



Vina Groundwater Sustainability Agency

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

Agenda Prepared: 7/21/2023

Agenda Posted: 7/21/2023

Prior to: 5:30 p.m.

Board Members:

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

VINA GROUNDWATER SUSTAINABILITY AGENCY ADJOURNED REGULAR BOARD MEETING

Meeting Agenda

JULY 26, 2023, 5:30 P.M.

Chico City Council Chamber, 421 Main Street, Chico CA

IN PERSON AND ONLINE MEETING VIA ZOOM FOR VIEWING ONLY

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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

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
ADJOURNED REGULAR MEETING AGENDA
JULY 26, 2023**

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

1.1. Call to Order - Chair Tuchinsky

1.2. Roll Call

2. CONSENT AGENDA: NONE

3. ITEMS REMOVED FROM CONSENT: NONE

4. PUBLIC COMMENTS:

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.

5. NOTICED PUBLIC HEARINGS:

5.1 FINAL PROTEST HEARING AND CERTIFICATION OF THE PROPOSITION 218 PROTEST PROCEEDINGS FOR THE PROPOSED VINA GSA OPERATIONS FEE.

The Vina Groundwater Sustainability Agency (Vina GSA) seeks to establish a long-term fee to fund the ongoing GSA Administration, Groundwater Sustainability Plan (GSP) implementation, and SGMA compliance and reporting requirements. The Vina GSA Board conducted the Proposition 218 process, which included public outreach and landowner noticing, and will now conduct the final protest hearing and protest count required for approving a property-based fee.

RECOMMENDATION: that the Vina GSA Board

1. Conduct the scheduled public hearing to receive protests and public comments on the proposed fee.
2. Count all valid protests received prior to and during the public hearing.

6. REGULAR AGENDA:

6.1. CONSIDERATION OF A RESOLUTION CERTIFYING THE PROPOSITION 218 MAJORITY PROTEST PROCESS.

After the protest count, the Board will consider a resolution to certify the results of the majority protest vote.

RECOMMENDATION: Adoption of the following resolution:

RESOLUTION NO 03-23 CERTIFYING THE RESULTS OF A PROPOSITION 218 MAJORITY PROTEST PROCEEDING AND BASIS FOR SETTING THE VINA GSA OPERATIONS FEE

6.2. CONSIDERATION OF A RESOLUTION TO ADOPT THE 2023-24 OPERATING BUDGET FOR THE VINA GSA.

The Board will review and consider the proposed budget for the Vina GSA operations and SGMA compliance activities for the 2023-24 fiscal year.

RECOMMENDATION: Adopt the following resolution approving the 2023-24 operations budget for the Vina GSA.

RESOLUTION NO 04-23 APPROVING THE FISCAL YEAR 2023-24 ANNUAL OPERATIONS BUDGET

6.3. CONSIDERATION OF A RESOLUTION TO ESTABLISH AND COLLECT A FEE FOR VINA GSA OPERATIONS.

If there is not a majority protest, the Vina GSA Board met the Proposition 218 requirements for approving a property-based fee and will consider a resolution to establish and collect a GSA operations fee for fiscal year 2023-24.

RECOMMENDATION: Adopt the following resolution establishing a Vina GSA Operations fee for the fiscal year 2023-24.

RESOLUTION NO.05-23 SETTING THE 2023-24 VINA GSA OPERATIONS FEE AND REQUEST OF BUTTE COUNTY TO COLLECT THE FEE ON THE 2024 TAX ROLL.

6.4. CONSIDERATION OF A RESOLUTION CERTIFYING THE LEGAL PROCESS TO PLACE THE VINA GSA OPERATIONS FEE ON THE TAX ROLL.

If a Vina GSA operations fee is approved by the Board, the Board will also approve a resolution to Butte County certifying that the Vina GSA took the appropriate and valid legal process to comply with Proposition 218 and special assessment requirements.

RECOMMENDATION: Approve the proposed Butte County resolution 06-23 to implement the fees approved by the Board for FY23-24 for the August 10, 2023 County Tax Roll.

A RESOLUTION OF THE VINA GROUNDWATER SUSTAINABILITY AGENCY CERTIFYING TO THE COUNTY OF BUTTE THE VALIDITY OF THE LEGAL PROCESS USED TO PLACE DIRECT ASSESSMENTS (SPECIAL ASSESSMENTS) ON THE SECURED TAX ROLL.

7. COMMUNICATIONS AND REPORTS - NONE

8. ADJOURNMENT:

The Vina GSA Board meeting will adjourn to a Vina GSA Board Meeting on **August 28, 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 note this meeting is not on the regular second Wednesday of the month.*



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
Agenda Transmittal

Agenda Item: 5.1 & 6.1

Subject: Conduct Public Hearing: Vina GSA Property Related Fee.

Contact: Kamie Loeser

Phone:

Meeting Date: 7/26/23

Regular Agenda

Department Summary:

The Vina Groundwater Sustainability Agency (Vina GSA) is establishing a long-term fee to fund the ongoing GSA administration, GSP implementation activities, and SGMA compliance and reporting requirements. The Board directed staff to follow the Proposition 218 process for establishing long-term fees with the following actions:

- 1) Approval of the Vina GSA Fee Report at the May 10, 2023, Board Meeting including recommended long-term fees.
- 2) Approval of Proposition 218 Notice for distribution to landowners in the Vina GSA service area subject to fees.
- 3) Setting of public hearing for July 26, 2023, to receive protests prior to consideration of a proposed long-term fee.
- 4) Publishing of Notice of Public Hearing in Chico Enterprise Newspaper prior to public hearing.

