approved As to Form	_____ Date
_____ Chair, Colusa County Board of Supervisors	_____ Date	_____ County Counsel Approved As to Form	_____ Date

**FOUR COUNTY MEMORANDUM OF UNDERSTANDING
ADDENDUM TWO:
Adding Sutter County to the Four County MOU**

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_____ Chair, Butte County Board of Supervisors	_____ Date	_____ County Counsel Approved As to Form	_____ Date
_____ Chair, Glenn County Board of Supervisors	_____ Date	_____ County Counsel Approved As to Form	_____ Date
_____ Chair, Tehama County Board of Supervisors	_____ Date	_____ County Counsel Approved As to Form	_____ Date
 _____ Chair, Colusa County Board of Supervisors	5/5/09 _____ Date	 _____ County Counsel Approved As to Form	_____ Date 3/5/09

**FOUR COUNTY MEMORANDUM OF UNDERSTANDING
ADDENDUM TWO:
Adding Sutter County to the Four County MOU**

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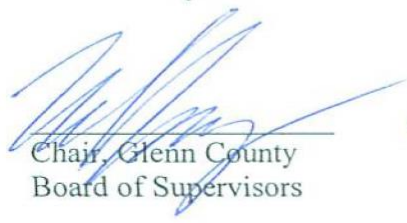
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Chair, Butte County
Board of Supervisors

Date

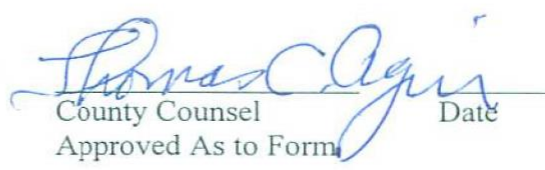
County Counsel
Approved As to Form

Date



Chair, Glenn County
Board of Supervisors

5/21/09
Date



County Counsel
Approved As to Form

Date

Chair, Tehama County
Board of Supervisors

Date

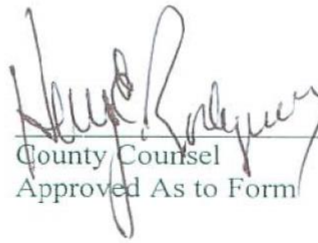
County Counsel
Approved As to Form

Date



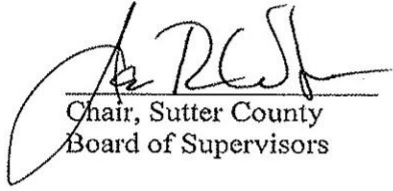
Chair, Colusa County
Board of Supervisors

5/5/09
Date



County Counsel
Approved As to Form

5/5/09
Date



Chair, Sutter County
Board of Supervisors

Date

William J. Vanasek

County Counsel
Approved as to Form

4/14/09
Date

**FOUR COUNTY MEMORANDUM OF UNDERSTANDING
ADDENDUM TWO:
Adding Sutter County to the Four County MOU**

In recognition that certain activities related to water resources do not recognize jurisdictional boundaries and therefore require regional solutions, the parties identified in the original Four County Memorandum of Understanding: Counties of Butte, Colusa, Glenn and Tehama are hereby joined by Sutter County in the regional efforts discussed in the Four County MOU and the Statement of Principles Regarding Water Related Programs and Projects as discussed in Addendum One to the Four County MOU.

We, the undersigned as representative of our respective counties, agree to adhere to the conditions of the **Four County Memorandum of Understanding; Addendum One to the Four County MOU; Statement of Principles Regarding Water Related Programs and Projects. And Addendum Two: Adding Sutter County to the Four County MOU.**

The original MOU was signed by the Counties of Butte, Glenn, Colusa and Tehama in 2006. Through approval of this addendum, Sutter County makes the same commitment to regional cooperation and coordination that is outlined in the original MOU.

Chair, Butte County Board of Supervisors	Date	County Counsel Approved As to Form	Date
Chair, Glenn County Board of Supervisors	Date	County Counsel Approved As to Form	Date
<i>Dorise Rouse</i> Chair, Tehama County Flood Control & Water Conservation District	6-23-09 Date	County Counsel Approved As to Form	Date
Chair, Colusa County Board of Supervisors	Date	County Counsel Approved As to Form	Date

**FOUR COUNTY MEMORANDUM OF UNDERSTANDING:
ADDENDUM THREE
Expression of a Commitment to Begin An
Integrated Regional Water Management Planning Process
Within the Counties of Butte, Colusa, Glenn, Tehama and Sutter**

Through adoption of this addendum, the signatories agree to begin a regional water management planning process pursuant to the Four County MOU, geographically covering the area of Butte, Colusa, Glenn, Tehama and Sutter Counties. The planning process shall utilize and incorporate existing plans and processes. The California legislature has recently adopted new criteria associated with the Integrated Regional Water Management Planning process. This new legislative criteria requires that acceptance and approval of the composition of all Integrated Regional Water Management Planning Areas be completed prior to accepting public funding associated with IRWMP grant funds. All IRWMP planning Regions and Plans must comply with the requirements as set forth in the Final Regional Acceptance Process Program Guidelines.

We, the undersigned as representative of our respective counties, agree to adhere to the conditions of **The Four County Memorandum of Understanding; Addendum One to the Four County MOU: Statement of Principles Regarding Water Related Programs and Projects; Addendum Two: Adding Sutter County to the Four County MOU; Addendum Three: Expression of a Commitment to Begin An Integrated Regional Water Management Planning Process Within the Counties of Butte, Colusa, Glenn, Tehama and Sutter.**

Bill Connelly
Chair, Butte County
Board of Supervisors

05 MAY 2009
Date

Bruce A. Alpert
County Counsel
Approved As to Form

Date

Chair, Glenn County
Board of Supervisors

Date

County Counsel
Approved As to Form

Date

Chair, Tehama County
Board of Supervisors

Date

County Counsel
Approved As to Form

Date

[Signature]
Chair, Colusa County
Board of Supervisors

5/5/09
Date

[Signature] 5/5/09
County Counsel
Approved As to Form

Chair, Sutter County
Board of Supervisors

Date

County Counsel
Approved as to Form

Date

**FOUR COUNTY MEMORANDUM OF UNDERSTANDING:
ADDENDUM THREE
Expression of a Commitment to Begin An
Integrated Regional Water Management Planning Process
Within the Counties of Butte, Colusa, Glenn, Tehama and Sutter**

Through adoption of this addendum, the signatories agree to begin a regional water management planning process pursuant to the Four County MOU and geographically covering the area of Butte, Colusa, Glenn Tehama and Sutter Counties. The planning process shall utilize and incorporate existing plans and processes. The California legislature has recently adopted new criteria associated with the Integrated Regional Water Management Planning process. This new legislative criteria requires that acceptance and approval of the composition of all Integrated Regional Water Management Planning Areas be completed prior to accepting public funding associated with IRWMP grant funds. All IRWMP planning Regions and Plans must comply with the requirements as set forth in the Final Regional Acceptance Process Program Guidelines.

We, the undersigned as representative of our respective counties, agree to adhere to the conditions of **The Four County Memorandum of Understanding; Addendum One to the Four County MOU: Statement of Principles Regarding Water Related Programs and Projects; Addendum Two: Adding Sutter County to the Four County MOU; Addendum Three: Expression of a Commitment to Begin An Integrated Regional Water Management Planning Process Within the Counties of Butte, Colusa, Glenn, Tehama and Sutter.**

Chair, Butte County
Board of Supervisors

Date

County Counsel
Approved As to Form

Date


Chair, Glenn County
Board of Supervisors

5/21/09

Date


County Counsel
Approved As to Form

Date

Chair, Tehama County
Board of Supervisors

Date

County Counsel
Approved As to Form

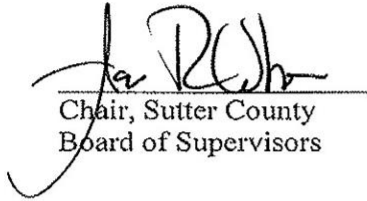
Date

Chair, Colusa County
Board of Supervisors

Date


County Counsel
Approved As to Form

Date



Chair, Sutter County
Board of Supervisors

Date



County Counsel
Approved as to Form

4/14/09

Date

**FOUR COUNTY MEMORANDUM OF UNDERSTANDING:
ADDENDUM THREE
Expression of a Commitment to Begin An
Integrated Regional Water Management Planning Process
Within the Counties of Butte, Colusa, Glenn, Tehama and Sutter**

Through adoption of this addendum, the signatories agree to begin a regional water management planning process pursuant to the Four County MOU and geographically covering the area of Butte, Colusa, Glenn, Tehama and Sutter Counties. The planning process shall utilize and incorporate existing plans and processes. The California legislature has recently adopted new criteria associated with the Integrated Regional Water Management Planning process. This new legislative criteria requires that acceptance and approval of the composition of all Integrated Regional Water Management Planning Areas be completed prior to accepting public funding associated with IRWMP grant funds. All IRWMP planning Regions and Plans must comply with the requirements as set forth in the Final Regional Acceptance Process Program Guidelines.

We, the undersigned as representative of our respective counties, agree to adhere to the conditions of **The Four County Memorandum of Understanding; Addendum One to the Four County MOU: Statement of Principles Regarding Water Related Programs and Projects; Addendum Two: Adding Sutter County to the Four County MOU; Addendum Three: Expression of a Commitment to Begin An Integrated Regional Water Management Planning Process Within the Counties of Butte, Colusa, Glenn, Tehama and Sutter.**

Chair, Butte County Board of Supervisors	Date	County Counsel Approved As to Form	Date
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Chair, Glenn County Board of Supervisors	Date	County Counsel Approved As to Form	Date
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<i>George Russell</i> Chair, Tehama County Ebbod Control & Water Conservation District	6-23-09 Date	County Counsel Approved As to Form	Date
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**FOUR COUNTY MEMORANDUM OF UNDERSTANDING:
ADDENDUM FOUR
Expression of a Commitment to Begin An
Integrated Regional Water Management Planning Process
Within the Counties of Butte, Colusa, Glenn, Tehama, Sutter and Shasta**

Through adoption of this addendum, the signatories agree:

1. Shasta County shall join the parties involved in the original Four County Memorandum of Understanding (MOU) and Addendum Two;
2. Signatories to the MOU and its addenda shall be called the Northern Sacramento Valley Integrated Regional Water Management Planning Group; and,
3. Begin a regional water management planning process pursuant to the Four County MOU, geographically covering the area of Butte, Colusa, Glenn, Tehama, Sutter and Shasta Counties. The planning process shall utilize and incorporate existing plans and processes. The California legislature has recently adopted new criteria associated with the Integrated Regional Water Management Planning process. This new legislative criteria requires that acceptance and approval of the composition of all Integrated Regional Water Management Planning Areas be completed prior to accepting public funding associated with IRWMP grant funds. All IRWMP planning Regions and Plans must comply with the requirements as set forth in the Final Regional Acceptance Process Program Guidelines.
4. The signatories to the MOU and its addenda reaffirm the provisions of section 5.6 of the MOU that the MOU and its addenda and participation under the MOU and its addenda are nonbinding.

We, the undersigned as representative of our respective counties, agree to adhere to the conditions of **The Four County Memorandum of Understanding; Addendum One to the Four County MOU: Statement of Principles Regarding Water Related Programs and Projects; Addendum Two: Adding Sutter County to the Four County MOU; Addendum Three: Expression of a Commitment to Begin An Integrated Regional Water Management Planning Process Within the Counties of Butte, Colusa, Glenn, Tehama and Sutter; Addendum Four: Expression of a Commitment to Begin An Integrated Regional Water Management Planning Process Within the Counties of Butte, Colusa, Glenn, Tehama, Sutter and Shasta.**

Bill Connelly
Chair, Butte County
Board of Supervisors

APR 13 2010

Date

Russell
County Counsel
Approved As to Form

4.9.10

Date

Chair, Glenn County
Board of Supervisors

Date

County Counsel
Approved As to Form

Date

Chair, Tehama County
Board of Supervisors

Date

County Counsel
Approved As to Form

Date

Chair, Colusa County
Board of Supervisors

Date

County Counsel
Approved As to Form

Date

Chair, Sutter County
Board of Supervisors

Date

County Counsel
Approved as to Form

Date

Chair, Shasta County
Board of Supervisors

4/27/10

Date

County Counsel
Approved as to Form

5/6/10

Date

Chair, Glenn County
Board of Supervisors

Date

County Counsel
Approved As to Form

Date

Chair, Tehama County
Board of Supervisors

Date

County Counsel
Approved As to Form

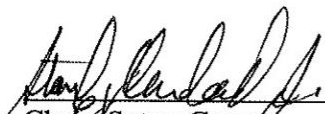
Date

Chair, Colusa County
Board of Supervisors


Date

County Counsel
Approved As to Form

Date


Chair, Sutter County
Board of Supervisors

4/20/10
Date


County Counsel
Approved as to Form

4/13/10
Date

Chair, Shasta County
Board of Supervisors

Date

County Counsel
Approved as to Form

Date

Appendix D: Issue Resolution Process for Discussion Purposes

This document aims to guide discussions and provide pertinent information as subbasins consider inclusion of an issue resolution process in the Northern Sacramento Valley inter-basin coordination framework. These discussions will take place in the period leading up to the first five-year GSP update.

Discussion Prompts

1. *What are potential benefits/challenges or concerns of including an issue/dispute resolution process in the inter-basin coordination framework?*
2. *What are shared expectations between and among subbasins?*
3. *What are the GSAs preferences for addressing conflicts if/when they arise?*

Background

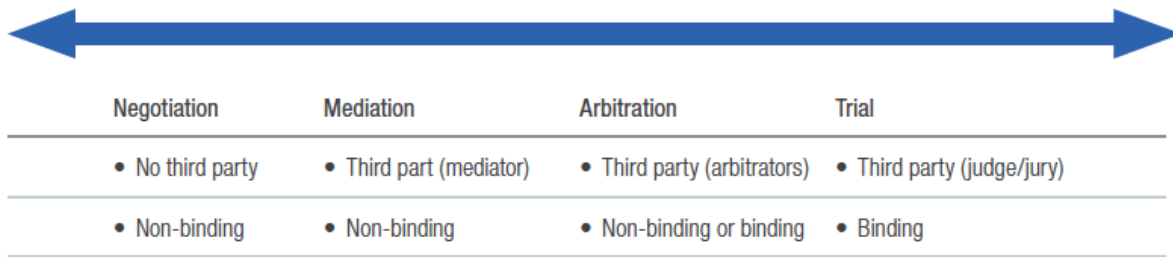
The Groundwater Sustainability Plan Regulations in [Article 8](#) recommend including a “description of a process for identifying and resolving conflicts between Agencies” as a part of inter-basin coordination (Sections 10727.2, 10733, and 10733.2, Water Code). A [recent study](#) by Tara Moran, Janet Martinez, and William Blomquist, part of Stanford University’s Water in the West found that the ability of interagency coordination “to solve complex challenges will be contingent on the ability of these organizations to effectively prevent and manage conflicts before they arise and to resolve these conflicts equitably and efficiently when they do.” (Moran, Martinez, and Blomquist, 2021). Further, given how likely it is for disagreements at a local level to occur during SGMA implementation, the study suggests investing in establishing issue resolution processes before disagreements arise. Meanwhile, deferring their development could complicate the resolution process in times of conflict. Given these recommendations, consider the following questions for reflection and discussion.

Purposes of issue resolution processes

There are many options to identify and resolve issues that involve different parties, goals/objectives, and resources. Ideally, issue resolution processes are thoughtfully designed and tailored to specific contexts. **The broader goal for such a process can be to meet the agencies’ long-term needs, considering local dynamics, desired outcomes, and expected uses.** Goals can include keeping things simple and efficient, maintaining relationships, ensuring quality of the process, fostering participation and community engagement, etc.

The figure below shows different types of dispute resolution processes. In some cases, agencies draft clauses that outline a tiered approach. They often begin with negotiation, which gives the parties control over the process and outcomes. Then, mediation, which brings in a neutral third-party (mediator) to facilitate the discussion and help parties work towards resolving issues. Often, negotiation and mediation lead to “non-binding” outcomes, non-enforceable by courts. Parties could opt to move towards arbitration or litigation, which are controlled by a third party (arbitrator or judge/jury) and can lead to binding and non-binding outcomes (Moran, Martinez, and Blomquist, 2019).

Figure 2. The spectrum of dispute resolution process. Modified from Amsler et al. (2020a).



From Moran, Martinez, and Blomquist, 2019

Examples

1. Example from Moran, Martinez, and Blomquist, 2019

Box 2. A Draft Dispute Resolution Clause.

The blue text notes indicate how each of the preceding five questions are incorporated into the dispute resolution language.

In the event that any dispute [Q1: Provides instruction on what disputes can be addressed. Additional process goals, while not explicit should be subject to discussion.] arises among the Members relating to (i) this Agreement, (ii) the rights and obligations arising from this Agreement, (iii) a Member proposing to withdraw from membership in the Agency, or (iv) a Member proposing to initiate litigation within the Basin or the management of the Basin, the aggrieved Member or Members proposing to withdraw from membership shall provide written notice to the other Members of the controversy or proposal to withdraw from membership [Q2: Provides instruction on who can initiate and participate in the process.]. Within forty-five (45) days after such written notice, the Members shall attempt in good faith to resolve the controversy through informal negotiation [Q3: Describes a series of processes for dispute resolution, beginning with negotiation. Also includes a timeline for process stages.]. If the Members cannot agree upon a resolution of the controversy within forty-five (45) days from the providing of written notice specified above, the dispute shall be submitted to mediation prior to commencement of any legal action or prior to withdrawal of a Member proposing to withdraw from membership. The mediation shall be no less than a full day (unless agreed otherwise among the Members) and the cost of mediation shall be paid in equal proportion among the Members [Q4: Provides instruction on who will pay for dispute resolution processes.]. The mediator shall be either voluntarily agreed to or appointed by the Superior Court upon a suit and motion for appointment of an impartial mediator [Q3a: Provides a clear process for choosing an impartial mediator.]. Upon completion of mediation, if the controversy has not been resolved, any Member may exercise all rights to bring a legal action relating to the controversy or withdraw from membership as otherwise authorized pursuant to this Agreement. The Agency may, at its discretion, participate in mediation upon request by a stakeholder [to be defined by the parties to the Agreement] concerning a dispute alleged by the stakeholder concerning the management of the Basin or rights to extract groundwater from the Basin, with the terms of such mediation to be determined in the sole discretion of the Member Directors [Q2: Allows third-party participation in the dispute resolution process].

Note: This above dispute resolution clause is not intended to serve as an endorsement or illustration of effective practice.

2. Example from Butte Subbasin Cooperation Agreement

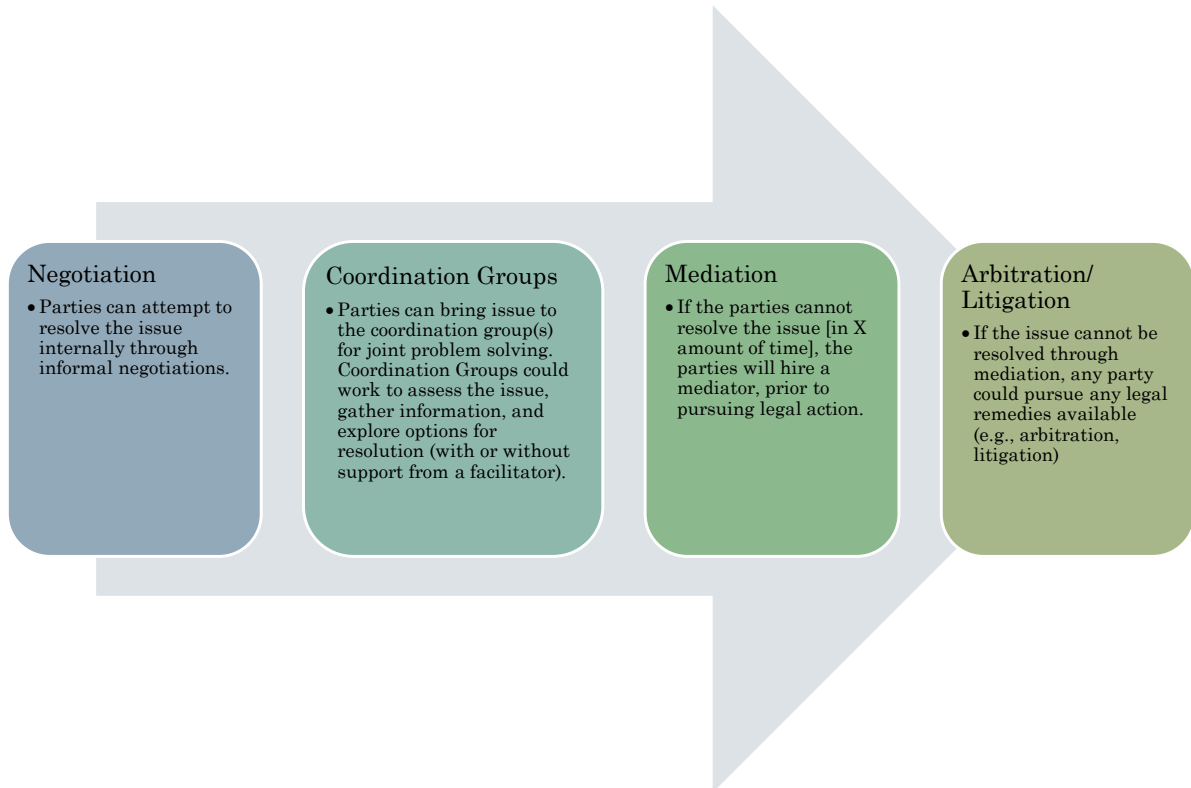
Note: This example doesn't provide much specificity. However, acknowledges shared intent to resolve disputes.

ARTICLE 9. DECISION-MAKING AND DISPUTE RESOLUTION

9.1. Decision-making Authority. Topics where the Members desire coordinated decision-making will be considered by the Advisory Board, and the Member Directors will strive for unanimous recommendations that will be presented to each Member's governing body for consideration. Such topics include, but are not limited to, development and implementation of the GSP, and associated financial arrangements. When unable to reach unanimous recommendations, the Advisory Board will outline the areas in which it does not agree, providing some explanation to inform the respective GSAs' governing bodies. Despite the recommendations of the Advisory Board, ultimate decision-making authority for topics considered by the Advisory Board resides with each Member's governing body.

9.2. Dispute Resolution. It is the desire of Members to informally resolve all disputes and controversies related to this Agreement, whenever possible, at the least possible level of formality and cost. If a dispute occurs, the disputing Members shall meet and confer in an attempt to resolve the matter. If informal resolution cannot be achieved, the matter will be referred to the Advisory Board for resolution. The Advisory Board may engage the services of a trained mediator or resort to all available legal and equitable remedies to resolve disputes.

Possible Process in the Northern Sacramento Valley



Worksheet: Key Questions and Considerations for Issue Resolution Process

The questions below could be used to guide the development of a specific issue resolution process in the context of inter-basin coordination in the Northern Sacramento Valley by the first 5-year GSP update. These questions could help to clarify the level of specificity that subbasins would find beneficial and mutually agreeable when/if conflict occurs.

Adapted from Moran, Martinez, and Blomquist, 2019

<p>1) What are the process goals?</p> <ul style="list-style-type: none"> a) Consider what disputes the process aims to address – all disputes arising at basin boundaries or only a subset? b) Consider inclusivity and transparency of the process, cost efficiency for parties and the GSA(s), timeframes, and other factors important to your agency(ies). c) Other potential objectives include dispute prevention, enhanced relationships, procedural and substantive fairness, legal compliance, durability of resolution and organizational improvement. 	
<p>2) Who can initiate and participate in the dispute resolution process?</p> <ul style="list-style-type: none"> a) Consider what parties can initiate the dispute resolution process – is it only parties to the agreement or can external parties invoke it? There are pros and cons to both choices, so discussing this in advance will ensure thoughtful consideration. 	
<p>3) What processes are used to make decisions related to dispute resolution and what information is necessary?</p> <ul style="list-style-type: none"> a) What is the process for selecting a mediator, facilitator, lawyer or other impartial party? b) Consider including a range of processes beginning with internal negotiations and escalating based on clear timelines. 	
<p>4) Who pays for the dispute resolution process?</p> <ul style="list-style-type: none"> a) Consider who will pay for the mediator, facilitator, lawyer or other impartial party. Will it be paid for by the disputing parties, the GSA(s) or through a state-funded program? b) How could you assess whether the outcome of the dispute resolution process was successful? 	

Other Resources

- Dutton, A. SGMA Updates, Coordination Considerations, and Potential Next Steps, Cosumnes Subbasin Working Group. February 21, 2018. http://cosumnes.waterforum.org/wp-content/uploads/2018/02/EKI_Cosumnes_TAC_meeting_2018-02-21.pdf
- Moran T., Martinez, J., and Blomquist W. Dispute Resolution Processes: Thinking through SGMA Implementation. Water in the West. Fall, 2019. <https://waterinthewest.stanford.edu/publications/dispute-resolution-processes-thinking-through-sgma-implementation>
- Moran T. Basin-scale Coordination is Key to SGMA’s Success: Thoughts on DWR’s Draft GSP Regulations. March 1, 2016. Stanford University. Water in the West. <https://waterinthewest.stanford.edu/news-events/news-press-releases/basin-scale-coordination-key-sgma%E2%80%99s-success-thoughts-dwr%E2%80%99s-draft-gsp>
- [Moran et al.](#) Dispute Resolution Clauses in Interorganizational Coordination Agreements: A Comparative Analysis. 2021. pending publication.
- Butte County. 2017. Technical Collaboration on Interconnected Subbasins to Advance Sustainable Groundwater Management: Assessment of Interconnected Subbasins. Available at: <https://www.buttecounty.net/wrcdocs/Reports/SpecialProjects/InterbasinGWFlow/InterbasinSBAassessment-FINAL.pdf>
- Butte County. 2017. Inter-basin Groundwater Flows Fact Sheet. Available at: <https://www.buttecounty.net/wrcdocs/Reports/SpecialProjects/InterbasinGWFlow/FactSheet.pdf>
- Buck, Christina. 2017. Butte County Inter-Basin Groundwater Flows Presentation, <https://www.buttecounty.net/wrcdocs/Reports/SpecialProjects/InterbasinGWFlow/NSVBoardAssessment20170615.pdf>

APPENDIX B

Vina Subbasin GSA – SWRCB Intervention Policy



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What is State Intervention?

The Sustainable Groundwater Management Act (SGMA) recognizes that groundwater management is generally most effective at the local level. SGMA requires local agencies in [high- or medium-priority basins](#), as designated by the California Department of Water Resources (DWR), to form Groundwater Sustainability Agencies (GSAs). The GSAs, made up of one or more local agencies overlying a groundwater basin, are required to develop and implement Groundwater Sustainability Plans (GSPs) that outline how long-term sustainable management of their basins will be achieved within 20 years of implementation of the plans.

Other SGMA Links

[SGMA Home](#) | [What is SGMA?](#) | [What is State Intervention?](#) | [Groundwater Basins](#) | [Reporting and Fees](#) | [More Information and Resources](#) | [Public Meetings](#)

To ensure groundwater resources are sustainably managed, SGMA gives the State Water Resources Control Board (State Water Board) authority to protect groundwater resources through a process called “state intervention” when local agencies are unable or unwilling to sustainably manage their groundwater basins. State intervention is additional to local management and is intended to be temporary: lasting only until local agencies demonstrate that they are ready to adequately manage their respective basins.

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State intervention is a process that could result in the State water Board temporarily managing and protecting groundwater resources until local agencies are able and willing to do so adequately. There are several steps to the intervention process. An overview is provided below.

State intervention is triggered by one of the following events:

Effective Date	Triggering Event
July 1, 2017	Entire basin is not covered by a GSA(s) or an alternative to a GSP
Jan 31, 2020	Basin is in critical overdraft and there is no plan or DWR fails GSP
Jan 31, 2022	No plan in the basin or DWR fails GSP or GSP implementation AND basin is in long-term overdraft
Jan 31, 2025	DWR fails GSP or GSP implementation AND basin has significant surface water depletions (if no long-term overdraft)

Note: *DWR = Department of Water Resources. GSA = Local Groundwater Sustainability Agency. GSP = Groundwater Sustainability Plan*

Avoiding State Intervention

If DWR finds that the GSP(s) covering a basin are incomplete during their initial assessment and evaluation of the plans, DWR provides an additional 180 days for the GSA(s) to cure any deficiencies. DWR works with GSAs during this time to explain the issues that preclude the GSP from approval. After the GSP(s) are resubmitted, DWR then reviews the GSP(s) again and, if the deficiencies still are not cured, DWR will find the GSP(s) inadequate and intervention by the State Water Board is triggered.

State Intervention Process Overview

After state intervention is triggered in a groundwater basin, the next step is for the State Water Board to consider making a probationary determination of the basin. This is done using a public process that includes a public hearing. If the State Water Board designates a basin as “probationary,” a term used in the SGMA law, during the probationary period, GSAs have time to address the issues (deficiencies) that caused the basin to go into probation.

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landowners or their extraction reporting requirements and associated filing fees. Fees are required because [Water Code section 1529.5](#) directs the State Water Board to recover the costs of state intervention activities. For more information on groundwater extraction reporting and filing fees, visit the [Reporting and Fees](#) webpage and the State Water Board's [SGMA fee regulations](#).

If the issues that caused the basin to be deemed probationary are not addressed during the probationary period, the State Water Board may begin another public process to determine whether or not to develop and implement an interim plan for the basin. Importantly, an interim plan cannot be implemented until the GSAs in a probationary basin are allowed at least one year to correct their deficiencies. If the State Water Board adopts an interim plan, the Board would temporarily manage groundwater in the basin until the local agencies could demonstrate their ability to manage the basin sustainably and resume management.

Visit the [Probationary Designation and Groundwater Regulation by the State Water Board](#) (PDF) fact sheet for more information.

Levels of State Intervention

- **Umanaged Area**

An [unmanaged area](#) is a part of a groundwater basin that was not within the management area of a GSA by July 1, 2017, or became unmanaged after that date when a GSA withdrew. A well owner that extracts or pumps groundwater from an unmanaged area is required to submit a [groundwater extraction report](#) to the State Water Board each year. A well owner who extracts two acre-feet or less of groundwater per year (an acre-foot is enough water to cover an acre of land in one foot of water) from a parcel of land for domestic purposes only is a de minimis user of groundwater. De minimis users are exempt from annual groundwater extraction reporting in unmanaged areas. For more information on groundwater extraction reporting and filing fees, visit [Reporting and Fees](#) website.

- **Probationary Basin**

If local agencies fail to form a GSA, fail to develop an adequate GSP, or fail to implement the plan successfully in a groundwater basin, the State Water Board may designate the entire basin probationary after providing notice and holding a public hearing. A probationary designation will identify the deficiencies that led to state intervention and potential actions to remedy the deficiencies. Any well owner who extracts or pumps groundwater from a probationary basin must file an annual [groundwater extraction report](#) with the State Water Board unless the State Water Board decides to exclude certain types of groundwater extractions. The State Water Board may require the use of a meter to measure groundwater extractions and the reporting of additional information.

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the State Water Board visit [Groundwater Basins](#).

- **Interim Plan**

An interim plan is intended to be a temporary measure to protect groundwater until effective local management is in place. The State Water Board will allow local agencies a limited amount of time to fix the deficiencies in their basin that led to a probationary designation before developing an interim plan to manage groundwater. An interim plan will contain corrective actions, a timeline, and a monitoring plan to ensure corrective actions are working. The State Water Board will adopt the interim plan through a public hearing process, similar to the probationary designation public process.

Ending State Intervention

To end State Water Board management of a groundwater basin, GSAs in that basin will have to demonstrate to the State Water Board (in consultation with DWR) their ability and willingness to manage groundwater sustainably and address the issues that caused state intervention to occur. This may require changes to the GSPs, revision of coordination agreements among the GSAs, pumping restrictions, or other measures to provide assurances that ongoing local management will be effective.

Contact Us

If you have questions, please contact us at 916-322-6508 or email at SGMA@waterboards.ca.gov.

(Page last updated 03/02/2023)

Water is a precious resource in California, and maintaining its quality is of utmost importance to safeguard the health of the public and the environment.

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SUSTAINABLE GROUNDWATER MANAGEMENT ACT

Probationary Designation and Groundwater Regulation by the State Water Board

This fact sheet offers summary information regarding how the state will regulate groundwater use if local management is found to be inadequate under the Sustainable Groundwater Management Act (SGMA). This fact sheet, and others, are available at the State Water Board's [Groundwater Management Program webpage \(www.waterboards.ca.gov/gmp\)](http://www.waterboards.ca.gov/gmp).

Groundwater is a limited natural resource that Californians use for many purposes. In the state's high- and medium- priority groundwater basins, SGMA requires local groundwater sustainability agencies (GSAs) to develop and implement groundwater sustainability plans (plans) so that these uses can continue in the future.

