

GGA GSA Board Meeting Long Term Funding Project Presentation

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May 8, 2023



GGA GSA 5.8.2023 Board Meeting – 2023 Long Term Funding Project Item

Item Agenda

1. Receive update on 2023 Long Term Funding Project.
2. Discuss & consider approval of Funding Options Evaluation Technical Memorandum (with any changes recommended at the meeting).
3. Provide direction on Fee Report development.

GGA GSA – Long-Term Funding Strategy

SGMA Timeline



Occurring throughout:

- Outreach & Engagement
- Monitoring & Adaptive Management
- Annual reports and 5-year updates

GGA GSA – Long Term Funding Strategy



For SGMA
Compliance



For Project
Implementation




The GSAs worked together to apply for the Round 2 DWR Groundwater Implementation grant funds in December 2022 for eligible Subbasin GSA Projects and SGMA compliance costs. DWR is expected to announce grant awards in June 2023.

GGA GSA Long Term Funding Policy Actions Recap

- Initial charges approved in 2019 to cover GSA Administration and GSP Development costs.
 - Those charges were maintained at \$1.50/ac. below the maximum charge of \$1.93/ac.
- Current charges do not cover the costs of GSP implementation and SGMA compliance.
 - Updated revenue projections require a charge increase to achieve SGMA compliance for all landowners.
- Developing updated charges through the 2023 Long Term Funding Project.
- Recommending a different charge option to allocate costs based on more detailed parcel level data.
- GGA GSA's goal is to have updated charges in place in 2023 to cover increased GSA operational costs.




GGA GSA – 2023 Long Term Fee Project Schedule

GGA GSA 2023 Long Term Funding Project - Primary Milestones								
Project Tasks	Jan	Feb	Mar	Apr	May	June	July	August
GGA GSA Project Outreach	>>>>>>>>>	>>>>>>>>>	Public Meetings (3)	>>>>>>>>>	>>>>>>>>>	>>>>>>>>>	>>>>>>>>>	>>>>>>>>>
GGA GSA Board Meetings		B	B	B	B 	B	B	
GGA GSA Ad-hoc Meetings (4)	Ad-hoc Mtg	Ad-hoc Mtg	Ad-hoc Mtg	Ad-hoc Mtg				
Project Development								
Update Revenue Projections	Develop	Draft	Final					
Evaluation Fee Options	Develop	Draft	Final					
Prepare Options TM								
Prepare/Approve Fee Report								
Approve Proposed Fees								
Tax Roll Data To Assessor								8/10/2023

B = GGA GSA Board Meeting



2023 GGA GSA Board Meeting Milestone Actions

GGA Board Meeting	Board Action Item	Project Deliverables
February 2023	Approve Five-Year Revenue Projections	Updated Five-Year Revenue Projections for GSP Implementation
March 2023	Approve Fee Options To Evaluate	Provide Fee Options and Trade-offs
May 2023 	Approve Fee Options TM	Fee Option TM
June 2023 [What's Next]	Approve Fee Report	Fee Report
July 2023	Approve Proposed Fees	Fee Approval Support
August Assessor's Office Schedule		Provide Tax Roll Data To Assessor

- GGA Board meetings conducted for each major project milestone.
- Ad-hoc Committee meetings held between Board meetings throughout the project duration.
- GGA GSA website and outreach updates provided.

Long Term GSA Fee – Development Process

Establish Revenue Needs
(Operational and Implementation Costs)

- Revenue needs – GSA operations
- Revenue needs – SGMA Compliance
- Five-year Revenue Projections – planning horizon
- Adequate for GSA to comply with SGMA
- Meet GSA financial assurance/sustainability goal

Cost Allocation

- By type – operations vs. implementation
- By Subbasin GSA – weighted by effort
- By use – weight by groundwater use
- Proportional relative to user costs and service/benefit received

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Proposed Fees/Charges

- Public notification
- Stakeholder outreach
- Public hearing and majority protest

GGA GSA – Updated Revenue Projections

GSA Admin. Sub-Total (not adjusted for inflation)