The Board approved proceeding with the Uniform Fee option to pursue long term Vina GSA funding as reflected in the Final Fee Report approved by the Board on May 10, 2023. This option resulted in a maximum fee of \$3.09 per acre per year, distributing the GSA revenue needs across the Subbasin. The fee is calculated by dividing the total GSA costs by the total net assessable acreage in the Subbasin, excluding Federal and Tribal lands which are exempt from SGMA related fees, and State lands which are considered uncollectible for budget purposes. Because the Uniform Fee option is parcel based, the Board is using the Proposition 218 fee mechanism consistent with Water Code Section 10730 and the associated public process to establish the fee. Proposition 218 requires notices to be sent to all landowners subject to the fee at least 45-days prior to Board consideration of proposed fee approval. Proposition 218 Notices were mailed to all landowners subject to the proposed fee by June 9, 2023, providing for a 45-day notice period in advance of considering approval of proposed fees. The fees are subject to a majority protest vote whereby those receiving notices can submit written protest ballots voting against the proposed fees. If a majority protest vote is received, the Vina GSA cannot approve the proposed fees.

The Vina GSA provided the protest form in the Proposition 218 Notice sent to all landowners subject to the proposed fee and will count protests received at the Vina GSA PO Box (as indicated in Notice) up until July 26, 2023, plus those protests received at this public hearing. If a majority protest is not received per the protest count at the end of the public hearing, the Vina GSA Board may adopt the attached resolution certifying the majority protest process results and consider approving the proposed fees in a separate Board action (Item 6.3).

The fee applied by the Vina GSA may vary from year to year but will not exceed the maximum \$3.09 per acre per year fee amount unless an increase in the fee is approved through a subsequent Proposition 218 proceeding. This proposed fee also provides landowners and properties with immediate SGMA compliance benefits and local representation. If the GSA is unable to operate, implement the GSP, and comply with SGMA, then the GSA may be placed in a probationary status with the state and landowners would be subject to regulation and oversight by the State Water Resources Regional Control Board (SWRCB) and would be subject to higher fees.

Recommendation: That the Vina GSA Board conduct the scheduled July 26, 2023, public hearing included in the Notice.

1. Open the public hearing.
2. Receive protests and public comments and close the public hearing.
3. Count all valid protests received by the Vina GSA prior to and during the public hearing.
4. Absent a majority protest, the Vina GSA would consider approval of the attached resolution certifying the Proposition 218 Majority Protest process authorizing the Vina GSA to adopt the proposed Operations Fee following the Public Hearing.

Attachments:

Exhibit A: Prop 218 Noticing/Schedule of meetings, **Exhibit B:** Notice Mailing Affidavit, **Exhibit C:** Final Fee Report w/o Appendices, and **Exhibit D:** Resolution certifying the results of the Vina GSA Proposition 218 Majority Protest Process

EXHIBIT A - PROP 218 NOTICES/MEETING SCHEDULE

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

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

Background:

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

Basis of Proposed Fee:

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

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

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

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

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

Proposed Property Fee:

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

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

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

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

Public Hearing and Majority Protest:

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

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

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

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

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



VINA GSA PROPOSITION 218 PROTEST FORM

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

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

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

- Valid Landowner Signature(s): _____

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

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

Publish: 06/28, **RECORD**
07/05, 07/12,
07/19/2023

Legal Notices

Legal Notices

Notice of Lien Sale

Pursuant to CA. Business Code 21700, in lieu of rents due, the following units contain boxes, personal items, tools, household items, furniture, miscellaneous.

Unit #142, Unit #163 Richard Boelens Household items, furniture, personal items, boxes, & household items. Contents to be sold to the highest bidder on 07/15/2023 at closing of auction.

Sale to be held at:
The Difference Online Auction
(530) 898-8090
07/05, 07/12/2023

NOTICE OF PUBLIC HEARING

Pursuant to Water Code section 10730(b)(2) and Government Code section 6066, notice is hereby given that the Vina Groundwater Sustainability Agency will hold a public hearing on July 26, 2023, at 5:30 p.m. or as soon thereafter as may be heard, at the City of Chico City Council Chambers, 421 Main Street, Chico, CA 95928, to receive protests and consider the adoption of a new property related fee in the maximum amount of \$3.09 per acre annually for the 2024 Fiscal Year and the subsequent four fiscal years to fund the operations of the Vina Groundwater Sustainability Agency to comply with the Sustainable Groundwater Management Act of 2014.

Information regarding the proposed fee is available online at <https://www.vinagsa.org>, by calling the Vina Groundwater Sustainability Agency at (530) 552-3592, or by email at vinagsa@gmail.com.

PUBLISHED 07/12, 07/19/2023

Notice of Public Hearing For Vina GSA 7.26.23 Board Meeting.


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Legal Notices

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Vina GSA – 2023 Long Term Fee Project Schedule

Vina GSA 2023 Long Term Funding Project - Primary Milestones								
Project Tasks	Jan	Feb	Mar	Apr	May	June	July	August
VGSA Project Outreach	>>>>>>>>	>>>>>>>>	Public Workshop	>>>>>>>>	>>>>>>>>	Public Workshop	>>>>>>>>	>>>>>>>>
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 TM								
Prepare/Approve Fee Report								
Approve Proposed Fees							7/26/2023	
Tax Roll Data To Assessor								8/10/2023

B = VGSA Board Meeting





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GOVERNANCE

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[BOARD MEETINGS - DATES & AGENDAS \(/BOARD-MEETINGS\)](/BOARD-MEETINGS)

[SHAC MEETINGS - DATES & AGENDAS \(/STAKEHOLDER-ADVISORY-COMMITTEE-MEETINGS\)](/STAKEHOLDER-ADVISORY-COMMITTEE-MEETINGS)

[BOARD MEMBERS \(/BOARD-MEMBERS\)](/BOARD-MEMBERS)

[STAKEHOLDER ADVISORY COMMITTEE \(/STAKEHOLDER-ADVISORY-COMMITTEE\)](/STAKEHOLDER-ADVISORY-COMMITTEE)

[MANAGEMENT COMMITTEE \(/VINA-GSA-MANAGEMENT-COMMITTEE\)](/VINA-GSA-MANAGEMENT-COMMITTEE)

Board Meetings

The Vina GSA Board Meetings will be held both ***in-person as well as via Zoom*** beginning at 5:30 p.m. on the second Wednesday of the month, or as otherwise scheduled by the Board.

Please check the meeting calendar to verify dates and times.

