



Vina Groundwater Sustainability Agency

308 Nelson Avenue
Oroville, CA 95965
(530) 552-3592

Agenda Prepared: 4/8/2023

Agenda Posted: 4/8/2023

Prior to: 5:00 p.m.

Board Members:

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

VINA GROUNDWATER SUSTAINABILITY AGENCY BOARD MEETING

Meeting Agenda

April 12, 2023, **5:00 p.m. (Please note new time)**

Chico City Council Chamber, 421 Main Street, Chico CA

IN PERSON AND ONLINE MEETING VIA ZOOM FOR VIEWING ONLY

Any materials related to an item on this Agenda are available for public inspection online at <https://www.vinagsa.org/>

PUBLIC PARTICIPATION:

Please use the following information to remotely view the Vina GSA Board meeting online. **Pursuant to recent changes to the Brown Act Teleconferencing Rules, no public comments or questions will be taken 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
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Please note 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 and will not be able to provide comments in the meeting.

PUBLIC COMMENT INFORMATION:

Public comment will be accepted in-person at the meeting or may be submitted by email prior to the meeting to VINAGSAPUBLICCOMMENTS@CHICOCA.GOV. **If you would like to address the Board at this meeting, you are requested to complete a speaker card and hand it to the Board Clerk prior to the conclusion of the staff presentation for that item.** A time limit of three (3) minutes per speaker on all items and an overall time limit of thirty minutes for agenda items has been established. If more than 10 speaker cards are submitted for agenda items, the time limitation may be reduced to one and a half minutes per speaker.

When submitting public comments 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. Email comments will be acknowledged and read into the record by name only during the public comment period for each agenda item. Emailed comments received prior to the end of the meeting will be made part of the written record but not acknowledged at the meeting.

**VINA GROUNDWATER SUSTAINABILITY AGENCY
BOARD MEETING AGENDA
APRIL 12, 2023**

1. VINA GROUNDWATER SUSTAINABILITY AGENCY (GSA) REGULAR BOARD MEETING

1.1. Call to Order - Chair Tuchinsky

1.2. Roll Call

2. CLOSED SESSION PUBLIC COMMENTS OR BOARD DISQUALIFICATIONS:

Members of the public may address the Board at this time on the closed session item; comments are limited to three minutes, or another time limit determined by the Chair.

2.1. **ADJOURN TO CLOSED SESSION:** *The Board will recess to Closed Session in Conference Rm. 2.*

2.2. **CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION** - Pursuant to Government Code Section 54956.9(e)(1).

2.3. **CLOSED SESSION ANNOUNCEMENT:**

3. CONSENT AGENDA:

3.1. **APPROVAL OF MARCH 8, 2023 VINA GSA BOARD MEETING MINUTES.**

Action: Approve the Vina GSA meeting minutes.

4.

ITEMS REMOVED FROM CONSENT – IF ANY

5. BUSINESS FROM THE FLOOR

Members of the public may address the Board at this time on any matter not already listed on the agenda; comments are limited to three minutes. The Board cannot take any action at this meeting on requests made under this section of the agenda.

6. NOTICED PUBLIC HEARINGS – NONE

7. REGULAR AGENDA

7.1. CONSIDERATION OF A DRAFT TECHNICAL MEMORANDUM PROVIDING RECOMMENDATIONS REGARDING LONG-TERM FUNDING OPTIONS.

The Board will consider the draft Technical Memorandum prepared by the consultant regarding the findings and recommendations from their evaluation of the long-term fee options for the Vina GSA. ***(Report and Discussion Lead – Jacques DeBra and Eddy Teasdale, LSCE).***

Recommendation: That the Board approve one or more of the following long term fee options to be included in the Fee Report:

1. The highest ranked Uniform Fee option for the lowest possible charge; and/or
2. The Irrigated/Non-Irrigated fee option as the most cost-effective way to achieve parcel benefit analysis.

8. COMMUNICATIONS AND REPORTS.

These items are provided for the Board's information. Although the Board may discuss the items, no action can be taken at this meeting. Should the Board determine that action is required, the item or items may be included for action on a subsequent posted agenda.

8.1 Management Committee Updates (*Verbal Reports – Kamie Loeser*)

- a. Form 700 Requirements
- b. Board Positions and Application Process

8.2 Rock Creek Reclamation District Groundwater Sustainability Agency (GSA) Updates

9. ADJOURNMENT:

The Vina GSA Board meeting will adjourn to a Vina GSA/Rock Creek Reclamation District GSA Joint Board Meeting on May 10, 2023, at 5:30 p.m. at the Chico City Council Chamber Building at 421 Main Street., Chico, CA and online via Zoom for viewing only.



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.

**MINUTES OF THE
VINA GROUNDWATER SUSTAINABILITY AGENCY
REGULAR BOARD MEETING**

Meeting of
March 8, 2023, 5:30 p.m.
Chico City Council Chamber Building, 421 Main Street, Chico CA
IN-PERSON AND ONLINE VIA ZOOM (viewing/listening only)

1. VINA GROUNDWATER SUSTAINABILITY AGENCY (GSA) REGULAR BOARD MEETING

1.1. Call to Order

The Vina GSA meeting was called to order by Chair Tuchinsky at 5:31 p.m.

1.2. Roll Call

Board Members Present:

Evan Tuchinsky
Jeffrey Rohwer
Raymond Cooper
Tod Kimmelshue
Kasey Reynolds

Board Members Absent: None

Staff Present:

Christina Buck and Kamie Loeser (Butte County Department of Water & Resource Conservation (BCDWRC), Jeff Carter and Jeannie Trizzino (Durham Irrigation District), Linda Herman (City of Chico), and Valerie Kincaid (Legal Counsel).

