



Sacramento Central Groundwater Authority
*Managing Groundwater Resources
in Central Sacramento County*

827 7th St, Rm 301
Sacramento, CA 95814

Tel: (916) 874-6934
Fax: (916) 874-5698
www.scgah2o.saccounty.net

NOTICE OF PUBLIC HEARING ON PROPOSED PROPERTY-RELATED FEE

Notice is hereby given that the Sacramento Central Groundwater Authority (“SCGA”) Board of Directors will conduct a Public Hearing on **June 22, 2021 at 6:00 PM** via Zoom (due to COVID-19 restrictions on public gatherings) to consider the adoption of a flat per parcel fee and a charge per acre-foot of groundwater use. The proposed fees are the result of a detailed budget analysis and an independent professional study prepared to determine the appropriateness of the fee amounts. The fee study report and proposed fee for each affected parcel will be available at scgah2o.saccounty.net. The Public Hearing agenda information will be available at least one week before the meeting at scgah2o.saccounty.net.

Join Zoom Meeting with Video:

<https://zoom.us/j/94905766805>

Meeting ID: 949 0576 6805

Passcode: 942875

Or Join Zoom Meeting with Phone Audio Only:

+1 669 900 9128 US (San Jose)

Meeting ID: 949 0576 6805

Passcode: 942875

Find your local number: <https://zoom.us/u/abQzlkd0U5>

WHY AM I RECEIVING THIS NOTICE?

You are receiving this notice because you are the owner of record of one or more parcels of property located within the South American Subbasin of the Sacramento Valley Groundwater Basin, in the area managed by SCGA. This notice describes the proposed fees and explains how you can participate in the fee setting process.

All owners of record and members of the public are invited to participate in the public hearing. The SCGA Board of Directors will hear and consider all testimony as well as all written protests against the proposed fees. At the close of the public hearing, the Board may adopt the new fees if written protests are not presented by a majority of identified accounts upon which the fees are to be charged.

BACKGROUND

SCGA is a Joint Powers Authority formed in 2006 to manage groundwater resources within its designated boundaries in the South American Subbasin. The Board of Directors of SCGA is composed of local public agencies, private water purveyors, and representatives for agricultural interests, agriculture-residential groundwater users, commercial/industrial self-supplied

groundwater users, conservation landowners, and self-supplied public agency groundwater users.

In September 2014, Governor Brown signed legislation requiring California's medium- and high-priority groundwater basins to be sustainably managed by local agencies called Groundwater Sustainability Agencies ("GSAs"). This legislation, known as the Sustainable Groundwater Management Act ("SGMA"), grants local agencies (cities, counties, and water districts) the authority to sustainably manage groundwater resources. In 2016, SCGA became the official GSA for its designated area within the South American Subbasin and as such is responsible for taking action deemed necessary to ensure sustainable management within this area. Sustainability is achieved through the development and implementation of a Groundwater Sustainability Plan ("GSP").

SCGA has applied for and received grants to cover much of the costs for developing a GSP. However, costs of staffing the GSA, administration of the GSP, operations, and long-term monitoring, assessment and reporting plus revenues to support the long term financial sustainability of the SCGA require additional funding to meet the State of California Department of Water Resources (DWR) compliance requirements and carry out related groundwater management actions.

WHAT'S HAPPENING?

SCGA is proposing a per parcel fee and a fee for groundwater use on a per acre-foot basis. The net impact (final result) of the proposed annual fee will vary based upon the total groundwater use associated with each parcel.

If approved, the fees will commence July 1, 2021 and be recovered on a parcel's property tax statement from the County of Sacramento Treasurer-Tax Collector.

PROPOSED FEES

The proposed fees have two components that represent the proportional benefit properties receive from SCGA:

1. An annual flat fee charge on all affected parcels, regardless of parcel size, overlying the SCGA service area.
2. A groundwater use charge dependent on the volume of groundwater used by each parcel.

The proposed fees would be adopted for a period of five years effective July 1, 2021. The table below shows the proposed fees. If adopted, the SCGA Board of Directors reserves the right to implement fees lower than those noticed, if financially prudent. The SCGA Board of Directors does not have the right to levy fees greater than those noticed without re-noticing affected parcels and adopting new fees.

Proposed Groundwater Fees				
	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024
Parcel Charge - \$/Parcel/Year	\$2.75	\$2.80	\$2.85	\$2.91
Groundwater Charge - \$/AF	\$3.74	\$3.81	\$3.88	\$3.94

HOW WAS THIS CALCULATED?

SCGA has completed a review of parcels and estimated groundwater use per parcel. The fees proposed herein were developed through a comprehensive fee study that is available for review at SCGA’s website at: <https://www.scgah2o.saccounty.net>.