Please see the Zoom Guidance for each meeting to login, access, and participate in the meeting.

In-person meetings are located at the City of Chico Council Chambers, 411 Main Street, Chico, CA 95928 beginning at 5:30 p.m. Please be sure to check the calendar for the most current meeting date, time, format/location.

[2023 \(/board-meetings?year=2023\)](/board-meetings?year=2023)

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DEC

13
2023

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11
2023

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JUL
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July 26, 2023 Board Meeting

Board Meeting

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2023 Long Term Fee Project Discussed

JUN
14
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Board Meeting

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2023 Long Term Fee Project Discussed

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AND MAY 18 Board Meeting

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2023

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FEB

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2023

Board Meeting

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(/2023-02-08-board-meeting)

JAN

11

2023

Board Meeting

The January Vina GSA Board meeting is cancelled. The next regular meeting will be held at 5:30 p.m. on February 8, 2023.

(/2023-01-11-board-meeting)

- [Cancellation_Notice-Vina GSA_1-11-23 Meeting.pdf](#)
(/ les/d56c428d6/Cancellation_Notice-Vina+GSA_1-11-23+Meeting.pdf)

[READ MORE » \(/2023-01-11-BOARD-MEETING\)](#)

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Funding the Vina GSA

What's My Fee?

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



Interactive Mapping Tool

Fee Report

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

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

Technical Memorandum

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

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

Vina GSA Notice of Public Hearing to Adopt Proposed Fee

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

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

Vina GSA Long-term Funding

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

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

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

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

Funding from 2019 to 2022

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

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

Public Outreach

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

Meetings and Workshops

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

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

Past Workshops

GSA FEE INFORMATIONAL WORKSHOP - JUNE 14, 2023

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

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

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

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

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

VINA GSA FUNDING WORKSHOP – MAY 25, 2022

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

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

VINA

GROUNDWATER SUSTAINABILITY AGENCY

Proposition 218 Final Fee Report

June 2023



ACKNOWLEDGEMENTS

Vina GSA Board of Directors

Butte County, Board of Supervisors:

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

City of Chico, City Council:

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

Durham Irrigation District, Board Directors:

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

Agricultural Well User Stakeholder:

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

Non-Agricultural Domestic Well User Stakeholder:

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

The Vina GSA Stakeholders Advisory Committee (SHAC)

Board has appointed 7 at-large members:

Agricultural Groundwater Users (3):

- Greg Sohnrey
- Samantha Lewis
- Joanne Parsley

Domestic Well Users (2):

- Anne Dawson
- Sam Goepf

Environmental Representative (1):

- Jim Brobeck

Business Association Representative (1):

- Bruce Smith

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

Cal Water Chico (1):

- Evan Markey

CSU, Chico:

- Todd Greene

Butte College:

- Chris Madden

Vina GSA Member Agency Staff

Kamie Loeser, Director, Department of Water & Resource Conservation

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

Consultant Assistance: Luhdorff and Scalmanini Consulting Engineers (LSCE)

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LIST OF ACROYNMS AND ABBREVIATIONS

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

SECTION 1: INTRODUCTION AND SUMMARY

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

VINA SUBBASIN

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

VINA GROUNDWATER SUSTAINABILITY AGENCY

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

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

Vina GSA Stakeholder Advisory Committee Information (over)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Proposition 218 Process – Stakeholder Outreach

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

SECTION 2: REPORT PURPOSE

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

Sustainable Groundwater Management Act

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

Table 2-1: SGMA Legislation Primary Effect Descriptions

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

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

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

Vina GSA's Authority to Levy Assessments

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

VINA GSA Member Agencies

Membership:

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

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

Table 2-2: DWR Vina Subbasin – GSA Delineations

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

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

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

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

State Intervention Alternative

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

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

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

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

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

Proposition 218 Requirements

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

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

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

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

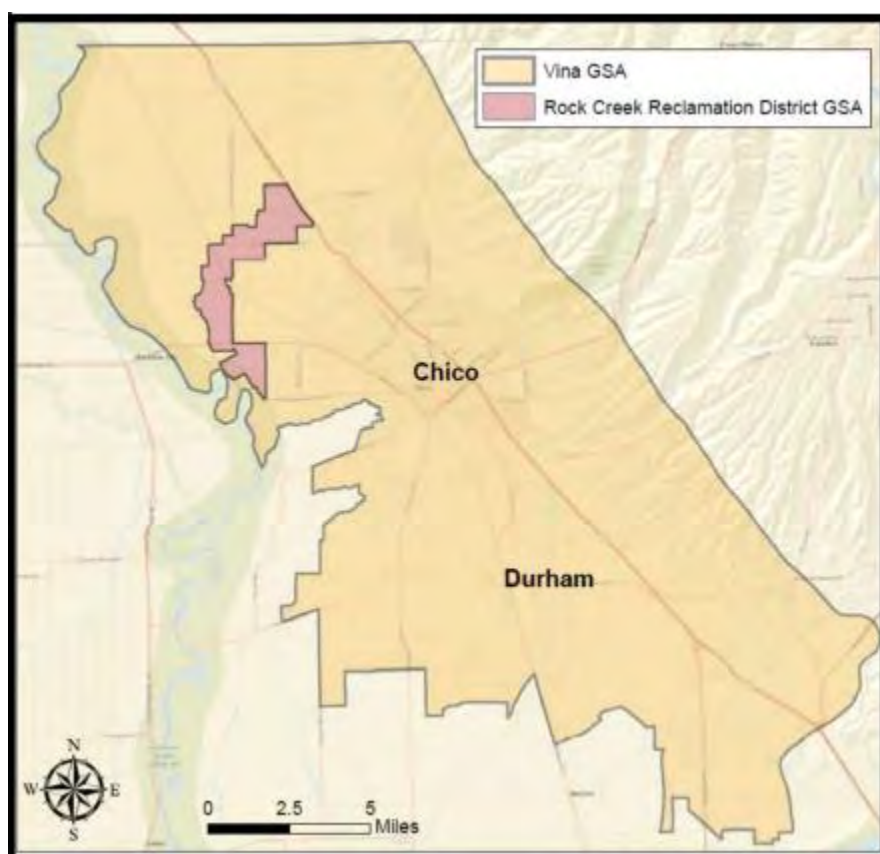
This Report is limited to the proposed assessments to fund the Vina GSA's annual operations and to comply with the requirements of the SGMA legislation forecast over the next five years. The Vina GSA will monitor DWR SGMA compliance requirements and policy direction to achieve SGMA compliance for its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