If GSAs do not sustainably manage groundwater use in their basin, the State Water Resources Control Board (State Water Board or Board) can step in to manage the basin in a process called "state intervention." State intervention is SGMA's guarantee that sustainability goals are met. But state intervention may be costly for groundwater extractors and give them little influence over how the state regulates their groundwater extraction. The Board, the Department of Water Resources (DWR), and other organizations may be able to work with GSAs, groundwater extractors, and others to avoid state intervention. Please reach out if interested in assistance.

Steps in the Intervention Process

Triggers

The state will evaluate GSA efforts and basin conditions. During evaluation, lack of plans, lack of coordination, inadequate plans, or inadequate implementation can trigger the state intervention process for a high- or medium-priority basin. The specific state intervention triggers are listed in the table on the following page.¹

¹ Please refer to the Act regarding triggers if you are in a region covered by an alternative plan submitted to the DWR.



Any one of these conditions makes the state intervention process possible

Triggering Condition	If After
Basin is not covered by a GSA(s) Water code section 10735.2(a)(1)	June 30, 2017
Basin is in critical overdraft (DWR finding) <i>and</i> basin is not covered by plan(s) or plans in basin are not coordinated 10735.2(a)(2)	Jan. 31, 2020
Basin is in critical overdraft (DWR finding) <i>and</i> DWR, in consultation with the Board, fails a plan or determines a plan is not being implemented in a manner likely to achieve sustainability 10735.2(a)(2) and 10735.2(a)(3)	Jan. 31, 2020
Basin is not in critical overdraft (DWR finding) <i>and</i> basin is not covered by plan(s) or plans in basin are not coordinated 10735.2(a)(4)	Jan. 31, 2022
Basin is not in critical overdraft (DWR finding) but is in long-term overdraft (Board determination) <i>and</i> DWR, in consultation with the Board, fails a plan or determines a plan is not being implemented in a manner likely to achieve sustainability 10735.2(a)(4) and 10735.2(a)(5)(A)	Jan. 31, 2022
Basin is not in critical overdraft (DWR finding) nor long-term overdraft (Board finding) but there are significant depletions of interconnected surface waters (Board determination) <i>and</i> DWR, in consultation with the Board, fails a plan or determines a plan is not being implemented in a manner likely to achieve sustainability 10735.2(a)(5)(B)	Jan. 31, 2025

Hearing

After a triggering condition occurs, the State Water Board may designate a basin probationary after providing notice and holding a public hearing. At the hearing, interested parties will have the opportunity to address the Board. A probationary designation will identify the deficiencies that led to intervention and potential actions to remedy the deficiencies.

Probation

Once a basin has been designated probationary, the Board may require groundwater extractors to install meters, measure and report all groundwater extractions, and pay fees to cover the cost of Board activities. The Board may also conduct investigations and gather data necessary for sustainable groundwater management.

Opportunity to End State Intervention

Local efforts will have the opportunity to fix the deficiencies that resulted in designation of the basin as probationary. Deficiencies may include lack of an agreement among GSAs in the basin to coordinate multiple plans, data gaps in the plans, or insufficient groundwater management efforts to achieve the sustainability goal. Groundwater extractors will be given a limited time (perhaps as short as 180 days) to address deficiencies before the Board may develop an “interim plan.”

State Water Board Imposition of Interim Plan

The Board may develop and implement an interim plan for a probationary basin if the Board determines that a local agency has not fixed the deficiencies that resulted in the probationary designation. The Board will adopt the interim plan through a hearing process, similar to the probationary designation. An interim plan is intended to be a temporary measure to protect groundwater until effective local management is in place.

An interim plan will include corrective actions, a schedule for those actions, monitoring, and enforcement. An interim plan will likely focus on reducing groundwater use in the basin to sustainable levels as soon as practical. An interim plan may include elements of an existing plan or adjudication that the Board finds would help meet the basin’s sustainability goal.

End of State Water Board Management

To end State Water Board management of groundwater, GSAs will have to demonstrate to the Board (which will consult with DWR) their ability and willingness to manage groundwater sustainably and address the issues that caused state intervention. This may require changes to the groundwater sustainability plans, revision of coordination agreements among the GSAs, pumping restrictions, or other measures to provide assurances that ongoing local management will be effective.

Adjudication Proceedings: A Detour with the Same Destination

The Board has authority to act if a triggering event occurs, regardless of whether the basin is going through an adjudication. Filing an adjudication will not delay or avoid the SGMA process and will not prevent state intervention. Courts must manage any groundwater adjudication proceeding in a manner consistent with the attainment of sustainable groundwater management within the timeframes set by SGMA. Any judgment entered in an adjudication action must not impair the ability of the basin’s GSAs to comply with SGMA.

Reporting Requirements Require Comprehensive and Accurate Data

Probationary designation and interim plans may require pumpers to submit groundwater extraction reports. These reports must be submitted by well owners or operators (or their agents) to the State Water Board electronically. Reporters are required to provide extraction volumes, well details, well locations, the locations of parcels where groundwater is used, and

other information deemed necessary by the Board. Extractions must be measured by a method satisfactory to the Board.

[More information on reporting](#)

https://www.waterboards.ca.gov/water_issues/programs/sgma/reporting_and_fees.html.

Required Fees

The Board is required to set fees to recover the cost of probation and intervention activities. The amount of the fees depends on factors such as costs associated with data gathering, enforcement activities, and California Environmental Quality Act (CEQA) compliance. The current annual fee for groundwater extractions in a probationary basin is a base fee of \$300 per well and \$40 per acre-foot of water extracted. Fees are collected with each annual groundwater extraction report. Late reporters are subject to late fees and may be subject to additional administrative liability or misdemeanor penalties.

[More information on fees](#)

https://www.waterboards.ca.gov/water_issues/programs/sgma/reporting_and_fees.html.

Sustainability is at the Basin Scale

The intent of SGMA is to reach groundwater sustainability at the basin scale. Close coordination at the local level will help. While the Board may focus probation and interim plan efforts in specific parts of basins, the Board must consider the entire basin when deciding on a course of action. Reasons for a basin-scale approach include:

- ✓ Pumping volumes must be made consistent with sustainable yield, which is defined at the basin scale.
- ✓ The Board's interim plan must be consistent with water right priorities, which typically requires consideration of all rights to extract groundwater at the basin scale.
- ✓ Basin-wide data collection is necessary to determine where efforts should be focused or if efforts should be basin-wide.

SGMA's Interaction with State and Regional Board Authorities

SGMA does not supersede any existing State Water Board or Regional Water Quality Control Board authorities nor do these other authorities supersede SGMA. The Board will take other legal and policy priorities into account when weighing how to proceed with state intervention. Intervention planning may include consideration of the effects of groundwater extraction on public trust resources, drinking water needs of disadvantaged communities, and the human right to water.²

² [Information on human right to water](#)

https://www.waterboards.ca.gov/water_issues/programs/hr2w/.

GSAAs may find value in harmonizing their activities under SGMA with other efforts (of the GSAAs or other parties) to meet requirements of other state or local regulatory programs. Contact the State Water Board's SGMA program at SGMA@waterboards.ca.gov to learn more about how SGMA can be coordinated with other programs at the State and Regional Water Boards.

For More Information

This fact sheet and additional information on SGMA are available at the: [State Water Board Website \(www.waterboards.ca.gov/gmp\)](http://www.waterboards.ca.gov/gmp).

The Board's SGMA program can be contacted at SGMA@waterboards.ca.gov or 916-322-6508.

These online resources may be updated. Parties interested in updates are encouraged to subscribe to the State Water Board's [Groundwater Management email list in the General Interests section](http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.html) (https://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.html).

[Additional SGMA information from DWR \(www.water.ca.gov/SGMA\)](http://www.water.ca.gov/SGMA).

Last updated: November 2022



Reporting and Fees

The Sustainable Groundwater Management Act (SGMA) requires those that extract or pump groundwater in unmanaged areas or probationary basins to file groundwater extraction reports with the State Water Resources Control Board (State Water Board) and to pay a report filing fee. For more information on the levels of state intervention, including unmanaged areas and probationary basins please visit the SGMA State Intervention website. The Groundwater Basins website provides information on basins that are subject to state intervention.

The information on this page will assist you in better determining if you are required to report your groundwater extractions annually to the State Water Board, and if so, what filing fees would apply. Any person who extracts or pumps groundwater from an unmanaged area or probationary basin must file a groundwater extraction report with the State Water Board each year. If you have any questions, please contact us at the contact information below.

Other SGMA Links

[SGMA Home](#) | [What is SGMA?](#) | [What is State Intervention?](#) | [Groundwater Basins](#) | [Reporting and Fees](#) | [More Information and Resources](#) | [Public Meetings](#)

? [Reporting and Fees FAQs and Resources](#)



Groundwater Extraction Reporting Filing Fees Frequently Asked Questions

Other Resources

- [Example of Notification of Reporting Requirements Letter \(PDF\)](#)
- [Water Boards Options for Measuring Extraction Volumes \(PDF\)](#)

Groundwater Extraction Annual Reporting System (GEARS)

Any person who extracts or pumps groundwater from an [unmanaged area or probationary basin](#) must file a groundwater extraction report with the State Water Board each year. Groundwater extraction reports must be completed and filed online through the State Water Board's online Groundwater Extraction Annual Reporting System (GEARS). Please refer to the Groundwater Extraction Reporting Frequently Asked Questions above for additional information on groundwater extraction reporting.

Tutorial videos for GEARS are available for:

- [Registering for a GEARS account](#)
- [Plotting and describing your well\(s\) and extracted groundwater use in GEARS](#)
- [Submitting your groundwater extraction report in GEARS](#)

[Extraction Reporting System](#)

Groundwater Extraction Report Filing Fees

Any person required to file an annual groundwater extraction report with the State Water Board must pay a report filing fee. The State Water Board is required to set report filing fees to recover the cost of state intervention activities in groundwater basins. The following table outlines current annual filing fees:

Fee Category	Fee Amount	Applicable Parties
Base Filing Fee	\$300 per well	All extractors required to report (excludes de minimis



	\$25 per AF (unmetered)	
Probationary Rate	\$40 per AF	Extractors in probationary basins (excludes de minimis extractors).
Interim Plan Rate	\$55 per AF	Extractors in probationary basins where the State Water Board determines an interim plan is required (excludes de minimis extractors).
De minimis Fee	\$100 per well	De minimis extractors in probationary basins (if determined by the State Water Board at a public hearing).
Automatic Late Fee	25% per month	Extractors that do not file reports by the due date.

AF = acre-foot
 An acre-foot is enough water to cover one acre of land with one foot of water.

Contact Us

If you have questions, please contact us at 916-322-6508 or email at SGMA@waterboards.ca.gov.

(Page last updated 03/03/2023)

Water is a precious resource in California, and maintaining its quality is of utmost importance to safeguard the health of the public and the environment.

Statewide Campaigns

- EPA Water Sense
- Report an Environmental Concern
- Save Our Water
- Flex Alert



Quick Links

- Board Agendas
- Fees
- Make a Payment
- Grievance Procedure
- Help / Business Help
- Uniform Grants Guidance



Resources

- OIMA
- CEDEN
- Data & Databases
- Drought Information
- FAAST
- Language Access Form
- Formulario de Acceso al Idioma
- My Water Quality
- Performance Report
- Tribal Affairs
- Wastewater Arrearage Payment
- Website Index

Working with the Board

- Abbreviations and Acronyms
- Board Priorities
- Decisions Pending & Opportunities for Public Participation
- Employment
- Frequently Asked Questions
- Grants & Loans
- Laws / Regulations



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The California Water Boards include the [State Water Resources Control Board](#) and nine [Regional Boards](#)

The State Water Board is one of six environmental entities operating under the authority of the California Environmental Protection Agency

[CalEPA](#) | [ARB](#) | [CalRecycle](#) | [DPR](#) | [DTSC](#) | [OEHHA](#) | **[SWRCB](#)**

APPENDIX C

Vina Subbasin GSA – Draft Butte County Tax Roll



APPENDIX D

Vina Subbasin GSA – Proposition 218 Notice



VINA SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY NOTICE OF HEARING TO ADOPT PROPOSED FEE

In compliance with California State Law, notice is hereby given that the Vina Subbasin Groundwater Sustainability Agency (Vina GSA) will hold a **public hearing on: July 26, 2023 at the City of Chico City Council Chambers, 421 Main Street, Chico, CA 95928 at 5:30 p.m.** to consider the adoption of a new annual per acre fee starting in Fiscal Year 2023-24 for implementation of the Vina GSA Groundwater Sustainability Plan (GSP) required by the State of California pursuant to the 2014 Sustainable Groundwater Management Act (SGMA).

Background:

The Vina GSA is a joint powers agency formed to comply with the requirements of SGMA for that portion of the Vina Groundwater Subbasin underlying the BUTTE COUNTY, CITY OF CHICO, and DURHAM IRRIGATION DISTRICT. The Vina Subbasin area is described in California Department of Water Resources Bulletin 118 (2020), Sacramento Valley Groundwater Basin, Vina Subbasin, Number 5-21.57 which is classified as a High Priority Subbasin comprised of approximately 184,918 total acres. As required by SGMA, the Vina GSA adopted a GSP in 2022, and must now implement that GSP as required by law to prevent the State of California from stepping in to manage the local groundwater basin and corresponding groundwater resources. The Rock Creek Reclamation District GSA will pay their share of total VGSA costs of service through a separate MOU agreement.

Basis of Proposed Fee:

To provide local groundwater management, sustainability, and SGMA compliance, the Vina GSA must annually monitor and report groundwater conditions to the State, prepare required updates to the GSP, conduct required coordination among GSAs in the Sacramento Valley Groundwater Basin, and maintain GSA operations. GSA operations include but are not limited to legal, technical and administration costs (including consultant services, insurance, office and outreach materials, and accounting).

The proposed fee is a property-related fee governed by Proposition 218 and the California Constitution. California Water Code Section 10730 provides authority for the Vina GSA to impose Fees to support GSA administration, GSP implementation, and SGMA compliance. The Vina GSA Board has reviewed the best options to fund the GSA and associated activities over the next five years as explained and documented in the May 2023 Proposition 218 Fee Report.

The service of local groundwater management requires each landowner to cover the cost of groundwater management, GSA administration, GSP implementation, and SGMA compliance including groundwater monitoring, preparation of annual reports, and regulatory compliance activities to ensure that the Vina Subbasin is sustainable over the long term, as required by SGMA. Each acre in the Vina Subbasin is required to be managed by a GSP and will receive the local management services of the Vina GSA. Ensuring sustainability will allow the Vina GSA to maintain local control and **avoid expensive State intervention and operation of the Subbasin, which would result in much higher Fees.** If the State Water Resources Control Board intervenes in the Vina Subbasin, it may impose annual fees ranging from \$100 per domestic well, to \$300 per agricultural well, plus up to \$55 per acre-foot of pumped water per well and require annual reporting of extractions to the State. For more information:

https://www.waterboards.ca.gov/water_issues/programs/gmp/docs/intervention/intervention_fs.pdf

Implementing the proposed fee allows the GSA to provide groundwater management services and ensures a more affordable and locally managed option for managing the Vina Subbasin while maintaining SGMA compliance for all landowners.

Proposed Property Fee:

The proposed per-acre fee funds the service of groundwater management including implementation of the GSP and compliance with SGMA. This fee is a per-acre fee that imposes a maximum fee of **\$3.09 per acre** (in 2023 dollars, including inflation, for the subsequent four years). The proposed fee, if approved, will become effective for the 2023-24 fiscal year (beginning July 1, 2023), with the first payment due by December 15, 2023. **The actual amount of the fee will be set by Resolution of the Vina GSA but cannot exceed the maximum per acre fee specified above, including the inflation factor, absent a subsequent Proposition 218 proceeding.**

The proposed annual per acre fee is prorated based on parcel size; examples are provided in the table below:

0.10-acre parcel	0.25-acre parcel	0.50-acre parcel	1.0-acre parcel	5.0-acre parcel	10.0-acre parcel	25.0-acre parcel
\$0.31	\$0.78	\$1.55	\$3.09	\$15.45	\$30.90	\$77.25

For more information, including the Fee Report summarizing the findings, please visit the Vina GSA website at: <https://www.vinagsa.org>.

Public Hearing and Majority Protest:

Under the California State Constitution, owners of land subject to the proposed fee have the right to protest its adoption. If you have received this notice, one or more parcels under your ownership will be subject to the proposed fee. If the identified parcel has more than one record owner or renter, only one written protest will be counted. In the event of a majority protest, the fee will not be instituted. There is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge.

Landowners desiring to protest the proposed Vina GSA fee should send their written protest prior to the public hearing to: Vina Subbasin Groundwater Sustainability Agency, c/o Vina GSA, PO BOX 7211, Chico, CA 95927, or in person at the public hearing on July 26, 2023 at 5:30 p.m., so long as the protest is received prior to the close of the public hearing. **Protests submitted by e-mail, fax, or other electronic means are not valid and will not be counted as a protest.**

There are multiple ways to obtain additional information about this topic:

- View more information online at <https://www.vinagsa.org>.
- Call the Vina GSA at **(530) 552-3592**.
- For more information about SGMA, see the California Department of Water Resources website: <https://water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management>

If you do not wish to protest the proposed Vina GSA Fee, you do not need to take any action.



VINA GSA PROPOSITION 218 PROTEST FORM

To protest, complete and detach this portion of the Notice and mail to P.O. Box 7211, Chico, CA 95927, OR submit in-person at the Public Hearing on July 26, 2023, 5:30 p.m., City Council Chambers, 421 Main Street, Chico, CA:

All protests must include:

- Landowner Printed Name(s): _____
- Assessor’s Parcel Number: _____
- Statement of Protest: _____

Under penalty of law, I affirm that I am the owner(s) or authorized representative of the owner of the above parcel.

- Valid Landowner Signature(s): _____

Each parcel is entitled to one protest. If a parcel has more than one owner, all must sign one protest form.

If you do not wish to protest the proposed Vina GSA Fee, you do not need to take any action.

APPENDIX E

Vina Subbasin GSA – User Agreements Through MOU



Appendix E

Proposed 2023 Vina Subbasin Groundwater Sustainability Agency SGMA Compliance Fee Funding Agreements

1. Rock Creek Reclamation District GSA

The City of Chico and Durham Irrigation District are participating in the VGSA 2023 Proposition Notice process and their landowners will pay the GSA directly through the County property tax bill based on fees approved by the VGSA Board of Directors at the July 26, 2023, meeting.

APPENDIX F

Vina Subbasin GSA – 2023 Long Term Funding Project Milestones & Public Outreach



Vina GSA – 2023 Long Term Funding Project

Schedule and Outreach Milestone Summary

Meetings and Workshops

The Vina GSA is hosting a series of meetings focusing on the potential funding mechanism for the Vina GSA. Vina GSA Board Meetings, Stakeholder Advisory Committee (SHAC) Meetings, and Workshops will address various components of developing the funding mechanism including additional grants, fees, and/or assessments. Please review the Board and SHAC [calendar dates and agendas](#) for funding discussions. The public is encouraged to attend these Board and SHAC meetings to learn more about local groundwater management efforts.

2023 Milestone	Date	Action Items
Public Workshop	Mar 28	Presentation and Public Comments
Apr Board Meeting	Apr 12	Approve Fee Options TM With Legal Review
Apr SHAC Meeting	Apr 26	Annual Report Overview, Funding Project Update, Outreach Ambassadors
May Board Meeting (JOINT with RCRD)	May 10	Approve Fee Study
Anticipated Proposition Notice	May 23	Send Out Proposition Notice Via Mail
May SHAC Meeting	May 24	Project Funding and Outreach
Jun Board Meeting	Jun 14	Funding Discussion
Jul Board Meeting	Jul 19	Board Presentation (Public Hearing/Fee Approval Staff Report & items)
Oct SHAC Meeting	Oct 25	Project Funding and Outreach and Planning Depending on Grant Outcome
Nov Board Meeting	Nov 8	GSP Implementation Updates



Vina Subbasin Groundwater Sustainability Plan

Vina Groundwater Sustainability Agency Long-Term Funding for GSP Implementation

VGSA Member Agencies | City of Chico • County of Butte • Durham Irrigation District

Who is the Vina Groundwater Sustainability Agency?

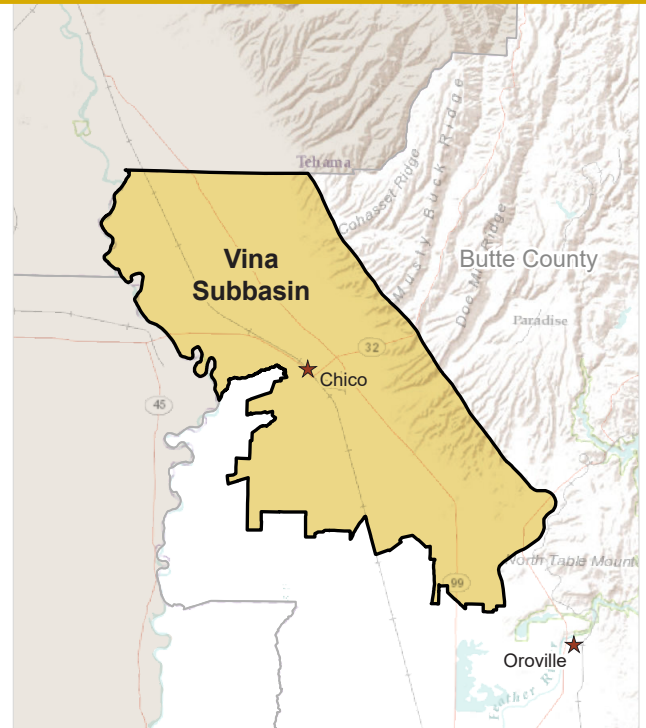
The Vina Groundwater Sustainability Agency (VGSA) is one of two Groundwater Sustainability Agencies (GSAs) responsible for developing and implementing the Groundwater Sustainability Plan (GSP) for the Vina Subbasin. The VGSA works cooperatively with the Rock Creek GSA who manages a small portion of the Vina Subbasin located within Butte County.

GSP Implementation Funding for Years 2024-2028

Now that the Vina Subbasin GSP has been submitted to the California Department of Water Resources (DWR), the Vina Subbasin GSAs are working together to implement the GSP in a cost-effective manner. To fund GSP implementation and Sustainable Groundwater Management Act (SGMA) compliance activities, revenue requirements have been developed by the GSAs, which are proposed to be funded through long-term fees that will support the work to achieve groundwater sustainability. GSAs must implement groundwater sustainability monitoring and management actions to bring the entire Subbasin into compliance with SGMA requirements by 2042. Working together as a Subbasin will help keep future fees as low as possible.

What Fee Options are Being Considered by the GSAs for Covering GSP Implementation Costs?

The VGSA is considering Proposition 218 or Proposition 26 fee methodologies to cover long-term GSP implementation and SGMA compliance costs. The Proposition 218 fee process is considered to be the most transparent and equitable method for establishing fees to cover GSP implementation costs, based on broad application of this approach by many other GSAs across California. The VGSA will consider using the Proposition 26 fee approach if feasible. Doing nothing on SGMA compliance would lead to State intervention in the Vina Subbasin groundwater management activities. The GSAs determined that local cost sharing arrangements would not be adequate to cover GSP implementation and SGMA compliance costs and concluded that the cost for State Water Resources Control Board intervention would be higher and unacceptable compared to local control of watershed resources. The VGSA will follow any legal and regulatory requirements for the selected fee methodology.



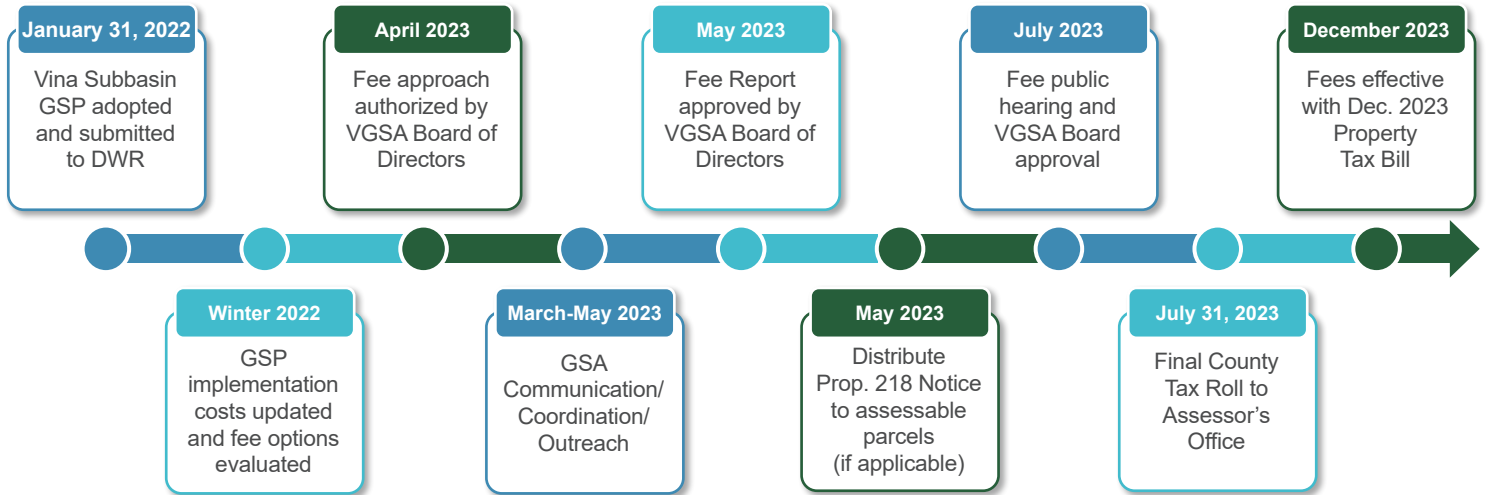
How were GSP Implementation Costs Developed for the Proposed Fees?

The Vina and Rock Creek GSAs are working together to develop the most efficient manner to implement the GSP and comply with SGMA regulations through cost sharing and collaboration. Each GSA is responsible for their respective GSA administration costs with SGMA compliance costs shared by the GSAs to keep future fees as low as possible. The proposed GSP implementation costs reflect the minimum revenue requirements to comply with SGMA and meet Vina Subbasin sustainability objectives based on known information and data about the Vina Subbasin and GSA operational costs.

What Happens if We Fail?

Maintaining local control over our groundwater resources is a top priority for the VGSA. Implementing the GSP and complying with SGMA will keep the State from intervening in the local groundwater management and decision-making processes and keep our fees as low as

PROJECT TIMELINE



possible. If State intervention were to occur due to SGMA non-compliance landowners would be subject to State fees approved by the State Water Resources Control Board.

The local GSAs are working hard to avoid State intervention and higher GSP implementation costs.

Fee Methodologies

The VGSA Board is considering establishing long-term fees to cover GSP implementation and SGMA compliance costs in accordance with Water Code Section 10730 to cover the administrative and operational costs of GSP implementation and SGMA compliance. Under Proposition 218 valid protests received in a timely manner by the VGSA from landowners for which the fee would be levied would be counted before adopting the proposed fee. If a majority protest is not received, the VGSA may adopt the fee. A majority protest would prevent imposition of the fee. State intervention could occur if local GSAs are unable to fund implementation of a plan that meets the state requirements.

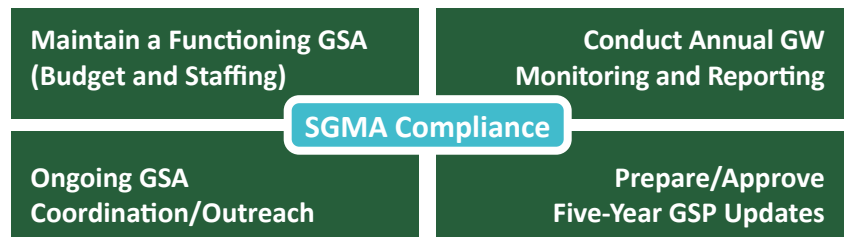
The fees will fund GSA administration and SGMA compliance activities related to GSP implementation. Local and regional projects were included in the GSP to enhance groundwater sustainability and will be supported through other funding sources on an as-needed basis aimed at achieving State mandated and locally defined sustainability. Funding this effort is critical for maintaining local control over the implementation of sustainable groundwater management actions in the Vina Subbasin. The VGSA is committed

to retaining local control over SGMA implementation, utilizing landowner dollars efficiently and beneficially.

Fees would be collected with the Butte County tax roll from all parcel owners subject to the fee within the Vina Subbasin GSA boundaries, excluding federal/state/tribal lands. The fees would be based on total revenue requirements and acreage in the GSA service area. All parcels subject to the fee would receive a Proposition 218 notice if that is the preferred fee method selected before the VGSA Board would consider approving the proposed fees.

You can use the following VGSA link (www.vinagsa.org) to learn more about the Vina Subbasin GSP implementation activities and follow updates on establishing a long-term funding strategy to cover the costs of VGSA administration and SGMA compliance activities. We also have frequently asked questions available to address your questions or concerns. We welcome your comments and thoughts on how we can work together to maintain local control over our water resources.

2024-2028 Vina Subbasin GSP Implementation Summary of State SGMA Requirements



The VGSA will be responsible for covering its GSA administration costs and its share of the total GSP implementation SGMA compliance costs identified in the adopted GSP. The VGSA will serve as the fiscal agent on behalf of parcels subject to fee in the VGSA service area and will share SGMA compliance costs with the Rock Creek GSA through an MOU to manage the GSP implementation budget and report on the status of GSP implementation activities.



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.

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 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 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.