2. CONSENT AGENDA - all matters listed under the consent agenda are to be considered routine and enacted by one motion.

2.1. APPROVAL OF 2023 VINA GSA STAKEHOLDERS ADVISORY COMMITTEE (SHAC) MEETING CALENDAR.

Action: Approve the Vina GSA SHAC meeting calendar for 2023.

Jim Brobeck provided public comments for this Item.

Board Member Kimmelshue motioned to approve the Consent Agenda. The motion was seconded by Board Member Reynolds.

Motion carried as follows:

AYES: Board Member Kimmelshue, Board Member Cooper, Vice-Chair Rohwer, and Chair Tuchinsky

NOES: None

ABSENT: None

3. ITEMS REMOVED FROM CONSENT – NONE

4. **BUSINESS FROM THE FLOOR**

Members of the public may address the Board at this time on any matter not already listed on the agenda; comments are limited to three minutes. The Board cannot take any action at this meeting on requests made under this section of the agenda.

Public comments were provided by Jim Brobeck

5. **NOTICED PUBLIC HEARINGS** - NONE

6. **REGULAR AGENDA**

6.1. **CONSIDERATION OF VINA GSA FIVE YEAR REVENUE PROJECTIONS.**

The Board considered two updated Five-Year Revenue Projection scenarios, one that included potential grant funding and another without grant funding, to be used in the evaluation of potential fee options for long-term funding of the Vina GSA. (*Report and Discussion Lead – Jacques DeBra and Eddy Teasdale, LSCE*).

Recommendation: That the Board approve the preferred Revenue Projection scenario.

There was no public comment on this item.

Board Member Rohwer motioned to approve that both of the Five-Year Revenue Projection scenarios be used in the fee option evaluation . The motion was seconded by Board Member Reynolds.

Motion carried as follows:

AYES: Board Member Kimmelshue, Board Member Cooper, Vice-Chair Rohwer, and Chair Tuchinsky

NOES: None

ABSENT: None

6.2. **CONSIDERATION OF A RESOLUTION AUTHORIZING AN APPLICATION FOR THE CA DEPARTMENT OF CONSERVATION MULTI-BENEFIT LAND REPURPOSING PROGRAM.**

The Board considered a resolution authorizing a grant application to the Department of Conservation's Multi-benefit Land Repurposing Program. The Program provides funding to increase regional capacity to repurpose agricultural land to reduce reliance on groundwater while providing community health, economic wellbeing, water supply, habitat, renewable energy, and climate benefits. (*Report – Christina Buck*).

Public comments were provided by Jim Brobeck

Board Member Kimmelshue motioned to:

1. Authorize staff to participate in the development of a grant application for the 2023 Multi-benefit Land Repurposing Program.
2. Adopt the Authorizing Resolution and authorize staff to submit this Resolution and complete Grant Application on behalf of the Vina GSA.

The motion was seconded by Board Member Reynolds.

Motion carried as follows:

AYES: Board Member Kimmelshue, Board Member Cooper, Vice-Chair Rohwer, and Chair Tuchinsky

NOES: None

ABSENT: None

7. **COMMUNICATIONS AND REPORT** **NONE**

8. **ADJOURNMENT:**

The meeting adjourned at 6:12 p.m. to the regular Vina GSA Board meeting to be held on April 12, 2023, at 5:30 p.m. in the Chico Council Chamber in the Chico Municipal Center building located at 421 Main Street, Chico, CA, and online via Zoom for viewing/listening only.



Vina
Groundwater Sustainability Agency
Agenda Transmittal

Agenda Item: 7.1

Subject: Consideration of a draft Technical Memorandum providing recommendations regarding long-term funding options.

Contact: Kamie Loeser

Phone:

Meeting Date: 4/12/23

Regular Agenda

Department Summary: The Vina Groundwater Sustainability Agency (VGSA) was established to develop the VGSA Groundwater Sustainability Plan (GSP). The VGSA collaborated with stakeholders to develop the GSP and is now focused on GSP implementation and SGMA compliance, while maintaining local control over its groundwater resources. The VGSA is also implementing a Long Term Funding Project (Project) to establish a reliable long term funding source for on-going GSA operations, and GSP implementation and SGMA compliance costs. The consultant retained for this Project is Luhdorff & Scalmanini, Consulting Engineers (LSCE).

At its 3/8/23 meeting, the VGSA Board approved updated revenue projections to be used as the basis for evaluating long term fee options. The revenue projections used in the evaluation are: (a) projections assuming no DWR grant funding; and (b) projections assuming DWR approval to fund the priority projects in the VGSA’s SGMA grant application. The Board also provided direction on evaluating three fee options: 1) a Uniform Charge (\$/acre); 2) an Irrigated vs. Non-irrigated Charge; and 3) a Land Use Hybrid model option. These revenue projections and fee options were also reviewed by the Stakeholder Advisory Committee (SHAC) at its meeting on 3/22/23. A brief summary of the comments received by the SHAC are in Exhibit A. A public workshop providing an overview of the VGSA, GSP, and potential funding needs was also held on 3/28/23. The power point presentation and a summary of the comments received at the workshop are in Exhibit B.

The evaluation of the three funding options with consideration of the comments received is comprised in a draft Technical Memorandum (Draft TM). The purpose of the TM is to recommend the best long term option(s) for the VGSA Board consideration based on available parcel level information, and overall impact on landowners within the Subbasin subject to the long-term fees. LSCE will provide a presentation on the findings and recommendations in the Draft TM. Discussion includes options that were considered feasible and further evaluated, and options not considered feasible for this funding cycle. LSCE will also provide information on recommended annual fee schedules, general customer impacts, and the pros and cons of each option. Implementation costs were also considered in the evaluation process. Some options were deemed infeasible because the implementation costs far exceed the actual fee for a particular option. For example, implementing a hybrid fee comes at a higher price due to the cost to collect, evaluate, and apply the additional parcel level data needed. The Options were evaluated and ranked based on the criteria shown in the following table.

