

Cosumnes Groundwater Authority

Fee Study Structure

Goals, Options and Decisions:
February 6, 2023



Board Direction Needed – Feb 2023

Budget Goals, Options and Decisions

- Budget #1: Current budget: \$477,427
- Budget #2: GSP Budget: \$1,128,000
- Budget #3: Middle Ground: \$805,000 (with assumed grant funding)

Fee Structure Goals, Options and Decisions

- “Split Fee” - Flat parcel fee + per irrigated acre fee
- “Tiered Approach” - Option for per irrigated acre fee
- Other Considerations – Public water systems; fish farms

Option 1: Current Budget

Activity	FY 22-23 Expenses (adopted June '22)
CGA Administrative	
Legal	\$ 30,000
Financial Audit	\$ 15,000
Personnel	\$ 150,000
Fee Establishment	\$ 100,000
Outreach & Engagement	\$ 1,427
Misc.	\$ 3,000
Appeals	\$ -
Contingency	\$ 10,000
Annual Report	\$ 48,000
Monitoring	\$ 30,000
DMS	\$ 10,000
Responding to State Comments	\$ -
CGA Admin SubTotal	\$ 397,427
Projects	
Data Gaps	\$ 25,000
Technical Support	\$ -
Funding Exploration	\$ 35,000
Other PMAs / Up Front Grant Costs	\$ 20,000
GSP Update	\$ -
Demand Management	
Supply Augmentation	
Projects SubTotal	\$ 80,000
Grand Total	\$ 477,427

Budget #1: Overview

Budget Needs	
Administrative Budget	\$397,427
Projects Budget	\$80,000
Total:	\$477,427

- The current rate of \$10 per irrigated acre supports this option
- Split fee and tiered approach may not be worthwhile in this case
- Minimal project funding included

Option 2: GSP 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 Management Actions Expenses Totals	\$ 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

Budget #2: Flat Irrigated Acreage Rate

Flat Rate	
Full Budget - Irrigated Acreage	
$\frac{\text{Project Revenue Need}}{\text{Irrigated Acreage}} = \text{Rate Per Irr. Acre} = \frac{\$1,128,000}{50,525} = \$22.33 \text{ Per Irrigated Acre}$	

- This rate is produced by applying the entire budget amount to the number of irrigated acres, without using the split fee

Budget #2: Needs and Revenue Options Overview

Budget Needs		Revenue	
Administrative Budget:	\$528,000	Parcel Fee:	\$219,375
Projects Budget:	\$600,000	PWS:	\$25,000
		Irr. Acres Fee:	\$884,188
Total:	\$1,128,000	Total:	\$1,128,563

- As shown on the right, a parcel fee and revenue from public water system extraction could ease the burden on agricultural irrigators

Budget #2: Parcel Fee + Uniform Irrigated Acreage Rate

Annual Parcel Fee - All GW-Using Parcels							
Property Type		Parcels by County		Totals Both Counties	% of Parcels	Rate Per Parcel	Revenue
		Sacramento	Amador				
Residential	<i>Total:</i>	4,085	373	4,458	85%	\$45	\$200,610
Commercial / Industrial	<i>Total:</i>	56	6	62	1%	\$45	\$2,790
Agriculture	<i>Total:</i>	633	77	710	14%	\$22.50	\$15,975
Total, All GW Parcels:		4,774	456	5,230	100%	NA	\$219,375

Public Water Systems - Potential Revenue							
Revenue Type						Rate Per AF	Revenue
Public Water Systems						\$8	\$25,000

Irrigated Acreage Fee						
Revenue Type		Irrigated Acres by County		Totals Both Counties	Rate Per Irrigated Acre	Revenue
		Sacramento	Amador			
Irrigated Acreage Fee		45,676	4,849	50,525	\$17.50	\$884,188

Total Revenue, All Sources: \$1,128,563

Budget Needs	
Administrative Budget:	\$528,000
Projects Budget:	\$600,000
Total:	\$1,128,000

