GLENN GROUNDWATER AUTHORITY

GROUNDWATER SUSTAINABILITY AGENCY

Final SGMA Fee Report

June 2024

Colusa Subbasin
Groundwater Sustainability Plan Implementation

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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
CGA GSA	Colusa Groundwater Authority Groundwater Sustainability Agency
Colusa Subbasin	DWR defined alluvial groundwater basin
County	County of Glenn
CPI	Consumer Price Index
DACs	Disadvantaged Communities
DWR	California Department of Water Resources
CY	Calendar Year
FY	Fiscal Year
GGA	Glenn Groundwater Authority
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
JPA	Joint Powers Agreement/Authority
LAFCO	Local Agency Formation Commission
MOU	Memorandum of Understanding
SGMA	Sustainable Groundwater Management Act (2014)
Subbasin	Colusa Subbasin
SWRCB	State Water Resources Control Board
TM	Technical Memorandum

ACKNOWLEDGEMENTS

GGA – List of Directors

GRANT CARMON	COUNTY OF GLENN	DIRECTOR
BRUCE ROUNDY	CITY OF ORLAND	DIRECTOR
GARY HANSEN (24/25 Chair)	CITY OF WILLOWS	DIRECTOR
MATT DEADMOND	GLIDE WATER DISTRICT	DIRECTOR
JOHN AMARO (24/25 Vice Chair)	GCID	DIRECTOR
CHARLES SCHONAUER	ORLAND-ARTOIS WATER DISTRICT	DIRECTOR
RANDY HANSEN	KANAWHA WATER DISTRICT	DIRECTOR
MARK LOHSE	MONROEVILLE WATER DISTRICT	DIRECTOR
GARY ENOS	PCGID/PID	DIRECTOR
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SECTION 1: INTRODUCTION AND SUMMARY

The Colusa Subbasin is comprised of the two Groundwater Sustainability Agencies (GSAs): The Colusa Groundwater Authority (CGA) governing the portion of the Subbasin within Colusa County and the Glenn Groundwater Authority (GGA) governing the portion of the Subbasin within Glenn County. The GGA is a groundwater sustainability agency (GSA) created through a Joint Powers Agreement (JPA) that was initially approved in June 2017 and amended in October 2019 (**see Appendix A**), which established the GGA as a cost-effective regional governance structure to achieve SGMA compliance and maintain local control over local groundwater resources. The GGA is the GSA responsible for compliance with the 2014 Sustainable Groundwater Management Act (SGMA) in the Glenn County portion of the Colusa Subbasin which comprises the GGA service area boundary. The GGA is comprised of the following member agencies:

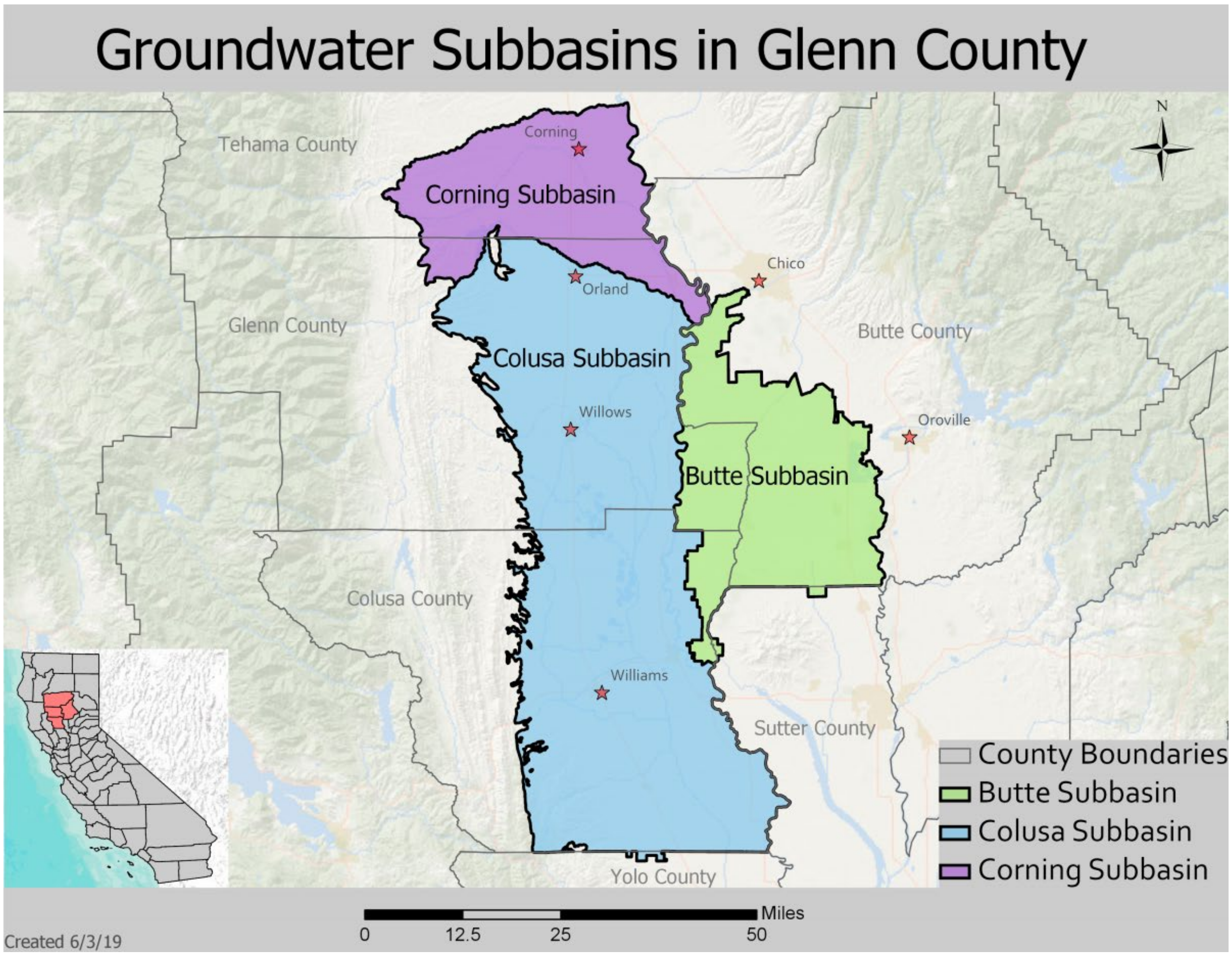
- City of Orland
- City of Willows
- County of Glenn
- Glenn-Colusa Irrigation District
- Glide Water District
- Kanawha Water District
- Monroeville Water District
- Orland-Artois Water District
- Princeton-Codora-Glenn Irrigation District
- Provident Irrigation District

The GGA is responsible for making decisions about the most cost-effective means to maintain GSA operations, complying with SGMA requirements, and implementing the Colusa Subbasin Groundwater Sustainability Plan (GSP) in collaboration with the CGA while maintaining local control over the management of groundwater resources within its service area.

The CGA and GGA collaborate to manage the Colusa Subbasin and have coordinated on developing a single Colusa Subbasin GSP and are committed to working together to effectively manage groundwater resources and achieve SGMA compliance throughout the Colusa Subbasin. The GSAs have entered into a Memorandum of Understanding (MOU) outlining their commitment to collaborate, while respecting each GSA's decision-making authority within its jurisdiction.

As management under SGMA progresses, the GSAs will need to undertake GSP implementation. 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 Subbasin governance for GSP development is expected to be similar for GSP implementation. The GGA will continue to be responsible for GSP implementation and SGMA compliance for its members and stakeholders in coordination with the CGA to achieve Subbasin SGMA compliance in a cost-effective manner. The GSAs will coordinate to make management decisions about the entire Subbasin concerning implementation of the GSP. The following figure highlights the groundwater basins in Glenn County with the GGA responsible for groundwater management decisions in the Glenn County portion of the Colusa Subbasin.