Public Workshop on Long-Term Funding Options

March 28, 2023

Welcome

- 6:00 **Background** – Kamie and Christina, Butte County
- 6:15 **Funding Option Overview** – Eddy and Jacques, LSCE
- 6:35 **Question and Answer Session** – Marisa, Stantec
- 7:05 **Next Steps, Wrap up** – Kamie and Christina
- 7:10 **Poster Session, Open Q&A**
- 7:30 **Pack Up**

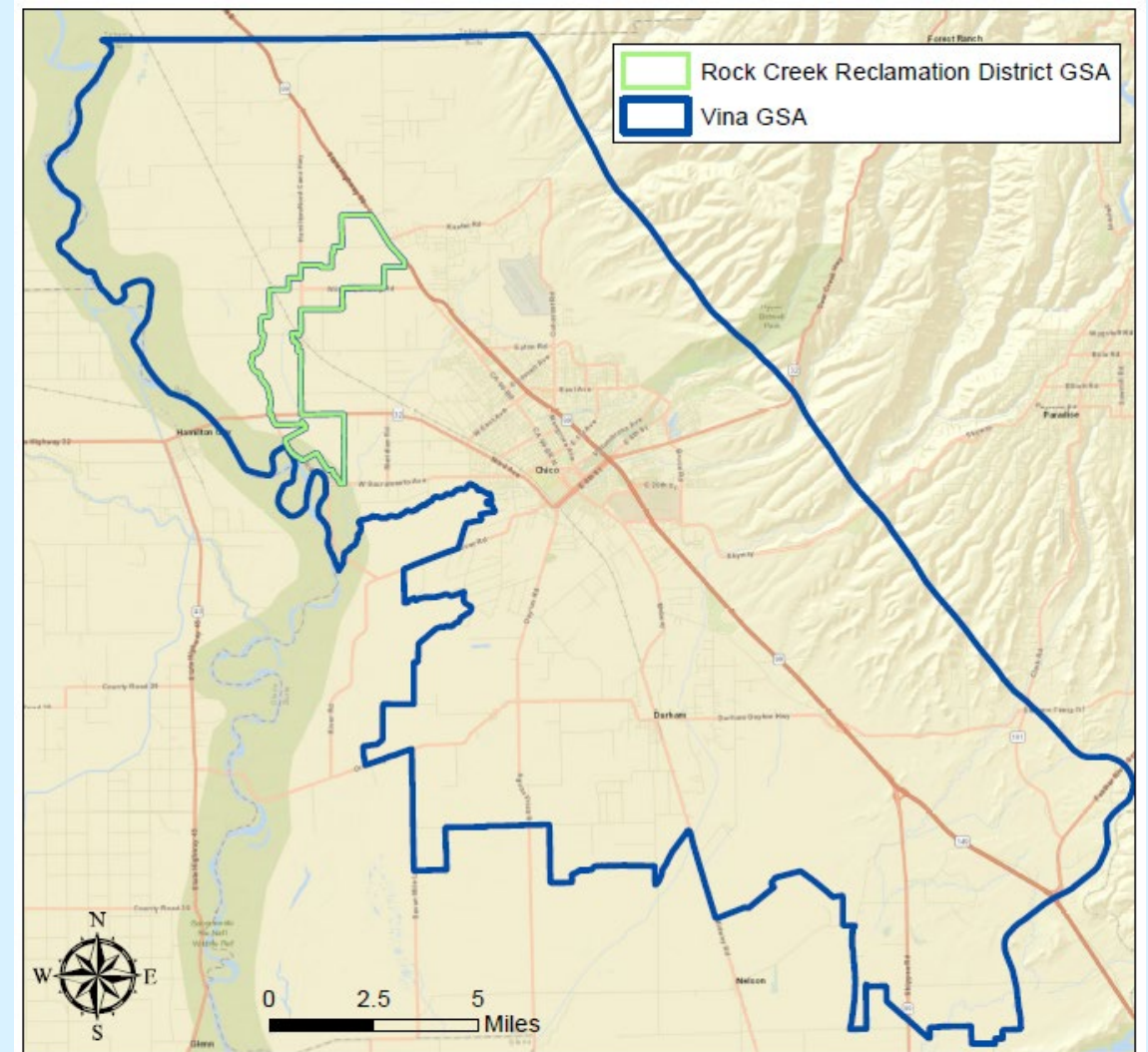


Introductions: People Behind the Process

Vina GSA Board

Stakeholder Advisory Committee

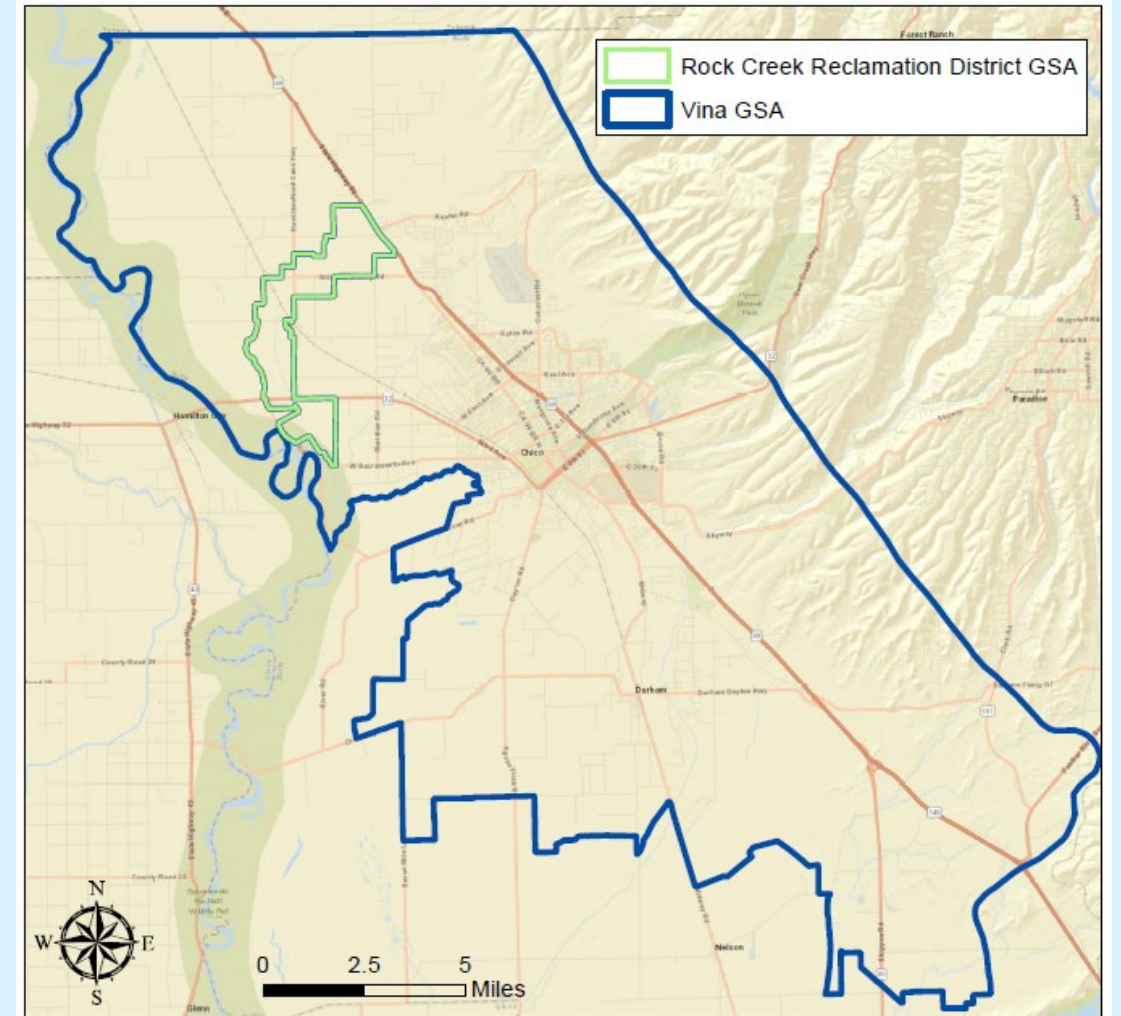
Staff from Butte County, City of Chico, Durham Irrigation District



Introductions: People Behind the Process

Vina GSA Board Members

- Butte County Supervisor **Tod Kimmelshue** (Alt: Supervisor Tami Ritter)
- Chico City Council Member **Kasey Reynolds** (Alt: Deepika Tandon)
- Durham Irrigation District Member **Raymond Cooper** (Alt: Matt Doyle)
- Agricultural Stakeholder **Jeffrey Rohwer** (Alt: Steven Koehnen)
- Domestic Well User Stakeholder **Evan Tuchinsky**, Chair (Alt: Steve Kampfen)



Introductions: People Behind the Process

Stakeholder Advisory Committee Members

Agricultural Groundwater Users

- Greg Sohnrey
- Samantha Lewis
- Joanne Parsley

Domestic Well Users

- Anne Dawson
- Sam Goepp

Environmental Representative

- Jim Brobeck

Business Association Representative

- Bruce Smith

Other Entities Represented

- Evan Markey- Cal Water Chico
- Todd Greene- CSU Chico
- Chris Madden- Butte College



Introductions: People Behind the Process

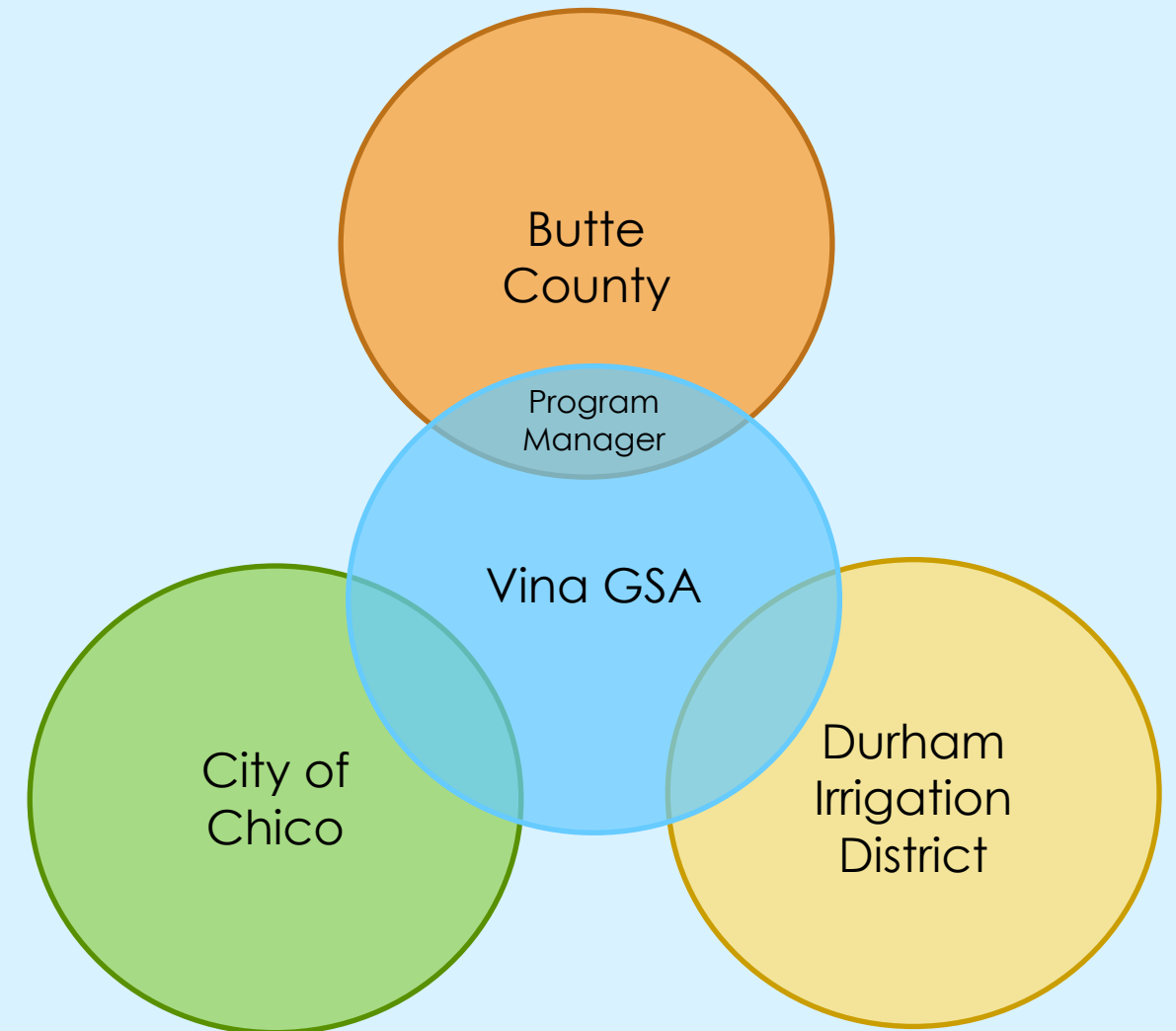
Staff from Butte County, City of Chico, Durham Irrigation District, and local Tribes form the Management Committee:

Kamie Loeser and Christina Buck, Butte County

Erik Gustafson and Linda Herman, City of Chico

Jeff Carter, Durham Irrigation District

He-Lo Ramirez, Mechoopda Tribe/Chico Rancheria



The Road to Sustainability

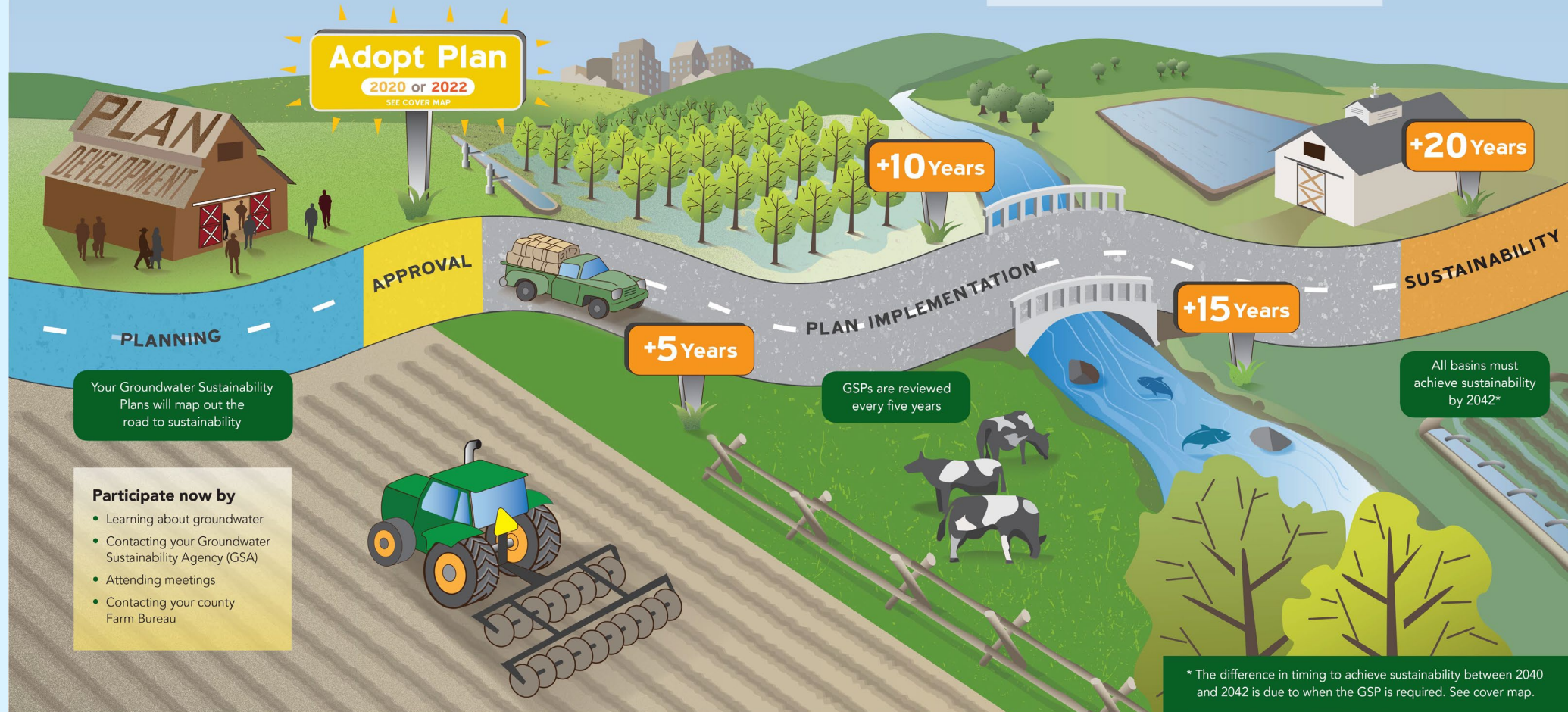
Learn and Engage!

Participate now to represent your interest. SGMA stresses local group formation, local plans and local management.

SGMA plans will reflect local conditions and can include local solutions. Once approved by the state, your local plan represents a commitment to future actions.

Let's be clear:

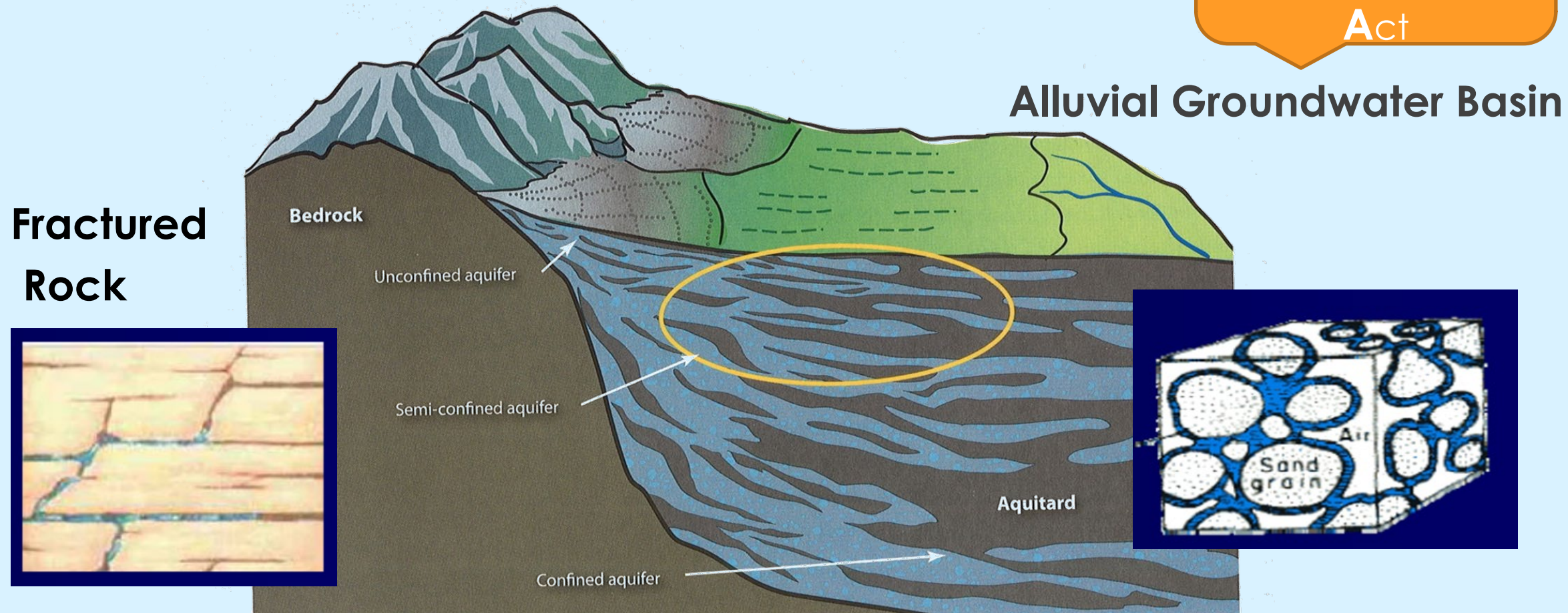
- SGMA will affect your groundwater pumping
- SGMA establishes new responsibilities to share groundwater
- SGMA will change how we use land and water
- SGMA does not change water rights



Vina Subbasin – Public Workshop
March 28, 2023

Groundwater Basics

Sustainable
Groundwater
Management
Act



Harter and Rollins 2008: ANR Publication 3497



Lowering
GW Levels



Reduction
of Storage



Degraded
Quality



Land
Subsidence



Surface Water
Depletion



Vina Subbasin – Public Workshop
March 28, 2023

SGMA and Groundwater Management

SGMA= Sustainable Groundwater Management Act

- State law passed in 2014
- Local agencies given authority and responsibility to manage groundwater: **G**roundwater **S**ustainability **A**gencies
 1. Develop and Adopt a Groundwater Sustainability Plan, by 2022
 2. Implement Projects and Policy actions to achieve Sustainability
 3. Monitoring and reporting every year
 4. Achieve sustainability by 2042



Lowering
GW Levels



Reduction
of Storage



Seawater
Intrusion



Degraded
Quality



Land
Subsidence

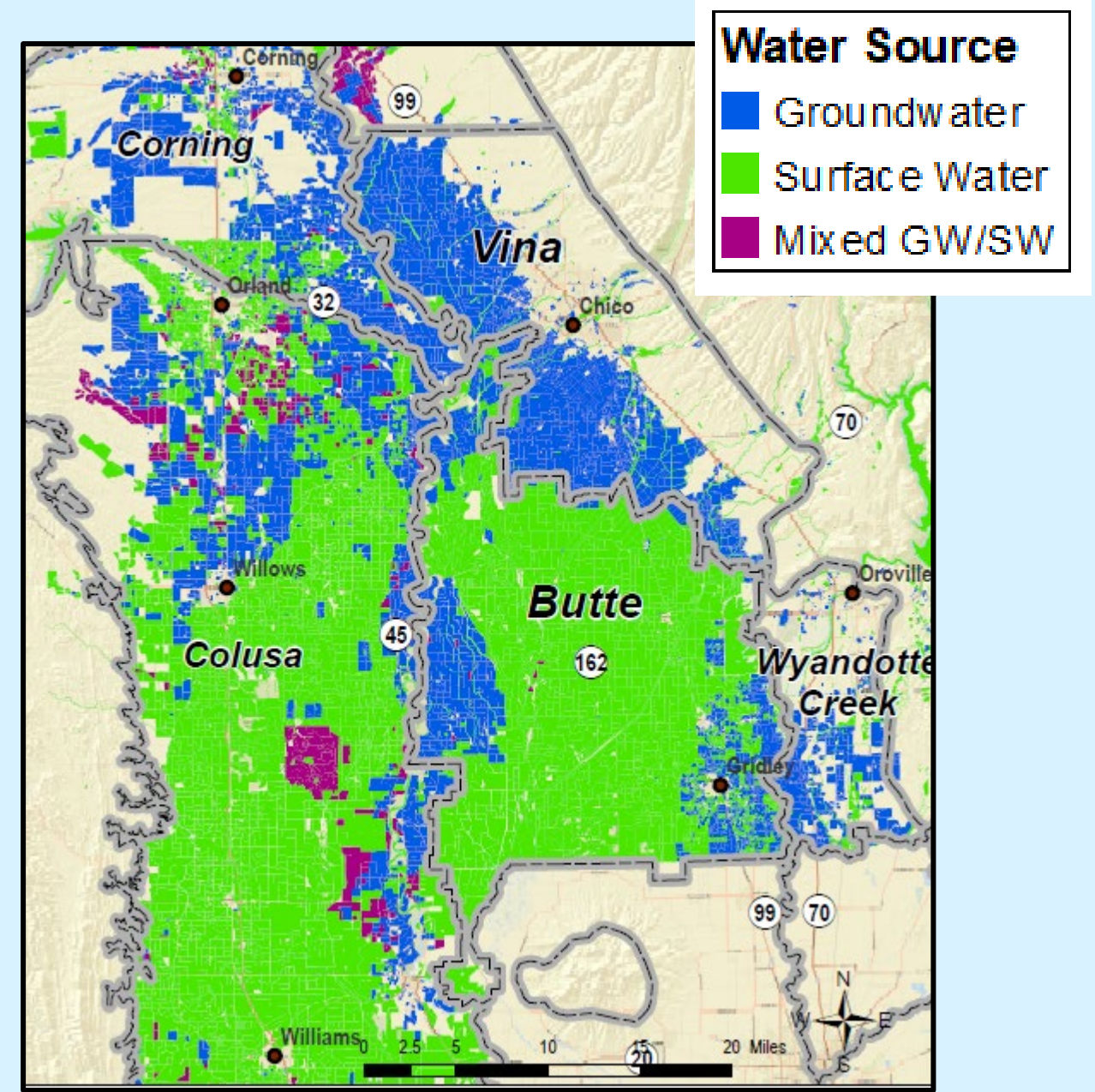
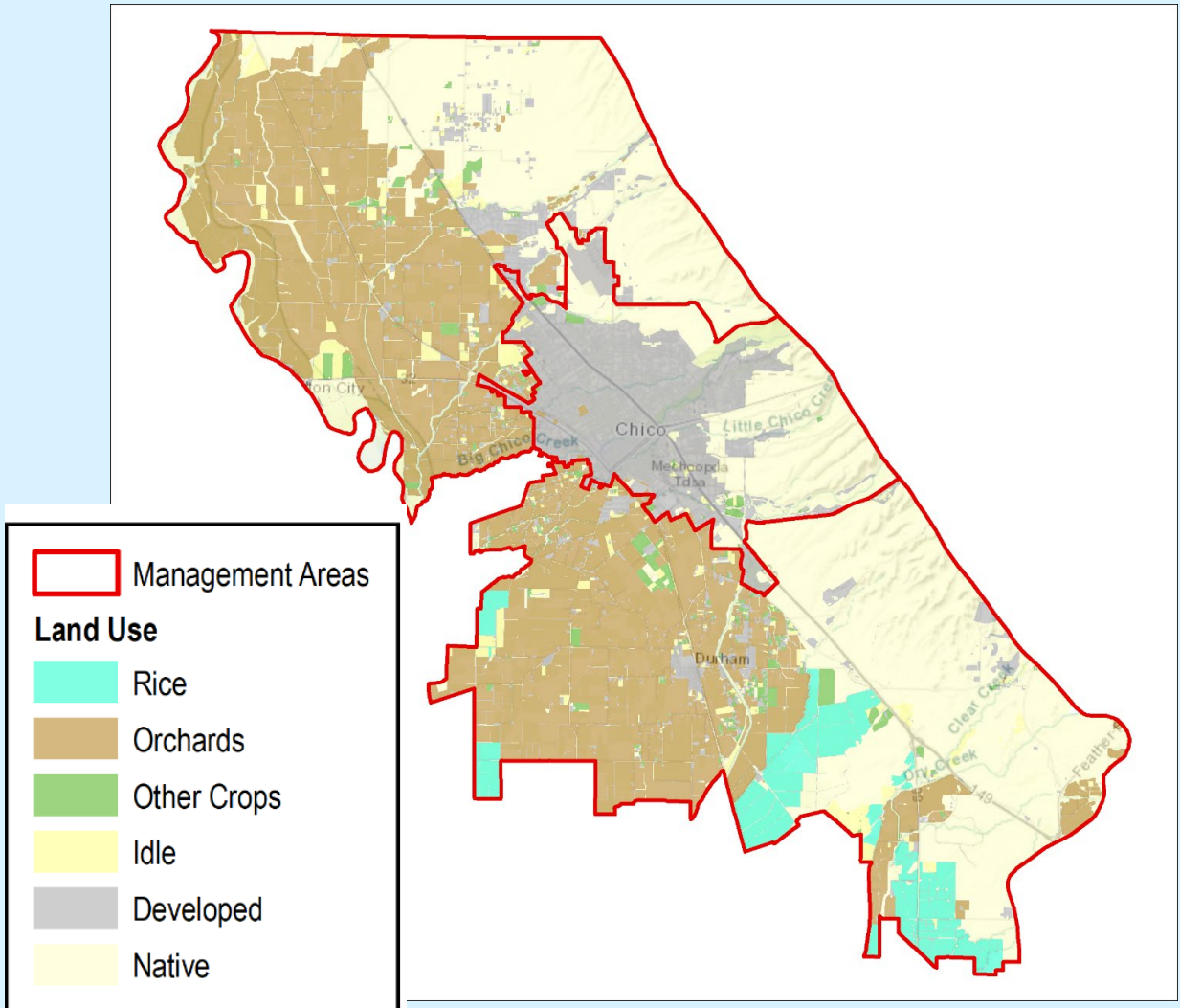


Surface Water
Depletion



Vina Subbasin – Public Workshop
March 28, 2023

Land & Water Use in Vina

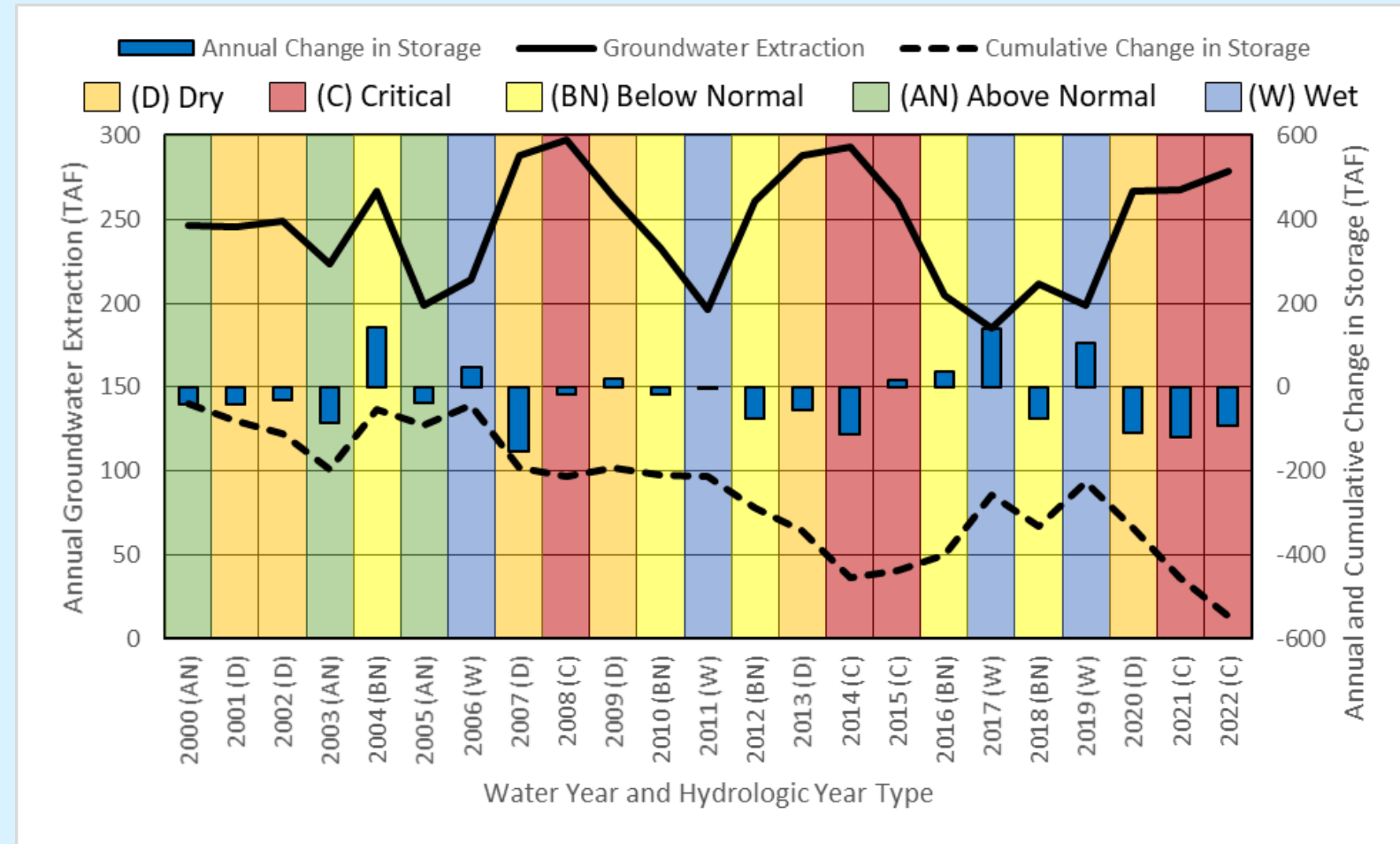


A Subbasin Out of Balance

Over the past 22 years:

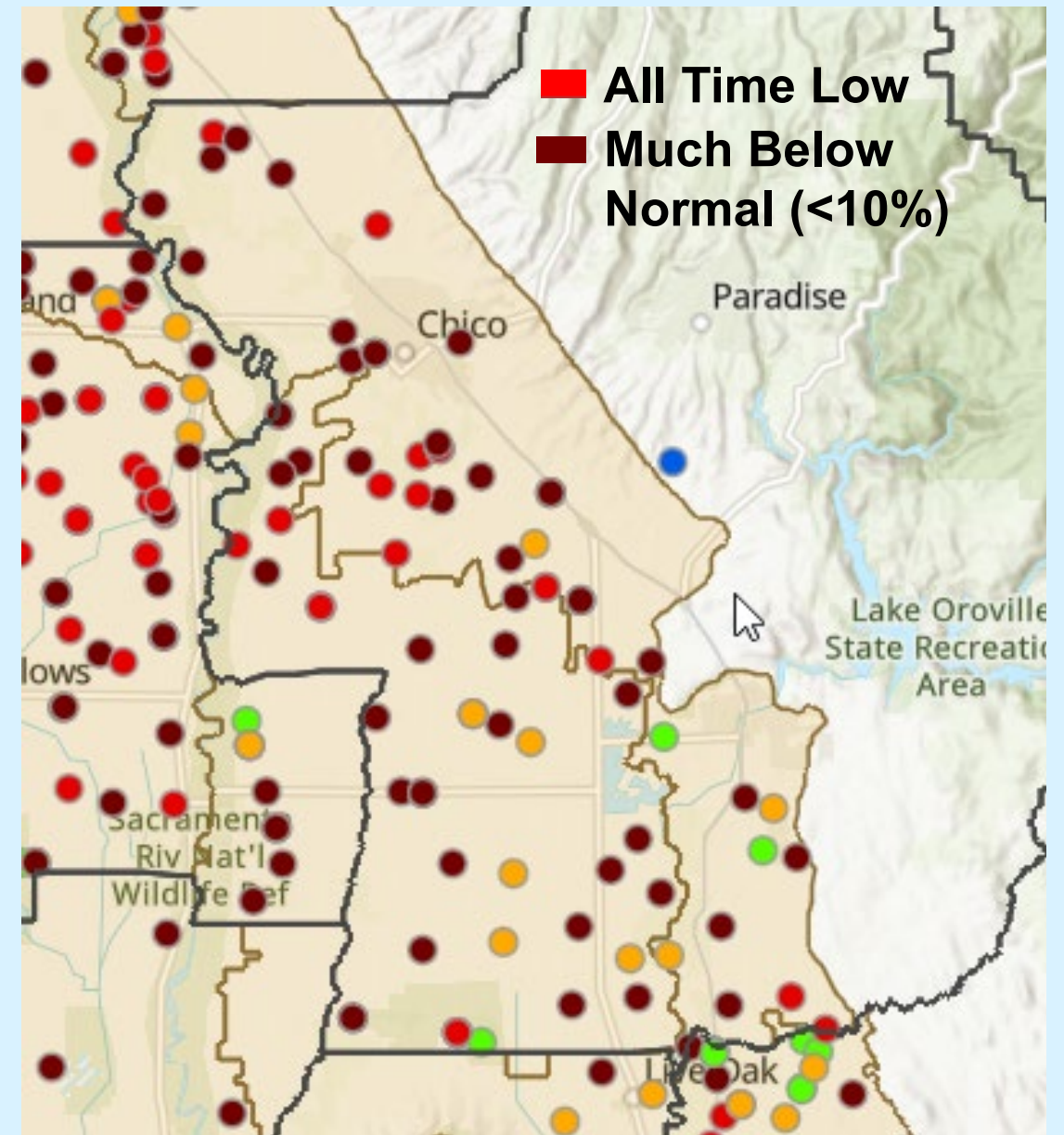
- Groundwater pumping is stable, but variable (sensitive to water year type)
- Groundwater in storage has declined about 500,000 AF from 2000 to 2022
 - Average almost 23,000 AF each year
 - Change in Storage is sensitive to water year type also

Action is needed to stabilize groundwater levels (and storage) and to reach sustainable groundwater conditions



Groundwater Management & Drought Emergency Response

- 26 Dry wells reported to State Dry Well Reporting System
- 33 Applicants to Butte County Off. Of Emergency Management Drought Assistance Program
- County program offers storage tank installation and water delivery



Fall 2022 Groundwater Level Conditions



Butte County Department of Water and Resource Conservation



Department Vision

To work cooperatively...to enhance the County's water supply...through creative water management...to ensure an abundant and sustainable water supply to support all uses in Butte County; and to ensure that local water resources are protected to meet local water needs.