**Split fee shown as per parcel fee, altered from per acre fee shown at January Board meeting*

**Fee ranges are based on best available estimate*

Option 3: Assumed Grant Funding

Shown by Budget Category

Activity	Draft FY 23-24 Budget (no grant)	Draft FY 23-24 Budget (min grant)	Draft FY 23-24 Budget (max grant)
CGA Administrative			
Legal	\$ 30,000	\$ 30,000	\$ 30,000
Financial Audit	\$ 15,000	\$ 15,000	\$ 15,000
Personnel	\$ 175,000	\$ 175,000	\$ 175,000
Fee Establishment	\$ -	\$ -	\$ -
Outreach & Engagement	\$ 30,000	\$ 30,000	\$ 30,000
Misc.	\$ 3,000	\$ 3,000	\$ 3,000
Appeals	\$ 20,000	\$ 20,000	\$ 20,000
Contingency	\$ 10,000	\$ 10,000	\$ 10,000
Annual Report	\$ 35,000	\$ 35,000	\$ 35,000
Monitoring	\$ 30,000	\$ 30,000	\$ 30,000
DMS	\$ 15,000	\$ 15,000	\$ 15,000
Responding to State Comments	\$ -	\$ -	\$ -
CGA Admin SubTotal	\$ 363,000	\$ 363,000	\$ 363,000
Projects			
Project Management	\$ 75,000	\$ 75,000	\$ 75,000
Project Management - Grant		\$ 85,000	\$ 145,000
<i>Project Planning</i>			
Monitoring Network Improvements	\$ -	\$ 383,000	\$ 383,000
Data Gaps	\$ 25,000	\$ 25,000	\$ 25,000
Technical Support	\$ 62,000	\$ 62,000	\$ 62,000
Funding Exploration	\$ 30,000	\$ 30,000	\$ 30,000
Other PMAs / Up Front Grant Costs	\$ 200,000	\$ 200,000	\$ 200,000
GSP Update	\$ 50,000	\$ 50,000	\$ 50,000
<i>Demand Management</i>			
Conservation/Land Repurposing (non grant)	\$ -	\$ -	\$ -
Conservation Demonstration Projects	\$ -	\$ 258,333	\$ 258,333
<i>Supply Augmentation</i>			
Recharge (non grant)		\$ -	\$ -
Recharge Pilot Studies Planning	\$ -	\$ -	\$ 333,333
Recharge Well Design and Implementation	\$ -	\$ -	\$ 166,666
Projects SubTotal	\$ 442,000	\$ 1,168,333	\$ 1,728,332

Option 3: Assumed Grant Funding

Total Expenses

Category	Draft FY 23-24		Draft FY 23-24		Draft FY 23-24	
		Budget (no grant)	Budget (min grant)	Budget (max grant)		
Expenses (Admin)	\$	363,000	\$	363,000	\$	363,000
Expenses (Projects)	\$	442,000	\$	1,168,333	\$	1,728,332
EXPENSES SUBTOTAL	\$	805,000	\$	1,531,333	\$	2,091,332
Income (Members)	\$	-	\$	-	\$	-
Income (Others)	\$	-	\$	821,333	\$	1,411,332
INCOME SUBTOTAL	\$	-	\$	821,333	\$	1,411,332
Difference	\$	(805,000)	\$	(710,000)	\$	(680,000)

Budget #3: Flat Irrigated Acreage Rate

Full Budget							
Flat Rate - Irrigated Acreage							
$\frac{\text{Revenue Need}}{\text{Irrigated Acreage}}$	=	$\frac{\text{Rate Per Irr.}}{\text{Acre}}$	=	$\frac{\$805,000}{50,525}$	=	\$15.93	Per Irrigated Acre

- This rate is produced by applying the entire budget amount to the number of irrigated acres, without using the split fee

Budget #3: Needs and Revenue Options Overview

Budget Needs		Revenue	
Administrative Budget:	\$363,000	Parcel Fee:	\$219,375
Projects Budget:	\$442,000	PWS:	\$20,000
		Irr. Acres Fee:	\$568,406
Total:	\$805,000	Total:	\$807,781