Table 1. Glenn Groundwater Authority 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%	CPI	CPI	CPI	CPI
Proposed	Year 1	Year 2	Year 3	Year 4	Year 5
Fiscal Year	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Cost Category - GSA Administration					
Administration - Contracted Services	\$170,000	\$200,000	\$220,000	\$170,000	\$170,000
Legal Services	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
CPA Audit Services - Financial	\$10,000	\$10,500	\$11,000	\$11,500	\$11,500
JPA Insurance	\$2,000	\$2,500	\$2,500	\$2,500	\$2,500
County A-87 Cost Alloc. (Bookkeeper Services)	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Professional Services	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Board Expenses	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Special Department Expenses	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Legal Notices	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
County Tax Roll Fee	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Contingency (10%)	\$40,750	\$43,850	\$45,900	\$40,950	\$40,950
GSA Administration Subtotal	\$448,250	\$482,350	\$504,900	\$450,450	\$450,450



GGA GSA – Colusa Subbasin

Long Term SGMA Compliance = Local Control

GGA GSA On-GOING SGMA COMPLIANCE REQUIREMENTS (Includes Other Sub-Tasks Not Listed Below)

Maintain a Functioning GSA
(Budget and Staffing)

Conduct Annual GW Monitoring and
reporting (each April)

SGMA
COMPLIANCE

Ongoing GSA Coordination/Outreach

Prepare/Approve 5-Year GSP Updates

Other compliance tasks may include Surface-Groundwater Interaction Modeling, Data Management System Updates and Maintenance, DWR GSP updates, Long Term Financial Planning to maintain sustainable fees, and other tasks that may be required based on SGMA policy updates and GSP implementation efforts.

GGA GSA – Updated Revenue Projections

SGMA Compliance Sub-Total (not adjusted for inflation)

Table 2. GGA GSA SGMA Compliance Cost Projections (assuming no DWR SGMA grants)					
Cost Category – SGMA Compliance	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Annual Reporting (w/DWR monitoring)	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Five Year GSP Update w/Modeling Calibrations (due 2027)	\$60,625	\$60,625	\$60,625	\$60,625	\$48,500
Surface-GW Interaction Modeling	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
GSA Coordination & Outreach (w/in and between GSAs)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Data Management System Upgrades and Maintenance	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Long Term Financial Planning/Fees	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500
Grant Procurement	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
GSP Project Implementation and Monitoring	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Contingency (8%)	\$24,650	\$24,650	\$24,650	\$24,650	\$23,680
SGMA Compliance Subtotal	\$332,775	\$332,775	\$332,775	\$332,775	\$319,680

- All items needed for SGMA Compliance based on updated revenue projections.
- Inflation adjustment not included.

GGA GSA – Updated Revenue Projections For GSP Implementation and SGMA Compliance

Assuming no
DWR SGMA
Implementation
grant funding in
2023.

Total GSA Budget Handout Available At Meeting

GGA GSA – Updated Revenue Projections

Future Potential Project Costs (2022 DWR Grant Appl.)

Adding project funding to the long-term GSA fee revenue projections will increase recommended fees.

The GSA would need to determine future priority projects and costs to be included in the fee calcs.