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

SECTION 3: VINA GSA BACKGROUND INFORMATION

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

Figure 3-1: VINA GSA Subbasin Service Area Boundaries



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

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

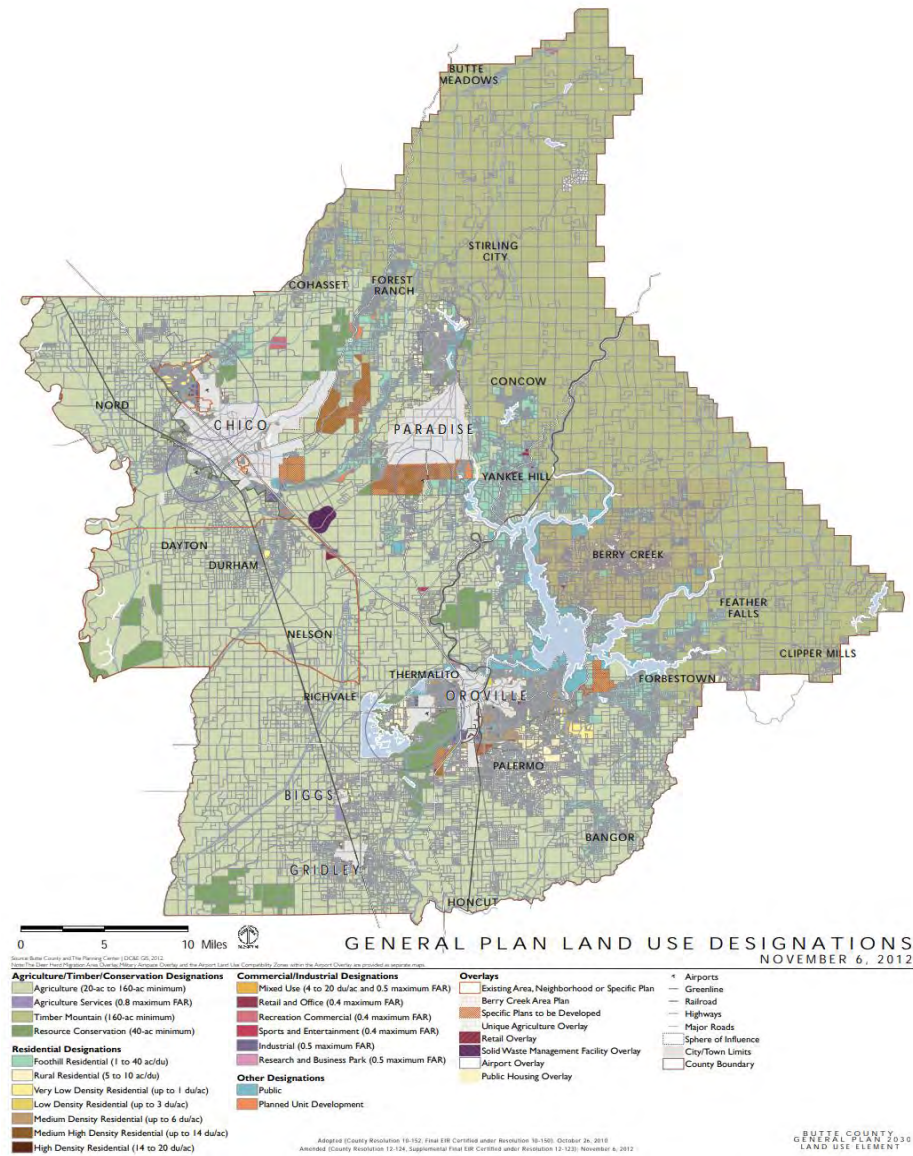
VINA GSA Service Area Climate Description

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

VINA GSA Service Area Demographics Description

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

Figure 3-2: Butte County Region Land Use Map



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

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

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

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

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

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

VINA GSA Service Area – Single GSA Governance Approach

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

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

SECTION 4: VINA GSA FINANCIAL INFORMATION

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

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

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

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

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

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

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

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

VINA GSA Operational Budget Overview

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

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

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

SECTION 5: VINA GSA MANAGEMENT BENEFITS

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

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

Table 5-1. Acreage Subject to VINA GSA Fee

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

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

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

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

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

SECTION 6: VINA GSA PROPOSED FEES

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

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

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

Table 6-1. Recommended VINA GSA Fees

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

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

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

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

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

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

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

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

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

VINA GSA Service Area – Assessment Roll

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

VINA GSA Conclusion

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

SECTION 7: VINA GSA IMPLEMENTATION PROCEDURES

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

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

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

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

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

SECTION 8: VINA GSA REFERENCES

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

Vina Subbasin Groundwater Sustainability Agency

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

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

California Department of Water Resources

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

2014 Sustainable Groundwater Management Act (including Fee related provisions)

California Department of Water Resources

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

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

Vina County Crop Report

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

Vina Subbasin – 2022 Groundwater Sustainability Plan

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

Department of Water Resources Disadvantaged Communities Mapping Tool

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

Proposition 218, Local Agency Guidelines for Compliance, 2007 Update

Association of California Water Agencies

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

League of California Cities

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

EXHIBIT D - PROP 218 CERTIFICATION

VINA GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 03-23

**RESOLUTION CERTIFYING THE RESULTS OF A PROPOSITION 218 MAJORITY PROTEST
PROCEEDING AND BASIS FOR SETTING THE VINA GSA OPERATIONS FEE**

WHEREAS the Vina Groundwater Sustainability Agency (VGSA) is authorized to establish an operations fee by Water Code Section 10730; and