- As shown on the right, a parcel fee and revenue from public water system extraction could ease the burden on agricultural irrigators

Budget #3: Parcel Fee + Uniform Irrigated Acreage Rate

Annual Parcel Fee - All GW-Using Parcels							
Property Type		Parcels by County		Totals Both Counties	% of Parcels	Rate Per Parcel	Revenue
		Sacramento	Amador				
Residential	<i>Total:</i>	4,085	373	4,458	85%	\$45	\$200,610
Commercial / Industrial	<i>Total:</i>	56	6	62	1%	\$45	\$2,790
Agriculture	<i>Total:</i>	633	77	710	14%	\$22.50	\$15,975
Total, All GW Parcels:		4,774	456	5,230	100%	NA	\$219,375

Public Water Systems - Potential Revenue							
Revenue Type						Rate Per AF	Revenue
Public Water Systems						\$5.50	\$20,000

Irrigated Acreage Fee						
Revenue Type		Irrigated Acres by County		Totals Both Counties	Rate Per Irrigated Acre	Revenue
		Sacramento	Amador			
Irrigated Acreage Fee		45,676	4,849	50,525	\$11.25	\$568,406

Total Revenue, All Sources: \$807,781

Budget Needs	
Administrative Budget:	\$363,000
Projects Budget:	\$442,000
Total:	\$805,000

* Split fee shown as per parcel fee, altered from per acre fee shown at January Board meeting

*Fee ranges are based on best available estimate and could change depending on source data

Budget #3: Split Fee Examples

"Split Fee" Parcel Fee + Irrigated Acreage Fee (\$11.25)

Flat Irrigated Acreage Rate (\$15.93)

Rural Residential with *no* Irrigated Acres

Parcel Fee: \$45
 Irrigated Acreage Fee: \$0
Total: \$45

Rural Residential with *no* Irrigated Acres

Parcel Fee: \$0
 Irrigated Acreage Fee: \$0
Total: \$0

Agricultural Parcel with 5 Irrigated Acres

Parcel Fee: \$22.50
 Irrigated Acreage Fee: \$56
Total: \$79

Agricultural Parcel with 5 Irrigated Acres

Parcel Fee: \$0.00
 Irrigated Acreage Fee: \$80
Total: \$80

Agricultural Parcel with 20 Irrigated Acres

Parcel Fee: \$22.50
 Irrigated Acreage Fee: \$225
Total: \$248

Agricultural Parcel with 20 Irrigated Acres

Parcel Fee: \$0.00
 Irrigated Acreage Fee: \$319
Total: \$319

Agricultural Parcel with 80 Irrigated Acres

Parcel Fee: \$22.50
 Irrigated Acreage Fee: \$900
Total: \$923

Agricultural Parcel with 80 Irrigated Acres

Parcel Fee: \$0.00
 Irrigated Acreage Fee: \$1,274
Total: \$1,274

Budget #3: Parcel Fee + Tiered Irrigated Acreage Rate

Annual Parcel Fee - All GW-Using Parcels							
Property Type		Parcels by County		Totals Both Counties	% of Parcels	Rate Per Parcel	Revenue
		Sacramento	Amador				
Residential	<i>Total:</i>	4,085	373	4,458	85%	\$45	\$200,610
Commercial / Industrial	<i>Total:</i>	56	6	62	1%	\$45	\$2,790
Agriculture	<i>Total:</i>	633	77	710	14%	\$22.50	\$15,975
Total, All GW Parcels:		4,774	456	5,230	100%	NA	\$219,375

Public Water Systems - Potential Revenue		
Revenue Type		
Public Water Systems		\$5.50
		\$20,000