Rank	Name	SJV Funds Component Requirement	Readiness	Partnerships with Non-Profits, Non-Governmental Organizations (NROs), and/or Colleges/Universities	Benefactors	Cost
<i>Rank in order of importance with 1 being most important. Do not use rank # more than once each.</i>	<i>Provide a name for each proposed component.</i>	<i>Please check box if the component is eligible for SJV-funds</i>	<i>Please check if the component will be under construction by the end of 2023</i>	<i>Please list all partnering agencies that are collaborating on a component with the estimate amount of funding being provided to the nonprofit(s), NGO(s), and/or college(s)/ university (-ies)</i>	<i>Does this component benefit any of the following communities? (Check all that apply)</i>	<i>Provide a cost estimate for the total component cost. Round to nearest hundred.</i>
unranked	Component 1: Grant Agreement Administration	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/> Tribe(s) <input type="checkbox"/> URC(s) <input type="checkbox"/> SDAC(s)	\$1,373,812
1	Component 2: On-Going Monitoring, Data Gaps, and Network Enhancements	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/> Tribe(s) <input checked="" type="checkbox"/> URC(s) <input checked="" type="checkbox"/> SDAC(s)	\$2,590,000
2	Component 3: Tehama Colusa Canal Trickle Flow Recharge Project	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/> Tribe(s) <input checked="" type="checkbox"/> URC(s) <input checked="" type="checkbox"/> SDAC(s)	\$1,599,000
3	Component 4: Orland Artois Recharge Project	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/> Tribe(s) <input checked="" type="checkbox"/> URC(s) <input checked="" type="checkbox"/> SDAC(s)	\$8,000,000
4	Component 5: GSP Implementation, Outreach and Compliance Activities	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/> Tribe(s) <input checked="" type="checkbox"/> URC(s) <input checked="" type="checkbox"/> SDAC(s)	\$1,637,500
5	Component 6: Sycamore Slough Recharge Project	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/> Tribe(s) <input checked="" type="checkbox"/> URC(s) <input checked="" type="checkbox"/> SDAC(s)	\$2,000,000
6	Component 7: GGA Recharge Project	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/> Tribe(s) <input checked="" type="checkbox"/> URC(s) <input checked="" type="checkbox"/> SDAC(s)	\$2,000,000
7	Component 8: Glenn Colusa Irrigation District In-Lieu Recharge Project	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/> Tribe(s) <input checked="" type="checkbox"/> URC(s) <input checked="" type="checkbox"/> SDAC(s)	\$500,000
8	Component 9: Spring Valley Recharge Project				<input checked="" type="checkbox"/> Tribe(s) <input checked="" type="checkbox"/> URC(s) <input checked="" type="checkbox"/> SDAC(s)	\$90,000
					Total Cost:	\$19,791,312



GGA GSA Board – Long Term Fee Option To Evaluate

FEE OPTIONS TO EVALUATE (MARCH 2023 BOARD MEETING)

- Parcel (Uniform) Charge - \$/acre
- Irrigated/Non-Irrigated Charge – different \$/acre charge for irrigated vs. non-irrigated parcels (urban areas considered irrigated)
- Land Use Hybrids – additional parcel level analysis required (if feasible)

GGA GSA – Basis For Long Term Fee Options

BASED ON AVAILABLE PARCEL LEVEL DATA

- Parcel exemptions – Federal/State/Tribal (can bill State lands)
- Parcel location, size and boundaries (boundary conditions)
- Consider Land IQ 2022 parcel information
- Land use designations
- Water source (sometimes known)
- Water use (typically GSA accounts have been unmetered with no water use records available)

GGA GSA – Options Evaluation Criteria

CHARGE OPTION EVALUATION CRITERIA

- Revenue Sufficiency – Meets revenue projection targets
- Revenue Stability – over fee implementation period
- All Beneficiaries Pay – important for SGMA compliance benefit
- Equity – cost allocation
- Affordability – economic impacts
- Simplicity – easy to understand
- Administrative ease – low implementation costs
- Enforceability – potential costs for more complex fee structures
- Legality – defensible, challenge risk, potential long term legal fees