WHEREAS Article XIID Section 6, the State of California's Constitution (Proposition 218) requires that public agencies place establishment of certain fees before voters in what is defined as a “majority protest” election and hearing; and,

WHEREAS on July 26, 2023, the VGSA, in accordance with the provisions of Proposition 218 and Resolution No. 03-23, held a properly noticed “Majority Protest” hearing regarding the VGSA’s proposed “Operations Fee”; and,

WHEREAS in accordance with the provisions of Proposition 218, the VGSA solicited landowner comment on the proposed Operations Fee before considering fee approval; and,

WHEREAS in accordance with the provisions of Proposition 218, the VGSA accepted written protests regarding the proposed Operations Fee until the conclusion of the public hearing.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE VINA GROUNDWATER SUSTAINABILITY AGENCY does hereby resolve, declare and order as follows:

- 1) The VGSA Board having reviewed the reported results of the written protests provided to it by its consultant, does hereby certify ___ written protests were submitted by affected landowners out of a possible number of 35,422.
- 2) Having reviewed the above results, the Board hereby certifies and affirms that there were not a sufficient number of written protests filed to reach the required “Majority Protest” threshold.
- 3) Therefore, in accordance with those certified results, the Board does hereby affirm that the Operations Fee may be adopted at this meeting as a subsequent action item on this meeting agenda.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the VINA GROUNDWATER SUSTAINABILITY AGENCY this 26th day of July 2023.

VGSA Board of Directors Meeting Date: July 26, 2023, Meeting Packet.

AYES:

NOES:

ABSENT:

ABSTAIN:

CERTIFICATE OF RESOLUTION

We, the undersigned, hereby certify as follows:

1. That we are the Chair and Secretary of the VINA GROUNDWATER SUSTAINABILITY AGENCY; and
2. That the foregoing resolution, consisting of 2 pages, including this page, is a true and correct copy of a resolution of the Board of Directors of the Vina Groundwater Sustainability Agency, passed at the meeting of the Board of Directors held on July 26, 2023, at the City of Chico City Council Chambers, 421 Main Street, Chico, CA 95928.

IN WITNESS WHEREOF, we have signed this certificate this 26th day of July 2023, at Chico, California.

_____ Evan Tuchinsky, Chair of the Board of Directors

_____ Linda Herman, Secretary



Vina
Groundwater Sustainability Agency
Agenda Transmittal

Agenda Item: 6.2

Subject: Consider approval of recommended Vina GSA FY23-24 Annual Operations Budget.

Contact: Kamie Loeser

Phone:

Meeting Date: 7/26/23

Regular Agenda

Department Summary:

The Vina Groundwater Sustainability Agency (Vina GSA) is establishing a long-term fee to fund the ongoing GSA administration, Groundwater Sustainability Plan (GSP) implementation activities, and Sustainable Groundwater Management Act (SGMA) compliance and reporting requirements. The Board approved updated five-year revenue projections in the approved 2023 Final Fee Report which included the following items:

- 1) GSA Administration costs.
- 2) GSP Implementation and SGMA Compliance costs.

The GSA Administration costs reflect the most cost-effective governance approach approved by the Vina GSA Board with a Program Manager to be hired by and housed in the Butte County Department of Water and Resource Conservation. The GSA Program Manager would oversee the long term Vina GSA operations. In addition, litigation services are included in the budget because the GSA is currently faced with litigation. If legal challenges can be avoided in the future the Vina GSA Board would have lower GSA costs and corresponding GSA fees to meet its long-term funding needs.

The GSA's GSP implementation and SGMA compliance costs reflect the primary activities that the GSA will have to address to achieve SGMA compliance over the upcoming five-year period. This includes Annual Reporting to DWR regarding groundwater conditions, 2027 GSP Five-Year Update, GSA coordination (intra and inter-basin), maintaining functional GSA operations, completing updated surface-groundwater interaction modeling, updating and maintaining a data management system, conducting future financial planning and pursuit of additional grant funds to cover future GSA costs and projects.

The Vina GSA Board will annually review its GSA operational revenues and expenses and determine if any future adjustments to GSA fees may be necessary. However, fees would not exceed the maximum fee included in the Proposition 218 Notice. Staff expects to receive SGMA implementation grant funds (exact amount and timing of grants is not confirmed at this time) that could provide the GSA Board with budget flexibility and facilitate fee adjustments for the Vina GSA FY24-25 budget process. If DWR grant funds are approved it should be noted that grant funds cannot cover GSA operations costs, only eligible GSP implementation and SGMA compliance costs. The Vina GSA FY23-24 budget reflects the most cost-effective way to achieve SGMA compliance and maintain local control over its groundwater resources without any regulation and oversight by the State Water Resources Regional Control Board (SWRCB).

Recommendation: That the Vina GSA Board approve the recommended FY23-24 Operations Budget.

1. Approve Vina GSA FY23-24 Operations Budget (Exhibit B).

Attachments:

Exhibit A: Vina GSA Five-Year Revenue Projections

Exhibit B: Vina GSA FY23-24 Operations Budget (both with and without DWR SGMA grants)

Resolution approving Vina GSA FY23-24 Annual Operations Budget

Exhibit A: VGSA Five-Year Revenue Projections, VGSA 7.26.23 Board Meeting, Item 6.2

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. 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	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Contingency (10%)	\$32,075	\$26,775	\$24,725	\$24,725	\$24,725
GSA Admin. Sub-total	\$352,825	\$294,525	\$271,975	\$271,975	\$271,975
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)	\$352,825	\$303,361	\$288,294	\$301,892	\$315,491
TOTAL VGSA SGMA Compliance (w/inflation adjustment)	\$186,300	\$191,889	\$197,478	\$206,793	\$203,580
TOTAL VGSA Operational Budget	\$539,125	\$495,250	\$485,772	\$508,685	\$519,071

Exhibit B: VGSA Five-Year Revenue Projections, VGSA 7.26.23 Board Meeting, Item 6.2