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 Draft TM is attached for Board review and approval. The Board can approve the TM as is or approve it with revisions that would be included in the Final TM. The Fee Report, which will be considered by the Board at its 3/10/23 meeting, will reflect the recommendations in the Final TM. The TM and Fee Report are available on the VGSA website. As the Project evolves, additional outreach will be conducted to engage stakeholders and answer questions as needed. A Frequently Asked Questions and Answers, Funding Fact Sheet, and Public Workshop information will also be available as to help achieve a transparent and informative process.

Recommendation: That the Board approve one or more of the following long term fee options to be included in the Fee Report: **1)** the highest ranked Uniform Fee option for the lowest possible charge, and/or **2)** the Irrigated/Non-Irrigated fee option as the most cost-effective way to achieve parcel benefit analysis.

Attachments:

Exhibit A: 3/22/23 SHAC Meeting Notes

Exhibit B: Public Workshop Meeting Slides/Notes

Exhibit C: Technical Memorandum

ITEM 7.1 - EXHIBIT A

BRIEF COMMENTS AND NOTES FROM THE 3/22/23 VINA GSA
STAKEHOLDER ADVISORY COMMITTEE MEETING

1. Although there were no formal votes, there was consensus from the SHAC member on the following:
 - a. The fee option chosen should be fair, evenly distributed, and uncomplicated.
 - b. The proposed fees with the projected percentage inflation rate should be annualized over the 5 years so that the fee does not go up each year.
 - c. The benefits of groundwater management should be included in the public outreach materials.
 - d. More information is needed on how the fees would be handled for the City of Chico parcels serviced by Cal Water.

2. The following ideas/suggestions were also provided by certain SHAC members:
 - **ANNE DAWSON** - Believes the fees should be per acre, but with a tiered structure in which those with more acres would pay a higher fee (e.g., one fee for 0-1000 acres, another for 1001-5000 acres etc.). Thinks this would be fairer for domestic well users.
 - **GREG SOHNREY** – Liked the Hybrid Option but thought the irrigated vs non-irrigated would be difficult to determine and administer. Proposed another hybrid model where the Tier 1-charge for GSA Administration costs be applied on a per parcel basis, and the SGMA Compliance Charge be on a per/acre basis. He also wanted to go on record that he objects to the provision that Federal, State, and Tribal parcels are exempt from the fees.
 - **TODD GREENE** – He had suggestions for the Frequently Asked Questions (FAQ) and public outreach materials, including adding a point that the fee will be amortized and will not go up during the 5 years, that the questions regarding “What happens if we fail” be placed further to the top of the FAQ list. Commented regarding using the irrigated vs non-irrigated in that the non-irrigated land still has groundwater impacts particularly for groundwater dependent ecosystems.
 - **BRUCE SMITH** – Questioned whether the budget of \$25,000 for modeling was enough. Also, whether there are any groundwater models that have been held up in court. Suggested that maybe Eddy Teasdale or legal counsel Valerie Kincaid can answer this question at the next SHAC meeting.
 - **JIM BROBECK** – Stated fees should be for the benefit of all users. He commented that the Minimal Threshold in the Groundwater Sustainability Plan is too low. Questioned potential impacts from conjunctive use, particularly from the Tuscan Water District. Asked if the fees would be increased each year and was informed yes for inflation only over the next 5 years.
 - **SAM GEOPP** – During Business from the Floor asked 1) How much water will be lost during the installation of the sewer line from Paradise to Chico, and 2)What is the water impact from the newly City approved Valley Edge new development project.

- **CHAIR SAMANTHA LEWIS** – Suggested that the outreach material also include the benefits of farming.
- **JOANNE PARSLEY** – Inquired and made a statement that funds distributed in the different line-items in the proposed budgets are allowed to be shifted where needed as long as the activity is listed as a contemplated expenditure at the time the fees are approved, and if the overall fee does not exceed the maximum amount.

3. PUBLIC COMMENTS RECEIVED:

- **PAM STOESER** – Suggested KCHO – Community calendar as a way to announce public workshops.
- **SUSAN SCHRADER** – Voiced concerns about Domestic wells going dry.
- **EMILY ALMA** – Concerned that there has not been better outreach to the public regarding SGMA and long-term funding proposal. Also expressed concern about the Minimum Threshold limits in the Groundwater Sustainability Plan.

For more details and information, the video and audio recording OF the SHAC meeting can be found on the Vina GSA website at:

<https://www.vinagsa.org/2023-03-22-stakeholder-advisory-committee-meeting>

ITEM 7.1- EXHIBIT B
3/28/23 WORKSHOP NOTES AND PRESENTATION

Topic	Comment
<p>Recommendations for fee structure</p>	<ul style="list-style-type: none"> • Recommendation to charge a connection fee for new development. • Recommendation to look at the groundwater management and monitoring system in New Mexico. This member of the public also suggested the GSA consider a fallowing program, and ensure that any charges are equitable, in that they fall more heavily on groundwater users than non-users. • Don't establish another charge on top of other taxes that already exist. Concerns that there are too many fees that impact farmers. Support expressed for Flood-MAR as a management strategy. • Person who expressed concerns about domestic well impacts made a recommendation to establish a small baseline fee and a tiered ag-use fee to ensure charges are fair for de minimus users. • Aimee Raymond - Option to model fees after a Resource Conservation District in Southern California (Redlands I think?). Charges are based on self-reported water usage per well. Residential well users report, but not charged as it is not worthwhile. For Butte, leverage well maps and Ag Crop reporting to set a fee based on well size and water use. Make the fee model apply across Butte County. • Make a sliding scale fee for small growers, scaling up to the largest pumpers. Also generate a surcharge on pumpers who draw down below GSP levels. • Chris Nelson - Unless you meter use there will never be fairness. It may be more expensive at the outset but it is the only democratic way to do this. The one acre one [vote?] method allows those with the largest acreage to control our public domestic water. I think the repeated comments to be compliant were offensive. Funding would be based on use. If there is waste offer sight will be [clear?] (pumping and export of control!) • Dave Garcia - Numerous comments and insinuations about the cheapest route to go. In fact a diagram of inverted pyramid of cheapest route cheapest is not always the best. Similar amount of time and information needs to be spent on the most FAIR funding route! • Richard Harrison - I support charging fees to all groundwater users, including Cal Water Chico residents. These fees should start immediately and not be deferred to a Prop 218 election. I support Anne Dawson's recommendation of tiered fees. • Susan Schroeder - I like Anne Dawson's idea of fee structure.
<p>Roles of various entities, jurisdictions</p>	<ul style="list-style-type: none"> • What is Cal Water's role in the funding process? • Can Durham Irrigation District (DID) reconsider their membership in the GSA? A member of the public expressed concern that DID was only involved in the GSA at the recommendation of a lawyer, to have a seat at the table, but they questioned whether financial impacts to rate payers may be too heavy to justify the benefit of representation. • The Wyandotte Creek Subbasin and Butte Subbasin are also involved in a funding process. There was a recommendation that Butte County also manage those processes. This member of the public also made a comment

	<p>about potential issues related to a mismatch of jurisdictional boundaries between the Vina Subbasin and the County. They want the fee to be fair, that those who benefit from groundwater management contribute to the fee.</p> <ul style="list-style-type: none"> • Ken Fleming - Please open your (the county staff) discussion with Cal Water. Chico's Water rate payers need to understand Cal Water's position and costs related to this [illegible]!
Fee assessment process	<ul style="list-style-type: none"> • How can we know how much the revenue projection is, if we don't have a definitive estimate of the costs of PMA implementation? • Where have other subbasins implemented fees and what considerations informed their decisions? • How can the Land IQ survey inform the fee option? • Why is State intervention so bad? What is their fee and who pays it? How would the average resident benefit from adopting the charge?
GSP	<ul style="list-style-type: none"> • A member of the public said that while they agree with local control in principle, they were concerned that the GSP development process didn't adequately include all beneficial user groups. They said the plan would allow some domestic wells to go dry and impact the root systems of valley oaks. • There was a question about one of the GSP's measurable objectives. • Francine Stuelprogel - What does "achieving sustainability" mean to the GSA and SGMA? • Gina Tropea - Where is the GSP posted? May I get a copy sent to my email? (ginatropea@gmail.com) • Pam Stoesser - How will the GSA guarantee that "recharge will not contaminant the Tuscan Aquifer?" • Susan Schroeder - What about the levels of the measurable objective and minimum threshold? I think our plan allows groundwater levels to drop too low.
Impacts to domestic well users	<ul style="list-style-type: none"> • The person who had issues with the GSP specifically cited that the plan would allow some domestic wells to go dry, as one of their concerns. • Concerns about the process behind the fee assessment and outsized impacts to domestic well users who have had to pay large sums of money to deepen their wells in recent years. • Francine Stuelprogel - What if our wells go dry? • Susan Schroeder - What about the domestic well owner with less than ½ an acre? What happens if our well goes dry? Are we on our own or will there be funds to cover any cost of a new well or Cal Water hook-up?
Other	<ul style="list-style-type: none"> • It was suggested that DWR may have less funds available to support this work given current flooding issues in the San Joaquin Valley Tulare Lake. • Francine Stuelprogel - Why are we still wasting water on low value export commodity crops? (walnuts).

○ Notes on the back of the comment card include: What happens if we get an F/Dry report card? Is it already implemented? How does this relate to the [vote/note]? When do the fees begin and how? What is wrong with mandatory metering? So people take care of water better?

- Pam Stoesser – Define water quality.

- Susan Schroeder - "Flood-MAR" aquifer recharge needs to take into account that not all fields, orchards, or dairies are appropriate due to pesticides, manures, and other contaminants.



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



Vina Subbasin – Public Workshop
March 28, 2023

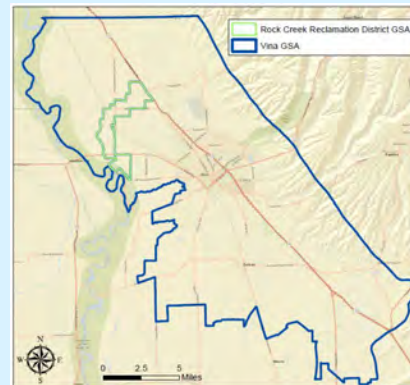
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Introductions: People Behind the Process

Vina GSA Board

Stakeholder Advisory Committee

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



Vina Subbasin – Public Workshop
March 28, 2023

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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)



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Introductions: People Behind the Process

Stakeholder Advisory Committee Members

Agricultural Groundwater Users

- Greg Sohnrey
- Samantha Lewis
- Joanne Parsley

Domestic Well Users

- Anne Dawson
- Sam Goepf

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



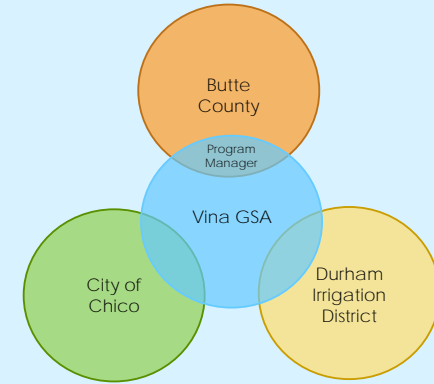
Vina Subbasin – Public Workshop
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Introductions: People Behind the Process