GGA GSA – Long Term Fee Option Screening Process

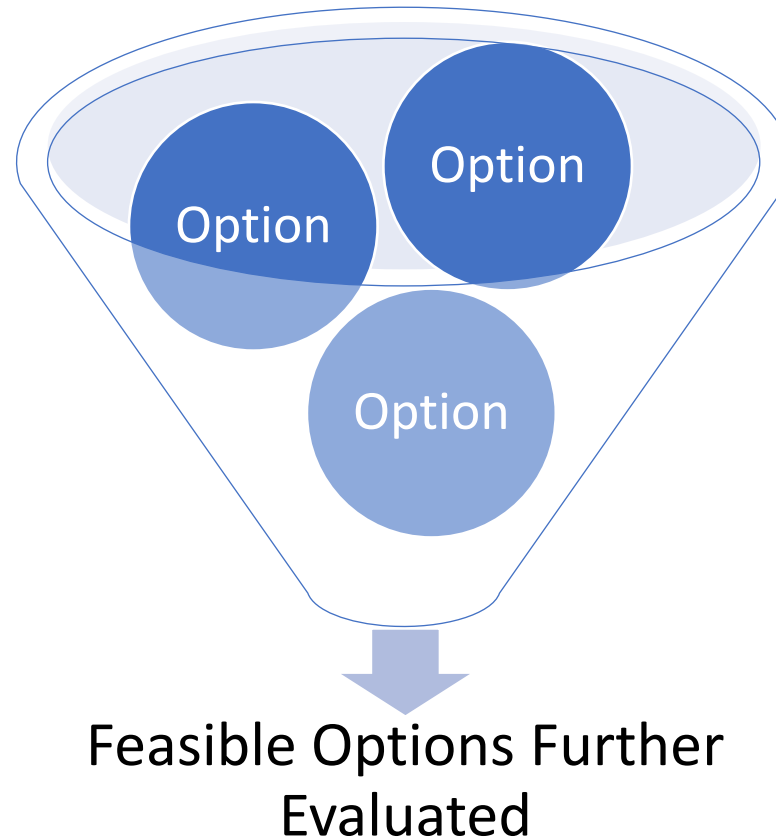
FEE OPTIONS CONSIDERED INFEASIBLE – BASED ON CHARGE EVALUATION CRITERIA

Eliminated Options Due to High Costs

Metering groundwater extractions
Well registration program and charges
Land Use Hybrids – real time ET
Local cost sharing – no funds available

And 1-2+ years project development required.

And some options require GSA to be billing collector.



GGA GSA – Long Term Fee Option Screening Process

FEE OPTIONS CONSIDERED INFEASIBLE – BASED ON CHARGE IMPLEMENTATION COSTS

Table 5. GGA GSA Funding Option Estimated Implementation Cost (\$/ac.)

Charge Option	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Irrigated/Non-Irrigated	\$0.13	\$0.14	\$0.14	\$0.15	\$0.13
Land Use Hybrid Crop Type	\$1.10	\$1.13	\$1.16	\$1.20	\$1.07
Well Registration/Permit System	\$1.14	\$1.28	\$1.41	\$1.56	\$1.02
Land Use Hybrid Crop ET	\$2.03	\$2.09	\$2.15	\$2.20	\$1.97
Metered Groundwater Extraction	\$5.36	\$5.61	\$5.85	\$6.09	\$5.12

Several of the options above would require 1-2+ years of funding option development before fees could be established (could be viable for the next charge adjustment cycle).

GGA GSA – Long Term Fee Option Evaluation

FEE OPTIONS CONSIDERED INFEASIBLE

- Groundwater Extraction Charge - \$/af-foot pumped (if metered)
- Well Registration Program and Charge - \$/well plus extraction charge
- Other Land Use Based Hybrids – real-time ET, estimated land use
- Local cost sharing – existing budgets cannot sustain GSA operations
- No Project – State Intervention (typically higher than local fees)

GGA GSA – 2023 Long Term Fee Options

FEE OPTIONS CONSIDERED FEASIBLE – UNIFORM CHARGE

- Total annual revenue needs/net assessable acreage
- Total annual revenue needs – includes inflation and contingency
- Net Assessable Acreage – Federal/State/Tribal lands excluded
- Net Assessable Acreage – minus roads/highways, etc.
- Lowest implementation costs – easy to understand and implement
- Common GSA charge method

GGA GSA – 2023 Long Term Fee Options

FEE OPTIONS CONSIDERED FEASIBLE – UNIFORM CHARGE (NO DWR GRANTS)

GGA GSA Uniform Charge Option Charge Basis	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
Total GSA Revenue Needs (\$)	\$781,025	\$815,125	\$837,675	\$783,225	\$770,130
Total GSA Net Assessable Acres	270,072	270,072	270,072	270,072	270,072
Proposed Total Charge (\$/ac)	\$2.89	\$3.02	\$3.10	\$2.90	\$2.85
Annualized Total Charge (\$/ac)	\$2.95	\$2.95	\$2.95	\$2.95	\$2.95

GGA GSA Uniform Charge Option Annual Charge Impact	0.5 Acre Parcel	1.0 Acre Parcel	5 Acre Parcel	10 Acre Parcel	50 Acre Parcel
Proposed Total Charge (\$/ac)	\$1.45	\$2.89	\$14.46	\$28.92	\$144.60
Annualized Total Charge (\$/ac)	\$1.48	\$2.95	\$14.76	\$29.53	\$147.63