The GGA served as the lead for SGMA compliance activities in the Glenn County portion of the Colusa Subbasin through GSP preparation, adoption, and submittal of the Colusa Subbasin GSP to the Department of Water Resources (DWR) by the January 31, 2022, deadline for SGMA compliance. The initial GSP development efforts were funded through Proposition 1 and 68 grant funds and local fees. A revised 2024 GSP was submitted in April 2024 to address deficiencies identified by DWR during their initial review. The GSP update was jointly funded by the CGA and GGA. The GGA continues to serve as the lead for SGMA compliance within its jurisdictional boundary and adopted a 2023/2024 budget utilizing revenues from existing SGMA fees structured to support SGMA compliance during GSP development while developing the long-term funding for GSA administration and SGMA compliance during GSP implementation. The GGA receives staffing support from Glenn County for on-going GGA operations. The GGA, on behalf of the member agencies and stakeholders, will continue to ensure GSA operations through the development of a long-term funding plan to sustain GGA operations, achieve SGMA compliance, and implement the GSP recommendations.

This Fee Report supports the GGA development of a long-term funding source to fund overall GSP administration and the Glenn portion of Subbasin implementation costs. If adopted, the proposed GGA Fees would generally be collected through the Glenn County tax bill, or through direct billing as appropriate, and cover the everyday operations of the GGA (including legal, technical, administrative, accounting, office, insurance, audits, and outreach materials) and GSP implementation costs (including annual monitoring and reporting, five-year GSP periodic evaluations and potential revisions, Subbasin coordination and outreach, data management system maintenance, and grant funding services) required to achieve and maintain SGMA compliance for all landowners within the GGA service area.

The GGA will pursue outside funding sources to assist in securing additional grant funds to support cost-effective GSP implementation activities by the GGA and its members, to the extent those grant funds are available in the future. The GGA will also participate in regional funding opportunities that benefit the GGA to reduce long-term SGMA compliance costs and achieve long-term groundwater sustainability objectives.

The GGA has developed the proposed budget as reflected in Table 1-1 below (Five-Year Budget) based on a Fiscal Year (FY) basis (FY = July 1 – June 30 period) to cover the costs of SGMA compliance that includes both GSA operational and GSP implementation related costs. The budget projection for the GGA to achieve SGMA compliance (based on current requirements) is a maximum of $1,121,670 per year for GSP implementation for a five-year period spanning fiscal years 2024-25 through 2028-29 (fiscal year beginning July 1, 2024). Based on the GGA budget, the SGMA Fees in the GGA service area generate sufficient revenue to fund the GGA operations for SGMA compliance and maintain local control as defined herein. Fees would cover GSP implementation costs beginning July 1, 2024, based on the adopted Colusa Subbasin GSP.

In October 2023 DWR determined the 2022 Colusa Subbasin GSP was incomplete. In order to continue to manage groundwater at the local level, the GSAs are required to address the deficiencies DWR identified in its incomplete determination. Specifically, the Colusa Subbasin GSAs were required to update the 2022 GSP and resubmit a compliant GSP which included additional requirements to develop a Domestic Well Mitigation Program and Demand Management Program within the next several years. The proposed five-year GGA revenue projections include increased SGMA compliances costs related to additional DWR requirements and the revised GSP adopted in April 2024. The Colusa Subbasin GSAs will coordinate and continue to apportion Subbasin compliance costs to achieve SGMA compliance and maintain local groundwater management for the Subbasin.