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



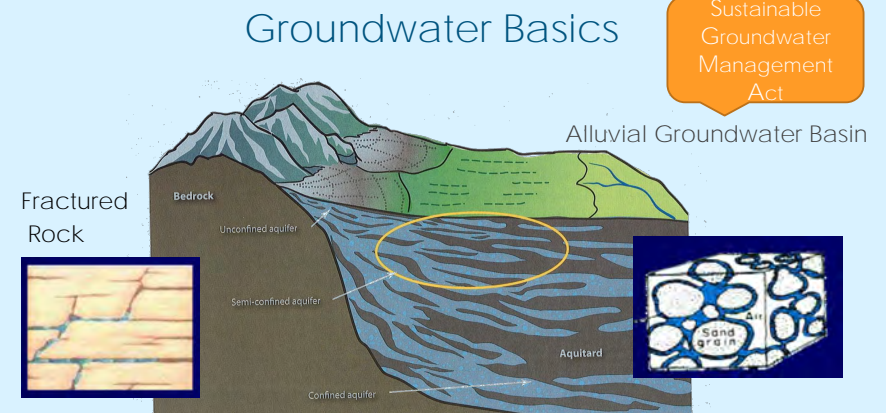
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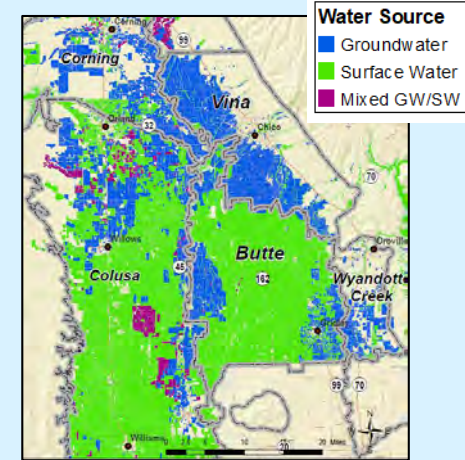
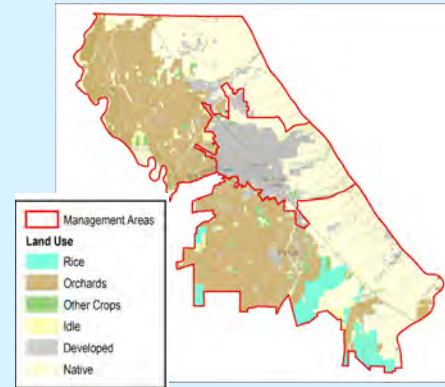
SGMA and Groundwater Management

SGMA= Sustainable Groundwater Management Act

- State law passed in 2014
- Local agencies given authority and responsibility to manage groundwater: Groundwater Sustainability Agencies
 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



Land & Water Use in Vina

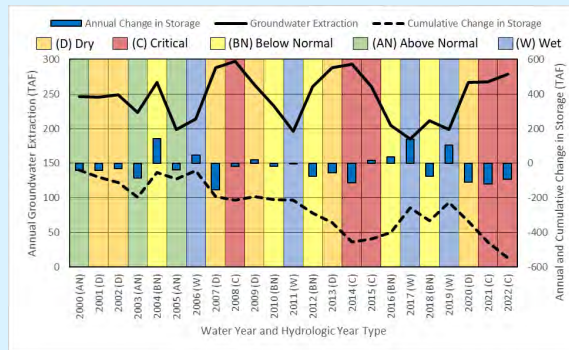


A Subbasin Out of Balance

Over the past 22 years:

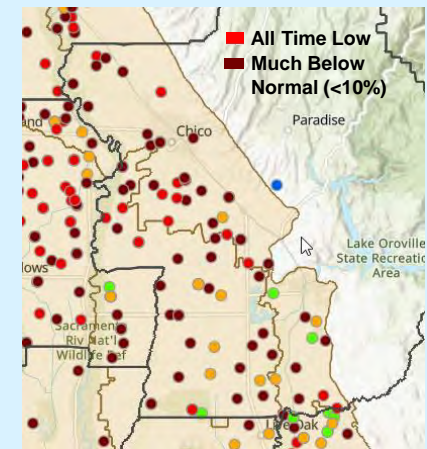
- Groundwater pumping is stable, but variable (sensitive to water year type)
- Groundwater in storage has declined about 500,000 AF from 2000 to 2022
 - Average almost 23,000 AF each year
 - Change in Storage is sensitive to water year type also

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 Subbasin – Public Workshop
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Vina GSA Public Workshop Long Term Funding Project Presentation

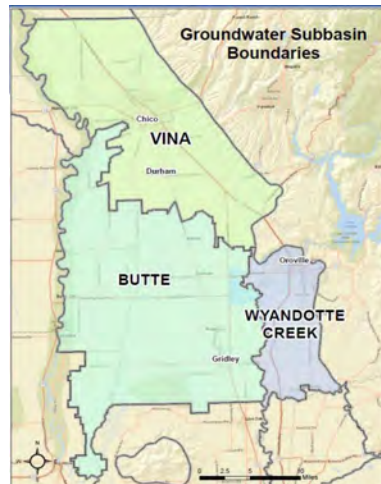
Eddy Teasdale and Jacques DeBra, LSCE

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



Slide 16

SGMA Timeline and the Early Funding Strategy

SGMA Timeline



Slide 17

Long Term Funding Strategy



Slide 18

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:

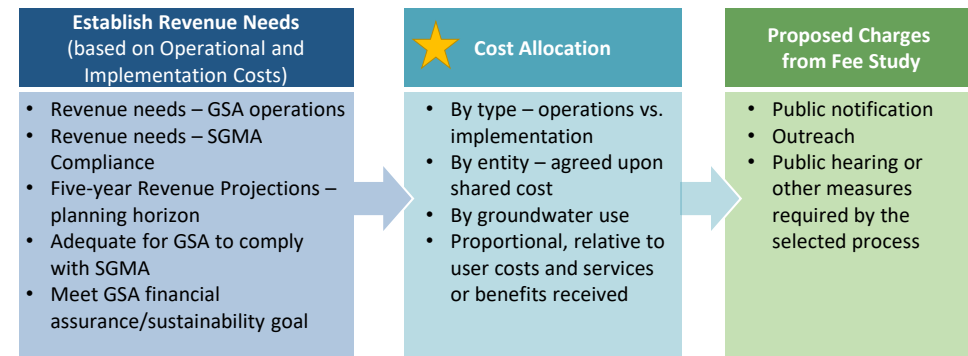
- SGMA compliance activities
- Addressing data gaps
- Projects
- Programs

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



Slide 19

Process for Studying Fee Options and Developing a Resulting Charge



Slide 20

Milestones in the Process for Studying Fee Options and Developing Charge

Establishing Revenue Needs: Five-Year Projection

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



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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



Slide 22

Close 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
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Professional Services - Admin. Sub-total	\$167,500	\$167,500	\$167,500	\$167,500	\$167,500
Office Expense					
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TOTAL VGSA Administration (w/inflation adjustment)	\$348,425	\$298,829	\$283,630	\$297,008	\$310,387



Slide 23

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
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 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



Slide 24

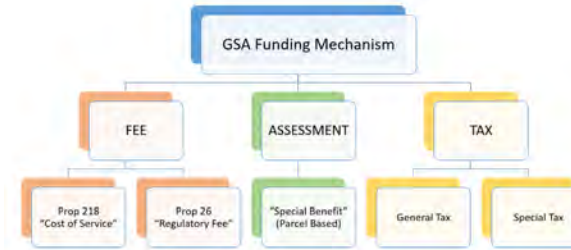
SGMA Compliance Beyond the Five-Year Projection

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	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Responding to DWR Comments on GSP		x					x														
GSP Five-Year Updates						x						x									x
Grant Writing																					
Grant Writing																					



Slide 25

Available Options for Long Term Funding



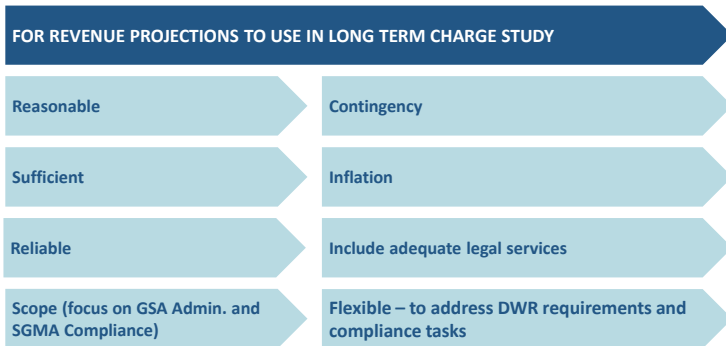
Prop. 218 is most common GSA charge method to date. Includes customer notification and protest vote process.



- 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.

Slide 26

Approach for Developing Charge



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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

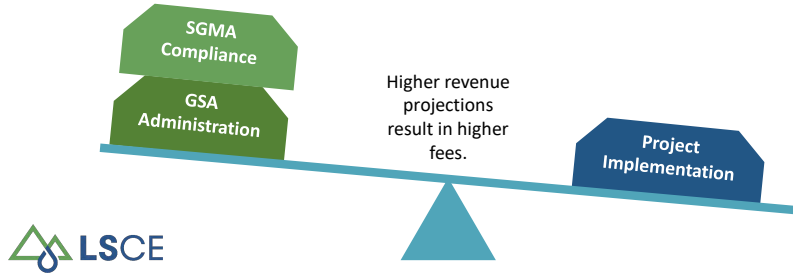


Slide 28

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



Slide 29

Charge Options To Evaluate

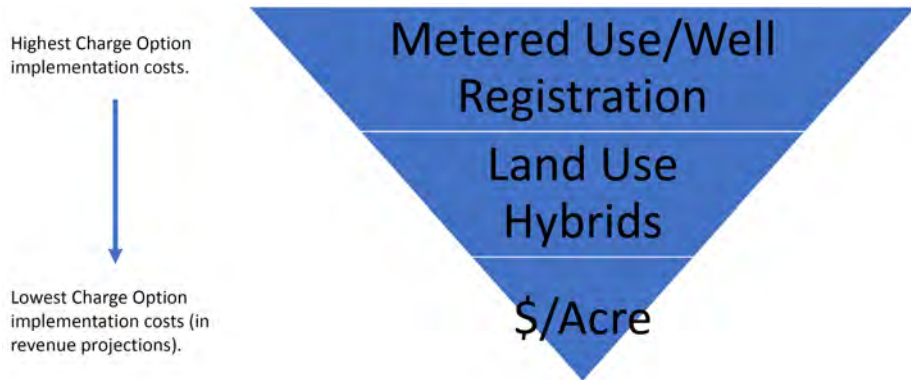
Examples of Potential Options	Notes
Charge per Acre, for parcels subject to the charge within the GSA service area	Most common charge structure
Hybrid Land Use Approach	Would include both irrigated and non-irrigated lands
Other options? <i>Offer your suggestions today!</i>	
Charge per Acre-foot of groundwater 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.