Tiered Irrigated Acreage Fee					
Tiers	Applied Water	Irrigated Acres by Tier		Rate Per Irrigated Acre	Revenue
Tier 1					
<i>Vineyards; Grain and hay; Corn, sorghum or sudan; Misc. truck and field crops</i>	<= 2.5 AF/AC	31,099		\$10	\$306,014
Tier 2					
<i>Pasture; Alfalfa; Almonds; Young perennial; Walnuts; Other deciduous</i>	> 2.5 AF/AC	19,426		\$13.50	\$262,251
Subtotal, Irrigated Acreage Fee:					\$568,265
Total Revenue, All Sources:					\$807,640

Budget Needs	
Administrative Budget:	\$363,000
Projects Budget:	\$442,000
Total:	\$805,000

*Fee ranges are based on best available estimate and could change depending on source data

Budget #3: Split and Tiered Fee Examples

Tier 1	Tier 2
\$22.50 per Parcel and \$10 per Irrigated Acre	\$22.50 per Parcel and \$13.50 per Irrigated Acre
Agricultural Parcel with 3 Acres of Vineyard Parcel Fee: \$22.50 Irrigated Acreage Fee \$30 Total: \$53	Agricultural Parcel with 3 Acres of Alfalfa Parcel Fee: \$22.50 Irrigated Acreage Fee \$41 Total: \$63
Agricultural Parcel with 10 Acres of Vineyard Parcel Fee: \$22.50 Irrigated Acreage Fee \$100 Total: \$123	Agricultural Parcel with 10 Acres of Alfalfa Parcel Fee: \$22.50 Irrigated Acreage Fee \$135 Total: \$158
Agricultural Parcel with 20 Acres of Vineyard Parcel Fee: \$22.50 Irrigated Acreage Fee \$200 Total: \$223	Agricultural Parcel with 20 Acres of Alfalfa Parcel Fee: \$22.50 Irrigated Acreage Fee \$270 Total: \$293
Agricultural Parcel with 80 Acres of Vineyard Parcel Fee: \$22.50 Irrigated Acreage Fee \$800 Total: \$823	Agricultural Parcel with 80 Acres of Alfalfa Parcel Fee: \$22.50 Irrigated Acreage Fee \$1,080 Total: \$1,103

DWR Reporting and Fees

If the State were to take over the Subbasin, the following fee range would apply to all groundwater users:

DWR Reporting and Fees (For Basins Managed by the State)		
Base Filing Fee	\$300 per well	(excludes de minimis)
Unmanaged Area Rate	\$10 per AF	(excludes de minimis)
Probationary Rate	\$40 per AF	(excludes de minimis)
Interim Plan Rate	\$55 per AF	(excludes de minimis)
De Minimis Fee	\$100 per well	
Automatic late fee	25% per month	Extractors that do not file reports by annual due date

- Non-de minimis extractors would pay \$300 per well annually and between \$10 and \$55 per acre foot, and must meter wells and report to the State
- De minimis extractors would pay \$100 per well annually
- Completing the sustainability goals outlined in the Cosumnes GSP is the best way to avoid this scenario

Summary / Requested Direction

1. Preferable budget option

- Option 1: Current budget: \$477,427
- Option 2: Full GSP budget: \$1,128,000
- Option 3: Assumed grant funding: \$805,000

2. Preferable funding structure option:

- Per parcel flat rate (split fee)
 - \$45 per residential/commercial parcel, \$22.50 per agricultural parcel
- Flat rate per irrigated acre vs. tiered rate per irrigated acre

Other Considerations

- Public Water Systems
 - Could be charged on an acre foot basis according to rate
 - Use of 5-year rolling average would help to smooth rate
- Fish Farms
 - Could also be charged on acre foot basis
 - Estimation of pond size and use
- Amador County Irrigated Acreage
 - Reduction in revenue due to surface water use may raise the irrigated acreage rate overall