VINA GROUNDWATER SUSTAINABILITY AGENCY FY23-24 Annual Operations Budget (w/No DWR Grants)					
REVENUES	Budget	Actual	\$ Actual To Date	\$ Remaining	% Completed
Proposition 218 Landowner Fees	\$524,379				
Proposition 218 Fee Agreements	\$14,291				
DWR SGMA Round 2 Grant Funding					
Interest	\$455				
TOTAL REVENUES	\$539,125	\$0	\$0	\$0	0.00%
EXPENSES	Budget	Actual	\$ Actual To Date	\$ Remaining	% Completed
Cost Category-GSA Admin.					
<u>Professional Services - Admin.</u>					
Auditor	\$5,000				
Financial Services	\$2,500				
Legal Services	\$50,000				
Program Manager (w/County management)	\$110,000				
Professional Services - Admin. Sub-total	\$167,500	\$0	\$0	\$0	0.00%
<u>Office Expense</u>					
Bank Fees	\$250				
Insurance	\$2,000				
Outreach (per education and outreach plan)	\$10,000				
Website	\$2,000				
Supplies	\$5,000				
Office Expense Sub-total	\$19,250	\$0	\$0	\$0	0.00%
Professional Services - GSP Implementation	\$25,000				
Legal Defense Reserve	\$100,000				
County Tax Roll Fee Support	\$9,000				
Contingency (10%)	\$32,075				
GSA Admin. Sub-total	\$352,825	\$0	\$0	\$0	0.00%
Cost Category-SGMA Compliance					
Annual Reporting (with continued DWR monitoring)	\$40,000				
Five Year GSP Update w/Modeling Calibrations	\$50,000				
Surface-GW Interaction Modeling	\$25,000				
GSA Coordination & Outreach (w/in and between GSAs)	\$30,000				
Data Management System Maintenance	\$5,000				
Long Term Financial Planning/Fees	\$12,500				
Grant Procurement	\$10,000				
Contingency (8%)	\$13,800				
SGMA Compliance Sub-Total	\$186,300	\$0	\$0	\$0	0.00%
TOTAL EXPENSES	\$539,125	\$0	\$0	\$0	%
Surplus (Deficit)	\$0	\$0	\$0	\$0	%

**VINA GROUNDWATER SUSTAINABILITY AGENCY
FY23-24 Annual Operations Budget (w/DWR Grants)**

REVENUES	Budget	Actual	\$ Actual To Date	\$ Remaining	% Completed
Proposition 218 Landowner Fees	\$386,782				
Proposition 218 Fee Agreements	\$14,291				
DWR SGMA Round 2 Grant Funding					
Interest	\$352				
TOTAL REVENUES	\$401,425	\$0	\$0	\$0	0.00%
EXPENSES	Budget	Actual	\$ Actual To Date	\$ Remaining	% Completed
Cost Category-GSA Admin.					
<u>Professional Services - Admin.</u>					
Auditor	\$5,000				
Financial Services	\$2,500				
Legal Services	\$50,000				
Program Manager (w/County management)	\$110,000				
Professional Services - Admin. Sub-total	\$167,500	\$0	\$0	\$0	0.00%
<u>Office Expense</u>					
Bank Fees	\$250				
Insurance	\$2,000				
Outreach (per education and outreach plan)	\$10,000				
Website	\$2,000				
Supplies	\$5,000				
Office Expense Sub-total	\$19,250	\$0	\$0	\$0	0.00%
Professional Services - GSP Implementation	\$25,000				
Legal Defense Reserve	\$100,000				
County Tax Roll Fee Support	\$9,000				
Contingency (10%)	\$32,075				
GSA Admin. Sub-total	\$352,825	\$0	\$0	\$0	0.00%
Cost Category-SGMA Compliance					
Annual Reporting (with continued DWR monitoring)	\$0				
Five Year GSP Update w/Modeling Calibrations	\$0				
Surface-GW Interaction Modeling	\$0				
GSA Coordination & Outreach (w/in and between GSAs)	\$30,000				
Data Management System Maintenance	\$5,000				
Long Term Financial Planning/Fees	\$0				
Grant Procurement	\$10,000				
Contingency (8%)	\$3,600				
SGMA Compliance Sub-Total	\$48,600	\$0	\$0	\$0	0.00%
TOTAL EXPENSES	\$401,425	\$0	\$0	\$0	%
Surplus (Deficit)	\$0	\$0	\$0	\$0	%

VINA GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 04-23

RESOLUTION APPROVING THE FISCAL YEAR 2023-24 ANNUAL OPERATIONS BUDGET

WHEREAS the County of Butte, City of Chico, and the Durham Irrigation District entered into a Joint Powers Agreement (JPA) in 2019 to form the Vina Groundwater Sustainability Agency (Vina GSA) pursuant to Water Code sections 10721, and 10723; and

WHEREAS the Vina GSA was formed to provide sustainable groundwater management to the Vina Subbasin in compliance with the Sustainable Groundwater Management Act (SGMA); and

WHEREAS section 15.2 of the JPA provides the Vina GSA authority to develop and adopt annual budgets which estimate the cost of operating the Vina GSA pursuant to SGMA and the JPA; and

WHEREAS section 9.3 of the JPA requires a supermajority vote to approve the annual budget; and

WHEREAS based on an independent professional Fee Report, the Vina GSA adopted a five-year fee revenue projection on May 10, 2023; and

WHEREAS the proposed annual budget in Attachment A is based on the five-year revenue projection study and an economical approach to covering the Vina GSA projections of revenue, staff expenses, consultant expenses, office expenses, legal costs, and groundwater management related expenses.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE VINA GROUNDWATER SUSTAINABILITY AGENCY does hereby resolve, declare and order as follows:

- 1) The above recitals are correct and the Vina GSA Board so finds and determines.
- 2) The Vina GSA 2023-24 annual budget attached hereto as Attachment A is hereby adopted.
- 3) Funding for the annual budget will be achieved through collection of a property related fee separately authorized and adopted by the Vina GSA.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the VINA GROUNDWATER SUSTAINABILITY AGENCY this 26th day of July 2023.