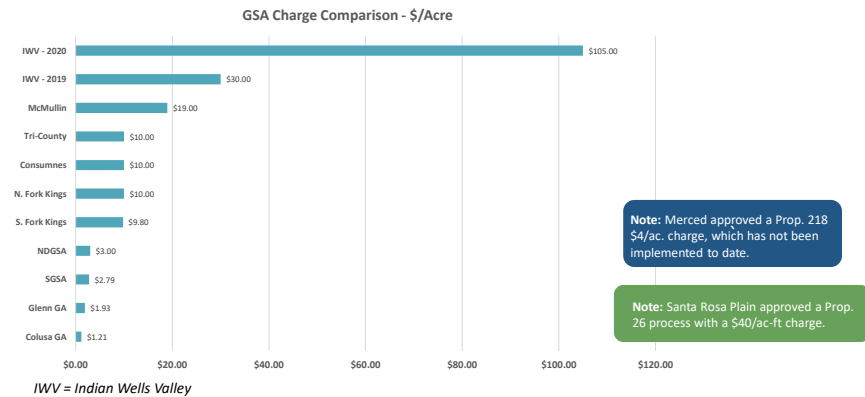
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Example Charge Option



Slide 31

Comparing Approaches Across the State



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



Slide 32

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!



Slide 33

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!



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Question and Answer Session

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.



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



Vina Subbasin – Public Workshop
March 28, 2023

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Vina Subbasin – Public Workshop
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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)



Vina Subbasin – Public Workshop
March 28, 2023

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DRAFT | TECHNICAL MEMORANDUM

DATE: April 07, 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
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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

GSAs 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 define 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 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	181,435	181,435	181,435	181,435	181,435
Proposed Total Assessment (\$/ac.)	\$2.95	\$2.70	\$2.65	\$2.78	\$2.83
Annualized Total Assessment (\$/ac.)	\$2.78	\$2.78	\$2.78	\$2.78	\$2.78

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 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.)	\$1.47	\$2.70	\$13.26	\$27.77	\$141.64
Annualized Total Assessment (\$/ac.)	\$1.39	\$2.78	\$13.91	\$27.83	\$139.13

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	181,435	181,435	181,435	181,435	181,435
Proposed Total Assessment (\$/ac.)	\$2.19	\$1.92	\$1.85	\$2.78	\$2.83
Annualized Total Assessment (\$/ac.)	\$2.31	\$2.31	\$2.31	\$2.31	\$2.31

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 Funding Option Basis					
	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	\$349,543
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 (\$)	\$185,182	\$158,085	\$147,604	\$147,604	\$142,956
Total Non-Irrigated GSA Net Assessable Acres	84,328	84,328	84,328	84,328	84,328
Proposed Total Non-Irrigated Assessment (\$/ac.)	\$2.20	\$1.87	\$1.75	\$1.75	\$1.70
Annualized Total Non-Irrigated Assessment (\$/ac.)	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85

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.)	\$1.10	\$1.87	\$8.75	\$17.50	\$84.76
Annualized Total Assessment (\$/ac.)	\$0.93	\$1.85	\$9.27	\$18.53	\$92.67

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 Board of Directors considers approving the Uniform and Irrigated/Non-irrigated charge options in the Fee Report to be approved at the May 2023 Board meeting.

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.

Ms. Kamie Loeser

April 7, 2023

Page 19

- 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:

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)

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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: 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.