Table 1-1: GGA Five-Year Budget (FY24-25 through FY28-29)

SGMA Fee Cost Category	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
GGA Admin. Costs					
Administration - Contracted Services	$200,000	$220,000	$170,000	$170,000	$170,000
Legal Services	$150,000	$150,000	$150,000	$150,000	$150,000
CPA Audit Services - Financial	$10,500	$11,000	$11,500	$11,500	$11,500
JPA Insurance	$2,500	$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
Domestic Well Prog.	$100,000	$100,000	$100,000	$100,000	100,000
Demand Mgmt. Prog.	$35,000	$35,000	$35,000	$35,000	$35,000
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%)	$57,350	$59,400	$54,450	$54,450	$54,450
GGA Admin. Sub-total	$630,850	$653,400	$598,950	$598,950	$598,950
GGA SGMA Compliance Costs					
Annual Reporting (with DWR monitoring)	$35,000	$35,000	$35,000	$35,000	$35,000
Five Year GSP Update w/Modeling Calibrations (due 2027)	$80,833	$80,833	$48,500	$48,500	$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	$175,000	$175,000	$175,000	$175,000	$175,000
Contingency (8%)	$32,267	$32,267	$29,680	$29,680	$29,680
SGMA Compliance Sub-total	**$435,600**	**$435,600**	**$400,680**	**$400,680**	**$400,680**
TOTAL GGA Costs	**$1,066,450**	**$1,121,670**	**$1,059,608**	**$1,089,597**	**$1,119,586**
Annual Avg. Costs	$1,091,382	$1,091,382	$1,091,382	$1,091,382	$1,091,382
GGA Admin.: staffing, office, financial, technical, and legal services for GSA operations. GGA SGMA Compliance: Represents DWR SGMA requirements as of April 2024 GSP update process (may be subject to change in the future).					

The proposed GGA SGMA Fees (SGMA Fees) are authorized by SGMA and reflect the benefits of the service provided by the GGA to lands within the GGA boundaries in the manner described in this Fee Report. SGMA requires that each acre in the Colusa Subbasin be covered by and managed pursuant to a GSP and that the GSP be implemented to achieve sustainability in the Colusa Subbasin. SGMA provides authority for GSAs to charge fees or charges to support its operations to facilitate compliance with SGMA on behalf of landowners. Failure to adequately manage groundwater in the Subbasin may subject the Subbasin to intervention by the State Water Resources Control Board (SWRCB). If it intervenes, the SWRCB may impose annual fees for lands within the GGA ranging from $100 per de minimis well (using less than 2 ac-ft of water per year for domestic uses only), to $300 per well plus a per acre-foot charge for groundwater pumped per well, with no guarantee that any specific water management will be provided (see **Appendix B**). By collecting Fees, the GGA will provide SGMA coverage to landowners through local management of groundwater in the GGA service area. The proposed SGMA Fees are based on the GGA's service area boundary and the parcels included in that boundary that are included in the 2024 tax rolls for Glenn County. The tax roll lists the assessor's parcel numbers (APNs) that would be subject to the proposed Fees and is included as **Appendix C.** The complete file will be submitted to the County upon adoption of the GGA Fees by the GGA Board expected in July or early August 2024.

The urban agencies within the GGA have the option to pay their share of total GSA costs on behalf of the landowners through a Funding Agreement. These Funding Agreements would be similar to those that were adopted in 2019. In public meetings on the proposed SGMA Fees, the GGA urban members have expressed their respective intent to continue using Funding Agreements as the mechanism to cover their portion of the proposed SGMA Fee. The Funding Agreements are used only as a mechanism for collection of the SGMA Fee and do not change or otherwise alter the SGMA Fee for parcel. If Funding Agreements are not executed, all parcels within the urban members boundary will be included in the SGMA Fee process and receive a Notice for each parcel within the GSA urban agencies. The proposed SGMA Fee Notice (see **Appendix D**), which includes the option to file a protest, will not be sent to the urban agencies or the parcel owners in which the Funding Agreements would cover, for payment of fees through the property tax bill or direct bill. Urban agencies choosing to enter into Funding Agreements for proposed fees with the GGA will approve a resolution that will specify the terms of the payments. The GGA 2024 Funding Agreements would be included as **Appendix E**.

Federal and Tribal lands are not subject to SGMA, the GGA does not have jurisdiction over Federal and Tribal lands and cannot be included in the GGA Fee Roll. Other local and regional governmental agencies subject to the SGMA Fees but not included in the County tax roll will pay their fair share based on assessable acreage and fee calculations through direct billing.