FY23-24

GGA GSA – 2023 Long Term Fee Options

FEE OPTIONS CONSIDERED FEASIBLE – IRRIGATED/NON-IRRIGATED CHARGE

- Irrigated Charge = net revenues/net irrigable acreage
- Non-irrigated Charge = net revenues/net non-irrigable acreage
- Recognizes groundwater users higher % SGMA compliance costs
- Groundwater users – will determine if water balance and sustainability metrics are achieved in the Subbasin
- Higher implementation costs, more complex to implement

GGA GSA – 2023 Long Term Fee Options

FEE OPTIONS CONSIDERED FEASIBLE – IRRIGATED/NON-IRRIGATED CHARGE (NO DWR GRANTS)

GGA GSA Irrigated/Non-Irrigated Charge Option	Irrig (1)	Non-Irrig (1)	Irrig (2)	Non-Irrig (2)
Cost Allocation Summary	Parcels	Parcels	Parcels	Parcels
GSA Administration Costs	87.50%	12.50%	90%	10%
SGMA Compliance Costs	87.50%	12.50%	90%	10%

The Irrigated/Non-irrigated charge option shifts a higher cost allocation burden to irrigated parcels subject to the long-term charge who use the groundwater resource and directly influence the ability of the GSA to meet long term Subbasin water balance and sustainability metrics.

GGA GSA – 2023 Long Term Fee Options

FEE OPTIONS CONSIDERED FEASIBLE – IRRIGATED/NON-IRRIGATED CHARGE (1) (NO DWR GRANTS) – assumed 87.5/12.5% cost allocation Irrig./Non-Irrig.

GGA GSA Irrig/Non-Irrig Charge Option Irrigated Charge Basis	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
Total Irrigated GSA Revenue Needs (\$)	\$683,397	\$713,234	\$732,966	\$685,322	\$673,864
Total Irrigated GSA Net Assessable Acres	210,168	210,168	210,168	210,168	210,168
Proposed Total Irrig Charge (\$/ac)	\$3.25	\$3.39	\$3.49	\$3.26	\$3.21
Annualized Total Irrig Charge (\$/ac)	\$3.32	\$3.32	\$3.32	\$3.32	\$3.32

GGA GSA Irrig/Non-Irrig Charge Option Non-Irrigated Charge Basis	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
Total Non-Irrigated GSA Revenue Needs (\$)	\$97,628	\$101,891	\$104,709	\$97,903	\$96,266
Total Non-Irrigated GSA Net Assessable Acres	78,117	78,117	78,117	78,117	78,117
Proposed Total Non-Irrig Charge (\$/ac)	\$1.25	\$1.30	\$1.34	\$1.25	\$1.23
Annualized Total Non-Irrig Charge (\$/ac)	\$1.28	\$1.28	\$1.28	\$1.28	\$1.28

The Ad-hoc recommended cost allocation adjustment and separating the Irrigated user class into Irrigated-Surface Water and Irrigated-GW parcel groups.

GGA GSA – 2023 Long Term Fee Options

FEE OPTIONS CONSIDERED FEASIBLE – IRRIGATED/NON-IRRIGATED CHARGE (2) **(NO DWR GRANTS) – assumes 90/10% cost allocation Irrig./Non-Irrig.**

Cost Category-SGMA Compliance (Non-Irrigators)	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Annual Reporting (with continued DWR monitoring)	\$0	\$0	\$0	\$0	\$0
Five Year GSP Update w/Modeling Calibrations	\$16,428	\$16,428	\$16,428	\$16,428	\$16,428
Surface-GW Interaction Modeling	\$0	\$0	\$0	\$0	\$0
GSA Coordination & Outreach (w/in and between GSAs)	\$8,129	\$8,129	\$8,129	\$8,129	\$8,129
Data Management System Maintenance	\$0	\$0	\$0	\$0	\$0
Long Term Financial Planning/Fees	\$4,742	\$4,742	\$4,742	\$4,742	\$4,742
Grant Procurement	\$0	\$0	\$0	\$0	\$0
GSP Project Implementation and Monitoring	\$0	\$0	\$0	\$0	\$0
Contingency (8%)	\$2,344	\$2,344	\$2,344	\$2,344	\$2,344
SGMA Compliance Sub-Total Non-Irrigators	\$31,643	\$31,643	\$31,643	\$31,643	\$31,643
% Non-Irrigator SGMA Compliance Costs	10%	10%	10%	10%	10%
GSA Admin Total Annual Costs	\$448,250	\$482,350	\$504,900	\$450,450	\$450,450
Non-Irrigated GSA Admin. Cost Share (10%)	\$44,825	\$48,235	\$50,490	\$45,045	\$45,045
Total Non-Irrigated GSA and SGMA Cost Share (10%)	\$76,468	\$79,878	\$82,133	\$76,688	\$76,688