Vina GSA Public Workshop Long Term Funding Project Presentation

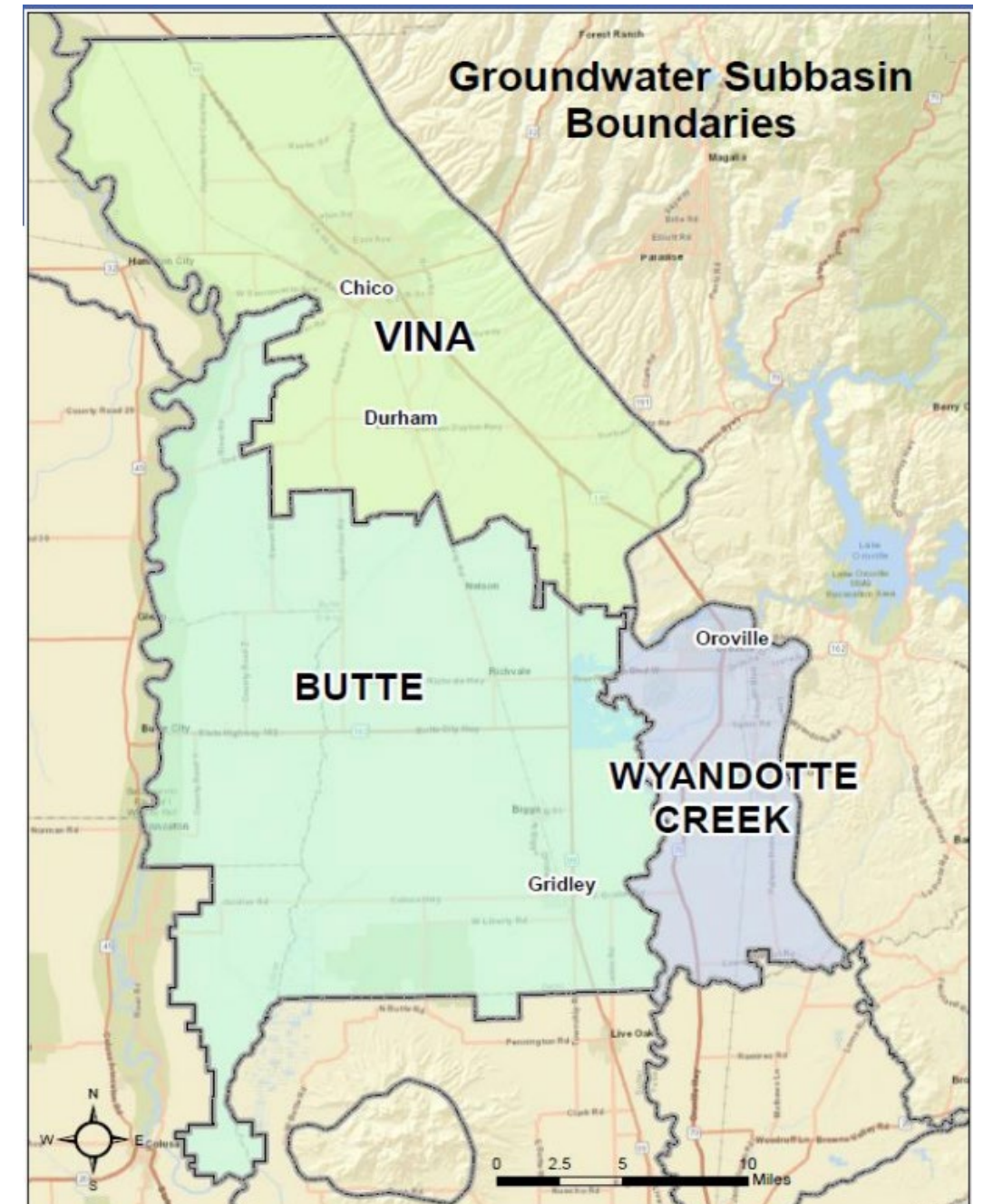
Eddy Teasdale and Jacques DeBra, LSCE

March 28, 2023



Overarching Goals for Long-Term Funding Strategy

- The Vina GSA and is working **to keep costs as low as possible for landowners**
- Long term funding will help the Vina GSA **maintain local control** over our groundwater resources



This is all in response to SGMA Requirements

State of California 2014 Sustainable Groundwater Management Act

Required local formation of Groundwater Sustainability Agencies (GSAs) to:

- Sustain its GSA over the SGMA regulation time frame
- Implement and update its Groundwater Sustainability Plan (GSP)
- Prepare and submit annual reports to DWR documenting groundwater conditions
- Provide on-going GSA coordination
- Fill data gaps and address groundwater overdraft situations (e.g., subsidence)
- Plan and implement projects that achieve groundwater sustainability goals

SGMA Timeline and the Early Funding Strategy

SGMA Timeline



Up to January 2022,
the GSA was funded by:
DWR grant: ~\$1.5M
Member In-Kind Contributions

Moving forward, the GSA needs a
new sustainable funding source
by 2024.

Long Term Funding Strategy

Funding Mechanism
to cover costs
of SGMA
Compliance



Grant Funding
to cover costs
of Projects and
Management
Actions (PMAs)

Note: Some grants can fund both PMAs and costs associated with SGMA compliance, such as the Round 2 DWR SGM Implementation grant which the GSA applied for in December 2022.

That grant could cover up to \$5.5M in eligible projects and SGMA compliance activities. DWR is expected to announce grant awards in **June 2023**.

More on the next slide...

A Closer Look at the DWR SGMA Round 2 Application

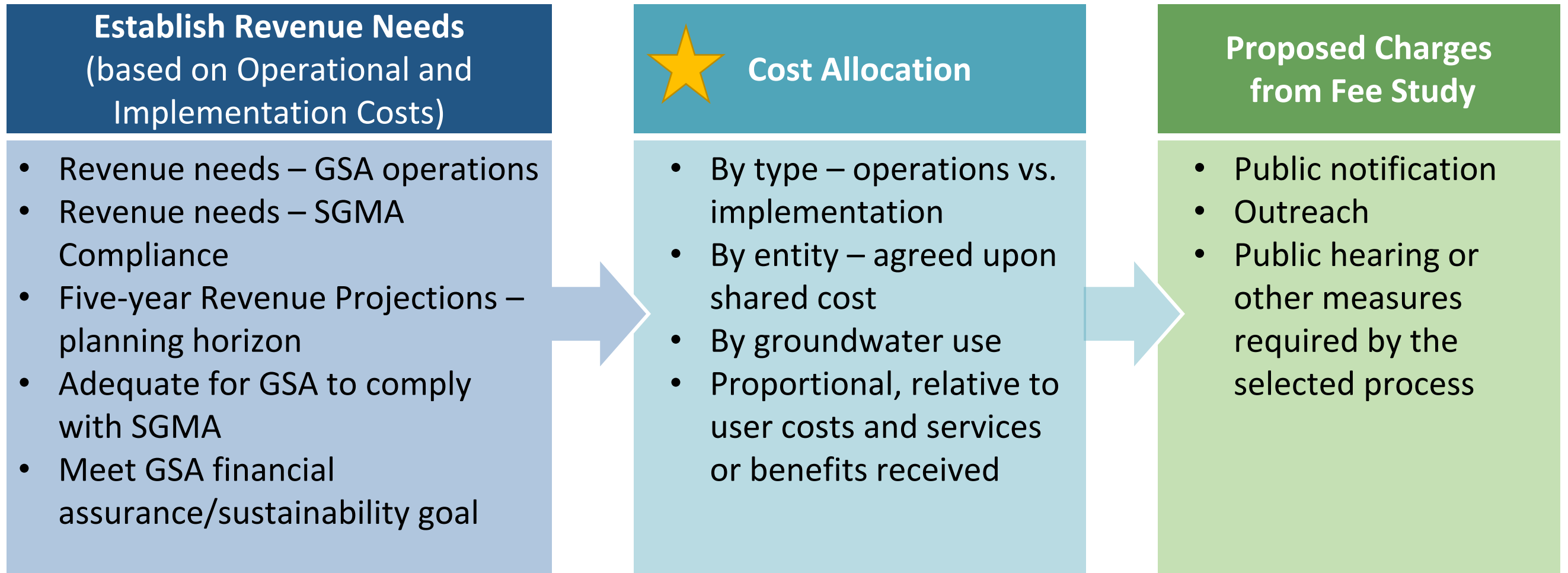
Vina GSA DWR SGMA Grant Application Task	Budget
Task 1: Grant Administration	\$200,000
Task 2: Monitoring Network Enhancements	\$400,000
Task 3: Community Monitoring - Domestic Wells	\$100,000
Task 4: GSP Implementation & Compliance Activities	\$660,000
Task 5: Inter-basin Coordination Activities	\$450,000
Task 6: Extend Orchard Replacement Program	\$1,500,000
Task 7: Lindo Channel Surface Water Recharge Implementation	\$350,000
Task 8: Ag Surface Water Supplies Feasibility Analysis	\$275,000
Task 9: Ag Irrig Efficiency Pilot Program and Education	\$1,000,000
Task 10: Groundwater Recharge Feasibility Analysis & Site Evaluation	\$600,000
Total DWR Grant Funding Request	\$5,535,000

Vina's \$5.5M application included:

- SGMA compliance activities
- Addressing data gaps
- Projects
- Programs

DWR grant award decision could reduce Vina GSA charges over the next five years.

Process for Studying Fee Options and Developing a Resulting Charge



Milestones in the Process for Studying Fee Options and Developing Charge

Vina GSA 2023 Long Term Funding Project - Primary Milestones								
Project Tasks	Jan	Feb	Mar	Apr	May	June	July	August
VGSA Project Outreach	>>>>>>>>>	Develop Outreach	Public Workshop ★	Update Outreach	Public Notice	>>>>>>>>>	Public Hearing	>>>>>>>>>
VGSA Board Meetings		B	B	B	B		B	
VGSA SHAC Meetings			SHAC	SHAC				
Project Development								
Update Revenue Projections	Develop	Draft	Final					
Evaluation Fee Options		Develop	Draft	Final				
Prepare Options Technical Memo			Develop	Final				
Prepare/Approve Fee Report				Develop	Final			
Approve Proposed Fees								
Tax Roll Data To Assessor								8/10/2023

B = VGSA Board Meeting

SHAC = SHAC Meeting



Establishing Revenue Needs: Five-Year Projection

VINA GSA - Long Term Funding Fee Project					
Updated Five-Year Revenue Projections - GSA Operational Budget (assuming NO DWR SGMA Implementation Grant Funds)					
5-Year GSP Implementation Inflation Adjustment	0%	3%	3%	5%	5%
Proposed	Year 1	Year 2	Year 3	Year 4	Year 5
Cost Category-GSA Admin.	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Professional Services - Admin.					
Auditor	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Financial Services	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Legal Services	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Program Manager (w/County management)	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Professional Services - Admin. Sub-total	\$167,500	\$167,500	\$167,500	\$167,500	\$167,500
Office Expense					
Bank Fees	\$250	\$250	\$250	\$250	\$250
Insurance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Outreach (per education and outreach plan)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Website	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Supplies	\$5,000	\$2,000	\$1,500	\$1,500	\$1,500
Office Expense Sub-total	\$19,250	\$16,250	\$15,750	\$15,750	\$15,750
Professional Services - GSP Implementation	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Legal Defense Reserve	\$100,000	\$50,000	\$30,000	\$30,000	\$30,000
County Tax Roll Fee Support	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Contingency (10%)	\$31,675	\$26,375	\$24,325	\$24,325	\$24,325
GSA Admin. Sub-total	\$348,425	\$290,125	\$267,575	\$267,575	\$267,575
5-Year GSP Implementation Inflation Adjustment	0%	3%	3%	5%	5%
Cost Category-SGMA Compliance	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Annual Reporting (with continued DWR monitoring)	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Five Year GSP Update w/Modeling Calibrations	\$50,000	\$50,000	\$50,000	\$50,000	\$40,000
Surface-GW Interaction Modeling	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
GSA Coordination & Outreach (w/in and between GSAs)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Data Management System Maintenance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Long Term Financial Planning/Fees	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Grant Procurement	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Contingency (8%)	\$13,800	\$13,800	\$13,800	\$13,800	\$13,000
SGMA Compliance Sub-Total	\$186,300	\$186,300	\$186,300	\$186,300	\$175,500
TOTAL VGSA Administration (w/inflation adjustment)	\$348,425	\$298,829	\$283,630	\$297,008	\$310,387
TOTAL VGSA SGMA Compliance (w/inflation adjustment)	\$186,300	\$191,889	\$197,478	\$206,793	\$203,580
TOTAL VGSA Operational Budget	\$534,725	\$490,718	\$481,108	\$503,801	\$513,967



Closer Look at the Projected GSA Administration Costs

5-Year GSP Implementation Inflation Adjustment	0%	3%	3%	5%	5%
Proposed	Year 1	Year 2	Year 3	Year 4	Year 5
Cost Category-GSA Admin.	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Professional Services - Admin.					
Auditor	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Financial Services	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Legal Services	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Program Manager (w/County management)	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Professional Services - Admin. Sub-total	\$167,500	\$167,500	\$167,500	\$167,500	\$167,500
Office Expense					
Bank Fees	\$250	\$250	\$250	\$250	\$250
Insurance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Outreach (per education and outreach plan)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
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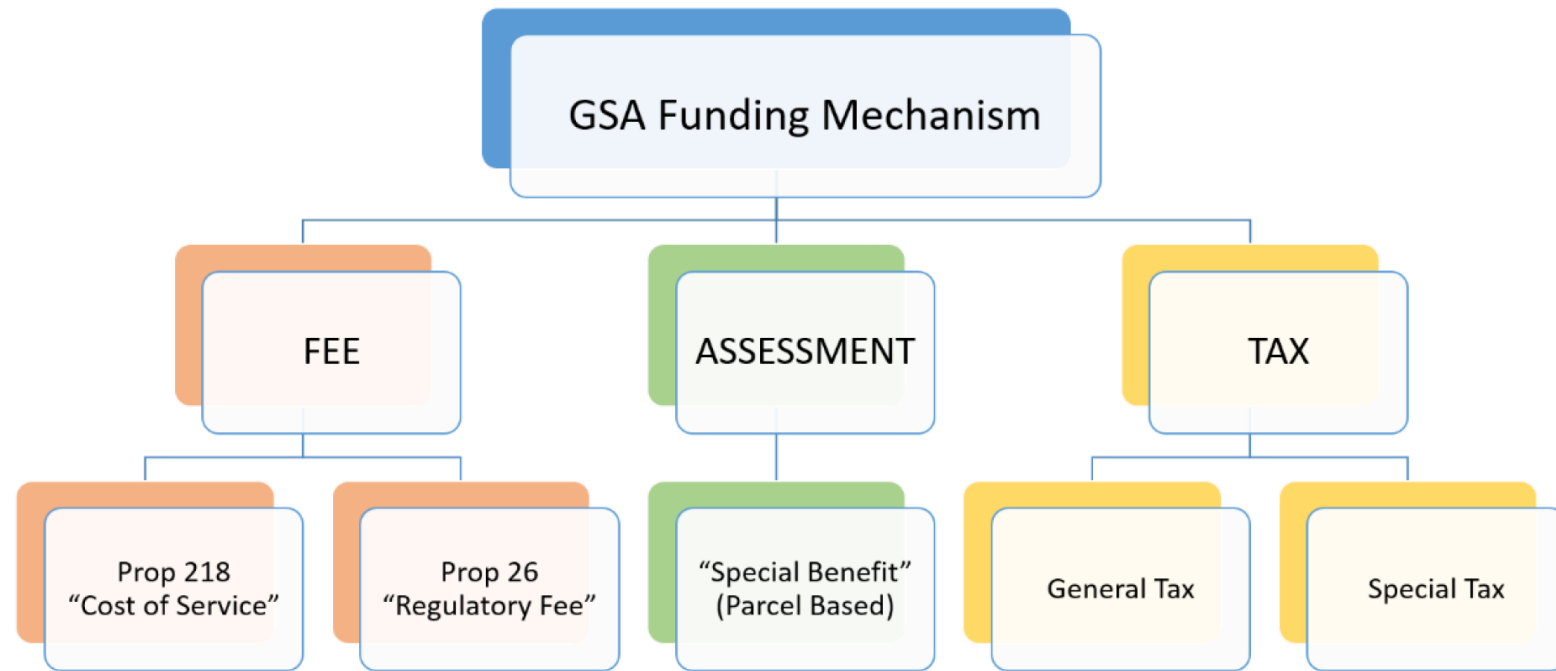
A Closer Look at the Projected SGMA Compliance Costs

5-Year GSP Implementation Inflation Adjustment	0%	3%	3%	5%	5%
Proposed	Year 1	Year 2	Year 3	Year 4	Year 5
Cost Category-SGMA Compliance	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Annual Reporting (with continued DWR monitoring)	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Five Year GSP Update w/Modeling Calibrations	\$50,000	\$50,000	\$50,000	\$50,000	\$40,000
Surface-GW Interaction Modeling	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
GSA Coordination & Outreach (w/in and between GSAs)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Data Management System Maintenance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Long Term Financial Planning/Fees	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Grant Procurement	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
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TOTAL VGSA Operational Budget	\$534,725	\$490,718	\$481,108	\$503,801	\$513,967

SGMA Compliance Beyond the Five-Year Projection

Task Name	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
GSA Administration and Operations																					
Public Outreach	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Legal Services	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Community Outreach and Education																					
Community Outreach and Education ¹	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
GSP Monitoring and Data Management																					
Monitoring of Wells	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Data Management	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
GSP Reporting																					
Annual Reporting	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×	×
Responding to DWR Comments on GSP		×					×														
GSP Five-Year Updates						×					×					×					×
Grant Writing																					
Grant Writing	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█

Available Options for Long Term Funding



Prop. 218 is most common GSA charge method to date.
Includes customer notification and protest vote process.

- Due to Constitutional limitations imposed through California's Propositions 13, 218, and 26, there are strict distinctions between, and regulations associated with, fees, special assessments, and taxes.
- Taxes and assessments require voter approval.
- Property-related fees and assessments under Proposition 218 are subject to noticing, a majority protest proceeding, and when required, a subsequent ratification election.
- However, fees, as well as other charges, are identified as exempt from the definition of a tax under Proposition 26, and thus can be adopted by the governing body of the Agency imposing the fee.

Approach for Developing Charge

FOR REVENUE PROJECTIONS TO USE IN LONG TERM CHARGE STUDY

Reasonable

Contingency

Sufficient

Inflation

Reliable

Include adequate legal services

Scope (focus on GSA Admin. and SGMA Compliance)

Flexible – to address DWR requirements and compliance tasks

Common Evaluation Criteria for Charge Options

- Revenue Sufficiency – to meet projected revenue targets
- Revenue Stability – over the fee implementation period
- All Beneficiaries Pay – important for SGMA compliance benefit
- Equity – cost allocation
- Affordability – economic impacts
- Simplicity – easy to understand
- Administrative ease – low implementation costs
- Enforceability – potential costs for more complex fee structures
- Legality – defensible, challenge risk, potential long term legal fees

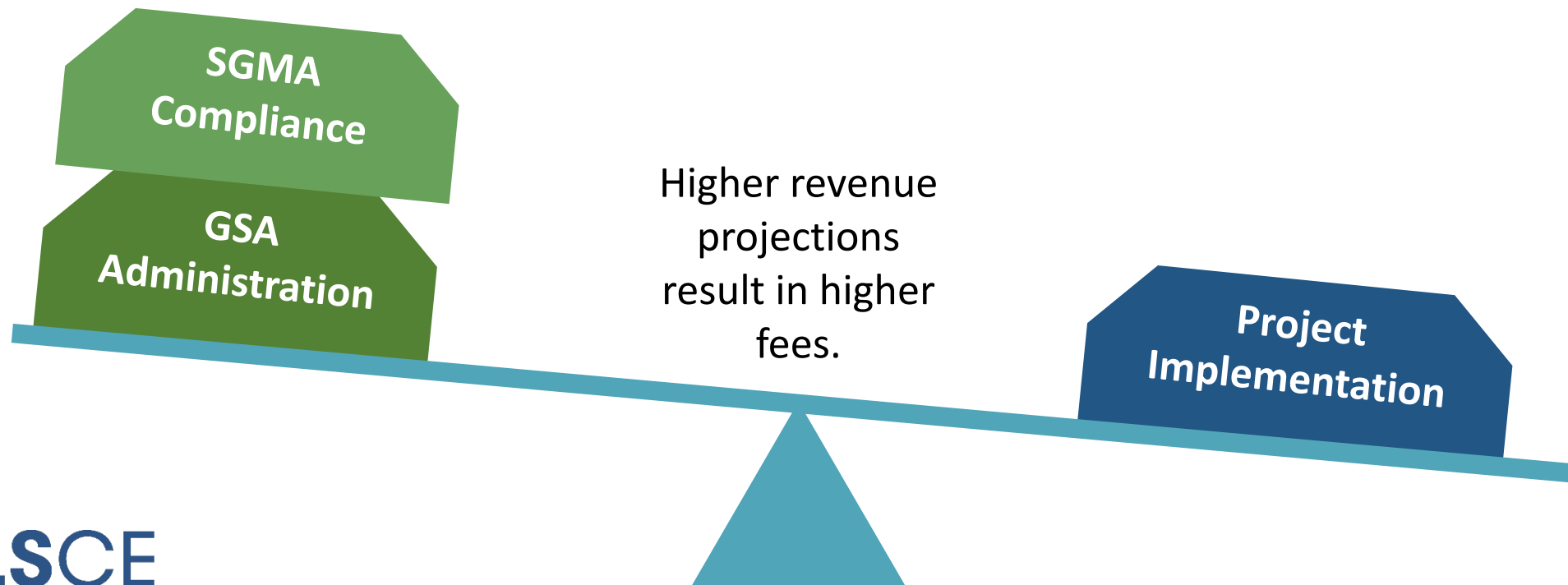
Can impact
revenue
projections



What should be included in the scope of charges?

- Update Vina GSA Five Year Revenue Projections focused on GSP implementation and SGMA compliance.
- Discuss key charge assumptions to be sufficient yet reasonable.
- Includes GSA cost sharing for SGMA compliance costs that benefit the Subbasin.
- Refine revenue projections to update GSA long term charge schedule.

A BALANCING ACT IN CONSIDERING SCOPE OF CHARGES



Charge Options To Evaluate

Examples of Potential Options	Notes
Charge per Acre, for parcels subject to the charge within the GSA service area	Most common charge structure
Hybrid Land Use Approach	Would include both irrigated and non-irrigated lands
Other options? <i>Offer your suggestions today!</i>	
Charge per Acre-foot of groundwater extraction	Would require metering
State Water Resources Control Board Intervention Fees	Vina GSA complying with SGMA

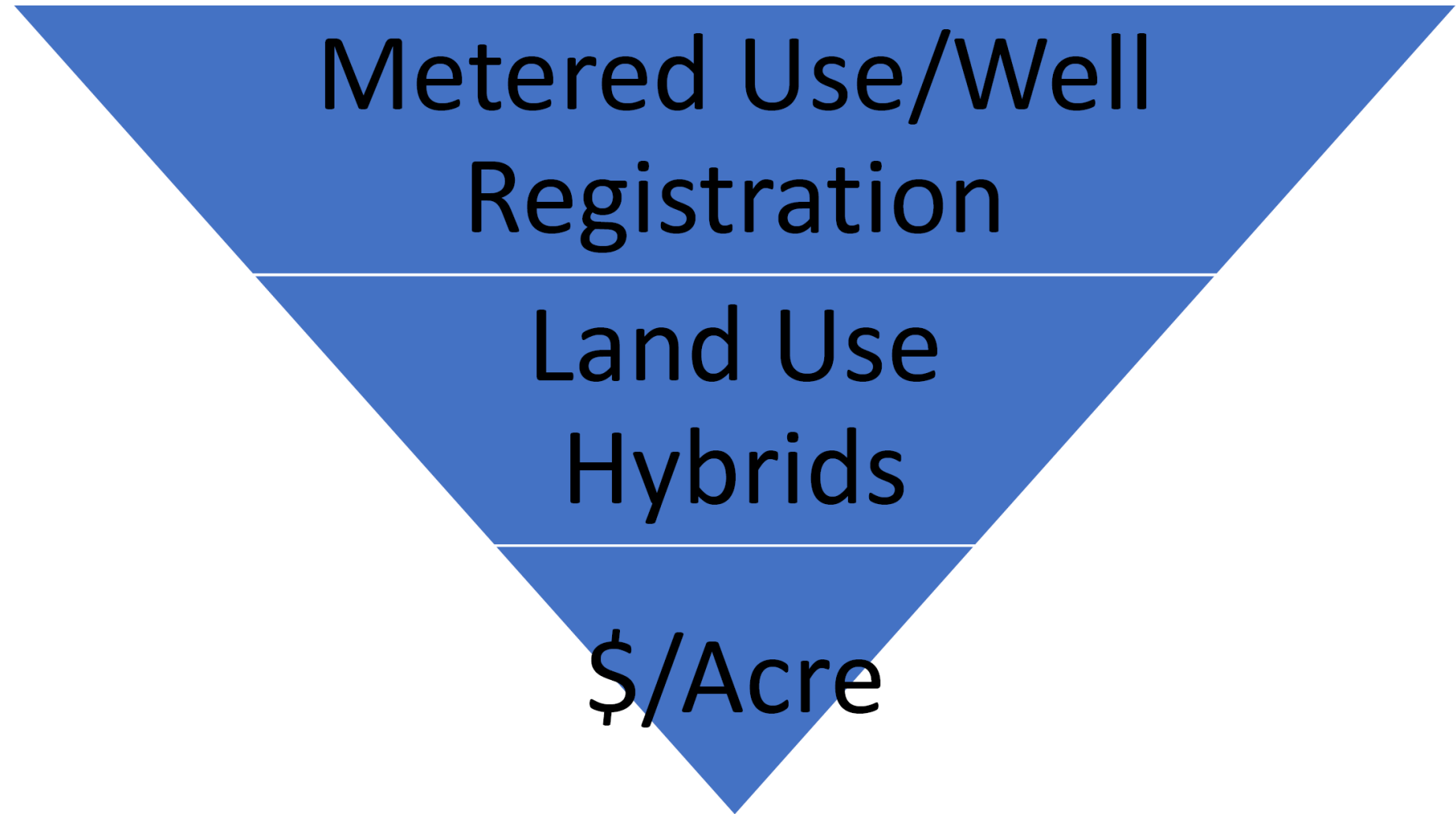
- Charge options will be evaluated to consider both GSA Admin and SGMA Compliance costs.
- Feasibility of options is based on available parcel level data for those subject to the charges.
- A charge option summary will be available that compares options including impacts of future charges.

Example Charge Option

Highest Charge Option implementation costs.

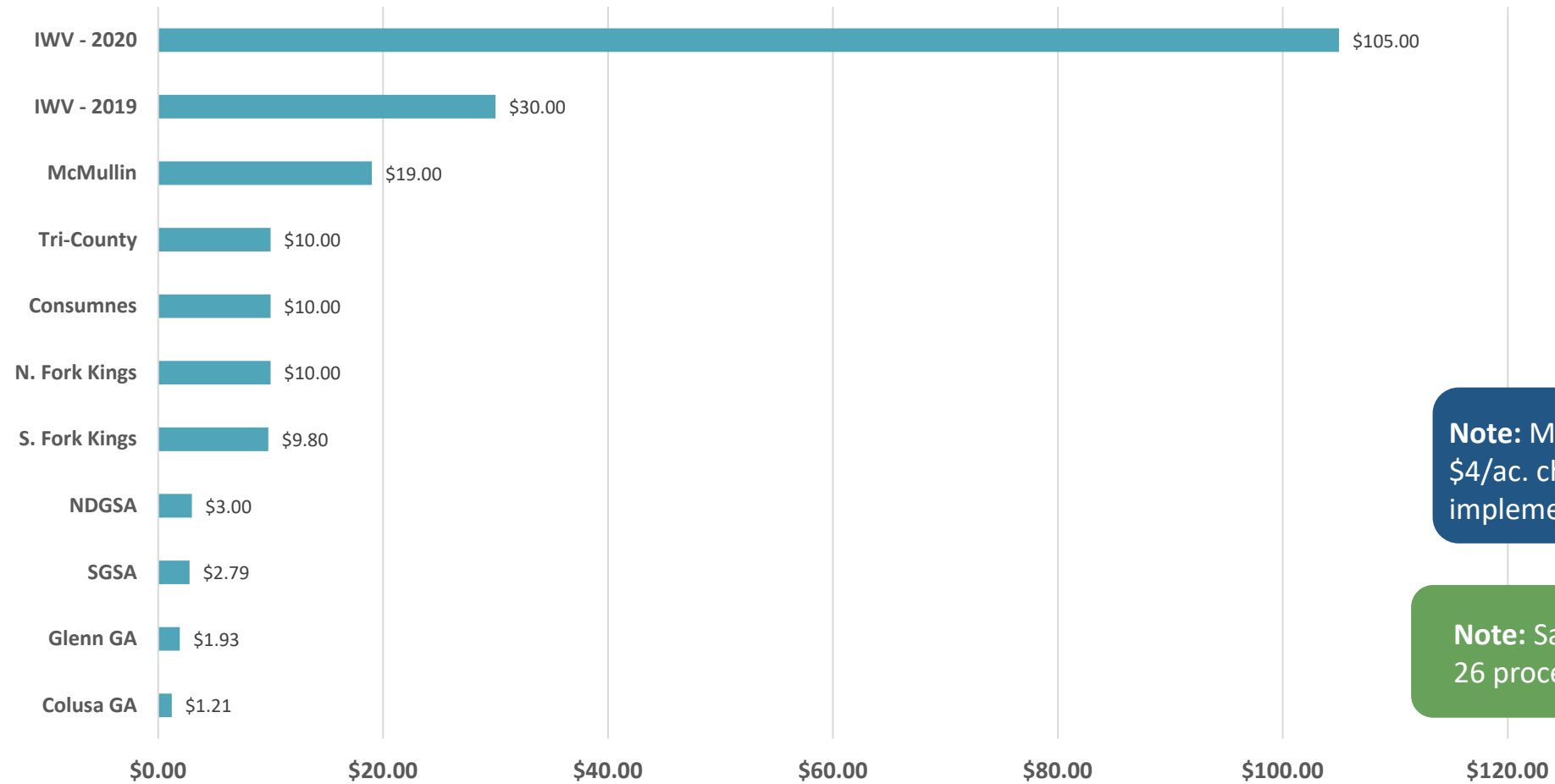


Lowest Charge Option implementation costs (in revenue projections).



Comparing Approaches Across the State

GSA Charge Comparison - \$/Acre



IWV = Indian Wells Valley

Note: Merced approved a Prop. 218 \$4/ac. charge, which has not been implemented to date.

Note: Santa Rosa Plain approved a Prop. 26 process with a \$40/ac-ft charge.

The Vina GSA needs a long-term funding source to sustain the GSA.

Considerations for Approved Charges

The Vina GSA will annually review its budget needs and determine appropriate GSA charges.

Approved Charges:

- Can only be used for tasks that are included in the Vina GSA updated revenue projections.
- Will be limited to a maximum allowable amount.
- Will be assessed through the Butte County Assessor's Office tax roll for each landowner.
- Will be available on the GSA website, in addition to detailed budget information.

Local Charges For Local Groundwater Management and Decision-making!

Vina GSA Wants Your Input!

Ways for you to provide us with your comments and ideas:

- Opt in to interested parties list on workshop sign-in sheet
- Question cards
- Common courtesy – one speaker at a time
- We have time to answer some questions now
- If we don't get to your question, follow up with us during the poster session or we can follow up with you post-meeting if we have your contact info.
- A summary of this public workshop will be available on the website
- Thank you for attending!

Question and Answer Session



Vina Subbasin – Public Workshop
March 28, 2023

Next Steps

2023 Milestone	Date	Action Items
Public Workshop	Mar 28	Presentation and Public Comments
Apr Board Meeting	Apr 12	Board Meeting (Approve Fee Options TM With Legal Review)
Apr SHAC Meeting	Apr 26	Annual Report Overview, Funding Project Update, Outreach Ambassadors
May Board Meeting [JOINT w RCRD]	May 10	Approve Fee Study
Anticipated Proposition Notice	May 23	Send out Proposition Notice via mail
May SHAC Meeting	May 24	Agenda – TBD - Project Funding and Outreach
Jun Board Meeting	Jun 14	Funding Discussion
Jul Board Meeting	Jul 19	Board Presentation (Public Hearing/Fee Approval Staff Report & items)
Oct SHAC Meeting	Oct 25	Project Funding and Outreach and Planning depending on grant outcome
Nov Board Meeting	Nov 8	GSP Implementation Updates



Next Steps

Meeting information, handouts and summaries will be available on the Vina GSA website.





Contact Us

Search... Go!