Table 1-2 provides the maximum proposed SGMA Fees that are based on the GGA's budget on a cost per acre basis during the next five years. Each year, the GGA Board will set the annual fee based on the budget needs. Each annual fee will be based on actual costs and will not exceed the proposed maximum Fee amounts of \$0.63 per acre for dryland parcels, \$3.06 per acre for surface water user parcels, \$7.18 per acre for groundwater user parcels, and \$3.87 per acre for urban user class parcels. The budgeted operations expenses are in 2024 dollars and do not include an inflation factor per annum based on the expected average Consumer Price Index (CPI) during the period. The maximum annual inflation factor to be applied to the Fees would not exceed the selected CPI index annually, with the actual inflation factor applied each year at the discretion of the GGA through Fiscal Year 2028-29. Operations expenses have not been projected beyond the Fiscal Year 2028-29. The GGA may update its Fees for future years based on actual expenses during the first five years of GSP implementation and projected expenses over the subsequent multi-year period.

The proposed SGMA fees include a Fee Implementation Cost item for all parcels receiving the GGA Fee Notice (including the Dryland, Surface Water User and Groundwater User landowner parcels). The Urban User class does not apply a Fee Implementation Cost factor because the urban areas will be paying the GGA annually through a Funding Agreement meaning no Fee Implementation Costs will be incurred by the GGA for the urban user class.

Table 1-2: GGA Proposed SGMA Fees

Table 1-2 Recommended Fees ($/acre)	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Proposed Dryland Fee	$0.47	$0.49	$0.47	$0.48	$0.49
Fee Implementation Costs	$0.14	$0.14	$0.14	$0.14	$0.14
Proposed Total Dryland Fee	**$0.61**	**$0.63**	**$0.61**	**$0.62**	**$0.63**
Proposed Surface Water User Fee	$2.78	$2.92	$2.76	$2.84	$2.92
Fee Implementation Costs	$0.14	$0.14	$0.14	$0.14	$0.14
Proposed Total Surface Water User Fee	**$2.91**	**$3.06**	**$2.90**	**$2.97**	**$3.05**
Proposed Groundwater User Fee	$6.69	$7.04	$6.65	$6.84	$7.03
Fee Implementation Costs	$0.14	$0.14	$0.14	$0.14	$0.14
Proposed Total Groundwater User Fee	**$6.83**	**$7.18**	**$6.79**	**$6.98**	**$7.17**
Proposed Urban User Fee	$3.68	$3.87	$3.65	$3.76	$3.86
Fee Implementation Costs	$0.00	$0.00	$0.00	$0.00	$0.00
Proposed Total Urban User Fee	**$3.68**	**$3.87**	**$3.65**	**$3.76**	**$3.86**

The GGA operational and GSP implementation components comprise the total proposed SGMA Fees that cover the cost of SGMA compliance for the GGA within its service area and contribute to compliance for the Subbasin as a whole. Additional funds may be required to implement specific projects. 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 GGA will coordinate with project proponents on grant funding opportunities if available to improve groundwater management or lower future GGA operations costs. Project funds could come from supplemental funding and/or local fees or assessments greater than the maximum fees recommended in this report. Approval by the landowners in a future fee setting process will likely be required for those fees or assessments.

The GGA is proposing a four-tier SGMA fee structure within the maximum amount shown in Tables 1-2 above, specifically distinguishing that different land use practices receive different benefits from the GGA service of GGA administration and GSP implementation.

The development and consideration of adopting the proposed SGMA Fees is being conducted under the GGA's authority pursuant to Water Code section 10730. This is a regulatory fee that funds SGMA compliance for the GGA portion of the Colusa Subbasin. The fee is not subject to the requirements in Proposition 218. However, because the GGA is a public agency committed to public disclosure and transparency and because these regulatory SGMA Fees provide critical management under a new law, stakeholder outreach is important and the GGA is following the process as set forth in Article XIII D of the California Constitution and Sections 53750 through 53756 of the State's Government Code. These constitutional and statutory provisions establish specified mandatory procedures that will guide the GGA, but which are not controlling or otherwise required in the enactment of a SGMA regulatory fee.