The Ad-hoc recommended cost allocation adjustment and separating the Irrigated user class into Irrigated-Surface Water and Irrigated-GW parcel groups.



GGA GSA – 2023 Long Term Fee Options

FEE OPTIONS CONSIDERED FEASIBLE – IRRIGATED/NON-IRRIGATED CHARGE (2) (NO DWR GRANTS) – assumed 90/10% cost allocation Irrig./Non-Irrig.

GGA GSA Irrig/Non-Irrig Charge Option Irrigated Charge Basis	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
Total Irrigated GSA Revenue Needs (\$)	\$702,923	\$733,613	\$753,908	\$704,903	\$693,117
Total Irrigated GSA Net Assessable Acres	210,168	210,168	210,168	210,168	210,168
Proposed Total Irrig Charge (\$/ac)	\$3.34	\$3.49	\$3.59	\$3.35	\$3.30
Annualized Total Irrig Charge (\$/ac)	\$3.41	\$3.41	\$3.41	\$3.41	\$3.41

GGA GSA Irrig/Non-Irrig Charge Option Non-Irrigated Charge Basis	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
Total Non-Irrigated GSA Revenue Needs (\$)	\$78,103	\$81,513	\$83,768	\$78,323	\$77,013
Total Non-Irrigated GSA Net Assessable Acres	78,117	78,117	78,117	78,117	78,117
Proposed Total Non-Irrig Charge (\$/ac)	\$1.00	\$1.04	\$1.07	\$1.00	\$0.99
Annualized Total Non-Irrig Charge (\$/ac)	\$1.02	\$1.02	\$1.02	\$1.02	\$1.02

The Ad-hoc recommended cost allocation adjustment and separating the Irrigated user class into Irrigated-Surface Water and Irrigated-GW parcel groups.

GGA GSA – 2023 Long Term Fee Options

FEE OPTIONS CONSIDERED FEASIBLE – IRRIGATED/NON-IRRIGATED CHARGE (2) (NO DWR GRANTS) – With Separate Irrig-SW and Irrig-GW User Classes

GGA Irrigated/Non-irrigated Charge Option Irrigated Annual Charge-SW	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
Irrigated Total Revenue Allocation	\$435,812	\$454,840	\$467,423	\$437,040	\$429,733
Irrigated Total Net Assessable Acreage	139,489	139,489	139,489	139,489	139,489
Proposed Total Charge (\$/ac)	\$3.12	\$3.26	\$3.35	\$3.13	\$3.08
Annualized Total Charge (\$/ac)	\$3.19	\$3.19	\$3.19	\$3.19	\$3.19

GGA Irrigated/Non-irrigated Charge Option Irrigated Annual Charge-GW	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
Non-Irrigated Total Revenue Allocation	\$267,111	\$278,773	\$286,485	\$267,863	\$263,384
Non-Irrigated Total Net Assessable Acreage	70,679	70,679	70,679	70,679	70,679
Proposed Total Charge (\$/ac)	\$3.78	\$3.94	\$4.05	\$3.79	\$3.73
Annualized Total Charge (\$/ac)	\$3.86	\$3.86	\$3.86	\$3.86	\$3.86

The Ad-hoc recommended that Irrig-SW should pay less than Irrig-GW because of the net recharge benefit provided by Irrig-SW users. This cost allocation can be adjusted.