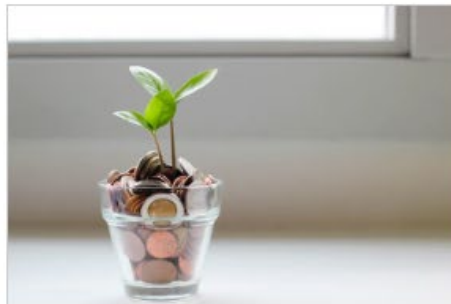
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- About Us ▾
- Governance ▾
- Long-term Funding ▾
- Calendar
- Library ▾
- Contact Us



GSP Submitted to DWR

Clicking the links on this page will take you to the DWR SGMA Portal.

- SGMA
- VINA GSA
- CALENDAR
- LIBRARY



Funding the Vina GSA

Why is funding the Vina GSA Important?

[READ MORE >](#)



GSP Submitted to DWR

Clicking the links on this page will take you to the DWR SGMA Portal.



SGM Grant Program Workshop Series

The Vina and Rock Creek Reclamation

<https://www.vinagsa.org/>



Vina Subbasin – Public Workshop
March 28, 2023

We want your input!

Send comments to:

vinagsapubliccomments@chicoca.gov

Frequently Asked Questions (printed and online)

<https://www.vinagsa.org/faqs-frequently-asked-questions>

[Sign up for the interested parties list](#) (online or come find Marisa)



Do You Have Questions About the Proposed Fee?



Learn More About the Proposed Groundwater Fee to Fund the Vina Subbasin Groundwater Sustainability Agency

Come to Our Public Information Session!

Wednesday, June 14, 2023

6:00–7:30 p.m.

Chico Masonic Lodge

1110 W East Avenue, Chico, CA 95926

THIS IS NOT THE PUBLIC HEARING.

Proposition protests will not be collected at this session.

This event is for informational purposes only.

To learn more about the Vina GSA

please contact: vinagsa@gmail.com | visit our website: www.vinagsa.org



**Informational Workshop
on the Proposed
Vina GSA
Groundwater Fee**

**June 14, 2023
6:00-7:30 p.m.**

Welcome

- 6:00 p.m. **Welcome & Introductions, Vina GSA Background, and Overview of the Proposed Fee**
- 6:20 p.m. **Questions & Answers**
- 7:00 p.m. **Open House**
- 7:30 p.m. **Closing**



SGMA and Groundwater Management

SGMA = Sustainable Groundwater Management Act

- State law passed in 2014
- Local agencies given authority and responsibility to manage groundwater: **G**roundwater **S**ustainability **A**gencies = **GSA**
 1. Develop and Adopt a **G**roundwater **S**ustainability **P**lan = **GSP** by 2022
 2. Groundwater Monitoring and Reporting Every Year
 3. Implement Projects and Policy Actions to Achieve Sustainability
 4. Achieve Sustainability by 2042



Lowering
GW Levels



Reduction
of Storage



Seawater
Intrusion



Degraded
Quality

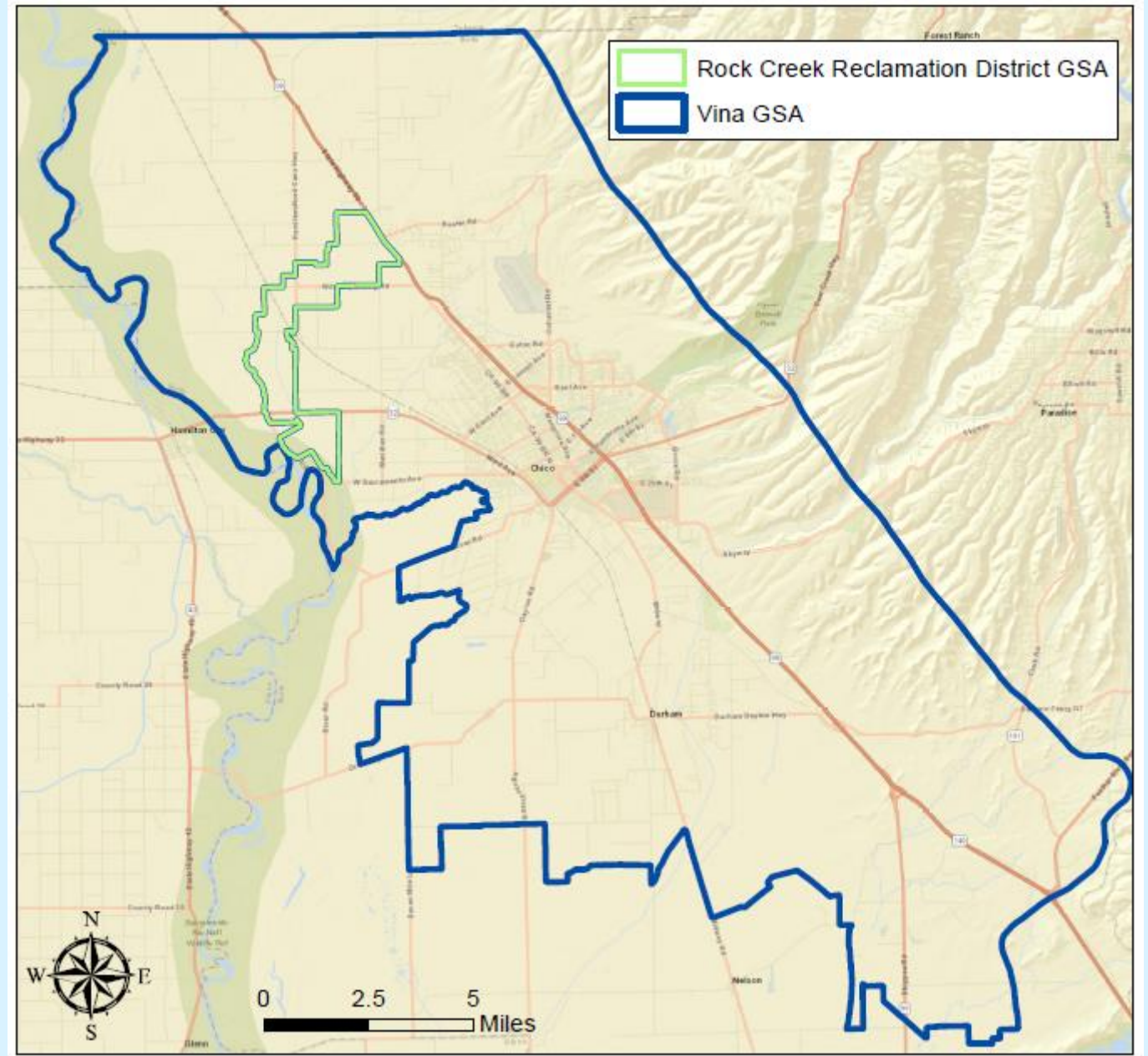
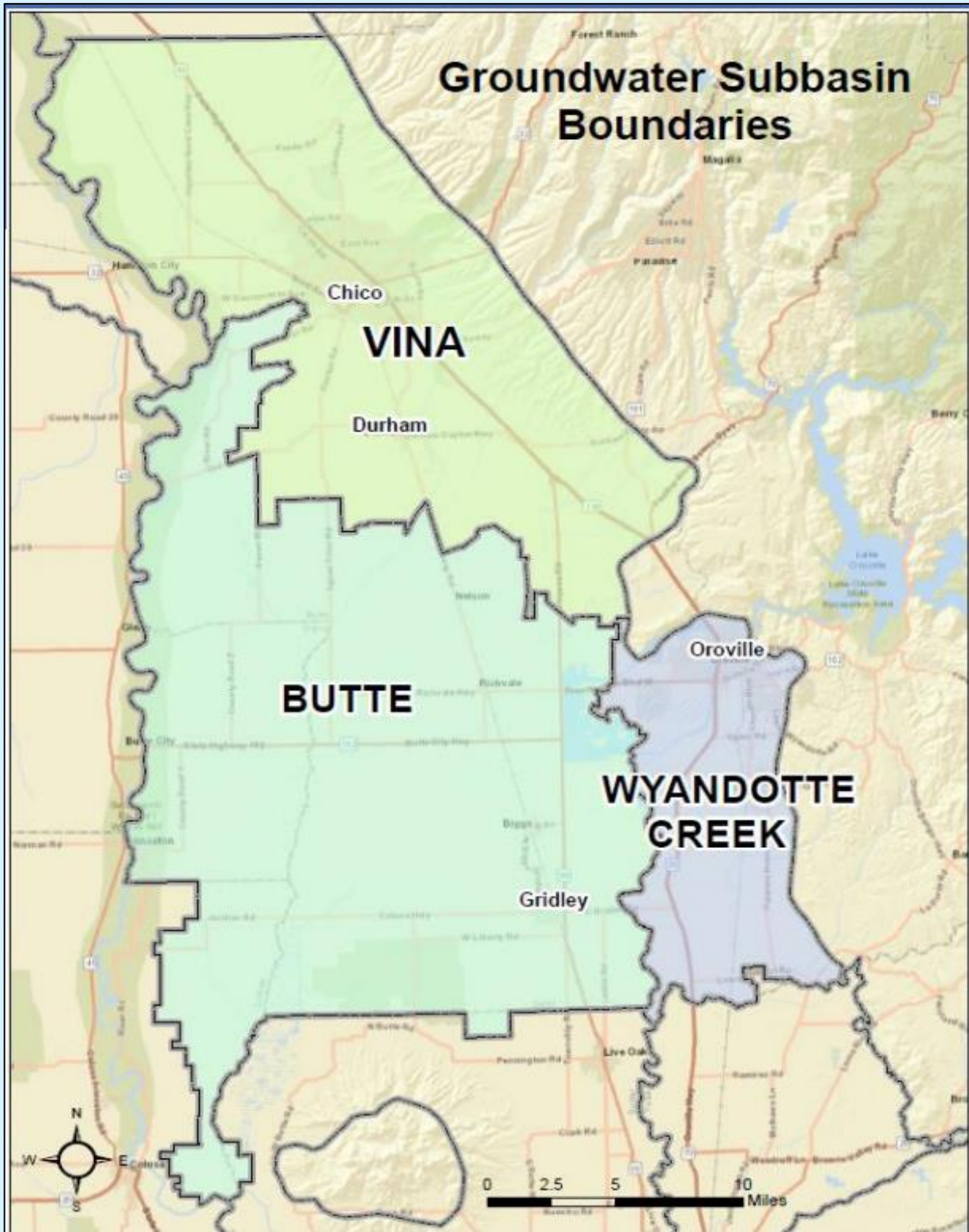


Land
Subsidence



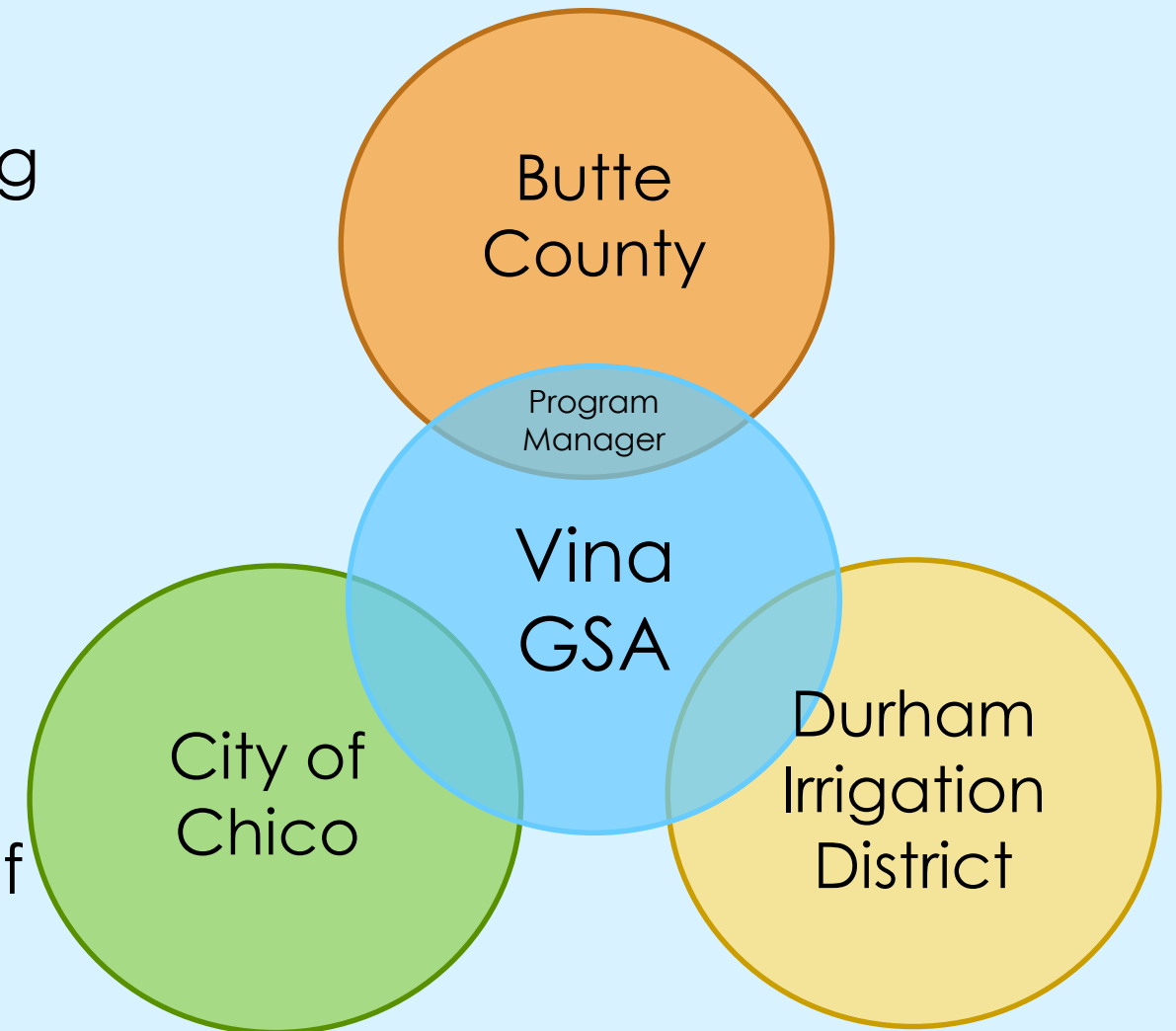
Surface Water
Depletion





Overview of the Vina GSA

- Joint Powers Agreement signed in Spring 2019
- 3 Member Agencies – Butte County, Chico, Durham Irrigation District
- 5 Member Board of Directors
- 10 Member Stakeholder Advisory Committee
- Management Committee Comprised of Member Agency Staff

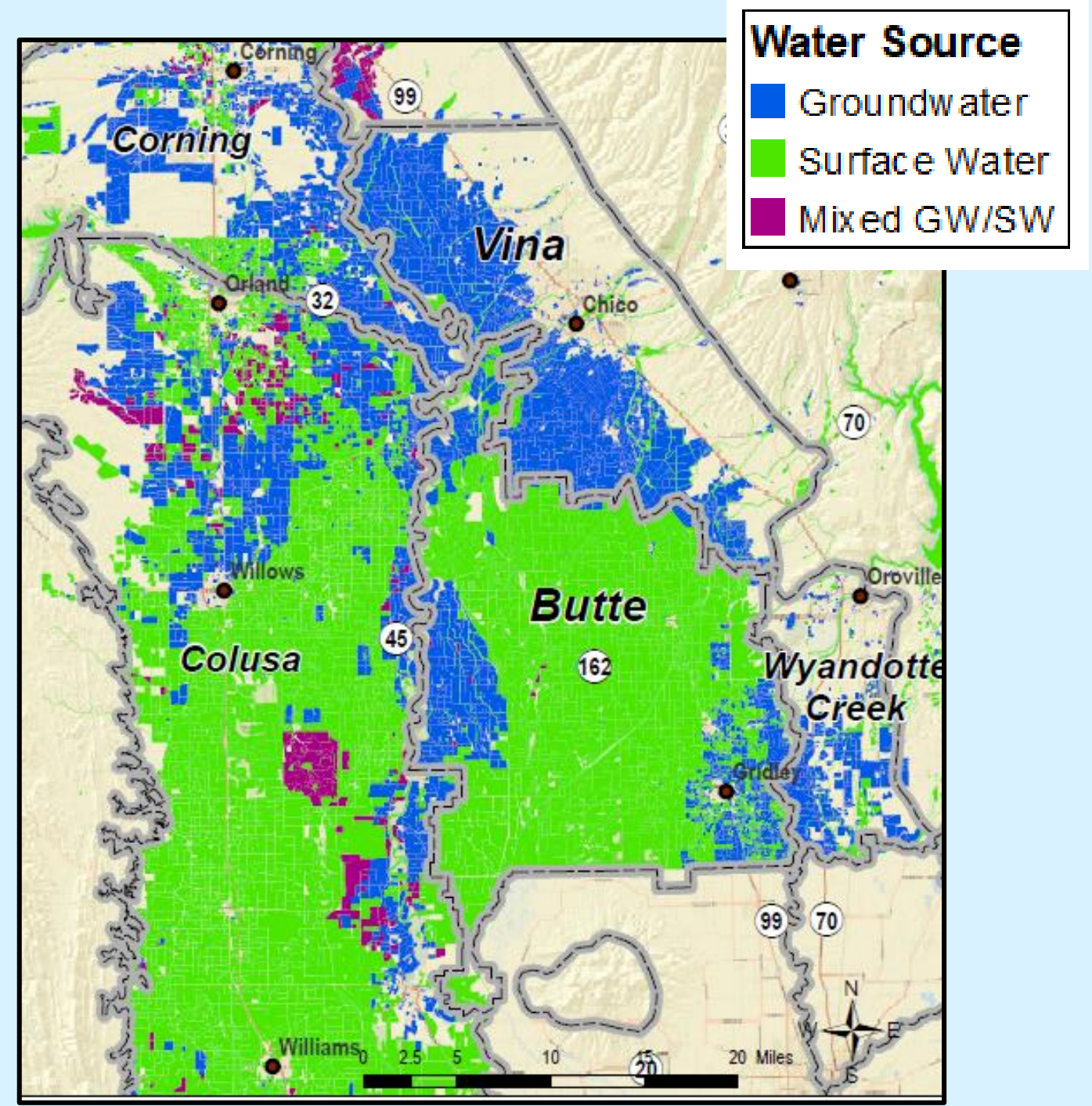
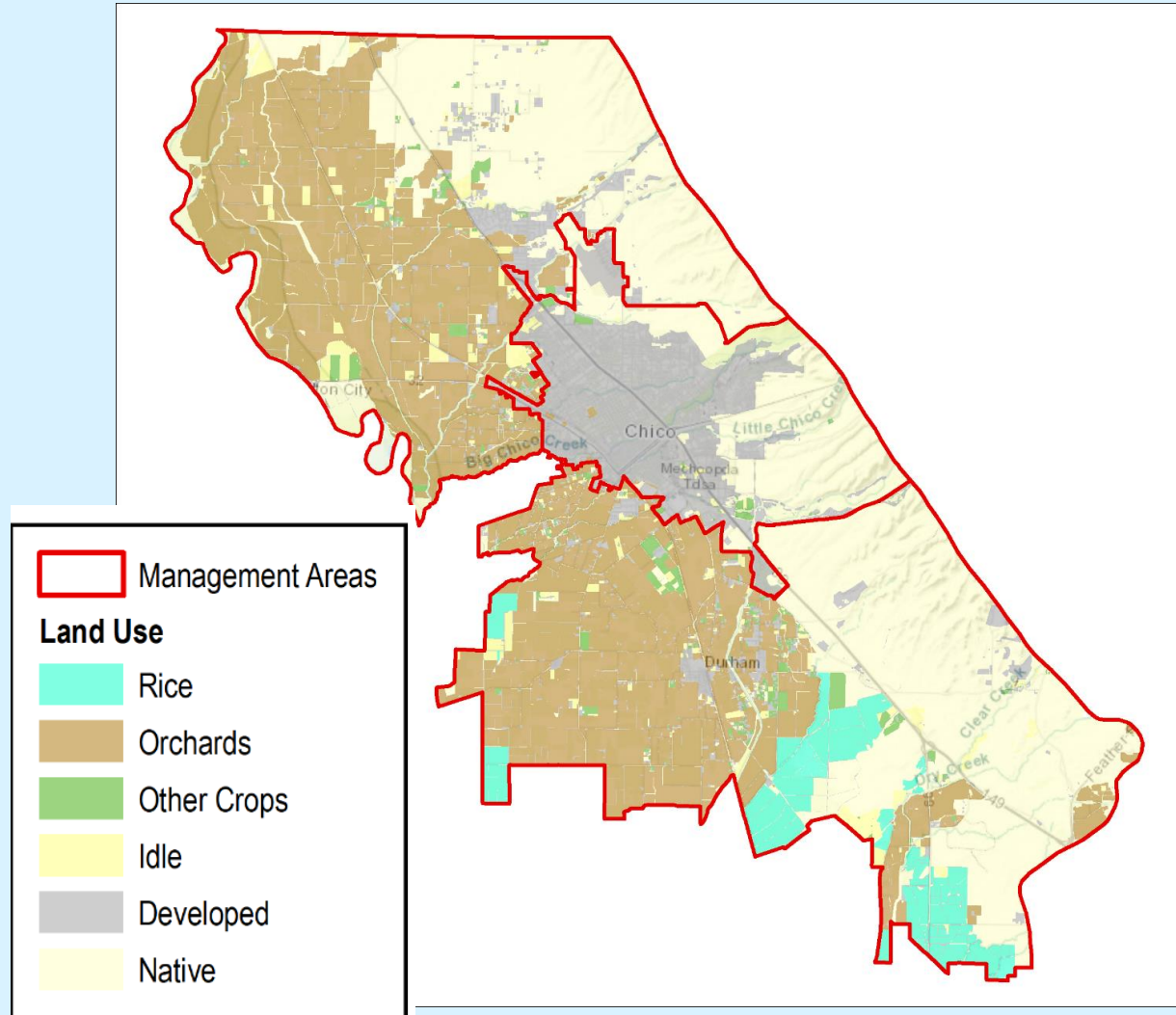


What Does The Vina GSA Do?

- Manages groundwater resources to avoid undesirable results
- Prepared the GSP, prepares 5-year updates and amendments
- Policy development, ordinances, and regulatory enforcement
- Ensures compliance with SGMA
 - Tracks groundwater conditions and conducts groundwater monitoring
 - Prepares and submits Annual Reports
- Pursues grant funding for and implements projects
- Holds GSA Board and SHAC meetings, and facilitates community outreach/education
- Inter- and intra-basin coordination
- Coordination with local, state and federal agencies
- Prevents state intervention and maintains local control of groundwater



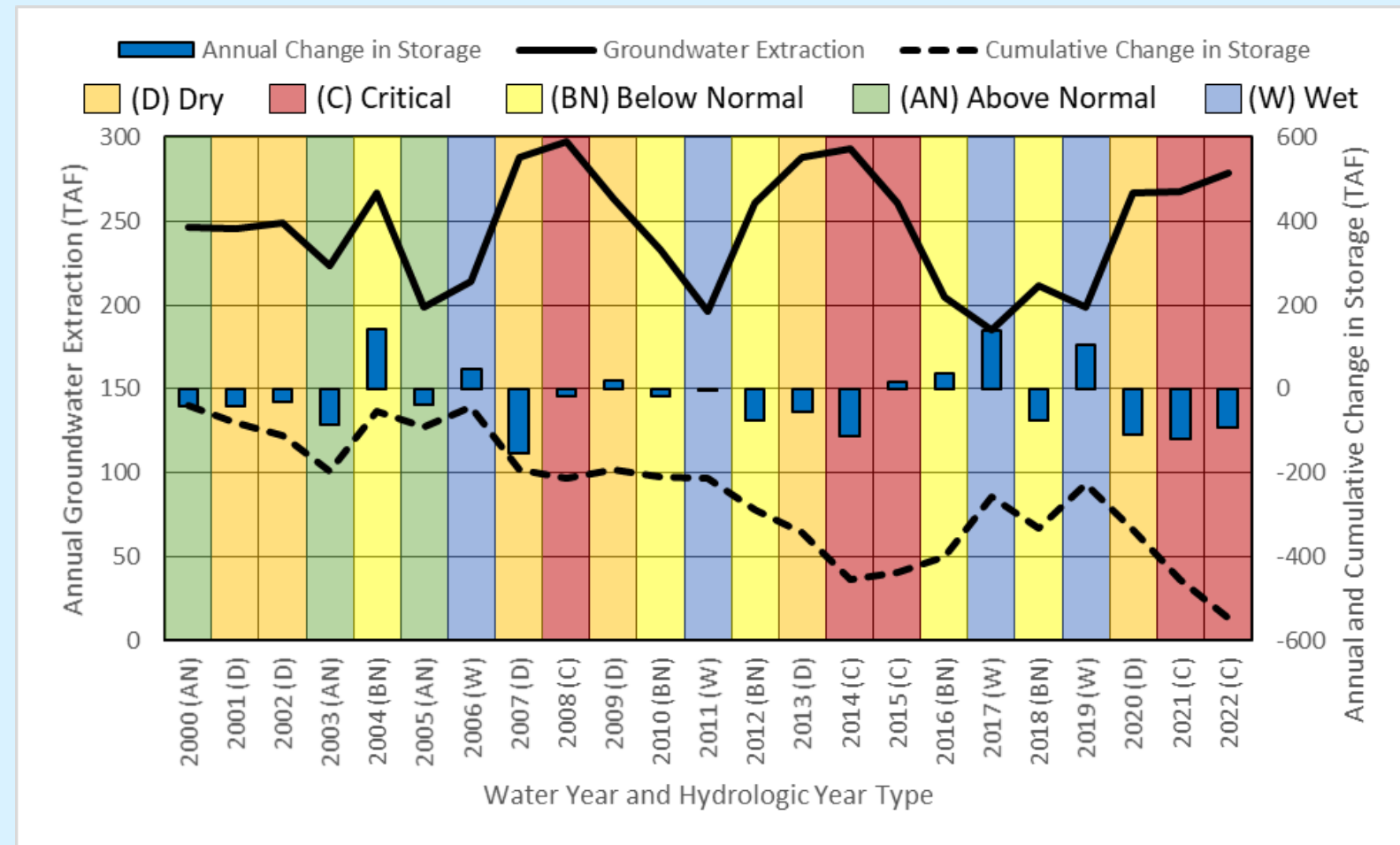
Land & Water Use in Vina



A Subbasin Out of Balance

Over the past 22 years:

- Groundwater pumping is stable, but variable (sensitive to water year type)
- Groundwater in storage has declined about 500,000 AF from 2000 to 2022
 - Average almost 23,000 AF each year
 - Change in Storage is sensitive to water year type also

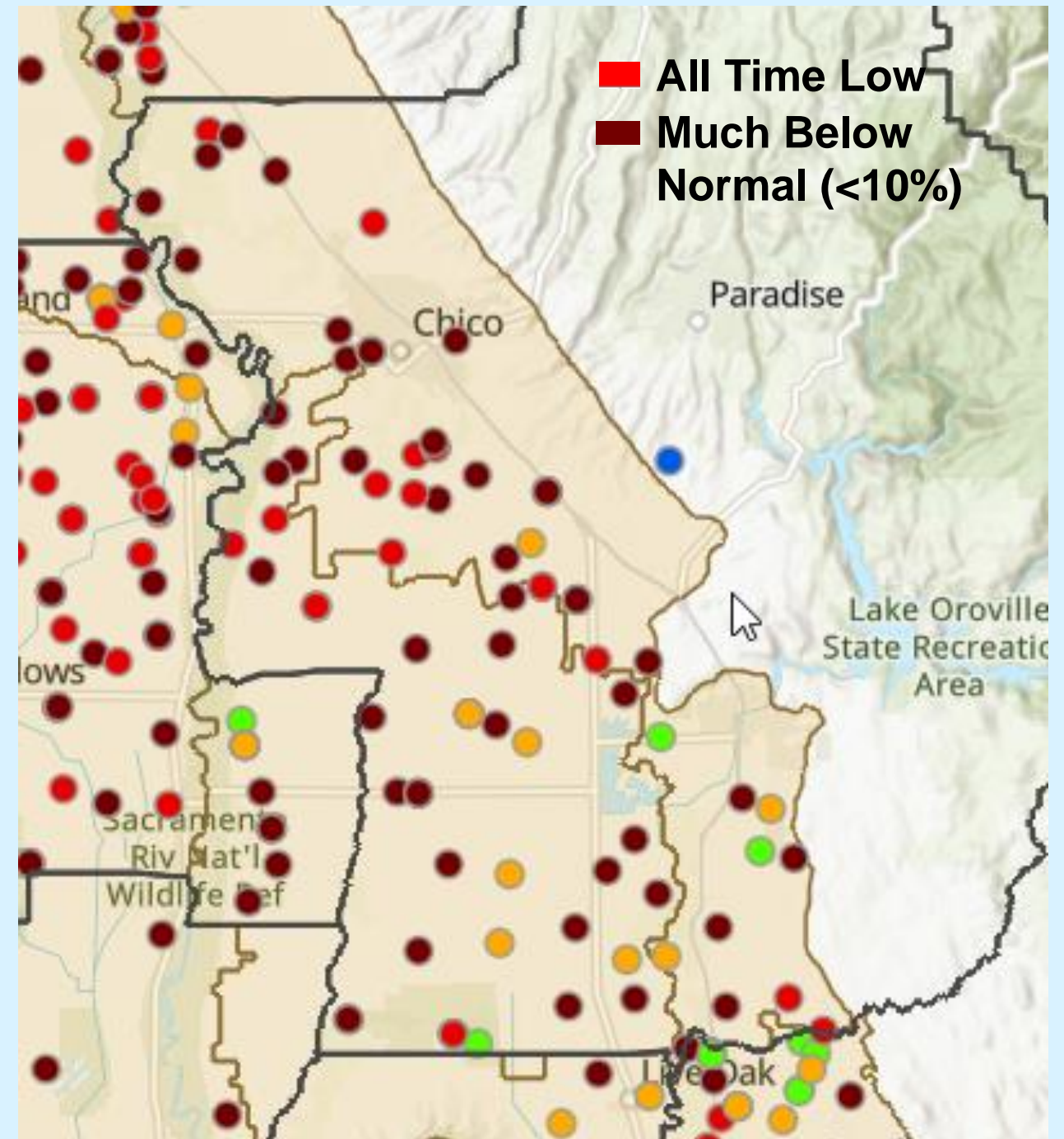


Action is needed to stabilize groundwater levels (and storage) and to reach sustainable groundwater conditions



Groundwater Management & Drought Emergency Response

- 26 Dry wells reported to State Dry Well Reporting System
- 33 Applicants to Butte County Off. Of Emergency Management Drought Assistance Program
- County program offers storage tank installation and water delivery

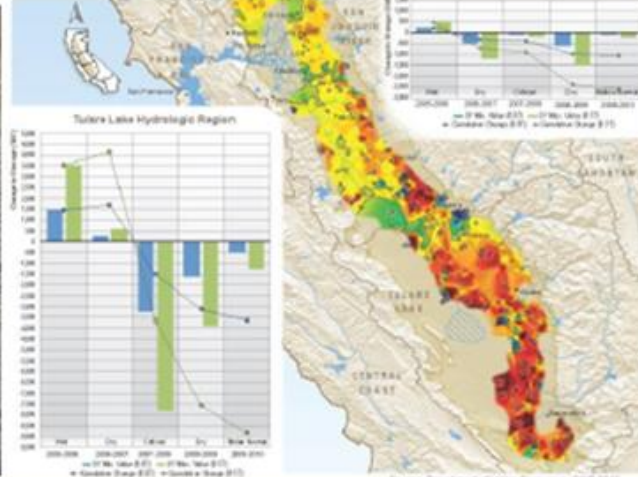


Fall 2022 Groundwater Level Conditions

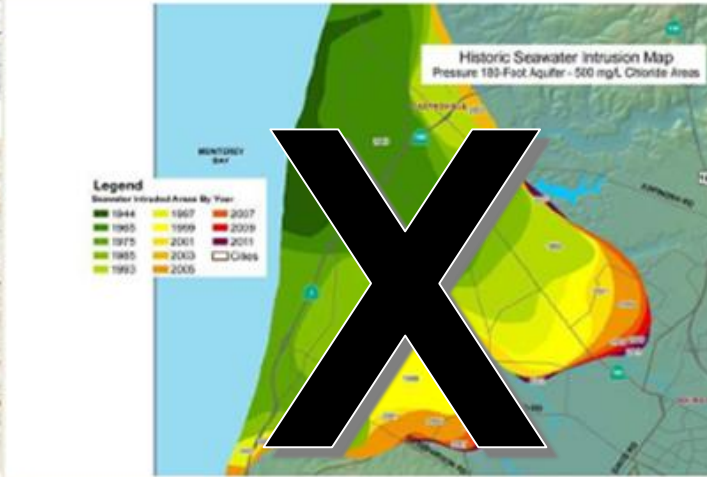
Why is Groundwater Management Important?