REVISED Fee Study Timeline

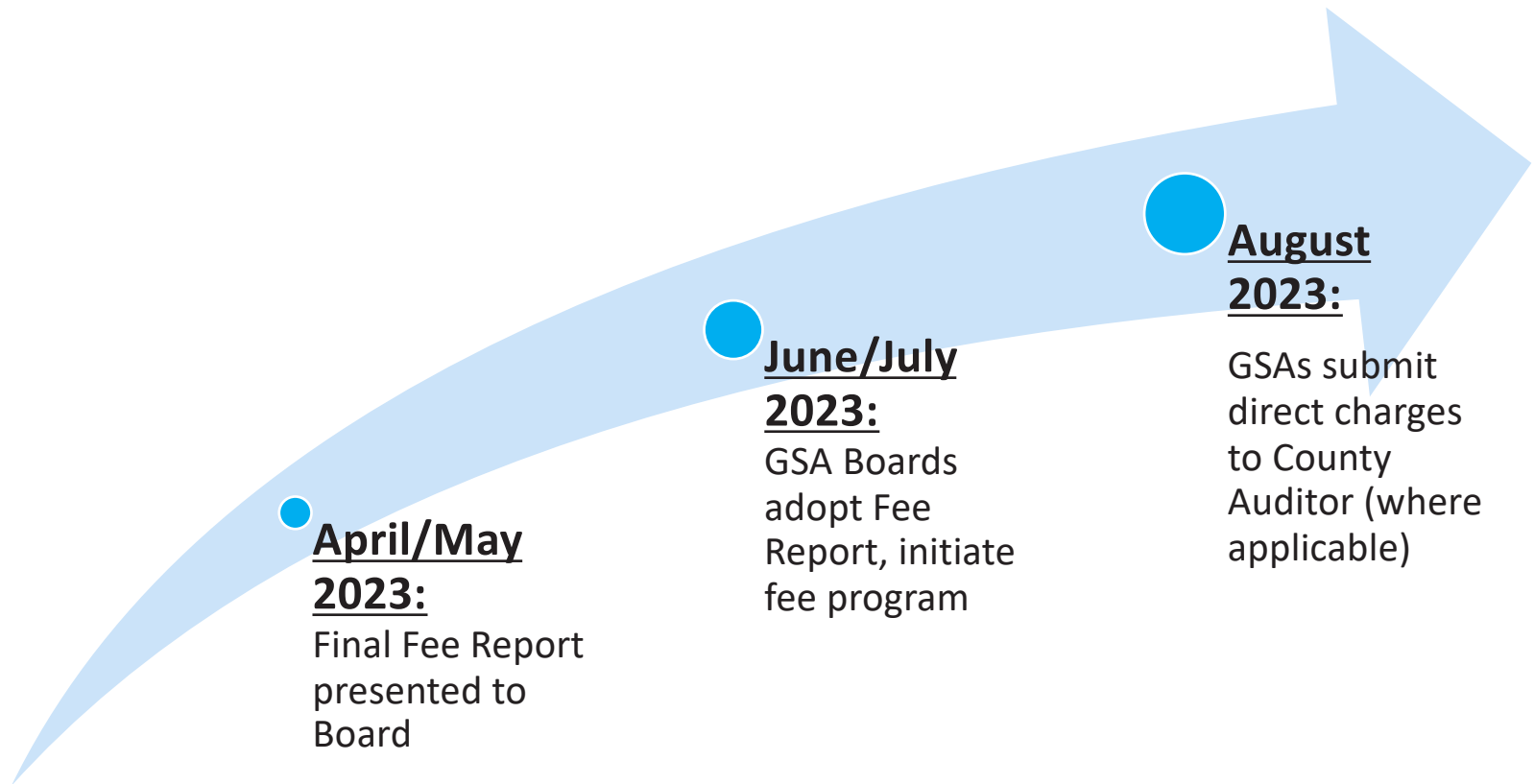
**Jan 2023-
Feb 2023:**
Board direction
on fee structure
options

**Jan 2023-
Mar 2023:**
Refine fee
structure;
Conduct
community
meetings and
second Board
Workshop

April 2023:
Draft Fee
Report
presented to
Board; Fee
structure
refined

**May
2023:**
Final Fee
Report
presented
to Board

Fee Implementation Timeline



Cosumnes Groundwater Authority

Thank You!