GGA GSA – 2023 Long Term Fee Options

FEE OPTIONS COMPARISON – UNIFORM vs. IRRIGATED/NON-IRRIGATED CHARGE 1&2 (NO DWR GRANTS)

<u>Parcel Type</u>	<u>Uniform Charge</u>	<u>Irrig/Non-Irrig (1)</u>	<u>Irrig/Non-Irrig (2)</u>
Irrigated-SW	\$2.95/ac/year	\$3.41/ac/year	\$3.19/ac/year
Irrigated-GW	\$2.95/ac/year	\$3.41/ac/year	\$3.86/ac/year
Non-irrigated	\$2.95//ac/year	\$1.02/ac/year	\$1.02/ac/year

Irrigated/Non-irrigated shifts more of the cost burden to those that use the groundwater resource with higher implementation costs than the Uniform charge.

GGA GSA – 2023 Long Term Fee Options

FEE OPTIONS COMPARISON – UNIFORM vs. IRRIGATED/NON-IRRIGATED CHARGE (NO DWR GRANTS)

GSA Charge Options Comparison	Ease of Understanding	Ease of Implementation	Customer Equity	Additional GSA Administration	Revenue Sufficiency
Uniform Charge	1	1	2/3	1	1
Irrigated/Non-Irrig (1)	2	2	2	2	1
Irrigated/Non-Irrig (2)	2	2	1	1/2	1
Land Use Hybrid	3	3	1	3	2

Option Ranking:
1= best, 3 = lowest

GGA GSA 5.8.2023 Board Meeting – 2023 Long Term Funding Project Item

Item Agenda

1. Receive update on 2023 Long Term Funding Project.
2. Discuss & consider approval of Funding Options Evaluation Technical Memorandum (with any changes recommended at the meeting).
3. Provide direction on Charge Report development.

GGA GSA – 2023 Long Term Fee Options

FEE OPTION EVALUATION TM – NEXT STEPS

The Board can decide at this meeting to:

Approve the Fee Options Evaluation TM (with noted changes); and provide direction of preferred updated long term charge options to include in the Project Charge Report.

Charge Options:

Include the Irrigated/Non-Irrigated (1) or Irrigated/Non-irrigated (2) charge option OR include both options in the Fee Report and make a final decision on the preferred charge methodology at the June 2023 Board meeting when approving the Fee Report.

GGA GSA 5.8.2023 Board Meeting – 2023 Long Term Funding Project Item

Item Agenda

1. Receive update on 2023 Long Term Funding Project.
2. Discuss & consider approval of Funding Options Evaluation Technical Memorandum (with any changes recommended at the meeting).
3. Provide direction on Fee Report development.

GGA GSA – 2023 Long Term Fee Report

FEE REPORT – RECOMMENDED NEXT STEPS

- Prepare Fee Report With Recommended Fee Option
- Includes Maximum Fee Over Next Five Years
- Includes Proposition 218 Notice
- Includes Irrigated/Non-Irrigated GGA Policy
- Includes Board Annual Fee Review Policy
- Recommend Fee Report - Approval June 5, 2023 Board Meeting

GGA GSA Board Action – Approve Fee Options TM For Use in 2023 Fee Report

GGA GSA BOARD ACTION

- Approve the Fee Options Evaluation TM (including data updates) which recommends two long term charge options for consideration in the Fee Report process (unless one option is selected as preferred at this meeting)
 - Irrigated/Non-irrigated Charge (1) – lowest possible charge with lowest implementation costs w/2 user classes; and/or
 - Irrigated/Non-irrigated Charge (2) – higher implementation costs with more detailed parcel analysis and higher cost allocation to irrigated parcels w/3 user classes
- Develop Fee Report for approval at June 2023 Board Meeting

Charge Report – Example Principles

Revenue needs based on reasonable assessment of GSP implementation and SGMA compliance costs.

Estimated in 2022 GSP

Reviewed based on other GSA costs state-wide

Can be updated in the future

Cost allocation primarily based on SGMA compliance in GSA service area.

Considered to be an equitable approach

Based on irrigated and non-irrigated parcels in GSA service area

Can be updated as needed in the future

Establishes maximum charges that may be levied during the allowed five-year (FY23-24 through FY27-28) charge period.

Provides maximum annual charge through five-year period

(not including annual CPI index inflation factor)

Prop.218 Fees or Charges are the most common GSA implementation funding mechanism to date being used in California to comply with SGMA preserving local control.