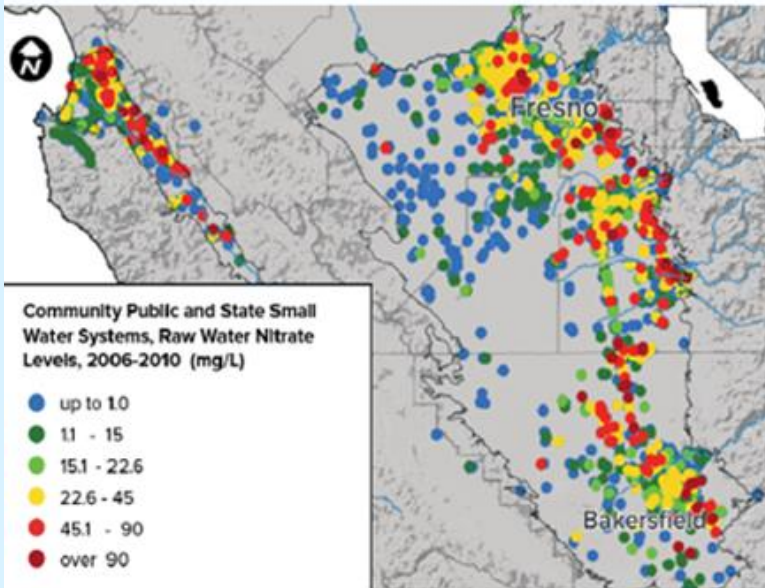
Lowering of GW Levels



Reduction of GW Storage



Seawater Intrusion



Water Quality Degradation



Land Subsidence



Depletion of Interconnected Streams

Undesirable Results Impacts:

- Wells and water supply
- Pumping costs
- Crop growth
- Infrastructure
- Aquatic ecosystems
- Economy and increases costs
- Quality of life

Developing a Fee Under Prop 218

1. Review of Governance, Structure and Funding for GSA – 2/8/23
2. Revenue projections – 3/8/23
 - Identify costs, confirm revenue needs, and develop cost allocation alternatives
3. Review of a Technical Memorandum (TM) – 4/12/23
4. Engineer's Report/Fee Study – 5/10/23
5. Notice of Public Hearing mailed – 6/5/23
6. Informational Workshop – 6/14/23
7. Public Hearing – Fee Approval / Protest Hearing – 7/26/23
8. Fee placed on Assessor's Tax Roll – 8/10/23 (for property tax bill)



Need for Long-Term Funding



Revenue Needs of the GSA



What Fees Pay For

Fee Cost Category	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
VGSA Admin. Budget					
Prof. Services (Admin)	\$167,500	\$167,500	\$167,500	\$167,500	\$167,500
Office Expenses	\$19,250	\$16,250	\$15,750	\$15,750	\$15,750
Prof. Services (GSP)	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Legal Defense	\$100,000	\$50,000	\$30,000	\$30,000	\$30,000
County Tax Roll	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Contingency	\$32,075	\$26,775	\$24,725	\$24,725	\$24,725
Admin. Sub-total	\$352,825	\$294,525	\$271,975	\$271,975	\$271,975
SGMA Compliance	\$186,300	\$186,300	\$186,300	\$186,300	\$175,500
TOTAL VGSA Costs	\$539,125	\$495,250	\$485,772	\$508,685	\$519,071

GSA Administration: Program Manager, Office Expenses, and legal services for GSA operations with VGSA serving as fiscal agent for members and stakeholders.

GSA SGMA Compliance: Annual Reports, 5-Year GSP Updates, GSA coordination, Data Management, Financial Planning, Surface-Groundwater modeling, and grant funding.

Total Vina GSA Costs include 3% annual inflation rate in FY2024-25 through FY2027-28.

Uniform Fee

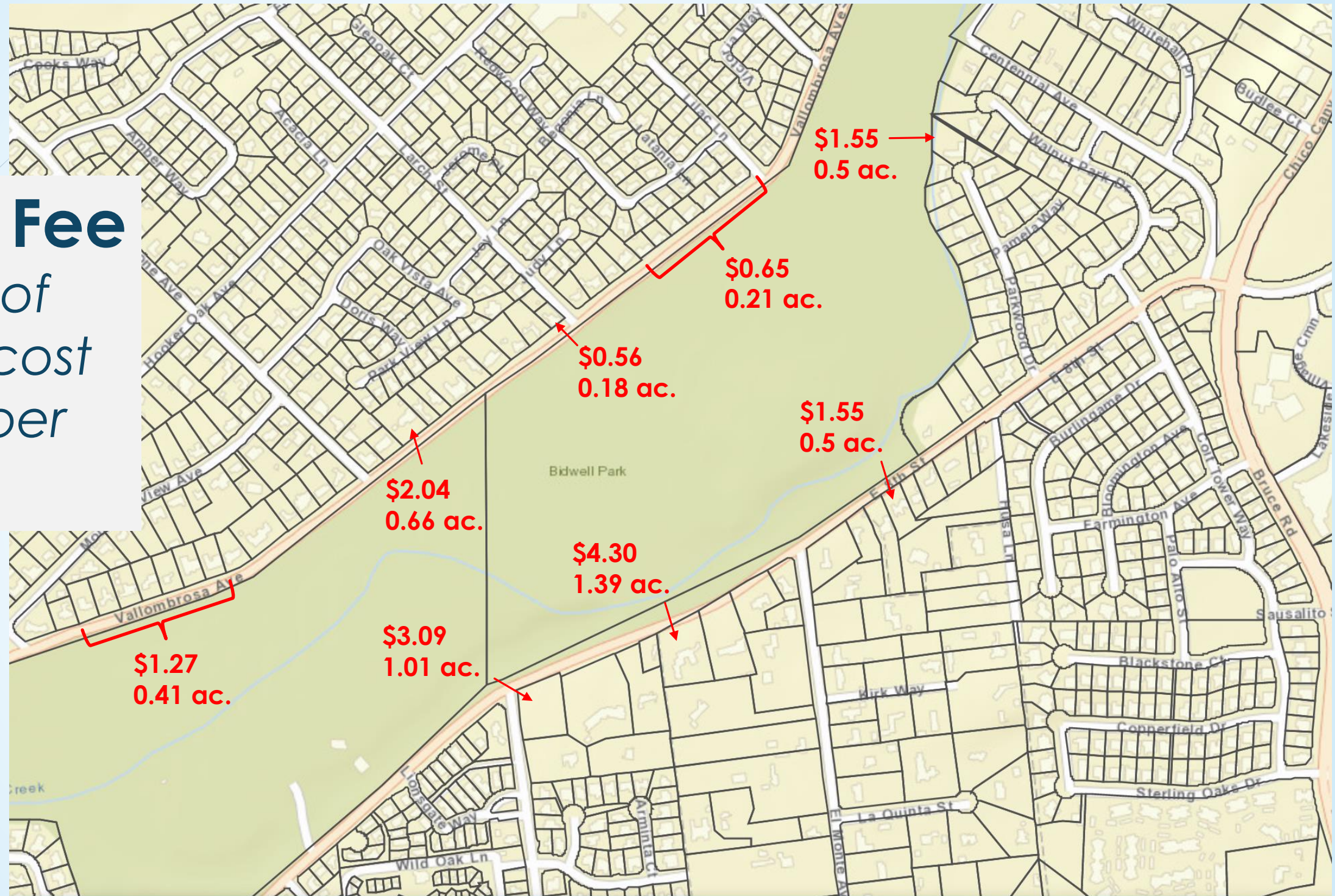
- **Fee Report** proposes implementing a Fee of the maximum amount of \$3.09/per acre for all assessable parcels.

Vina GSA Uniform Cost/Acre Fee					
	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Operational Budget	\$539,125	\$495,250	\$485,772	\$508,685	\$519,071
Assessable Acreage	174,327	174,327	174,327	174,327	174,327
Uniform Cost/Acre	\$3.09	\$2.84	\$2.79	\$2.92	\$2.98



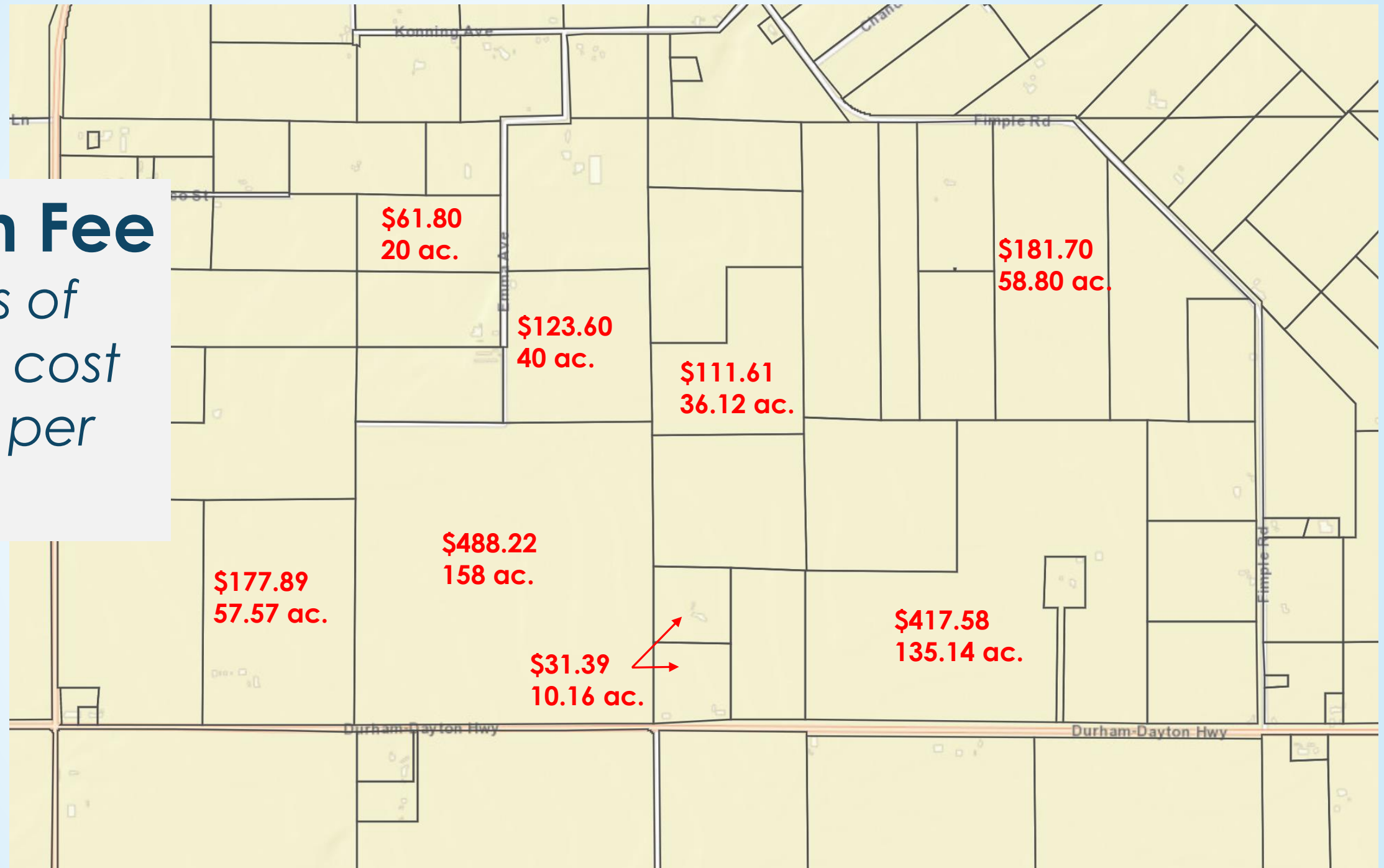
Uniform Fee

Examples of prorated cost per acre per year

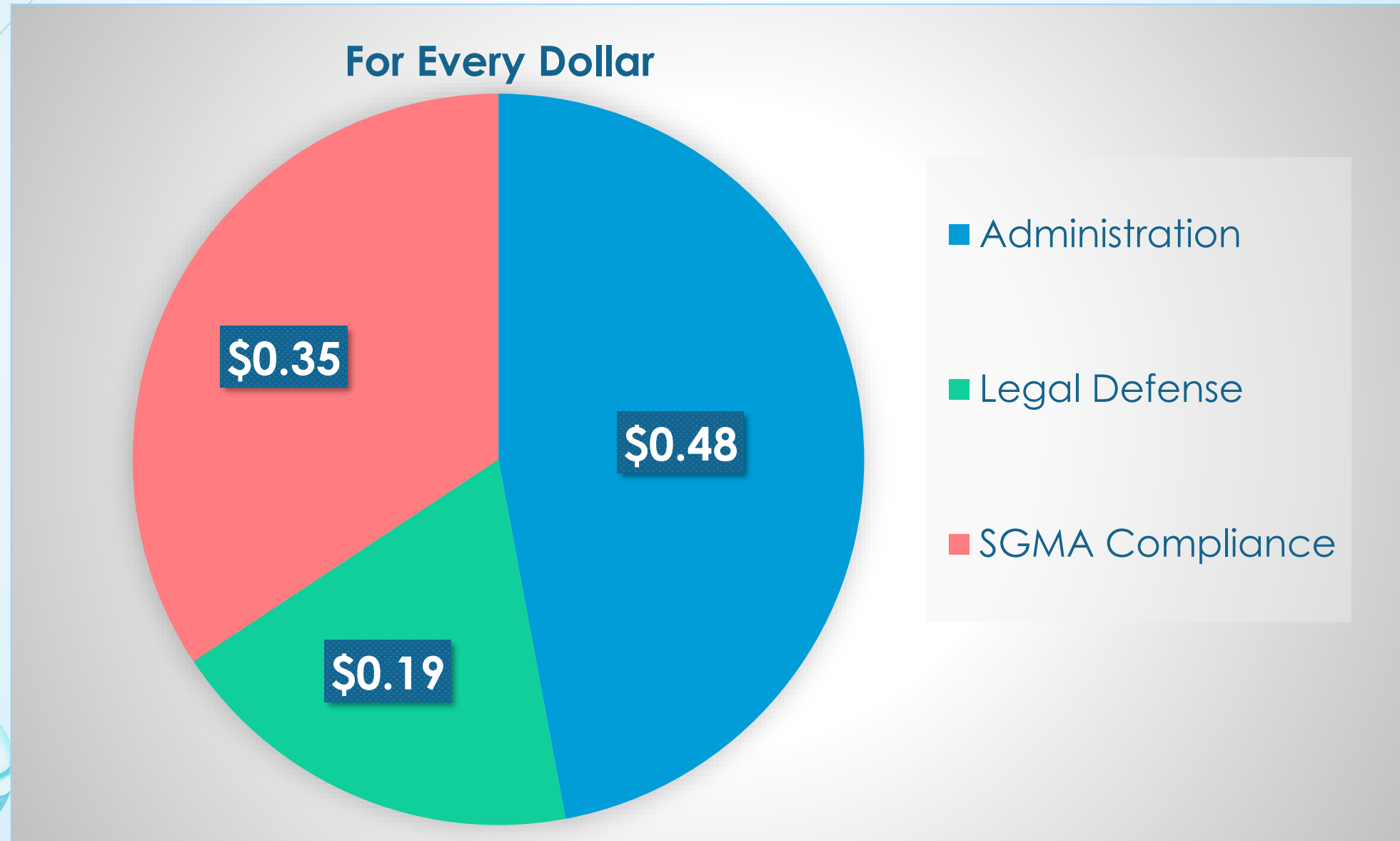


Uniform Fee

*Examples of
prorated cost
per acre per
year*



For Every Dollar Spent in 23/24 FY:



State Water Board Intervention Fees

Fee Category	Fee Amount	Applicable Parties
Base Filing Fee	\$300 per well	All extractors required to report (excludes *de minimis extractors).
Probationary Rate	\$40 per AF	Extractors in probationary basins (excludes de minimis extractors).
Interim Plan Rate	\$55 per AF	Extractors in probationary basins where the State Water Board determines an interim plan is required (excludes de minimis extractors).
De minimis Fee	\$100 per well	De minimis extractors in probationary basins (if determined by the State Water Board at a public hearing).
Automatic Late Fee	25% per month	Extractors that do not file reports by the due date.



*Well owner who extracts two acre-feet or less of groundwater per year for domestic purposes

Public Hearing and Majority Protest

July 26, 2023 at 5:30 p.m.

City of Chico City Council Chambers, 421 Main Street, Chico

- Under the California State Constitution, owners of land subject to the proposed fee have the right to protest its adoption. Only written protests received prior to the end of the hearing will be counted as valid official protests.
- Official protests can be mailed or submitted in person at the hearing on July 26th. Written protests must include the following information to be considered valid:
 1. Landowner name(s),
 2. Assessor's parcel number,
 3. Statement of protest,
 4. Valid landowner signature(s).

Mail to: Vina GSA, PO Box 7211, Chico, CA 95927

Protests submitted by e-mail, fax, or other electronic means are not valid and will not be counted as a protest.



Clarifying Questions & Answers

If you have questions about SGMA, the Vina GSA, Vina Subbasin GSP, or the proposed fee, you may **raise your hand** or fill out a **question card**.

If you have questions for GSA staff or the technical consultants, you may also choose to wait until the open house.

Please note, this is not the protest hearing for the fee.

Protests should be mailed in advance of the public hearing or submitted at the public hearing on July 26, 2023 at 5:30 pm at the City of Chico Council Chambers, 421 Main Street.



Frequently Asked Questions

- How much will my fee be?
- I have Cal Water, why do I have to pay a fee?
- Can grant money help reduce my cost?
- Other Questions?



Before we break for the Open House...

Send questions/comments (not protests) to:
vinagsa@gmail.com

Frequently Asked Questions (online)
<https://www.vinagsa.org/faqs-frequently-asked-questions>

[Sign up for the Vina GSA **Interested Parties list**](#) (online or find Marisa)



Open House

Still have questions? We are here until 7:30 to meet with you.

For questions about the Vina GSA and the proposed fee,
talk to Kamie or LSCE

For questions about SGMA and groundwater conditions,
talk to Christina or Kelly



[\(https://www.vinagsa.org/\)](https://www.vinagsa.org/)

[Contact Us \(/contact-us\)](/contact-us)



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FUNDING

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FUNDING THE VINA GSA [\(/FUNDING-THE-VINA-GSA\)](/FUNDING-THE-VINA-GSA)

Funding the Vina GSA

What's My Fee?

[Click here \(https://felt.com/map/Vina-UserClasses-pvD9C60d8TA69AcxTgoRpleA?loc=39.6835,-122.0099,11.03z\)](https://felt.com/map/Vina-UserClasses-pvD9C60d8TA69AcxTgoRpleA?loc=39.6835,-122.0099,11.03z) to access the [interactive mapping tool \(https://felt.com/map/Vina-UserClasses-pvD9C60d8TA69AcxTgoRpleA?loc=39.6835,-122.0099,11.03z\)](https://felt.com/map/Vina-UserClasses-pvD9C60d8TA69AcxTgoRpleA?loc=39.6835,-122.0099,11.03z) to identify your parcel and the fee for your parcel, or scan the QR-Code to access the map on your phone.



Interactive Mapping Tool

Fee Report

The Fee Report describes the basis for the Vina GSA's proposed fee to each assessable parcel within the Vina GSA jurisdiction in order to provide groundwater management services in compliance with the Sustainable Groundwater Management Act (SGMA).

- 📄 [Vina GSA Fee Report_5-10-23 \(/files/5dd5dc508/VGSA+Draft+Fee+Report_5-10-23+JD.pdf\)](/files/5dd5dc508/VGSA+Draft+Fee+Report_5-10-23+JD.pdf)
- 📄 [Vina GSA Fee Report_Appendices \(/files/c29cfbb60/VGA+Draft+Fee+Report_Appendices+combined.pdf\)](/files/c29cfbb60/VGA+Draft+Fee+Report_Appendices+combined.pdf)

Technical Memorandum

The Technical Memorandum (TM) summarizes the long-term funding needs and funding options considered to facilitate the approval of a long-term funding mechanism to support the GSA and GSP implementation and SGMA compliance activities. The funding options considered included: 1) uniform cost, resulting in a fee per acre, 2) irrigated/non-irrigated fee, and 3) land use hybrid options. The (TM) also discusses other options considered, but eliminated from further review.

📄 VGSA Long Term Fee Project TM_Final 4-28-23.pdf (/files/95902baa5/VGSA+Long+Term+Fee+Project+TM_Final+4-28-23.pdf)

Vina GSA Notice of Public Hearing to Adopt Proposed Fee

[Click here for more information about the Public Hearing. \(https://www.vinagsa.org/notice-of-public-hearing-to-adopt-proposed-fee\)](https://www.vinagsa.org/notice-of-public-hearing-to-adopt-proposed-fee)

📄 Notice of Public Hearing (/files/78c3a7cb1/VGSA+Prop.+218+Mailer_June+2023.pdf)

Vina GSA Long-term Funding

The California legislature passed the SGMA in 2014 and required the formation of Groundwater Sustainability Agencies (GSAs) throughout California. The Vina GSA was formed in 2019 and has served the landowners within the GSA service area by ensuring compliance with SGMA planning, monitoring, and reporting requirements. GSAs are required to manage groundwater at the local level through the development and implementation of a Groundwater Sustainability Plans (GSP).

The Vina GSA, in collaboration with the Rock Creek Reclamation District GSA, prepared the Vina Subbasin GSP, which has been submitted to the California Department of Water Resources (DWR) for review and approval. The Vina Subbasin GSP must ensure sustainable conditions by 2042 while avoiding six distinct undesirable results (<https://www.vinagsa.org/files/b44f7a8d0/SGMA+Undesirable+Results.pdf>).

The decisions about sustainability will be made locally and includes public involvement. This is why **the Vina GSA is proactively developing long-term water management solutions to prioritize local interests and keep expenses for landowners to a minimum so that groundwater can be locally managed and protected.**

Compliance with SGMA is necessary to prevent state intervention and implementation of the GSP will ensure that the GSA reaches its goal for sustainable groundwater management by 2042 (as required by SGMA). Managing our groundwater resources through local agency collaboration, stakeholder input and public involvement creates the right water management solutions that benefit our region. The Vina GSA Board is dedicated to navigating SGMA together as a local community.

Funding from 2019 to 2022

Since 2019, the Vina GSA has been funded by \$5,000 annual contributions from each of the member agencies (City of Chico, Butte County, Durham Water District) and significant in-kind staff support. Member agency contributions, along with grant funding acquired for development of the GSP has allowed the Vina GSA to achieve necessary SGMA compliance requirements to date (i.e., Annual Reports summarizing GSA/GSP implementation activities and groundwater monitoring results). Going forward, long-term reliable funding will be needed to support continued Vina GSA administration costs and ongoing GSP implementation and SGMA compliance actions. Combined, all of these activities are needed to maintain local management of the Vina Subbasin's groundwater resources.

Funding the Vina GSA is critical so that we can locally fund and manage our groundwater resources and work to implement key projects and management actions identified in the Groundwater Sustainability Plan (GSP) that will ensure adequate groundwater supplies for all users (domestic, agriculture, and environmental) in the future.

Public Outreach

The goal of the Vina GSA is to maintain open communication with community stakeholders throughout the process of identifying and implementing funding for the Vina GSA. Updates will be posted to this web page including a fact sheet(s) and frequently asked questions. In addition, updates will be distributed to our email list and meetings and workshops may be held.

Meetings and Workshops

The Vina GSA is hosting a series of meetings focusing on the potential funding mechanism for the Vina GSA. Vina GSA Board Meetings, Stakeholder Advisory Committee (SHAC) Meetings, and Workshops will address various components of developing the funding mechanism including additional grants, fees, and/or assessments. Please review the Board and SHAC [calendar](#)

[dates and agendas \(https://www.vinagsa.org/calendar\)](https://www.vinagsa.org/calendar) for funding discussions. The public is encouraged to attend these Board and SHAC meetings to learn more about local groundwater management efforts.

Past Workshops

GSA FEE INFORMATIONAL WORKSHOP - JUNE 14, 2023

The Vina GSA held a workshop to answer questions about funding the Vina Groundwater Sustainability Agency (GSA) and why sustainable groundwater management is important in the Vina Subbasin.

- 📄 [2023-06-14_PublicWorkshop_PPT.pdf \(/files/d703a68fd/2023-06-14_PublicWorkshop_PPT.pdf\)](/files/d703a68fd/2023-06-14_PublicWorkshop_PPT.pdf)
 - [Workshop Flyer_06-14-23.pdf \(https://www.vinagsa.org/files/296d6dcb0/Flyer_Grayscale.pdf\)](https://www.vinagsa.org/files/296d6dcb0/Flyer_Grayscale.pdf)

VINA GSA LONG-TERM FUNDING WORKSHOP – MARCH 28, 2023

The Vina GSA held a public workshop to share long-term funding needs for GSP implementation and seek public input on funding options. For an overview of the information presented download the meeting presentation.

- 📄 [Vina Public Workshop Presentation - Mar2023 \(/files/c6c327305/Vina+Public+Workshop+Presentation+3-15-2023.pdf\)](/files/c6c327305/Vina+Public+Workshop+Presentation+3-15-2023.pdf)

VINA GSA FUNDING WORKSHOP – MAY 25, 2022

In May of 2022, the Vina GSA conducted a Funding Workshop to provide an overview of the funding process to the Board, SHAC, and public. To get an overview of the funding process, review the presentation slides and Workshop Video.

- 📄 [Vina Financing Options Presentation Video 05-25-22 \(/files/e7bbd3f61/GMT20220525-160304_Recording_1920x1080.mp4\)](/files/e7bbd3f61/GMT20220525-160304_Recording_1920x1080.mp4)



FUNDING - FREQUENTLY ASKED QUESTIONS

Get answers to some of the most commonly asked questions related to Vina GSA Funding.

READ MORE »

(/funding-frequently-asked-questions)



JOIN THE VINA GSA EMAIL LIST

Join the Vina GSA Email List for news and updates.

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TELEPHONE (530) 552-3592

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APPENDIX G

Vina Subbasin GSA – 2023 Long Term Fee Options TM



FINAL | TECHNICAL MEMORANDUM

DATE: April 28, 2023 Project No. 22-1-131

TO: Kamie Loeser, Director, Butte County Water and Resource Conservation Dept.

FROM: Eddy Teasdale, PG, CHG, Supervising Hydrogeologist
Jacques DeBra, Principal, Supervising Water Resource Planner

SUBJECT: **Vina GSA – 2023 Long-Term Funding Project Summary**

INTRODUCTION

Luhdorff & Scalmanini, Consulting Engineers (LSCE) was hired by Butte County in 2023 to complete the Vina Groundwater Sustainability Agency (VGSA) 2023 Long-Term Funding Project (Project) to ensure that a long-term funding mechanism is in place by January 2024 to support GSA operations while meeting GSA Sustainable Groundwater management Act (SGMA) compliance requirements. The VGSA prepared and adopted its 2022 Groundwater Sustainability Plan (GSP) which was approved by the VGSA Board of Directors (Board) and submitted to the California Department of Water Resources (DWR) in accordance with the January 31, 2022 GSP submittal deadline. DWR is currently reviewing the VGSA GSP. The VGSA Board is now focused on GSP implementation and addressing long-term financial sustainability to maintain compliance with SGMA requirements and implement recommended management actions, projects, and programs to achieve groundwater sustainability within the Subbasin by 2042. This Technical Memorandum (TM) summarizes the long-term funding needs and options to facilitate approval of a long-term local funding mechanism to support GSP implementation over the next five-year planning horizon. **Attachment 1** contains information regarding the VGSA GSP adoption process.

BACKGROUND

The VGSA's 2022 GSP identifies long-term funding needs for GSP implementation and SGMA compliance. This TM identifies long-term funding options and mechanisms to support the VGSA revenue needs required for achieving and maintaining SGMA compliance while meeting groundwater sustainability goals and objectives. Financial sustainability will support successful GSP implementation and compliance with SGMA requirements over the next 20-year time horizon through 2042.

The overall funding needs for GSP implementation and SGMA compliance are outlined below. Future revenue needs were updated to reflect actual SGMA compliance costs to date and expected future costs to comply with SGMA regulations and cover on-going GSA administration costs. GSP implementation costs will be refined over time based on actual costs and the level of effort required to maintain SGMA compliance.

2023 LONG-TERM GSA FUNDING PROJECT

LSCE was engaged to review the VGSA GSP, project GSP implementation and SGMA compliance costs, analyze alternative funding options for allocating costs, and develop a long-term funding recommendation for consideration by the VGSA Board of Directors so that a sustainable local funding source could be in place by January 2024. There is currently no other funding source available to cover the on-going costs of VGSA operations and SGMA compliance actions. The recommended long-term funding option will be based on information in the VGSA GSP, and feedback provided by the VGSA Board, SHAC, and other stakeholders through GSA outreach activities. The long-term GSA funding option will address the following:

1. **GSP Costs:** Using the Vina Subbasin GSP, LSCE reviewed, categorized, and summarized costs to implement the GSP and meet SGMA requirements. LSCE, in coordination with the VGSA, updated key cost assumptions and corresponding changes to future revenue projections.
2. **Revenue Needs:** In coordination with the VGSA, GSA revenue needs were defined based on the updated GSP implementation and SGMA compliance costs. This task included identifying those costs which would be included or excluded from a long-term funding option that could be included in the final Fee Study.
3. **Cost Allocation Analysis:** LSCE developed alternative cost allocation methods in evaluating funding options to analyze considerations such as ease of implementation and understanding, equitability, reliability, and implementation costs.
4. **Recommendations:** Based on discussions and feedback with the VGSA, LSCE recommended cost allocation method to determine the costs assigned to landowners subject to the charge options considered that would be needed to cover GSA revenue projections.

LSCE will be subsequently developing a Fee Study to evaluate the services provided by VGSA and how each funding mechanism allocates the cost of service. The results of the Fee Study will be used to support and inform approval of the long-term funding mechanism at the July 2023 VGSA Board meeting.

Vina Subbasin GSP Development and Implementation Funding

The Vina Subbasin developed a single GSP on behalf of two groundwater sustainability agencies: includes the Rock Creek GSA and VGSA. The VGSA member agencies include Butte County, City of Chico, and Durham Irrigation District. The Vina Subbasin GSP was approved at the December 2021 VGSA Board meeting and submitted to DWR in accordance with the January 31, 2022 submittal deadline.

The Vina Subbasin GSP was funded largely by grant funding acquired by the GSAs. Specifically, GSP development was funded by a Proposition 1 (Water Quality, Supply, and Infrastructure Improvement Act of 2014) Sustainable Groundwater Planning Grant, and supplemental Proposition 1 grant funding for outreach and engagement. Additional technical evaluation of data gaps and projects and management actions was funded by a Proposition 68 (California Drought, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018) grant. Other implementation costs were funded under DWR grants for Facilitation and Support Services (FSS) and direct and in-kind contributions by the Vina GSA member agencies.

The GSAs will continue to pursue grant funding opportunities to support GSP implementation, including addressing data gaps and developing projects and management actions. Any shortfall in funding for additional GSP costs for staff time, administration, legal, reporting (annual reports and 5-year updates), and other technical studies would be funded by other local fees or assessments.

At the March 2023 VGSA meeting, the Board approved the use of five-year revenue projections for the long-term funding project. The VGSA Board also provided direction that revenue projection should account for the possibility that the VGSA could receive DWR grant funds that would allow lower long-term charges to be implemented over the initial five-year GSP implementation period.

The VGSA Board is implementing public outreach efforts to engage stakeholders and inform those that are subject to the GSA's proposed long-term charges. The VGSA has updated its website to include updated information and facts about the GSA's long-term funding strategy. A project Fact Sheet and Frequently-Asked-Question documents have been prepared and made available as part of the public outreach materials charge. More information is available at: vinagsa.org.

The VGSA is also coordinating with the Rock Creek GSA to share the costs associated with operating the VGSA and meeting future SGMA requirements. The GSAs are collaborating and working together to keep long-term GSA charges as low as possible. The VGSA is also preparing to update its project priorities and develop a long-range capital improvement program to implement projects that will assist the Subbasin meet its water balance by 2042. This will involve developing a long-term project funding strategy once the GSA knows which projects may be funded through its 2022 SGMA Implementation Round 2 grant funding application.

The VGSA member agencies will continue to work together and keep long-term revenue needs for GSA operations and SGMA compliance costs as low as possible. Butte County will continue to serve as the Program Manager for the VGSA which serves as the business model with the lowest GSA administration costs. This will benefit the member agencies and those within the GSA service area who are relying on the GSA to ensure that SGMA compliance is achieved for all landowners within the GSA boundary.

GSP Costs

The Vina Subbasin GSP split costs into three aggregate cost categories:

- **GSA Administration Costs:** Costs incurred by the VGSA for administration related to the GSP.
- **GSP Implementation and SGMA Compliance Costs:** Costs incurred by the VGSA related to GSP implementation and SGMA compliance.
- **Project and management Action (PMA) Costs:** Costs that are specific to individual PMAs. Funding sources for PMA costs have not been identified at this time. Grant funding and other sources will be evaluated to fund these projects and programs.

GSA Administration Costs

GSA Administration costs include costs that the VGSA will incur for implementation of the GSP on behalf of its members and stakeholders. GSA Administration costs in the Vina Subbasin were based on the estimated costs as reported in Chapters 5 and 6 of the GSP. LSCE reviewed and inventoried these costs, then evaluated different business models to identify the lowest cost option for GSA operations.