Under the SGMA Fee setting process, landowners will be notified and given the opportunity to protest prior to the adoption of any fee structure. Pursuant to these requirements, the GGA will hold a public hearing at which all landowners affected by the proposed charge may participate and will have the opportunity to protest the proposed charge. At the public hearing, the GGA will consider comments from owners of land that would be subject to the proposed SGMA Fee. Landowner protests received at the GGA meeting prior to and by the close of the public hearing will be counted and the protest results will be certified. If a majority of the total assessed parcels submit written protests, the GGA will not adopt the proposed SGMA Fees. Absent a majority protest, the GGA will consider adopting the proposed SGMA Fees at its public adoption hearing. The public hearing and consideration of SGMA Fee adoption is expected to be held on August 5, 2024.

GGA SGMA Fee – Stakeholder Outreach

The GGA has conducted significant public and stakeholder outreach as part of developing the SGMA Fees including during the evaluation of fee options and selection of a preferred fee option included in this Fee Report. The GGA will continue to encourage public input prior to acting on the proposed SGMA Fees through the close of the public hearing that will be scheduled for July or early August 2024. There will be regular GGA meeting updates and discussions that are open to the public, other public meetings, and GGA website updates. A direct postcard mailer was sent out in advance of the Fee Notice to inform and involve those affected by the Fees (**Appendix F**). Additional Public Workshops will be held in July 2024 to discuss GSP implementation and long-term funding needs for SGMA compliance to supplement the distribution of the Fee Notice providing all affected parcel owners with notice of the proposed charges and protest process at least 45-days prior to GGA consideration for approval.

SECTION 2: REPORT PURPOSE

This Fee Report has been prepared to describe the basis for GGA's proposed SGMA Fees to each assessable parcel within the GGA jurisdiction, unless covered by a Funding Agreement. The proposal is for the GGA to collect revenue to cover everyday operations and SGMA compliance costs of the GGA. 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 periodic evaluations and potential GSP revisions to 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. The purpose of the GGA is to achieve SGMA compliance for all landowners within the Glenn County portion of the Colusa Subbasin.

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 beneficial uses of surface water

These potential undesirable results are the focus of SGMA and must be addressed in GSPs prepared by GSAs. GSPs 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 GGA 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 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, evaluate and potentially revise the GSP at least 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 the GSP.

The CGA, on behalf of the GSAs in the Colusa Subbasin received Proposition 1 and 68 grant funding to cover a majority of the work to develop the initial GSP. In response to DWR's incomplete determination, the GSAs revised the initial GSP and resubmitted a revised GSP in April 2024. This revision was supported largely through local GSA funding. The GSAs anticipate that costs for GSP implementation are not likely to be covered by grants and therefore will need to be funded through the proposed SGMA Fee. To the extent that GSP implementation requires specific project development that is not included in the GSP or otherwise does not have a Subbasin benefit, these projects will be funded by other local and regional cost sharing and funds, or through other grant funding programs.

GGA's Authority to Levy Assessments

The GGA is a multi-agency GSA that was formed through a JPA with the purpose of complying with SGMA. The JPA was initially approved in June 2017 and amended in October 2019. This governance model facilitates cost-effective SGMA compliance for the lands within the Glenn County portion of the Colusa Subbasin. A copy of the JPA establishing the GGA can be found in **Appendix A**. A description of its members follows.

GGA Member Agencies - Membership:

- City of Orland
- City of Willows
- County of Glenn
- Glenn-Colusa Irrigation District
- Glide Water District
- Kanawha Water District
- Monroeville Water District
- Orland-Artois Water District
- Princeton-Codora-Glenn Irrigation District
- Provident Irrigation District

The GGA is the exclusive GSA responsible for the compliance and implementation of the provisions of SGMA for a portion of the DWR-defined Colusa Subbasin (5-021.52) which is classified as a High Priority Basin by DWR encompassing approximately 306,000 acres in Glenn County. GSA responsibility for SGMA compliance includes but is not limited to: submit Annual Reports to DWR on groundwater conditions, prepare five-year GSP periodic evaluations and potential GSP revisions, provide GSA coordination within the GSA and between neighboring GSAs, address surface-groundwater interactions and associated modeling updates, provide data management services for groundwater information and data, conduct long term financial planning to ensure long-term funding reliability, and secure future grants for GSP implementation activities on behalf of landowners within the Subbasin. Table 2-2 highlights the GSAs within the Colusa Subbasin boundary definition per DWR Bulletin 118.