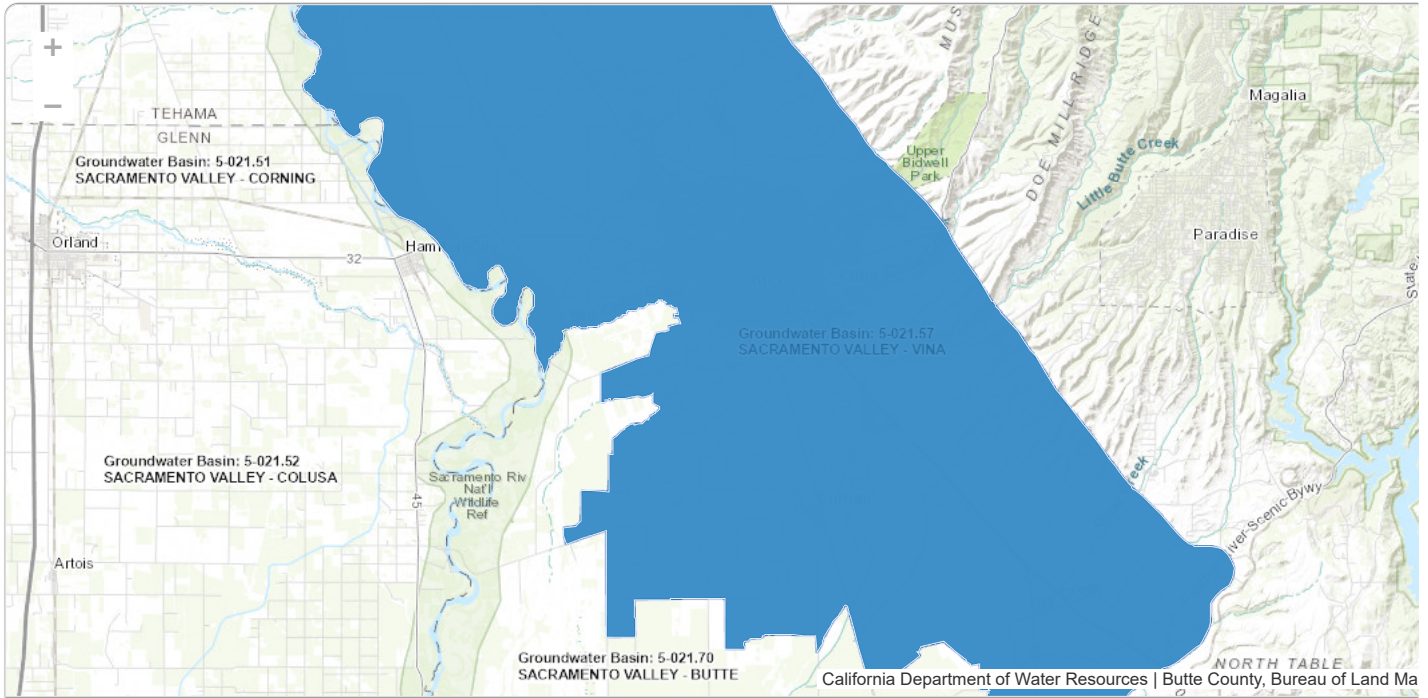
5. **BUSINESS FROM THE FLOOR**

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

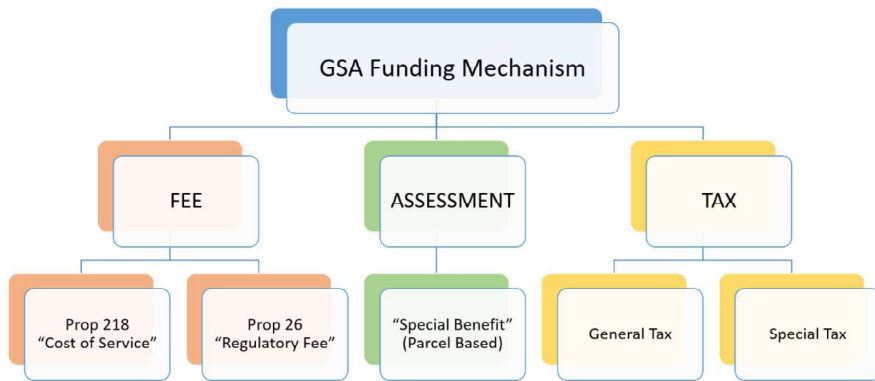
Proposition 218

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

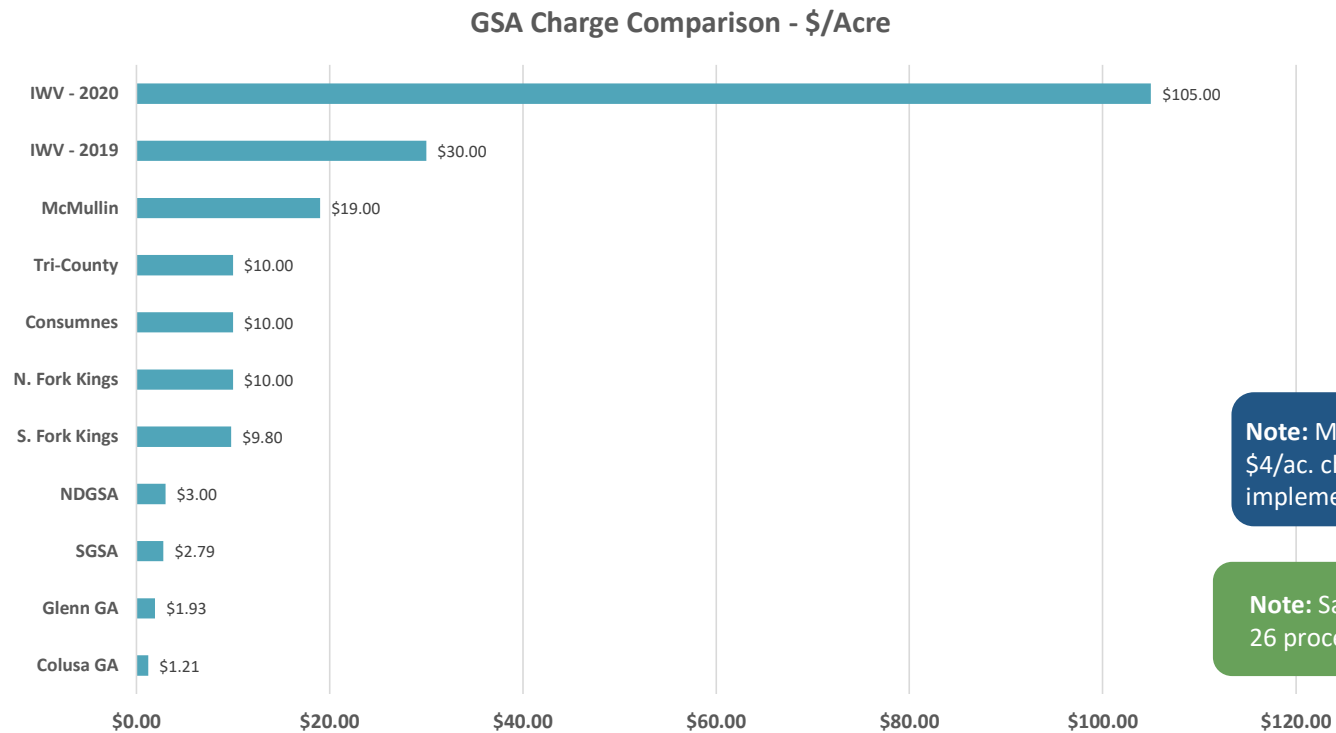
Prop. 218 radically changes the way in which local governments raise revenues by ensuring taxpayer approval of charges and increases to existing charges. Voters are also given the ability to repeal or reduce charges by voter initiative.

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



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 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