GSA Administration costs include GSA Administration personnel costs, office expenses, professional services, Assessor's Office fees, legal expenses, and contingency. The GSA Administration budget covers day-to-day activities to implement the GSP, such as public outreach, legal services, financial reporting, and other tasks. A 3% annual inflation factor is recommended for inclusion in the GSA Administration budget. Finally, the Contingency adds 10% of the estimated budget to cover unexpected costs. These costs are shown in **Table 1** below. The Vina Subbasin GSP estimated total GSA Administration costs at \$150,000 per year, with actual costs coming in at \$110,000 per year by continuing with the County serving as the Program Manager as the most cost-effective administration approach for the GSA.

Table 1. Vina GSA – Long-Term Funding Fee Project					
Updated Five-Year Revenue Projections – GSA Operational Budget (assuming NO DWR SGMA Implementation Grant Funds)					
5-Year GSP Implementation Inflation Adjustment	0%	3%	3%	5%	5%
Proposed	Year 1	Year 2	Year 3	Year 4	Year 5
Cost Category – GSA Admin	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Professional Services – Admin					
Auditor	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Financial Services	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Legal Services	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Program Manager (w/County Management)	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Professional Services – Admin Subtotal	\$167,500	\$167,500	\$167,500	\$167,500	\$167,500
Office Expense					
Bank Fees	\$250	\$250	\$250	\$250	\$250
Insurance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Outreach (per education and outreach plan)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Website	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Supplies	\$5,000	\$2,000	\$1,500	\$1,500	\$1,500
Office Expense Subtotal	\$19,250	\$16,250	\$15,750	\$15,750	\$15,750
Professional Services – GSP Implementation	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Legal Defense Reserve	\$100,000	\$50,000	\$30,000	\$30,000	\$30,000
County Tax Roll Fee Support	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Contingency (10%)	\$31,675	\$26,375	\$24,325	\$24,325	\$24,325
GSA Admin Subtotal	\$348,425	\$290,125	\$267,575	\$267,575	\$267,575

GSP Implementation and SGMA Compliance Costs

GSP implementation and SGMA compliance costs include Annual Reporting, GSP Five-Year Updates, GSA Coordination and Outreach, Surface-Groundwater interaction modeling, data management system (DMS) maintenance and updates, financial planning, and grant funding to implement priority projects. DWR is currently reviewing the Vina Subbasin GSP and will issue an assessment after it completes the review. In addition to this ongoing assessment, the Vina Subbasin GSP must be updated in 2027. Monitoring and Implementation covers GSA-level monitoring of wells and water uses and updating the DMS as needed.

The VGSA will coordinate with the Rock Creek GSA regarding GSP implementation and SGMA compliance activities. The Rock Creek GSA will pay its share of the GSA Administration and GSP implementation costs including the activities for implementation of the GSP. The Vina GSA GSP implementation and SGMA

compliance costs were based on the data reported in the GSP and updated to reflect actual GSP implementation costs and updates regarding SGMA compliance costs.

GSP Implementation and SGMA Compliance activities include:

- **Annual Reports:** Collect data, prepare and submit Annual Reports to DWR each April 1. These Reports serve as a report card on groundwater conditions in the Subbasin.
- **Five-Year GSP Updates:** The GSA must prepare and submit Five-Year GSP updates to DWR which includes conducting updated groundwater modeling calibrations and preparing the updated GSP Report based on Annual Report data.
- **Surface-Groundwater Interaction Modeling:** Collaborate with GSAs in the Northern Sacramento Valley to address surface-groundwater interactions especially for boundary conditions in GSA service areas to ensure that groundwater depletions will not impact surface water interactions or environmental uses.
- **GSA Coordination and Outreach:** The GSA will need to continue with intra and inter-basin GSA coordination and outreach activities to facilitate GSP implementation in an efficient and collaborative manner.
- **DWR Review of GSA GSP:** The GSA will need to respond to any comments provided by the GSA regarding submittal of the Vina Subbasin GSP. This may include items for inclusion in the 2027 GSP update process.
- **GSP Monitoring and Data Management:** Well monitoring and maintenance and the implementation and maintenance of a data management system.
- **GSA Financial Planning:** GSA financial planning will continue to evaluate future GSA funding sources for GSA operations and project implementation.
- **Grant Procurement:** Identify and apply for federal, state, and private grants to supplement GSP implementation activities and keep future charges as low as possible.
- **Contingency:** Ten percent for GSA administration and eight percent for estimated SGMA compliance budget to cover unexpected costs.

The long-term GSP implementation and SGMA compliance costs in the GSP were updated to reflect actual costs and refined assumptions that were incorporated into the updated revenue projections as shown in **Table 2** below. These costs are between \$175,500 and \$186,300 per year, or approximately \$900,000 over the 5-year period. Note that the costs do not include an inflation adjustment factor which is recommended for inclusion in the final revenue projections.

Table 2. GSA SGMA Compliance Cost Projections (assuming no DWR SGMA grants)					
Cost Category – SGMA Compliance	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Annual Reporting (with continued DWR Monitoring)	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Five Year GSP Update w/Modeling Calibrations	\$50,000	\$50,000	\$50,000	\$50,000	\$40,000
Surface – GW Interaction Modeling	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
GSA Coordination & Outreach (w/in and between GSAs)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Data Management System Maintenance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Long-Term Financial Planning/Fees	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Grant Procurement	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Contingency (8%)	\$13,800	\$13,800	\$13,800	\$13,800	\$13,000
SGMA Compliance Subtotal	\$186,300	\$186,300	\$186,300	\$186,300	\$175,500

PMA implementation and PMA costs would be covered through outside grant funding sources and other revenue sources as available. Project funding efforts would be the responsibility of the lead project proponent (or partners) based on any cost sharing arrangements or project implementation agreements in place between the interested parties.

A summary of the VGSA projects and programs requesting grant funding through the 2022 SGMA Implementation Round 2 funding cycle are included in **Table 3** below.

Table 3. Vina GSA PMA – DWR 2022 SGMA Grant Funding Request	
Vina GSA DWR SGMA Grant Application Task	Budget
Task 1. Grant Administration	\$200,000
Task 2. Monitoring Network Enhancements	\$400,000
Task 3. Community Monitoring – Domestic Wells	\$100,000
Task 4. GSP Implementation & Compliance Activities	\$660,000
Task 5. Inter-basin Coordination Activities	\$450,000
Task 6. Extend Orchard Replacement Program	\$1,500,000
Task 7. Lindo Channel Surface Water Recharge Implementation	\$350,000
Task 8. Ag Surface Water Supplies Feasibility Analysis	\$275,000
Task 9. Ag Irrigation Efficiency Pilot Program and Education	\$1,000,000
Task 10. Groundwater Recharge Feasibility Analysis & Site Evaluation	\$600,000
Total DWR Grant Funding Request	\$5,535,000

LSCE assisted with the preparation of the Vina GSA DWR SGMA Implementation Round 2 grant funding application which was submitted to DWR in December 2022 with grant awards expected to be released by DWR in the Summer of 2023. Depending on DWR grant award decisions, future VGSA charges could be lower if some of the SGMA compliance actions are grant funded. The Vina GSA Board will consider this item as part of the long-term charge approval process.

Vina Subbasin GSP Revenue Needs

The Vina Subbasin GSP implementation revenue needs are based on the estimated GSP costs for GSA Operations and SGMA Compliance. As described earlier, LSCE coordinated with the GSA and stakeholder process to present and receive feedback on the estimated GSA costs. Outcomes included:

- GSA administration and legal costs are updated to reflect the GSA's best estimates of implementation costs assuming the County serves as the Program Manager for the GSA and that some legal costs are set aside in the event of legal challenges that could impede GSA progress.
- The Vina Subbasin GSA administration budget includes approximately \$110,000 in costs that the GSA would incur on behalf of its members because of its role as the lead for GSP implementation.
- The Rock Creek GSA would pay their proportional share of total GSA revenue projections since they are located within the Subbasin.
- PMA costs will be excluded from the initial revenue needs assessment because these costs may be developed and funded by individual project proponents under separate funding processes or through other funding sources.

Revenue needs account for expected general cost inflation over a five-year planning horizon, the statutory limit for projected charges under a Proposition 218 charge process. The GSA will periodically review, and revise revenue needs as the GSA moves forward with GSP implementation based on updated cost information, economies of scale, and related factors.

Table 4 summarizes total projected revenue needs for the five-year period from FY23-24 through FY27-28 showing additional detail for cost categories within the GSA Administration and GSP implementation and SGMA compliance costs. While actual costs for particular budget items may be projected, these items reflect the best current estimates available from known information. Initial revenue needs are approximately \$348,425 in administration costs and \$186,300 for GSP implementation and SGMA compliance costs with total annual revenue projections ranging between \$481,108 and \$534,725.

Table 4. Vina GSA – Long-Term Funding Fee Project Updated Five-Year Revenue Projections – GSA Operational Budget (assuming NO DWR SGMA Implementation Grant Funds)					
5-Year GSP Implementation Inflation Adjustment	0%	3%	3%	5%	5%
Proposed	Year 1	Year 2	Year 3	Year 4	Year 5
Cost Category – GSA Admin	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Professional Services – Admin					
Auditor	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Financial Services	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Legal Services	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Program Manager (w/County Management)	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Professional Services – Admin Subtotal	\$167,500	\$167,500	\$167,500	\$167,500	\$167,500
Office Expense					
Bank Fees	\$250	\$250	\$250	\$250	\$250
Insurance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Outreach (per education and outreach plan)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Website	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Supplies	\$5,000	\$2,000	\$1,500	\$1,500	\$1,500
Office Expense Subtotal	\$19,250	\$16,250	\$15,750	\$15,750	\$15,750
Professional Services – GSP Implementation	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Legal Defense Reserve	\$100,000	\$50,000	\$30,000	\$30,000	\$30,000
County Tax Roll Fee Support	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Contingency (10%)	\$31,675	\$26,375	\$24,325	\$24,325	\$24,325
GSA Admin Subtotal	\$348,425	\$290,125	\$267,575	\$267,575	\$267,575
Annual Reporting (with continued DWR Monitoring)	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Five-Year GSP Update w/Modeling Calibrations	\$50,000	\$50,000	\$50,000	\$50,000	\$40,000
Surface – GW Interaction Modeling	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
GSA Coordination & Outreach (w/in and between GSAs)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Data Management System Maintenance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Long-Term Financial Planning/Fees	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Grant Procurement	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Contingency (8%)	\$13,800	\$13,800	\$13,800	\$13,800	\$13,000
SGMA Compliance Subtotal	\$186,300	\$186,300	\$186,300	\$186,300	\$175,500
Total VGSA Administration (w/inflation adjustment)	\$384,425	\$298,829	\$283,630	\$297,008	\$310,387
Total VGSA SGMA Compliance (w/inflation adjustment)	\$186,300	\$191,889	\$197,478	\$206,793	\$203,580
Total VGSA Operational Budget	\$534,725	\$490,718	\$481,108	\$503,801	\$513,967

Adjusting for Inflation

GSP implementation costs will be impacted by inflation as they are long-term fees and inflation is a long-term force that impacts the costs of service for consumers, producers and suppliers in the economy. Over the past ten years we have moved from a low inflation to a high inflation environment. It is important to include an inflation adjustment factor in the VGSA revenue projections so that adequate revenues are available to accomplish necessary tasks and actions. LSCE recommends that the VGSA consider including an average 3% annual inflation adjustment in the proposed revenue projections so that charges may be collected in a stable fashion. The most recent consumer price index (CPI) data indicates that higher inflation is persisting in recent months and may continue into the near future. An inflation rate of 3% was applied to all revenue needs over years 2 and 3 and 5% inflation rate applied in years 4 and 5 over the five-year period for an average inflation rate of 4% which is consistent with recent CPI inflationary trends.

GSA Charges

GSA may levy fees and assessments within their respective subbasin boundaries, pursuant to the applicable requirements and authorities of SGMA, Proposition 13, Proposition 26, and Proposition 218. California Water Code (CWC) § 10730 et seq. describes the various financial authorities provided to GSAs to fund the costs of their GSP and groundwater sustainability management efforts. SGMA authorizes GSAs to impose charges to fund the cost of administration, operations, permitting, property and services acquisitions, water supply, a prudent reserve, and other activities necessary or convenient to implement the plan. The different authorities allow GSAs to structure funding that could be imposed upon different units of measure. Charges that are adopted by the GSA may be adjusted periodically as new needs are identified and new data becomes available. Proposition 218, which is based on a property fee, is the most common method by which GSAs currently structure funding. Additional information regarding the Proposition 218 approach to establishing potential VGSA charges is provided in **Attachment 2**. The recommended long-term funding mechanism for the VGSA is to pursue a Proposition 218 process which is the most common method applied by GSAs to date and supports a property-based charge structure for all landowners within the GSA service areas boundary.

Attachment 2 also contains additional information about Proposition 218 and 26 funding options. The Proposition 218 process allows for a majority vote whereby those subject to the charge can submit protest ballots voting against the proposed charges being considered by the GSA Board. The GSA Board would count the number of protests received at the close of the public hearing. If a majority protest is received (50% + 1, one vote per parcel) the GSA Board would not be able to approve a proposed charge. Proposition 218 has specific notice, ballot, and voting requirements that require notice to all landowners subject to a proposed charge at least 45-days before the Board would consider approving a proposed charge disclosing the time and location of the public hearing before.

Member agencies may consider paying the property fee collectively for their constituents in urban areas with smaller parcels through an MOU or similar method on an annual basis. Member agencies can decide which charge approach they want for their customers by May 2023 when the Vina GSA plans to approve the 2023 Charge Report. A draft Charge Report table of contents is included in **Attachment 3**.

Member agencies who choose to enter into a cost sharing MOU with the Vina GSA would commit to making annual contributions to the GSA with agreed to payment schedule and amount based on approved Vina GSA charges and final determination as to the appropriate cost sharing allocation for each contributing entity. It is recommended that MOUs making this payment commitment be approved in July 2023 in accordance with when the VGSA Board would consider approving new long-term GSA charges that cover the updated revenue projections included in **Tables 1-3**.

FUNDING OPTIONS - COST ALLOCATION APPROACHES

The VGSA established updated revenue projections over the upcoming five-year period for use in evaluated long-term funding options. The VGSA discussed a range of funding options and resulting cost allocation approaches. These included simpler options, such as combining GSA-level administration and its share of GSP implementation and SGMA compliance costs and uniformly distributing costs per acre within the GSA, and more complex options, such as distributing costs based on irrigator/non-irrigator delineations and considering land use hybrids that would consider land and/or water use factors. The VGSA Board expressed support for cost allocation approaches that were easy to understand and implement, fair and equitable, reasonable, and had lower implementation costs that would not significantly increase final funding recommendations. All funding options being considered were based on meeting updated VGSA revenue projections over the project planning horizon.

The VGSA Board discussed long-term funding options while developing the updated revenue projections and wanted staff to consider any legal implications for different charge options that could further increase legal expenses for the GSA or result in new legal challenges. Legal challenges challenging any funding mechanism result in increased future charges for all landowners within the Subbasin.

The VGSA Board approved the exploration of the following long-term charge options at the March 2023 meeting and directed staff to conduct a funding option evaluation process with more in-depth evaluation and analysis noting trade-offs (pros/cons) between the options that would assist the Board in selecting a preferred funding mechanism at the April 2023 Board meeting. The funding options prioritized for further evaluation include:

- **Uniform.** A uniform cost allocation would combine all costs and evenly distribute them across the Vina Subbasin on a per-acre basis. In a uniform approach, a flat fee per acre would be assessed to landowners within the VGSA Subbasin. The uniform charge is supported because it provides SGMA administration to all landowners paying the fee.
- **Irrigated/Non-irrigated.** This option would allocate a higher percentage of total GSA costs to irrigators who rely on groundwater resources and would benefit directly from achieving groundwater sustainability. Non-irrigators would be subject to lower GSA charges and pay a smaller proportion of total GSA costs. This method would require parcel-level data distinguishing between irrigated and non-irrigated parcels and would require the development of user class definitions.
- **Land Use Hybrid.** This option could consider land use, Evapotranspiration (ET), and/or estimated groundwater use criteria to refine property fees based on the inclusion of more intricate parcel-level data. This option would focus on defining parcels by their respective dependence on

groundwater use. More user classes would be included in this approach with distinct user class definitions based on levels of groundwater use. This method could include currently metered and acceptable estimated groundwater pumping based on a 15–20-year groundwater use dataset. This option would have higher implementation costs than the uniform or irrigated/non-irrigated charge options.

- **Metering Groundwater Extraction (excluded).** Metering all groundwater use in the Subbasin would be extremely expensive to implement and would significantly increase GSA charges. This option was excluded from further exploration because there is not sufficient information currently available and the projected costs to install meters and implement supporting meter reading program and data management system are high.
- **Well Registration Program (excluded).** Establishing a well registration program is a substantial and expensive undertaking. The first step is to conduct a broad survey with field verification as to the location of all wells in the Subbasin and to document key information about each well including well casing size and pumping horsepower. Then the well information would need to be incorporated into a data management system for easy access, updating, and possible future charge assessments. This option was excluded from further exploration because this information is not currently available and would be expensive to develop the well database and applying the information to a future charge approach that would take years to implement.
- **Land Use Hybrid-Real-time ET (excluded).** Open ET and other tools such as Land IQ can make real-time ET information available as a surrogate for metering water use. ET based approaches for setting GSA charges are being utilized in other parts of the State where groundwater overdraft conditions exist. While the ET data can be collected and validated with in-field instrumentation, it is very costly to implement and would increase GSA administration costs. This option was excluded from further exploration because of the higher implementation costs and impacts on future GSA revenue projections and increased complexity for charge implementation and understanding. And the GSA does not want to become the revenue collector.
- **Member Contributions (excluded).** Butte County, City of Chico and Durham Irrigation District are the member agencies of the VGSA. If all three entities had adequate reserves or available funds in their respective budgets, they could each make annual contributions based on their fair share of total GSA revenue projections to fund the GSA operations and SGMA compliance action items. This option was excluded from further exploration because the member agencies do not have adequate funds available from their respective budgets and do not expect to have adequate funds available in their future budgets to pursue a member contribution approach for meeting future GSA revenue projections.
- **Land Use Hybrid-Parcel-Area Based Charges (excluded).** This option would have separate funding structures for GSA operational costs and SGMA compliance costs. funded on a per acre basis and SGMA compliance costs funded based on a per acre basis. This option is excluded from further exploration because the parcel charge would undercharge small parcels and overcharge large parcels. In addition, this charge model has not been adopted by any other GSAs at this time.

The VGSA will assess the funding options analyzed in this TM and provide a recommendation for the proposed charges to be included in the Fee Study which will be considered at the May 2023 GSA Board meeting. Several cost allocation methods, and revenue recovery methods, would result in additional

implementation costs for additional data acquisition, monitoring and enforcement, such as remote sensing or metering, and technical support that would result in higher charges for those subject to the charges. **Table 5** summarizes funding option implementation cost estimates. These implementation costs would add to actual charges calculated using any given option below.

Table 5. VGSA Funding Option Estimated Implementation Cost (\$/ac.)					
Charge Option	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Irrigated/Non-Irrigated	\$0.17	\$0.17	\$0.18	\$0.18	\$0.19
Land Use Hybrid Crop Type	\$0.88	\$0.90	\$0.93	\$0.96	\$0.98
Land Use Hybrid Crop ET	\$1.78	\$1.83	\$1.88	\$1.94	\$1.99
Well Registration/Permit System	\$3.03	\$3.12	\$3.21	\$3.30	\$3.40
Metered Groundwater Extraction	\$10.88	\$11.40	\$11.91	\$12.43	\$12.95

Funding options consider the GSA service area information in **Attachment 4** and are guided by the factors below to help determine which charge option would be most suitable for the VGSA Board to consider for approval in 2023.

- Reasonable
- Sufficient
- Equitable
- Easy to Understand and Implement
- Low Implementation Costs

The VGSA Stakeholder Advisory Committee requested that the TM include the funding options charges on an equivalent annualized total assessment basis for discussion purposes. The annualized charge is the average of the charges over a five-year period that could be charged per year. Annual charges would be the same throughout the five-year period as long as they do not exceed the established maximum charge.

Uniform Funding Option

This option typically results in a \$/acre charge based on spreading the GSA revenue needs across the Subbasin on a per acre basis. This is the most common type of GSA charge in place throughout California. The charge is calculated by dividing the total GSA costs by the total net assessable acreage in the Subbasin. Federal, State and Tribal lands are exempt from SGMA related charges, see **Table 6** below.

Table 6. VSGSA Uniform Funding Option by Charge Basis					
VGSA Funding Option Charge Basis	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Total GSA Revenue Needs (\$)	\$534,725	\$490,718	\$481,108	\$503,801	\$513,967
Total GSA Net Assessable Acres	174,327	174,327	174,327	174,327	174,327
Proposed Total Assessment (\$/ac.)	\$3.07	\$2.81	\$2.76	\$2.89	\$2.95
Annualized Total Assessment (\$/ac.)	\$2.90	\$2.90	\$2.90	\$2.90	\$2.90

Pros: Easy to understand and implement, low implementation costs, minimal impact on GSA budget.

Cons: Inability to distinguish and categorize benefits from groundwater sustainability.

Uniform charges are presented annually as well as on the annualized basis over the five-year period to indicate the possible charge impacts. The VGSA will annually assess the GSA revenue needs and consider adjusting the assessment within the maximum allowable charge included in the Fee Study.

The annual estimated assessment using the Uniform funding option is summarized in **Table 7** below.

Table 7. VGSA Uniform Funding Option Charge Basis by Acre Parcel					
	0.5 Acre Parcel	1.0 Acre Parcel	5 Acre Parcel	10 Acre Parcel	50 Acre Parcel
Proposed Total Assessment (\$/ac.)	\$1.53	\$3.07	\$15.34	\$30.67	\$153.37
Annualized Total Assessment (\$/ac.)	\$1.45	\$2.90	\$14.48	\$28.96	\$144.80

The Uniform funding option would be levied through the landowner’s property tax bill through the County Assessor’s Office. The GSA would update annual assessments for the GSA assessment based on GSA revenue needs within the maximum allowable charge approved by the Board.

DWR Grant Funding Impact

If DWR approves some of the top priority projects in the VGSA DWR SGMA Implementation Proposition 68, Round 2 grant funding application the actual assessments could be set below the maximum charge based on lower revenue needs and corresponding lower charges are presented below for informational purposes, see **Table 8** below.

Table 8. VGSA Uniform Funding Option, with DWR Grants					
	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Total GSA Revenue Needs (\$)	\$397,025	\$348,887	\$335,146	\$503,801	\$513,967
Total GSA Net Assessable Acres	174,327	174,327	174,327	174,327	174,327
Proposed Total Assessment (\$/ac.)	\$2.28	\$2.00	\$1.92	\$2.89	\$2.95
Annualized Total Assessment (\$/ac.)	\$2.41	\$2.41	\$2.41	\$2.41	\$2.41

The annual charge impact for the Uniform charge option with DWR grant funding on different users is summarized in **Table 9** below.

Table 9. VGSA Uniform Funding Impact, with DWR Grants					
	0.5 Acre Parcel	1.0 Acre Parcel	5 Acre Parcel	10 Acre Parcel	50 Acre Parcel
Proposed Total Assessment (\$/ac.)	\$1.09	\$1.92	\$9.24	\$27.77	\$141.64

Annualized Total Assessment (\$/ac.)	\$1.16	\$2.31	\$11.57	\$23.14	\$115.68
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Irrigated/Non-Irrigated Funding Option

This option typically results in a different \$/acre assessment for irrigated vs. non-irrigated lands based on allocating a higher percentage of the total GSA revenue needs to irrigated acreage which may receive more benefit from Subbasin achieving water balance and sustainability metrics by 2042. This type of assessment has recently been considered by many GSAs in California, however very few have adopted this type of assessment option. The Irrigated/Non-irrigated funding option is based on allocating more of the total GSA costs to the irrigators who will be able to continue to divert a reliable source of water if Vina Subbasin can meet its long-term water balance objective. The cost allocation for this funding option is summarized in **Table 10** below.

Table 10. VGSA Irrigated/Non-Irrigated Funding Option - Cost Allocation Summary		
	Irrigated Parcels	Non-Irrigated Parcels
GSA Administration Costs	53.52%	46.48%
SGMA Compliance Costs	87.50%	12.50%

The GSA Administrative costs are shared based on acreage with slightly more lands classified as irrigated (urban areas are included in the irrigated category). Non-irrigated cost allocation for SGMA compliance costs including cost share for the Five-Year GSP Update item because they are in the Subbasin and must be included in that Report to DWR to achieve SGMA compliance. The other SGMA compliance cost items are allocated to the irrigators because they are directly or indirectly related to groundwater use which benefits irrigated lands at a higher rate than non-irrigated. If a non-irrigated lands become irrigated (e.g., adds a new well with a County permit) the land would be reclassified as an irrigated under this option upon approval of the well permit. This option would only include net assessable acreage with Federal, State and Tribal lands exempt from SGMA related charges as indicated in **Attachment 4**.

The Irrigated assessments based on the cost allocation assumptions above are presented in Table 11 below.

Table 11. VGSA Irrigated/Non-Irrigated Funding Option – Irrigated Charge Basis					
	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Total Irrigated GSA Revenue Needs (\$)	\$349,543	\$349,543	\$349,543	\$349,543	\$343,391
Total Irrigated GSA Net Assessable Acres	97,107	97,107	97,107	97,107	97,107
Proposed Total Irrigated Assessment (\$/ac.)	\$3.60	\$3.60	\$3.60	\$3.60	\$3.54
Annualized Total Irrigated Assessment (\$/ac.)	\$3.59	\$3.59	\$3.59	\$3.59	\$3.59

The Non-Irrigated charges based on the cost allocation assumptions are presented in Table 12 below.

Table 12. VGSA Irrigated/Non-Irrigated Funding Option – Non-Irrigated Charge Basis					
	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Total Non-Irrigated GSA Revenue Needs (\$)	\$182,924	\$156,157	\$145,804	\$145,804	\$141,213
Total Non-Irrigated GSA Net Assessable Acres	84,328	84,328	84,328	84,328	84,328
Proposed Total Non-Irrigated Assessment (\$/ac.)	\$2.17	\$1.85	\$1.73	\$1.73	\$1.67
Annualized Total Non-Irrigated Assessment (\$/ac.)	\$1.83	\$1.83	\$1.83	\$1.83	\$1.83

The cost impact on the Irrigators is summarized in Table 13 below.

Table 13. VGSA Irrigated Funding Option Annual Charge Impact					
	0.5 Acre Parcel	1.0 Acre Parcel	5 Acre Parcel	10 Acre Parcel	50 Acre Parcel
Proposed Total Assessment (\$/ac.)	\$1.80	\$3.60	\$18.00	\$36.00	\$176.81
Annualized Total Assessment (\$/ac.)	\$1.79	\$3.59	\$17.93	\$35.87	\$179.35

The cost impact on the non-irrigators is summarized in Table 14 below.

Table 14. VGSA Non-Irrigated Funding Option Annual Charge Impact					
	0.5 Acre Parcel	1.0 Acre Parcel	5 Acre Parcel	10 Acre Parcel	50 Acre Parcel
Proposed Total Assessment (\$/ac.)	\$1.08	\$2.17	\$10.85	\$21.69	\$108.46
Annualized Total Assessment (\$/ac.)	\$0.92	\$1.83	\$9.15	\$18.31	\$91.54

There will be some additional Irrigated/Non-irrigated funding implementation costs vs. the Uniform charge which has the lowest implementation costs for any option. If considering the benefit of extraction is a critical driver for the VGSA long-term charges, then Board may wish to consider this option which accounts for benefit of extraction compared to the Uniform charge option with relatively low implementation costs. Under this funding option irrigators (those using most of the groundwater resource) would pay a majority of the SGMA compliance costs because they benefit from the majority of total groundwater extractions in the Subbasin and the VGSA’s ability to meet long-term water balance and sustainability metrics.

Pros: Considers relative benefit from groundwater extraction.

Cons: Higher implementation costs, not as easy to understand, maintain, or implement.

Land Use Hybrid Funding Options

Land use hybrid methods could allocate funding by other parcel-specific data, such as crop type, specific water use basis, geographic location of parcel, or other data that could indicate why a parcel would benefit from SGMA sustainability more or less than another parcel. To further evaluate this option, additional parcel level data would need to be developed so that more detailed cost allocation and assessment options could be analyzed for a long-term funding strategy. The challenge with this option is that the additional implementation costs associated with collecting, analyzing and applying the additional parcel level data are much higher than either the Uniform or Irrigated/Non-irrigated charge options.

Land use hybrid options evaluated are summarized in Table 15 below.

Table 15. VGSA Irrigated/Non-Irrigated Funding Option – Non-Irrigated Charge Basis					
	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Irrigated/Non-Irrigated	\$0.17	\$0.17	\$0.18	\$0.18	\$0.19
Land Use Hybrid Crop Type	\$0.88	\$0.90	\$0.93	\$0.96	\$0.96
Land Use Hybrid Crop ET	\$1.78	\$1.83	\$1.88	\$1.94	\$1.99

Irrigated/Non-Irrigated is a simplified form of a land use hybrid option with the lowest implementation costs. There is some overlap in benefit between the Land Use Hybrid Irrigated/Non-Irrigated and Crop Type options. Both options require at least annual updates to the associated parcel level data to ensure that any GSA funding is implemented in a fair and equitable manner. The Crop ET method is relatively expensive with the idea being to collect real-time ET data to accurately measure consumption use of crop and land use types with tiered charges possible to allocate more GSA costs to high users. This method is very data intensive and would likely require more GSA staff time to administer the charges than either the Uniform or Irrigated/Non-Irrigated options. Most GSAs have declined to develop specific land use funding because of the increase in implementation costs without receiving additional benefits for the GSA and those subject to the charges. The VGSA has provided direction that funding options that would require the GSA to be responsible for billing and collections will likely result in assessments that too high to consider. The most efficient method for collecting long-term GSA charges is through the County property tax roll process.

Pros: Ability to consider specific land use data and development of tailored assessments.

Cons: High implementation costs, more difficult to implement and understand, higher charges.

Funding Option Comparison

Table 16. Funding Option Comparison					
VGSA Funding Options Comparison	Ease of Understanding	Ease of Implementation	Specific Parcel Benefit Analysis	Additional GSA Administration	Revenue Sufficiency
Uniform Charge	1	1	3	1	1
Irrigated/Non-Irrigated	2	2	2	2	1
Land Use Hybrid	3	3	1	3	2
Option Ranking: 1 = best, 3 = lowest					

The Uniform option has the highest ranking considering all funding option ranking criteria except for the specific parcel benefit analysis. The Uniform option is also proven and has been utilized successfully by many GSAs throughout California. Several GSAs who are updating their current GSA assessments are considering these same options as they update their long-term GSA charges to meet future SGMA compliance costs. The bottom line is that specific parcel benefit analysis can be achieved, however it will increase charge implementation costs. Each GSA will have to decide what level of additional funding option implementation costs they are willing to pay to improve understanding benefits at the parcel level. Many GSAs want low charges that are easy to understand and implement without burdening GSA staff.

LONG TERM FEE RECOMMENDATION

The recommendation is that the VGSA consider approving: the Uniform charge option for the lowest possible charge, and the Irrigated/Non-Irrigated charge option as the most cost-effective way to achieve parcel benefit analysis for those subject to the charge. These options would be included in the Fee Report deliverable.

FEE DETERMINATION

The goal of the VGSA Board is to establish a long-term sustainable revenue source to reliably fund the GSA operations and SGMA compliance and GSP implementation costs at the lowest possible cost for landowners within the VGSA service area. This is the first long-term charge the VGSA has considered. Working together in the watershed will be the key to success in managing local groundwater resources through a local GSA. The VGSA plans to implement its new long-term funding through the local property tax bill which is the lowest cost method available for implementing these necessary assessments. The VGSA will be using this TM to evaluate the best available funding options. During the May 2023 VGSA Board meeting the Board will consider providing direction on the recommended charge to include in the Fee Study.

The next steps in the Vina GSA’s 2023 long-term funding project are highlighted below:

- April 12 VGSA Board Meeting – consider Project Funding Option Evaluation TM and provide direction on Fee Study development.
- May 10 VGSA Board Meeting – approve Project Fee Study (with recommended charges).
- July 19 VGSA Board Meeting – hold hearing and vote on proposed long-term VGSA charges.
- August 2023 – Property Tax Roll data to Butte County Assessor’s Office.

Information regarding long-term funding will be updated regularly on the VGSA website regarding the 2023 long-term funding project and next steps in the process.