Table 2-2: DWR Colusa Subbasin – GSA Delineations

DWR GW Subbasin #	DWR GW Subbasin Name	GSAs	Total Area (Acres)
5-021.52	Colusa Subbasin	GGA and CGA GSAs	723,823
	Colusa Subbasin-Glenn	GGA GSA	305,909
	Colusa Subbasin-Colusa	CGA GSA	417,914

The Colusa Subbasin is located partially within Glenn County as depicted in DWR Bulletin 118 as cited in Table 2-2 above. The GSA coordinated the development of the Colusa Subbasin GSP in collaboration with the CGA, and stakeholders with responsibility for SGMA compliance within the Subbasin. The GSP was adopted by the GSAs and was submitted to DWR by the January 31, 2022, regulatory deadline. There is a Memorandum of Understanding (MOU) between the GSAs which was initially prepared to cover the GSP development phase of SGMA compliance. GSP implementation responsibility is demarcated as follows: the GSA is responsible for covering their GSA administration costs, and their portion of GSP implementation and SGMA compliance costs. All landowners benefit from the GSA administration and implementation and the costs to support these actions are set forth as part of the long term GSP implementation costs that must be supported by a long-term fee or funding source. The GGA may develop, adopt, and implement sustainable management of groundwater underlying the GGA service area and take actions as necessary to ensure SGMA compliance for all landowners within its service area. The GGA will also coordinate with its member agencies and participating partner agencies to secure project related funding upon GSP approval and readiness to proceed with project implementation by project partners.

The GGA will rely on the proposed SGMA Fees for at least the next five years of GSA operations and SGMA compliance. The GGA will update its long-term funding projections as needed to operate the GSA at reasonable costs while achieving the goals and objectives of the GSP.

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. The GSA needs a long-term funding source to achieve SGMA compliance and maintain local control over its groundwater resources.

GGA's 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 manage 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 GGA area, could cost many overlying users of groundwater significantly more than current estimates under the local control option.

As illustrated in **Appendix B**, the SWRCB can and will intervene and implement the requirements of the SGMA legislation in the GGA service area boundary (as well as other areas of the State) if locals are unable or unwilling to comply with the law. In such a case, the Subbasin could be designated as a "Probationary Basin" or be subject to the "Interim Plan" designation by the SWRCB and directly charge the intervention fees to each groundwater extractor. In addition, landowners would be required to measure and report their groundwater use to the SWRCB. Landowners would have a direct relationship with the SWRCB rather than through the GSA's localized planning and implementation approach. The SWRCB fees would be as follows:

- Probationary Fees: $300 per well, plus $20 per acre-foot (AF) for water year preceding probation, plus costs for needed studies.
- De minimis wells (less than or equal to 2 AF per year for domestic purposes only) would be charged $100 per year.
- Interim Plan Fees: $300 per well, plus $35 per AF for water year preceding interim plan.
- Late Fees: 25 percent per month, with a cap of three times the fee.
- Additional costs related to required meter installation and report compilation.

For perspective on these costs, if the SWRCB were to designate the basin as an Interim Plan Rate Basin and an irrigated 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 $2,400 (3.0 AF/acre x 40 acres x $20/AF) for a total of $2,700 per year.