Vina GSA Board of Directors Meeting Date: July 26, 2023, Meeting Packet.

AYES:

NOES:

ABSENT:

ABSTAIN:

CERTIFICATE OF RESOLUTION

We, the undersigned, hereby certify as follows:

1. That we are the Chair and Secretary of the VINA GROUNDWATER SUSTAINABILITY AGENCY; and
2. That the foregoing resolution is a true and correct copy of a resolution of the Board of Directors of the Vina Groundwater Sustainability Agency, passed at the meeting of the Board of Directors held on July 26, 2023, at the City of Chico City Council Chambers, 421 Main Street, Chico, CA 95928.

IN WITNESS WHEREOF, we have signed this certificate this 26th day of July 2023, at Chico, California.

_____ Evan Tuchinsky, Chair of the Board of Directors

_____ Linda Herman, Secretary



Vina
Groundwater Sustainability Agency
Agenda Transmittal

Agenda Item: 6.3

Subject: Consider adopting resolution to set Vina GSA FY23-24 fee.

Contact: Kamie Loeser

Phone:

Meeting Date: 7/26/23

Regular Agenda

Department Summary:

The Vina Groundwater Sustainability Agency (Vina GSA) is establishing a long-term fee to fund the ongoing GSA administration, GSP implementation activities, and SGMA compliance and reporting requirements. The Vina GSA Board has met the Proposition 218 requirements associated with approving a property-based fee through implementation of the following actions:

- 1) Approved the Vina GSA Fee Report at the May 10, 2023, Board Meeting including recommended long-term fees.
- 2) Distributed the Proposition 218 Notice to landowners in the Vina GSA service area subject to fees.
- 3) Published a Notice of Public Hearing in the Chico Enterprise Record Newspaper prior to the public hearing.
- 4) Conducted a noticed public hearing and received and counted protests upon closing the public hearing.
- 5) Approved the FY23-24 Operations Budget to be funded by the fees.

The Board has prepared the FY23-24 Operations Budget which will allow the Vina GSA to achieve immediate SGMA compliance benefits for landowners subject to the fee. The Vina GSA will be operating with a low-cost business model with a GSA Program Manager to be housed within the Butte County Department of Water and Resource Conservation overseeing GSA operations, implementation of the GSP, and ensuring SGMA compliance for all landowners within the Subbasin. The Board would be approving the Uniform Fee option to meet the long-term funding needs of the Vina GSA as reflected in the Final Fee Report approved by the Vina GSA Board on May 10, 2023. The Board plans to adjust fees during subsequent Fiscal Years based on DWR grant funds that offset eligible GSP implementation and SGMA compliance costs. It is anticipated that the DWR funding agreement will be in place by or prior to the first quarter of 2024. Grant reimbursements for eligible expenses can then begin to offset GSP implementation and SGMA compliance costs.

The Vina GSA conducted public outreach as part of establishing a long-term fee including development of a Fact Sheet and Frequently Asked Questions document, conducted five Board meetings where the fee was discussed, two stakeholder advisory committee meetings, and two special workshops held during the fee development process. In addition, email notifications were provided to those who are signed up on the GSA's and County email lists. The public outreach materials and information are available on the Vina GSA website.

It is recommended that the Vina GSA set the fee for FY23-24 at the \$3.09 per acre per year based on distributing the GSA revenue needs across the Subbasin on a per acre basis. The five-year revenue projections indicate that year 1 (FY23-24) has the highest revenue needs for the Vina GSA establishing the maximum fee of \$3.09 per acre per year. Subsequent years are expected to have lower fees based on lower annual revenue projections and expected DWR grant funding benefits in subsequent fiscal years. The Vina GSA Board will review the annual revenues and expenses on a regular basis and can adjust fees as prudent if they do not exceed the maximum fee stated in the Proposition 218 Notice circulated to landowners subject to the fees. If a majority protest vote has not succeeded, the Vina GSA can certify the majority protest process and approve the proposed fee.

The Vina GSA will continue to evaluate fee options and update fees in the future as more information becomes known through the GSP implementation process. In addition, the Vina GSA will continue to work to resolve legal challenges that can result in higher long-term fees for landowners. The fees will provide landowners and properties with immediate SGMA compliance benefits and local representation for substantially lower costs than if no GSA was formed. If no GSA was formed, the landowners would be subject to regulation and oversight by the State Water Resources Regional Control Board (SWRCB) and would be subject to higher fees.

(continued on next page)

Recommendation: That the Vina GSA Board approve the proposed Operations Fee based on the following actions.

1. Approval of the Final Fee Report including recommended long-term fees and Proposition 218 Notice.
2. Certifying the Proposition 218 Majority Protest process through approval of Resolution No. 03-23.
3. Approving the FY23-24 Vina GSA Annual Operations Budget through approval of Resolution No. 04-23.
4. Compliance with Proposition 218 requirements pertaining to property-based assessments.

Attachments:

Exhibit A: Resolution approving Vina GSA FY23-24 Fee

VINA GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 05-23

**RESOLUTION SETTING THE 2023-24 VINA GSA OPERATIONS FEE AND
REQUEST OF COUNTY TO COLLECT THE FEE ON THE 2024 TAX ROLL**

WHEREAS On July 26, 2023, the Vina Groundwater Sustainability Agency (Vina GSA) adopted Resolution No. 2023-02 titled “Resolution Certifying the Results of a Proposition 218 Majority Protest Proceeding”; and

WHEREAS the maximum operations fee is set at \$3.09 per acre and the Vina GSA will set the 2023-24 Vina GSA Operations Fee at \$_____ per acre; and

WHEREAS the Vina GSA requests Butte County (County) to collect on the County tax rolls the fee validly adopted pursuant to this Resolution 05-23 and in order to be placed on the Butte County Tax Roll for fiscal year 2023/2024, the direct charge packet must be submitted to the County of Butte Auditor-Controller by August 10, 2023. ; and