ATTACHMENT 1

Vina GSA - GSP Adoption Process 2021-22





Vina Groundwater Sustainability Agency
308 Nelson Avenue, Oroville, California 95965
(530) 552-3592 • VinaGSA@gmail.com

June 28, 2021

Paula Daneluk, Director
Butte County Department of Development Services
7 County Center Drive
Oroville, CA 95965

Re: Vina Groundwater Sustainability Plan

Director Daneluk:

Under the Sustainable Groundwater Management Act (SGMA), Groundwater Sustainability Agencies (GSA) must submit a Groundwater Sustainability Plan (Plan) that will assure groundwater is sustainable within 20 years. In Butte County, the Vina subbasin is required to have a Plan submitted by January 31, 2022. In the Vina subbasin, the two GSAs, Vina GSA and Rock Creek Reclamation District GSA, are jointly developing a single Plan. SGMA requires that the GSAs provide at least a 90 day notice to cities and counties prior to adoption of a Plan. Through this letter, we are providing notice of the Plan development and seek your review of the draft Plan. (Water Code §10728.2)

SGMA recognizes the linkage between land use and groundwater management. Many of the projects and actions include recommendations for changes to land use, general plans, zoning and ordinances under your jurisdiction. The Plan takes into account projected growth from existing general plans. In the future, anytime a city or county readopts or substantially amends their general plan the planning agency shall review and consider an adoption of, or update to, a groundwater sustainability plan. (Under Government Code § 65350.5) We look forward to collaborating with you on groundwater sustainability in the Vina subbasin.

Various chapters of the Vina subbasin Plan are in draft form. The entire Vina subbasin Plan is expected to be released for a 60 day comment period in September, with a hearing to be held in November. Adoption of the Plan is expected in December. When the entire draft Plan is prepared in September, we will provide you with a notice of its

availability. In the meantime, draft chapters are available for review at www.vinagsa.org.

If you have any questions or would like more information please contact me.

Thank you.

Paul Gosselin, Administrator

Cc: Andy Pickett, Butte County CAO



Vina Groundwater Sustainability Agency
308 Nelson Avenue, Oroville, California 95965
(530) 552-3592 • VinaGSA@gmail.com

June 28, 2021

Brendon Vieg, Director
Community Development, Planning & Housing
City of Chico
411 Main Street, 2nd Floor
Chico, CA 95928

Re: Vina Groundwater Sustainability Plan

Director Vieg:

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availability. In the meantime, draft chapters are available for review at www.vinagsa.org.

If you have any questions or would like more information please contact me.

Thank you.

Paul Gosselin, Administrator

Cc: Mark Orme, City Administrator

Chico Enterprise-Record

400 E. Park Ave.
Chico, Ca 95928
530-896-7702
erlegal@chicoer.com

2120878

CHICO, CITY OF
ATTN: CITY CLERK ACCOUNTS PAYABLE 00712
PO BOX 3420
CHICO, CA 95927

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF BUTTE

In The Matter Of
**Notice of Public Hearing - Draft Vina
Groundwater Sustainability Plan**

AFFIDAVIT OF PUBLICATION

STATE OF CALIFORNIA

COUNTY OF BUTTE

}

SS.

The undersigned resident of the county of Butte, State of California, says:

That I am, and at all times herein mentioned was a citizen of the United States and not a party to nor interested in the above entitled matter; that I am the principal clerk of the printer and publisher of

**The Chico Enterprise-Record
The Oroville Mercury-Register**

That said newspaper is one of general circulation as defined by Section 6000 Government Code of the State of California, Case No. 26796 by the Superior Court of the State of California, in and for the County of Butte; that said newspaper at all times herein mentioned was printed and published daily in the City of Chico and County of Butte; that the notice of which the annexed is a true printed copy, was published in said newspaper on the following days:

11/01/2021, 11/09/2021

Dated November 11, 2021
at Chico, California

(Signature)

RECEIVED

NOV 29 2021

CITY CLERK
CITY OF CHICO

Legal No. **0006621180**

NOTICE OF PUBLIC HEARING DRAFT VINA GROUNDWATER SUSTAINABILITY PLAN

As required by the Sustainable Groundwater Management Act (SGMA), the Vina and the Rock Creek Reclamation District (RCRD) Groundwater Sustainability Agencies (GSAs) have prepared a draft Groundwater Sustainability Plan (GSP) for the Vina groundwater subbasin. The Draft GSP may be reviewed on the Vina GSA website at <https://www.vinagsa.org/>.

PLEASE TAKE NOTICE that the Vina and RCRD GSAs will hold a joint Public Hearing on November 15, 2021, at 5:30 p.m. at the City of Chico Council Chambers, 421 Main Street, Chico CA regarding the draft GSP.

Pursuant to SGMA, the GSA Boards will consider public comments at the hearing both verbally and by email prior to the conclusion of the hearing. Comments may be submitted by email to: vinagsapubliccomments@Chicoca.gov

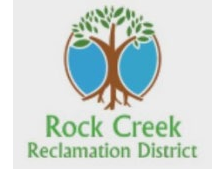
The Vina and RCRD GSA Boards will be considering adopting the Final GSP at the December 15, 2021 Vina and RCRD joint Board meeting.

For more information, please contact Kelly Peterson, Department of Water and Resource Conservation, at (530) 552-3595 or vinagsa@gmail.com.
11/01, 11/09/2021



**Vina Groundwater
Sustainability Agency**
308 Nelson Avenue
Oroville, CA 95965
(530) 552-3592

**Rock Creek
Reclamation District**
P.O. Box 1679
Oroville, CA 95965-1679
(530) 533-2885



Board Members:

Evan Tuchinsky, Chair
Jeff Rohwer, Vice-Chair
Raymond Cooper
Tod Kimmelshue
Kasey Reynolds

Board Members:

Hal Crain, Chair
Darren Rice, Vice-Chair
Elvin Bentz
Jon Lavy
Bruce McGowan
Dan Paiva
Jay Payne

**VINA GROUNDWATER SUSTAINABILITY AGENCY AND
ROCK CREEK RECLAMATION DISTRICT
JOINT BOARD MEETING**

Meeting Agenda
December 15, 2021, at 6:00 p.m.

(please note new time**)**

Chico City Council Chamber Building, 421 Main Street, Chico CA
IN-PERSON AND ONLINE MEETING VIA ZOOM

Materials related to an item on this Agenda are available for public inspection in the City of Chico Public Works Operation & Maintenance Office at 965 Fir Street, Chico, during normal 8 am to 5 pm business hours or online at <https://www.vinagsa.org/>

PUBLIC PARTICIPATION:

This public meeting will be held in-person and online using the Zoom format for those who wish to participate remotely. Please use the following information to remotely view and participate in this meeting online:

ZOOM MEETING INFORMATION:

To access the live meeting, you have the following options:

1. Join Zoom Meeting
 - a. <https://us02web.zoom.us/j/86983600705>
2. From a web browser <https://zoom.us/join>
 - a. When prompted, use Meeting ID: 869 8360 0705
3. Directly from your mobile phone you can tap:
 - a. +16699006833, 86983600705# US (San Jose)
4. Dial-in using your landline or mobile phone to:
 - a. 1 669 900 6833
 - b. When prompted, use Meeting ID: 869 8360 0705
5. **If you are having any issues connecting to the meeting, please call or text Kamie Loeser, Durham Irrigation District, at (530) 680-7222 for assistance.**

Please note that when you access the meeting, **you will be placed into a waiting room and admitted** into the meeting by the meeting host. You will also be placed on mute.

PUBLIC COMMENT INFORMATION:

All members of the public may address the GSA Boards on any item listed on the agenda or during Business from the Floor. Members of the public can submit public comment in one of three ways:

1. **EMAIL TO VINAGSAPUBLICCOMMENTS@CHICOCA.GOV.** When submitting public comment via email, please indicate the item number your comment corresponds to in the subject line. Comments submitted will be sent to the full GSA Board members electronically prior to the start of the meeting. At the meeting, email comments will be acknowledged and read into the record by name only during the public comment period for the corresponding Agenda Item. Comments received after an agenda item has been heard will be made part of the written record if received prior to the end of the meeting.
2. **VERBALLY IN-PERSON AT THE MEETING.** Each Speaker will be asked to complete a Speaker Card and turn it into the Management Committee Staff prior to the conclusion of the staff presentation of the pertinent agenda item. Speakers are also asked to please state their name at the podium before speaking.
3. **VERBALLY VIA ZOOM APPLICATION OR BY TELEPHONE.** A member of the public may indicate their intent to speak by raising their hand any time after the item number has been called. Speakers will be called upon by both Chairs and unmuted by the Meeting Host.
 - a. If attending by Zoom application, please click the "raise hand button".
 - b. If attending by telephone dial *9 to raise your hand. *6 to mute/unmute yourself.
4. **TIME LIMIT.** Verbal comments, whether in person or on Zoom, will be limited to one comment per Agenda item, per attendee for no more than three (3) minutes, unless the Board Chairs specify a different time limit due to the number of speakers.

Groups or organizations are encouraged to select a spokesperson to speak on their behalf. Each subsequent speaker is also encouraged to only submit new information rather than repeating comments made by prior speakers or to simply indicate their agreement with a prior speaker.

PROCEDURE FOR PUBLIC AND BOARD MEMBER COMMENTS ON AGENDA ITEMS

After the staff report for each agenda item, the Chairs will take questions and/or comments from other Board members, with the Chairs commenting last. Speakers are to address their comments directly to the respective Boards. Staff and Legal Counsel will respond to questions from the public at the direction of the Chairs.

REQUIREMENT FOR ROLLCALL VOTES ON ALL MOTIONS

Pursuant to government code section 5495(a), "all votes taken during a teleconferenced meeting shall be by rollcall." All rollcall votes will be taken in alphabetic order by the last name of the respective Board members, with each Board Vice-Chairs and Chairs voting last.

The audio and video recording of the Joint Vina GSA and RCRD GSA meeting and related materials will be posted at on the Vina GSA website at: <https://www.vinagsa.org/meetings>.

Agenda Prepared: 12/9/2021
Agenda Posted: 12/10/2021
Prior to: 6:00 p.m.



Please contact the City of Chico Public Works Department at (530) 894-4200 if you require an agenda in an alternative format or if you need to request a disability-related modification or accommodation. This request should be received at least three working days prior to the meeting.

**VINA GROUNDWATER SUSTAINABILITY AGENCY (GSA) AND
ROCK CREEK RECLAMATION DISTRICT GSA
JOINT BOARD MEETING OF DECEMBER 15, 2021**

1. VINA GROUNDWATER SUSTAINABILITY AGENCY (GSA) REGULAR BOARD MEETING

1.1. Call to Order - Chair Tuchinsky

1.2. Roll Call

1.3. **CONSENT AGENDA** - all matters listed under the consent agenda are to be considered routine and enacted by one motion.

1.3.1. ADOPTION OF A RESOLUTION RENEWING THE AUTHORIZATION TO CONDUCT TELECONFERENCE MEETINGS FOR BOTH THE VINA GSA BOARD AND STAKEHOLDER ADVISORY COMMITTEE (SHAC) MEETINGS.

The Vina GSA Board will consider a resolution finding that the state of the COVID-19 emergency still exists, that meeting in person continues to present imminent risks to the health or safety of attendees, and that renews the Board's prior authorization for meetings to be held by teleconference as authorized by subdivision (e)(1)(C) of section 54943 of the Government Code.

Action: Adopt the following resolution:

**RESOLUTION OF THE VINA GROUNDWATER SUSTAINABILITY AGENCY BOARD
RENEWING THE AUTHORIZATION TO CONDUCT REMOTE TELECONFERENCE
MEETINGS OF THE BOARD AND ITS STAKEHOLDER ADVISORY COMMITTEE FOR 30
DAYS PURSUANT TO THE RALPH M. BROWN ACT AND CALIFORNIA ASSEMBLY BILL
361.**

1.3.2. APPROVAL OF FINANCIAL STATUS REPORT.

Action: Approve the Vina GSA Financial Status Report as of 12/07/2021.

2. ROCK CREEK RECLAMATION DISTRICT (RCRD) GSA SPECIAL BOARD MEETING

2.1. Call to Order – Chair Crain

2.2. Roll Call

2.3. **CONSENT AGENDA** - all matters listed under the consent agenda are to be considered routine and enacted by one motion.

2.3.1. RESOLUTION AUTHORIZING TELECONFERENCE MEETINGS FOR THE RCRD GSA AND REGULAR BOARD MEETINGS.

The RCRD Board will consider a resolution authorizing remote teleconference meetings of the RCRD GSA and regular Board meetings for a period of 30-days.

Recommendation: Approval of the following resolution.

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ROCK CREEK RECLAMATION
DISTRICT AUTHORIZING REMOTE MEETINGS OF THE BOARD OF ROCK CREEK
RECLAMATION DISTRICT CONSISTENT WITH AB 361 AND THE BROWN ACT**

3. **JOINT MEETING CONSENT AGENDA**

3.1. **APPROVAL OF MINUTES OF THE 11/15/21 JOINT VINA GSA AND RCRD GSA MEETING.**

Action: Approve the 11/15/21 joint meeting minutes.

4. **JOINT MEETING REGULAR AGENDA**

4.1. **CONSIDERATION OF A RESOLUTION TO ADOPT THE FINAL GROUNDWATER SUSTAINABILITY PLAN (GSP) FOR THE VINA GROUNDWATER SUBBASIN.**

The Vina GSA Management Committee will provide information on the Final GSP for the Vina subbasin. Both Boards will also consider a joint resolution to adopt the Final GSP. The Resolution also authorizes the Management Committee to make minor typographical corrections and internal consistency edits to the GSP prior to submittal to DWR. (*Report – Management Committee*).

Action: The Management Committee recommends both Boards adopt the Resolution to adopt the Final Groundwater Sustainability Plan for The Vina Groundwater Subbasin.

JOINT VINA GSA AND ROCK CREEK RECLAMATION DISTRICT GSA RESOLUTION ADOPTING THE FINAL GROUNDWATER SUSTAINABILITY PLAN FOR THE VINA GROUNDWATER SUBBASIN.

4.2 **DISCUSSION OF VINA GSA 2022 MEETING SCHEDULE**

The Vina GSA Management Committee will describe anticipated upcoming activities of the Vina GSA.

Action: None, this is an informational item only.

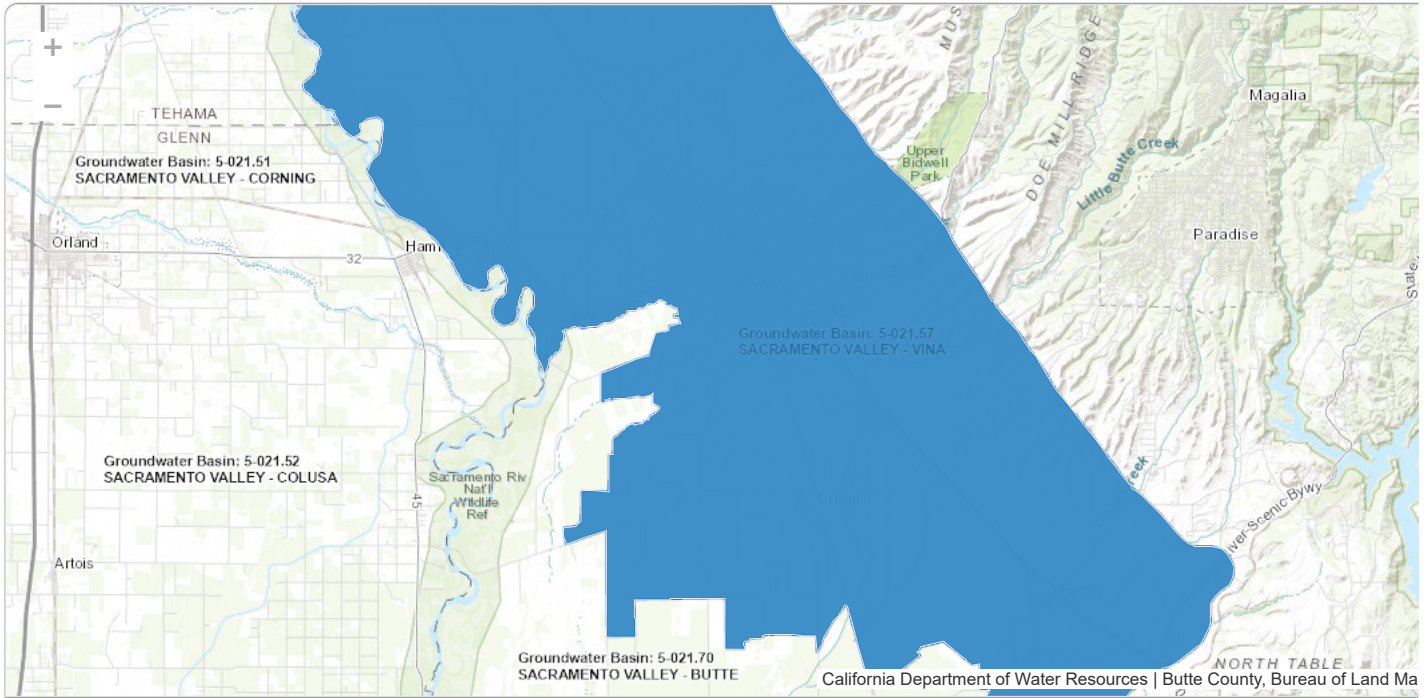
5. **BUSINESS FROM THE FLOOR**

Members of the public may address the Vina and RCRD GSA Boards at this time on any matter not already listed on the agenda; comments are limited to three minutes. The Boards cannot take any action at this meeting on requests made under this section of the agenda.

6. **ADJOURNMENT:** The Vina GSA Board will adjourn to a regular Vina GSA Board Meeting to be held on April 13, 2022, at 5:30 p.m. at the Chico City Council Chamber Building, 421 Main Street, Chico, CA 95928. The RCRD Board will adjourn to their next regular meeting to be announced and publicly noticed

Groundwater Sustainability Plan

5-021.57 VINA



Base Information

DATE SUBMITTED

01/28/2022

DATE POSTED

02/14/2022

END OF PUBLIC COMMENT PERIOD DATE

04/30/2022

[Public Comments](#)



GSP INITIAL NOTIFICATION(S)

[Vina GSA \(Exclusive\)](#)

[Rock Creek Reclamation District GSA \(Exclusive\)](#)

PLAN MANAGER

Christina Buck (Butte County Department of Water and Resource Conservation)

308 Nelson Ave

530-552-3593

cbuck@buttecounty.net

LIST OF GSA(S) THAT COLLECTIVELY PREPARED THE GSP

[Vina GSA \(Exclusive\)](#)

[Rock Creek Reclamation District GSA \(Exclusive\)](#)

NOTICE ANNOUNCING THE PLANNED ADOPTION OF THE GSP

Notice Date: 06/28/2021

[Notice to Butte County DDS.pdf \(120kB\)](#)

[Notice to Chico Planning.pdf \(121.3kB\)](#)

NOTICE OF THE PUBLIC HEARING

Public Hearing Date: 12/15/2021

[Public Hearing Affidavit_Vina.pdf \(74kB\)](#)

Plan Content

Supporting Information

References

Monitoring Site

ATTACHMENT 2

Vina GSA – Funding Mechanism Summary

Attachment 2 – Long Term Funding Mechanisms

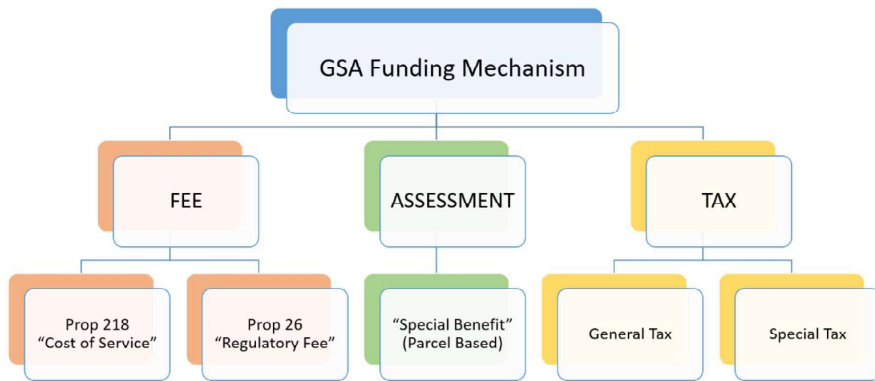
Proposition 218

Proposition 26

Local Contributions – Not A Sustainable Option For Member Agencies

The Vina GSA legal counsel has determined that a long term Fee Option (see orange boxes below) would be the best funding mechanism to pursue for a sustainable funding source to achieve SGMA compliance and maintain local control over local groundwater resources.

Available Options for Long Term Funding



Prop. 218 is most common GSA charge method to date.
Includes customer notification and protest vote process.

- Due to Constitutional limitations imposed through California's Propositions 13, 218, and 26, there are strict distinctions between, and regulations associated with, fees, special assessments, and taxes.
- Taxes and assessments require voter approval.
- Property-related fees and assessments under Proposition 218 are subject to noticing, a majority protest proceeding, and when required, a subsequent ratification election.
- However, fees, as well as other charges, are identified as exempt from the definition of a tax under Proposition 26, and thus can be adopted by the governing body of the Agency imposing the fee.

California

PROPERTY TAX INFORMATION

Proposition 218 gave taxpayers the right to vote on all local taxes, and requires taxpayer approval of property related assessments and fees.

www.californiataxdata.com

100 Pacifica, Suite 470
Irvine, California 92618
Tel 949-789-0660
Fax 949-788-0280

What is Proposition 218?

Background

In November 1996, California voters passed Proposition 218, the "Right to Vote on Taxes Act". This constitutional amendment protects taxpayers by limiting the methods by which local governments can create or increase taxes, fees and charges without taxpayer consent. Proposition 218 requires voter approval prior to imposition or increase of general taxes, assessments, and certain user fees.

The Environment Prior to Proposition 218

Proposition 13 dramatically changed the California property tax landscape after its passage in 1978. The result was a severe limitation on ad valorem property taxes (property taxes based on assessed value of property). Consequently, local governments had to look elsewhere to find money to fund public services and improvements. These agencies turned to benefit-based assessments, special taxes and user fees, which were not subject to Prop. 13 limitations. However, this resulted in increasing property tax bills, the main concern that Prop. 13 attempted to control.

Proposition 218 Tax Reform

Prop. 218 radically changes the way in which local governments raise revenues by ensuring taxpayer approval of charges and increases to existing charges. Voters are also given the ability to repeal or reduce charges by voter initiative.

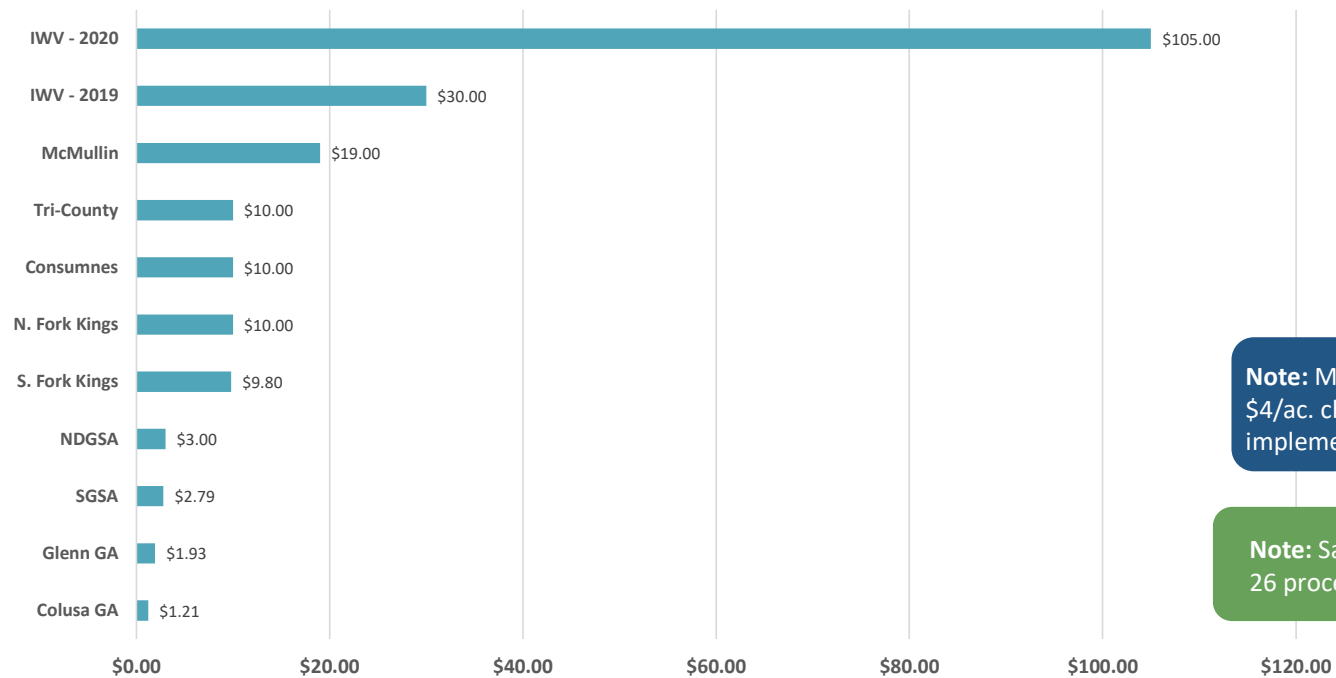
Specific Features of Proposition 218

The primary changes put in place by Proposition 218 are explained below.

1. **Voter Approval on Taxes.** Prop. 218 requires all local governments, including charter cities, to get majority voter approval for new or increased general taxes.
2. **Limits on Use of "General Taxes".** Proposition 218 restricts the use of general taxes, which require majority voter approval, to general purpose governments (i.e. cities and counties). School districts are specifically precluded from levying a general tax.
3. **Stricter Rules on Benefit Assessments.** Benefit assessments by definition must be calculated based on the benefit received by the parcel as a result of the project financed. Prop. 218 created stricter rules for initiating or increasing benefit assessments. Now, an agency must determine the specific benefit the project will have on individual parcels. A general enhancement to property values can no longer serve as the benefit.
4. **Increased Notification and Protest Requirements.** Proposition 218 will require that agencies put all assessments, charges and user fees out to a vote prior to creation or increase. In most cases, the vote will require individual notices be mailed to affected property owners. A formal protest hearing is also required to move forward with the charge or increase.
5. **Restrictions on Use of Fees.** Proposition 218 prohibits local governments from imposing fees on property owners for services that are available to the public at large (like garbage collection and sewer service). In any case, fees charged to property owners may not exceed the cost of providing the service.
6. **Government Owned Property No Longer Exempt.** Proposition 218 requires government agencies to pay their fair share of a benefit assessment, if the property receives benefit from the project or service financed.
7. **Initiative Power To Repeal.** Prop. 218 gives voters the power to reduce or repeal any existing local tax, assessment, or charge through the initiative process.

Comparing Approaches Across the State

GSA Charge Comparison - \$/Acre



IWV = Indian Wells Valley

Note: Merced approved a Prop. 218 \$4/ac. charge, which has not been implemented to date.

Note: Santa Rosa Plain approved a Prop. 26 process with a \$40/ac-ft charge.

The Vina GSA needs a long-term funding source to sustain the GSA.



Proposition 26 – Long Term Funding Mechanism Summary

Proposition 26 was passed by voters in 2010, providing a broad constitutional definition of the term "tax", which was necessary in the wake of Proposition 218's limitations on local taxes. Proposition 26 is best understood in the context of Propositions 13 and 218.

Proposition 218 was passed by California voters in 1996, adding Articles XIII C and XIII D to the State Constitution. The purpose of this legislation was primarily to address the effects of Proposition 13, passed in 1978, which limited the ability of local governments to impose taxes. While Proposition 218 outlined substantive and procedural guidelines for the imposition of taxes, benefit assessments, and property related fees, the definition of the term "tax" was not succinctly defined.

Proposition 26, as included in Article XIII C of the California Constitution, defines a tax as "any levy, charge, or exaction of any kind imposed by a local government," with certain exceptions. Among these exceptions are:

- (1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege to the payor.
- (2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product to the payor.
- (3) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

Article XIII C goes on to stipulate that the governing agency must establish that any charges imposed by a government agency are not taxes:

The local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Regulatory Fees

The three exceptions listed above provide the basis for a regulatory fee on estimated groundwater extraction. The Santa Rosa Plain GSP provides a benefit or service to groundwater users in the Subbasin. Additionally, costs incurred by the GSA's groundwater sustainability program are regulatory costs, as they represent the regulation of groundwater in the Subbasin.

This Fee Study provides the rationale for how the fee program for the Santa Rosa Plain GSA will comply with the requirements of Article XII A, including the fees charged to groundwater extractors in the Subbasin:

1. Are not taxes.
2. Will not generate more revenue than the reasonable cost of the governmental activity.

3. Are allocated to the payor in a manner that bears a reasonable relationship to the benefits received from the governmental activity.

For a GSA to utilize the Proposition 26 regulatory fee or charge mechanism legal counsel must determine if this funding mechanism approach is suitable for a particular GSA based on the facts available at the time a GSA related fee or charge is being established which must be based on an activity (e.g. a wellhead and well extraction charge). This determination would consider if the GSA has the necessary complete and factual information available to levy such a fee or charge to the payor in a manner that bears a reasonable relationship to the benefits received from the governmental activity.

Public Meeting Adopting Rates and Fees

In accordance with Water Code § 10730 (b), a public meeting must be held at which oral or written presentations may be made. In addition, notice of the meeting must be 1) published in the local newspaper at least twice in the weeks preceding the meeting, and 2) posted on the Agency's website. The GSA must also make available all data upon which the proposed fee is based at least 20 days prior to the public meeting. Those subject to rates or fees do not receive a direct notification via mail prior to GSA Board consideration of a Proposition 26 regulatory fee. And there is no public meeting prior to Board consideration of such a fee whereby those subject to the fee have an opportunity to vote on or levy a formal vote (e.g. protest) prior to GSA Board approval of such fees.

Example Fee – Santa Rosa Plain GSAs (approved in 2022)

\$300/well + \$40/acre-foot of groundwater extraction.

Note: Santa Rosa Plain approved Prop. 26 fee approach in 2019 with original long term GSA fee approval.

The Vina GSA legal counsel would need to determine if Prop. 26 fees or charges are suitable for application in the Vina Subbasin.

ATTACHMENT 3

Vina GSA – Draft Proposition 218 Charge Report: Table of Contents



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Appendix B – State Intervention Fee Structure

Appendix C – VGSA 2022 County Tax Charge Roll

Appendix D – VGSA 2023 Proposition 218 Protest Form

Appendix E – VGSA List of Funding Agreements

LIST OF ACROYNMS AND ABBREVIATIONS

AF	= acre-feet (generally equivalent to 325,851 gallons)
APNs	= Assessor’s parcel numbers
VGSA	= Vina Groundwater Sustainability Agency
CASGEM	= California State Groundwater Elevation Monitoring
County	= County of Butte
DACs	= Disadvantaged Communities
DWR	= California Department of Water Resources
FY	= Fiscal Year
GSA	= Groundwater Sustainability Agency
GSP	= Groundwater Sustainability Plan
IRWMP	= Integrated Regional Water Management Plan
JPA	= Joint Powers Agreement/Authority
LAFCO	= Local Agency Formation Commission
SGMA	= Sustainable Groundwater Management Act
Sub-basin	= DWR delineated alluvial groundwater areas in VGSA boundary
SWRCB	= State Water Resources Control Board

ACKNOWLEDGEMENTS

VGSA Program Manager Staff

Kamie Loeser, Director, Water Resources Dept.

Christina Buck, Assistant Director

VGSA Board of Directors

Butte County, Board of Supervisors:

- Tod Kimmelshue (primary)
- Tami Ritter (alternate)

City of Chico, City Council:

- Kasey Reynolds (primary)
- Deepika Tandon (alternate)

Durham Irrigation District, Board Directors:

- Raymond Cooper (primary)
- Matt Doyle (alternate)

Agricultural Well User Stakeholder:

- Jeffrey Rohwer (primary) (term expires 8/27/2023)
- Steven Koehnen (alternate) (term expires 8/27/2023)

Non-Agricultural Domestic Well User Stakeholder:

- Evan Tuchinsky (primary) (term expires 8/27/2023)
- Steve Kampfen (alternate) (term expires 8/27/2023)

Consultant Assistance: Luhdorff and Scalmanini Consulting Engineers (LSCE)

ATTACHMENT 4

Vina GSA – Service Area Information For Charge Options Evaluation



Attachment 4: Vina Subbasin Service Area Information

Vina GSA Charge Option Evaluation	Vina Subbasin - Acreage
Total - All	184,916.87
Total - Federal	934.00
Total - State	1,104.32
Total - Tribe	1,443.58
Total (exclude State, Federal and Tribal)	181,434.96
Irrigated	97,106.61
Non-Irrigated	84,328.35
Orchards	59,960.90
Non Orchards	17,747.80
City of Chico	19,397.91
Duham Irrigation District	497.00
Rock Creek GSA	4,654.07
Butte County	181,434.96
Vina GSA Charge Option Evaluation	Vina Subbasin - Parcels
Total - All	36,850
Total - Federal	42
Total - State	190
Total - Tribe	1,070
Total (exclude State, Federal and Tribal)	35,548
Irrigated	2,826
Non-Irrigated	32,722
Orchards	2,368
Non-Orchards	984
City of Chico	27,942
Durham Irrigation District	401
Rock Creek GSA	77
Butte County - Exclude Public/Tribal lands	8,337