Agriculture Parcels: The estimated groundwater use is based on the USDA information for water use by crop type. A five-year average, based on land use data for 2016-2020, was determined for each parcel and will be used for setting the annual charge.

Agricultural-residential customers: A parcel charge and a groundwater charge based on two-acre-feet annually is charged. This rate is also applied to non-residential parcels with no irrigated agriculture and commercial and industrial parcels.

Urban water purveyor customers: The municipal water purveyor is funding these costs on an equivalent parcel and groundwater use basis. For urban residential parcels served by water suppliers not paying directly, one acre-foot of annual water use is charged.

BASIS OF PROPOSED FEE

SCGA is authorized by the state law (SGMA) to collect revenues sufficient to cover the costs of operating the GSA, developing a GSP and funding the activities necessary to develop and implement the GSP, including a prudent cash reserve. These revenues allow SCGA to develop and update a GSP satisfying the requirements of SGMA and ensuring sustainability of the South American Subbasin. Costs that must be recovered through fee revenue include GSA administration, professional services, monitoring and reporting on the groundwater conditions within the South American Subbasin, and evaluating the GSP every five years. By state law, SCGA may not collect more revenue than is necessary to recover the costs of providing these services.

FEE COMPARISON – STATE INTERVENTION

SCGA’s proposed fee are significantly less than fees that would otherwise be charged by the State Water Resources Control Board (SWRCB). SGMA authorizes SWRCB intervention for areas that fail to adopt and implement an adequate GSP (as determined by the Department of Water Resources). If SCGA is unable to raise funds to implement an adequate GSP, the SWRCB could designate the basin as probationary and intervene to directly manage groundwater extractions and impose fees to recoup its costs of intervention. The SWRCB’s potential fees are provided in the following table.

Fee Category	Annual Fee Amount	Applicable Parties
Base Filing Fee	\$300 per well	All extractors required to report
Unmanaged Area Rate	\$10 per acre-foot, if metered	Extractors in unmanaged areas
	\$25 per acre-foot, if unmetered	
Probationary Basin Rate	\$40 per acre-foot	Extractors in probationary basins
Interim Plan Rate	\$55 per acre-foot	Extractors in probationary basins where the Board determines an interim plan is required.
De minimis Fee	\$100 per well	Parties that extract, for domestic purposes, two acre-feet or less per year from a probationary basin, If the Board decides the extractions will likely be significant.
Late Fee	25% of total fee amount per month late	Extractors that do not file reports by the due date.

As can be seen in the above table, the State fees are substantially greater than those being proposed by SCGA. As a comparison, for an Ag-Res customer, the State fees would include the base filing fee of \$300 and the de-minimis fee of \$100 for a total annual fee of \$400. This is compared to the proposed SCGA annual groundwater charge of \$10.23. The adoption of SCGA's proposed fees will allow SCGA to provide landowners with locally-tailored and more affordable groundwater management.

DATA AVAILABILITY

For information on your specific parcel's proposed fee, visit <https://www.scgah2o.saccounty.net>. For questions, contact the SCGA at (916) 874-6934 or SCGAGWFee@saccounty.net.

NOTICE

In addition to this mailed Notice, Notice of the Public Hearing on the proposed fee is also being provided by publication and by posting on the Agency's website pursuant to Government Code section 6066 and Water Code section 10730.

PUBLIC NOTICE AND MAJORITY PROTEST

SCGA has elected to submit the proposed fees to Proposition 218 protest voting procedures. Any property owner of record subject to the proposed fees may submit a written protest against the proposed fees. If a majority of the affected property owners submit protest, the SCGA Board of Directors may not adopt the fees as proposed.

WRITTEN PROTEST

A written protest must:

1. Identify the property owner and state that the property owner opposes the proposed fees;

2. Provide the location of the identified parcel (by assessor's parcel number or street address); and

3. Include the name and signature of the property owner submitting the protest.

Written protest may be submitted by mail or in person to the SCGA office at 827 7th Street, Room 301, Attn: Groundwater Fees, Sacramento, CA 95814. During the public hearing only, written protests may also be delivered in person to 700 H Street, Sacramento, CA 95814. All written protests must be received prior to the conclusion of the public comment portion of the public hearing. Written protests received after the close of the public hearing will not be counted, even if postmarked earlier. Any protest submitted via e-mail, fax, or other electronic means will not be accepted.

The SCGA Board of Directors will hear and consider all written and oral protests to the proposed fees at the **June 22, 2021 6:00 PM** Public Hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest meeting the above criteria. Upon conclusion of the public hearing, the Board of Directors will consider adoption of the proposed fees. If written protest against the proposed fees as outlined above ***are not presented by a majority*** of property owners of the identified parcels upon which the fees are proposed to be imposed, SCGA may proceed to adopt and implement the fees at the Public Hearing.