WHEREAS the County has required as a condition of the collection of said charges that the Authority warrant the legality of said fees and defend and indemnify the County from any challenge to the legality thereof.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE VINA GROUNDWATER SUSTAINABILITY AGENCY does hereby resolve, declare and order as follows:

1. The Vina GSA requests the Auditor-Controller of the County collect the property-related fees of \$_____ per acre on the County tax rolls.
2. The Vina GSA warrants and certifies the fees imposed by the Vina GSA, which are requested to be collected by the County on the 2023/24 Secured Property Tax bill, comply with all requirements of state law, including but not limited to the requirements of Proposition 218 including Articles XIII C and XIII D of the California Constitution.
3. The Vina GSA agrees to defend, indemnify, and hold harmless the County, the Board of Supervisors, the Auditor-Controller, its officers, agents and employees (the “Indemnified Parties”) from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out whether the requirements of Proposition 218 and other state laws were met with respect to the imposition of fees by the Vina GSA.
4. The Vina GSA authorizes its agent to attest to the direct charge levies after verification and approval. The Vina GSA agrees to the cost of direct charges and to the statutory and procedural terms for collection on the tax.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the VINA GROUNDWATER SUSTAINABILITY AGENCY this 26th day of July 2023.

Vina GSA Board of Directors Meeting Date: July 26, 2023, Meeting Packet.

AYES:

NOES:

ABSENT:

ABSTAIN:

CERTIFICATE OF RESOLUTION

We, the undersigned, hereby certify as follows:

1. That we are the Chair and Secretary of the VINA GROUNDWATER SUSTAINABILITY AGENCY; and
2. That the foregoing resolution, consisting of 2 pages, including this page, is a true and correct copy of a resolution of the Board of Directors of the Vina Subbasin Groundwater Sustainability Agency, passed at the meeting of the Board of Directors held on July 26, 2023, at the City of Chico City Council Chambers, 421 Main Street, Chico, CA 95928.

IN WITNESS WHEREOF, we have signed this certificate this 26th day of July 2023, at Chico, California.

_____ Evan Tuchinsky, Chair of the Board of Directors

_____ Linda Herman, Secretary



Vina
Groundwater Sustainability Agency
Agenda Transmittal

Agenda Item: 6.4

Subject: Consider adopting resolution to allow implementation of Vina GSA FY23-24 fee on County Fee Roll.

Contact: Kamie Loeser

Phone:

Meeting Date: 7/26/23

Regular Agenda

Department Summary:

The Vina Groundwater Sustainability Agency (Vina GSA) is establishing a fee to fund the ongoing GSA administration, GSP implementation activities, and SGMA compliance and reporting requirements. The Vina GSA Board has met the Proposition 218 and State Water Code requirements associated with approving a property-based fee to be implemented for the FY23-24 period. The proposed fee would be implemented through the Butte County Assessor's Office which requires the Vina GSA to approve the attached resolution.

The attached resolution would authorize the Program Manager for the Vina GSA to serve as the authorized representative to implement the required documentation and information to the County Assessor's Office in a timely manner upon approval of a VGSA long term fee for FY23-24. The County Assessor's Office requires an application and associated submittals (including approval of the attached resolution) be submitted to their Office by the August 10, 2023, assessor fee roll deadline. All new fees must complete the necessary documentation to establish new fees that are collecting revenues through the County property fee assessment process. Once fees are established, they may be amended at any time based on actions by the Vina GSA Board. The Program Manager is authorized to facilitate implementation of the approved Vina GSA fees for FY23-24 only.

Recommendation: That the Vina GSA Board approve the proposed Butte County Tax Roll resolution to establish fees approved by the Board for FY23-24 on the August 10, 2023, County fee roll.

Attachments:

Exhibit A: Resolution approving use of Butte County Fee Roll for Vina GSA FY23-24 Fee

VINA GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 06-23

A RESOLUTION OF THE VINA GROUNDWATER SUSTAINABILITY AGENCY CERTIFYING TO THE COUNTY OF BUTTE THE VALIDITY OF THE LEGAL PROCESS USED TO PLACE DIRECT ASSESSMENTS (SPECIAL ASSESSMENTS) ON THE SECURED TAX ROLL.

WHEREAS, the notices and election for special assessment fees for the purpose of achieving compliance with the Sustainable Groundwater Management Act of 2014 requirements to be included on the regular County property tax bill for property owners of the Vina Groundwater Sustainability Agency (Vina GSA) was completed on July 26, 2023; and

WHEREAS, the Vina GSA is placing the special assessments on the Butte County secured property tax roll for collection; and

WHEREAS, the Vina GSA has complied with all laws pertaining to the levy of the special Assessments, including Proposition 218, to be collected per State Code 10730; and

WHEREAS, the assessment is being levied without regard to property valuation of the properties involved; and

WHEREAS, the Vina GSA agrees that it shall be solely liable and responsible, and will defend and hold the County of Butte harmless from any liability as a result of claims or claims for refunds and related interest due filed by taxpayers against any assessments, fees, charges or taxes placed on the roll for the Vina GSA by the County; and

NOW THEREFORE BE IT RESOLVED by the Vina Groundwater Sustainability Agency that the list submitted with parcel numbers and amount are certified as being correct, the Vina Groundwater Sustainability Program Manager is hereby authorized to sign any documents required and directed to give the list to the Butte County Auditor on behalf of the District for placement on the secured tax roll for collection:

1. Prop 218 or Compliance Certification and Hold Harmless Statement
2. Property Tax Data Bill Form
3. Authority to Approve Direct Assessment Charges
4. Parcel Listing

UPON MOTION OF THE VINA GROUNDWATER SUSTAINABILITY BOARD MEMBER _____, SECONDED BY BOARD MEMBER _____, THE FOLLOWING WAS ADOPTED BY THE BOARD OF THE VINA GROUNDWATER SUSTAINABILITY AGENCY, AT AN OFFICIAL MEETING HELD ON JULY 26, 2023, BY THE FOLLOWING VOTE:

AYES:

NOS:

ABSTAIN:

ABSENT:

ATTEST: _____
SECRETARY OF THE BOARD