Cosumnes Groundwater Authority

Draft Fee Structures

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Presentation Goals

- Provide the Board with high-level estimates of potential rates
- Solicit feedback from the Board on a preference of methodology going forward
- Discuss any other relevant preferences the Board has pertaining to fee structure

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Update on Progress

- SCI team is developing the database that will be used to inform the fee methodology
- CGA Staff has provided a draft budget through fiscal year 2026-27
  - Draft budget adapted from GSP based on recent Board discussions
- Today's draft fee structures reflect this draft budget and the database as they stand today
  - Both will be honed and refined in the coming months

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Cosumnes Groundwater Authority

Draft Budget

Draft Long Term Cosumnes Groundwater Authority Expenses

Activity	FY23-24	FY24-25	FY25-26	FY26-27 (GSP Year 5)
Regulatory and Operational Expenses				
Funding Exploration	$ 35,000	$ 35,000	$ 35,000	$ 35,000
Monitoring	$ 30,000	$ 30,000	$ 30,000	$ 30,000
Data Management System	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Public Outreach	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Legal	$ 30,000	$ 30,000	$ 30,000	$ 30,000
Financial Audit	$ 15,000	$ 15,000	$ 15,000	$ 15,000
Personnel	$ 175,000	$ 175,000	$ 175,000	$ 175,000
Data Gaps	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Annual Report	$ 48,000	$ 48,000	$ 48,000	$ 48,000
5-Year Update	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Address State Comments	$ 50,000	$ -	$ -	$ -
Post-GSP Fee Establishment	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Misc.	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Contingency	$ 15,000	$ 15,000	$ 15,000	$ 15,000
Regulatory and Operational Expenses Totals	**$ 528,000**	**$ 478,000**	**$ 478,000**	**$ 478,000**
Projects and Management Actions Expenses				
Supply Augmentation	$ 300,000	$ 300,000	$ 300,000	$ 300,000
Demand Management	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Other PMAs	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Projects and Managemnet Actions Expenses T	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**

Total Estimated Expenses	FY23-24	FY24-25	FY25-26	FY26-27 (GSP Year 5)
Regulatory and Operational Expenses	$ 528,000	$ 478,000	$ 478,000	$ 478,000
Projects and Management Actions Expenses	$ 600,000	$ 600,000	$ 600,000	$ 600,000
Total Estimated Expenses	**$ 1,128,000**	**$ 1,078,000**	**$ 1,078,000**	**$ 1,078,000**

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Data

- Irrigated acreage is estimated using LandIQ's 2019 dataset
- Estimated pumping is derived from the CoSANA Model
  - Model uncertainty is +/- 20%, we are working to refine this data
- Data will be applied at the parcel level in the coming months

Source Data

FY 23-24 Revenue Need: $1,128,000

Total Irrigated Acreage Estimate: 50,525

Total Estimated Extraction Estimate: 110,625 AF

Total Parcels: 19,522

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Draft Rate Structures

Irrigated Acreage

Estimated Extraction

Hybrid

(Using Irrigated Acres or Estimated Extraction)

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Irrigated Acreage

- Attributes a GW use based on irrigated acreage **per parcel**
- Same approach as current fee program

Revenue Requirement ($$) / Irrigated Acres	=	Rate	*Parcels Charged Based on Irrigated Acres*

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Irrigated Acreage

$1,128,000 / *50,525 Irrigated Acres*	=	*$22.33*

Source Data

- FY 23-24 Draft Revenue Need: $1,128,000
- Draft Irrigated Acreage: 50,525

Examples

Parcel with *no* Irrigated acres
Acreage Fee: $0*

Parcel with 2 Irrigated acres
Acreage Fee: $45

Parcel with 10 Irrigated acres
Acreage Fee: $223

Parcel with 100 Irrigated acres
Acreage Fee: $2,233

*Note: Residential GW users could potentially be charged a minimal fee

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Irrigated Acreage: Pros and Cons

Advantages:

- Simpler:
  - Easier to convey to public
  - Easier to update
- Familiarity (fee structure already in place)

Challenges:

- Potentially less equitable
- Different crop types charged the same
- Standard irrigated acreage methodology does not account for residential use*

*Note: Residential GW users not captured in current fee structure could be assigned a minimal fee in an updated irrigated acreage methodology

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Estimated Extraction

- Attributes a GW use based on estimated AF extracted **per parcel**

$$\frac{\text{Revenue Requirement (\$\$)}}{\text{Acre Feet Pumped}} = \text{Rate}$$

Parcels Charged Based on Allocated AF

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Estimated Extraction

$$\frac{\$1,128,000}{\$110,625 \quad AF} = \$10.20$$

Source Data

FY 23-24 Draft Revenue Need: $1,128,000

Draft Estimated Extraction: 110,625 AF

Examples

Parcel using .5 AF
Acreage Fee: $5

Parcel using 4 AF
Acreage Fee: $41

Parcel Using 10 AF
Acreage Fee: $102

Parcel using 200 AF
Acreage Fee: $2,039

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Estimated Extraction: Pros and Cons

Advantages:

- Equitable
  - More pumping = Higher fee
  - Crop dependent
- Credit for surface / recycled water use

Challenges:

- Requires multiple datasets; availability of updated data varies
  - Crop mapping/land use
  - Crop usage rates
  - Surface water use
  - Recycled water use
  - Public water system boundaries
  - Assessor use codes
  - Rural residential & urban well pumping
- More complex; more difficult to convey to public
- Incomplete well location data
- Limited extraction data available
  - Extraction must be modeled
- Appeals
  - More data = more challenges

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Hybrid Model

- Blend of a broad parcel fee and either irrigated acreage fee *or* estimated extraction fee
- Charges placed on Direct GW users ***and*** all Subbasin parcels
- Utilize DWR Priority Point Allocation to assign portions of GSP implementation costs to two buckets:
  - → **Direct GW users**
  - → **All parcels within Subbasin**

Example Breakdown of Priority Point Allocation

	Criteria	All Parcels	GW Users
1	Population	X	
2	Population Growth	X	
3	# Public Supply Wells	X	X
4	Total # Wells		X
5	Irrigated Acres		X
6	Reliance on GW	X	X
7	Basin Impacts	X	X
8	Habitat	X	

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Hybrid Model

Example Priority Point Allocation Breakdown

	Criteria	DWR Score	All Parcels	GW Users
1	Population	1	1	
2	Population Growth	2	2	
3	# Public Supply Wells	2	1.5	0.5
4	Total # Wells	3		3
5	Irrigated Acres	3		3
6	Reliance on GW	4.5	1	3.5
7	Basin Impacts	2	0.5	1.5
8	Habitat	2	2	
	TOTALS	19.5	8	11.5
	Percentage		**41.0%**	**59.0%**

Budget	All Parcels	GW Users
$1,128,000	$462,769.23	$665,230.77

Note: Priority Point Allocation subject to Board Input

Rate Scenarios

$\frac{\$462,769.23}{19,522 \text{ Parcels}} = \$23.71$ *Parcel Fee*

Plus

$\frac{\$665,231}{50,525 \text{ Irrigated Acres}} = \$13.17$ *Irrigated Acreage Fee*

Or

$\frac{\$665,231}{110,625 \text{ AF}} = \$6.01$ *Estimated Extraction Fee*

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Hybrid Model

Examples: Parcel + Irrigated Acreage

Parcel with 10 Irrigated acres	
Parcel Fee:	$23.71
Acreage Fee:	$131.66
Total:	**$155.37**

Parcel with 100 Irrigated acres	
Parcel Fee:	$23.71
Acreage Fee:	$1,316.64
Total:	**$1,340.34**

Parcel with *no* Irrigated acres	
Parcel Fee:	$23.71
Acreage Fee:	$0.00
Total:	**$23.71**

Examples: Parcel Fee + Estimated Extraction

Parcel using .5 AF	
Parcel Fee:	$23.71
Extraction Fee:	$3.01
Total:	**$26.71**

Parcel Using 4 AF	
Parcel Fee:	$23.71
Extraction Fee:	$24.05
Total:	**$47.76**

Parcel Using 100 AF	
Parcel Fee:	$23.71
Extraction Fee:	$601.34
Total:	**$625.04**

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Hybrid: Pros and Cons

Advantages:

- Spreads costs out to all parcels, lessening burden on larger GW users
  - All parcels may benefit from GW sustainability

Challenges:

- Legally untested
  - SCGA implemented this, but did not charge parcels directly
- Parcel fee is flat, not proportional
  - Difficult for non-GW users to accept a fee
  - Parcels with smaller irrigated acreage would see a larger increase ($23 parcel fee)

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Cosumnes Groundwater Authority

Questions and Discussion

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Considerations Moving Forward

Budget:

- Appeals
- Grant funding

Outreach:

- Coordination of outreach messaging and community meetings

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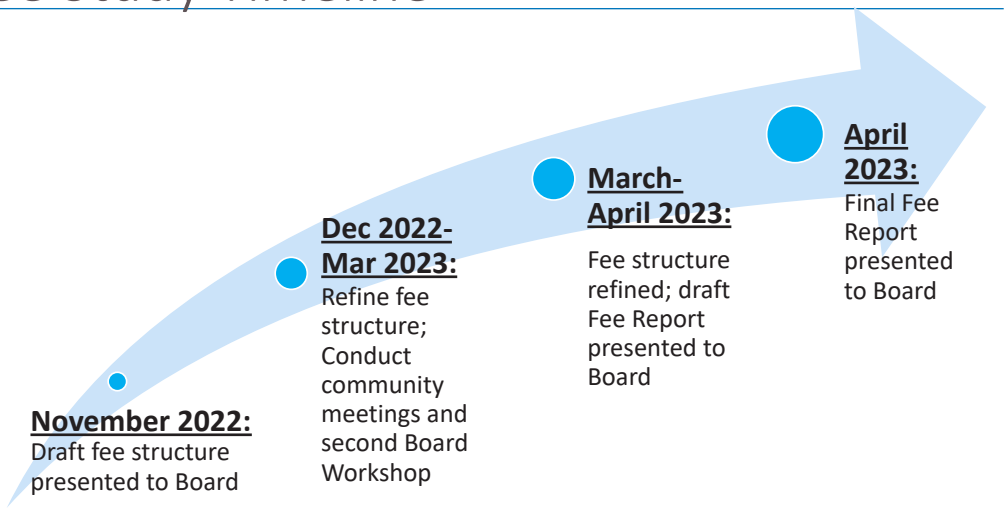
Fee Study Timeline



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