By comparison, under the rates and schedule proposed for the GGA through this Fee Report, this same landowner if classified as a groundwater user would pay a maximum of $287.20 per year (40 acres x $7.18/acre). A landowner if classified as a surface water user would pay a maximum annual fee of $122.40 (40 acres x 3.06/acre). From a regulation standpoint, the GGA would like to prevent state intervention while maintaining local control in a cost-effective manner. As such, the purpose of the GGA is to fully comply with SGMA on behalf of its landowners to avoid state intervention and maintain local control utilizing a more tailored approach to sustainable groundwater management.

GGA SGMA Fee Setting Process

Water Code section 10730 provides all GSAs with the authority to impose regulatory fees to fund SGMA operations. The authority for SGMA regulatory fees is broad and allows a GSA to impose fees generally, "including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity." (Water Code 10730(a).) These fees are allowed for funding any cost related to a groundwater sustainability program, "including, but not limited to, preparation, adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration."

The process for adopting these fees requires notice of a hearing, an opportunity for comment and provision of fee data at least 10 days in advance of the hearing. The Water Code provides that these SGMA regulatory fees may be collected in the same manner as municipal taxes.

The proposed SGMA Fees are within the GGA's authority to adopt a regulatory fee that is based land use practices occurring in the Colusa Subbasin, for which SGMA requires a GSP and implementation thereof. The GGA does not currently have pumping data for individual parcels, fees proportional to extractions are not able to be estimated in any reliable manner, making this type of fee impractical, and difficult to calculate. Instead, the SGMA Fee is based on a cost per acre basis by land use classification which differentiates between how different user classes impact groundwater sustainability in the Subbasin by structuring cost allocation of GSA total costs based on level of service and benefits received by the GGA's management toward SGMA compliance. In characterizing the GGA service and SGMA compliance, the GGA commits to the following:

1. Revenues derived from the fee or charge must not exceed the funds required to provide the property-related service. The SGMA Fees will not exceed the Five-Year Budget projections.

2. Revenue from the fee or charge must not be used for any purpose other than that for which the fee or charge is imposed. The SGMA Fees will only be used for GSA operations and SGMA compliance purposes.

3. No fee or charge 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 SGMA Fees are for the dedicated purpose of achieving SGMA compliance in the Subbasin for all landowners subject to the Fees.

4. The amount of a fee or charge 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 SGMA Fees are proportional to parcel benefit received by user class.

5. The fee or charge may not be imposed for service, unless the service is actually used by or immediately available to, the owner of the property in question. All landowners subject to the SGMA Fee will benefit from SGMA compliance and GSP implementation efforts.

This Report is limited to the proposed assessments to fund the GGA's annual operations and SGMA compliance requirements forecast over the next five years. The GGA will monitor DWR SGMA compliance requirements and policy direction to achieve SGMA compliance at a reasonable cost for the Subbasin. To achieve SGMA compliance in the Subbasin, a GSA serving a Subbasin must maintain compliance with SGMA regulations. The proposed fee will enable the GGA to achieve SGMA compliance for all landowners within the GSA service area.

SECTION 3: GGA GSA BACKGROUND INFORMATION

The GGA was formed and established in 2017 through a JPA, which was amended to add an additional member in 2019 (see **Appendix A**). The GGA is located in the Sacramento Valley Groundwater Basin – Colusa Subbasin (5-021.51) in the central portion of the Sacramento Valley and encompasses a total area of approximately 306,000 acres within the GGA jurisdiction. There are ten member agencies in the GGA service area boundary that participated in the development and preparation of the Colusa Subbasin GSP.

The GGA service area boundary with parcels classified into the proposed SGMA fee user classes (dryland, surface water user, groundwater user, urban area user) is illustrated in **Figure 3-1**. The user class definitions are highlighted below consistent with the GGA Fee Policy included in Appendix H.

Dryland User Class – includes parcels within the GGA service area that are considered open space, natural habitat, vacant, dryland farmed or rangeland. Parcels included in this user class have very low groundwater use. This would include parcels that have no groundwater wells or have wells for stock water use or low domestic use only on large parcels consisting of 10 acres or more. This may include parcels located within surface water service area boundaries who have opted out of receiving surface water deliveries or do not use surface water at any time.

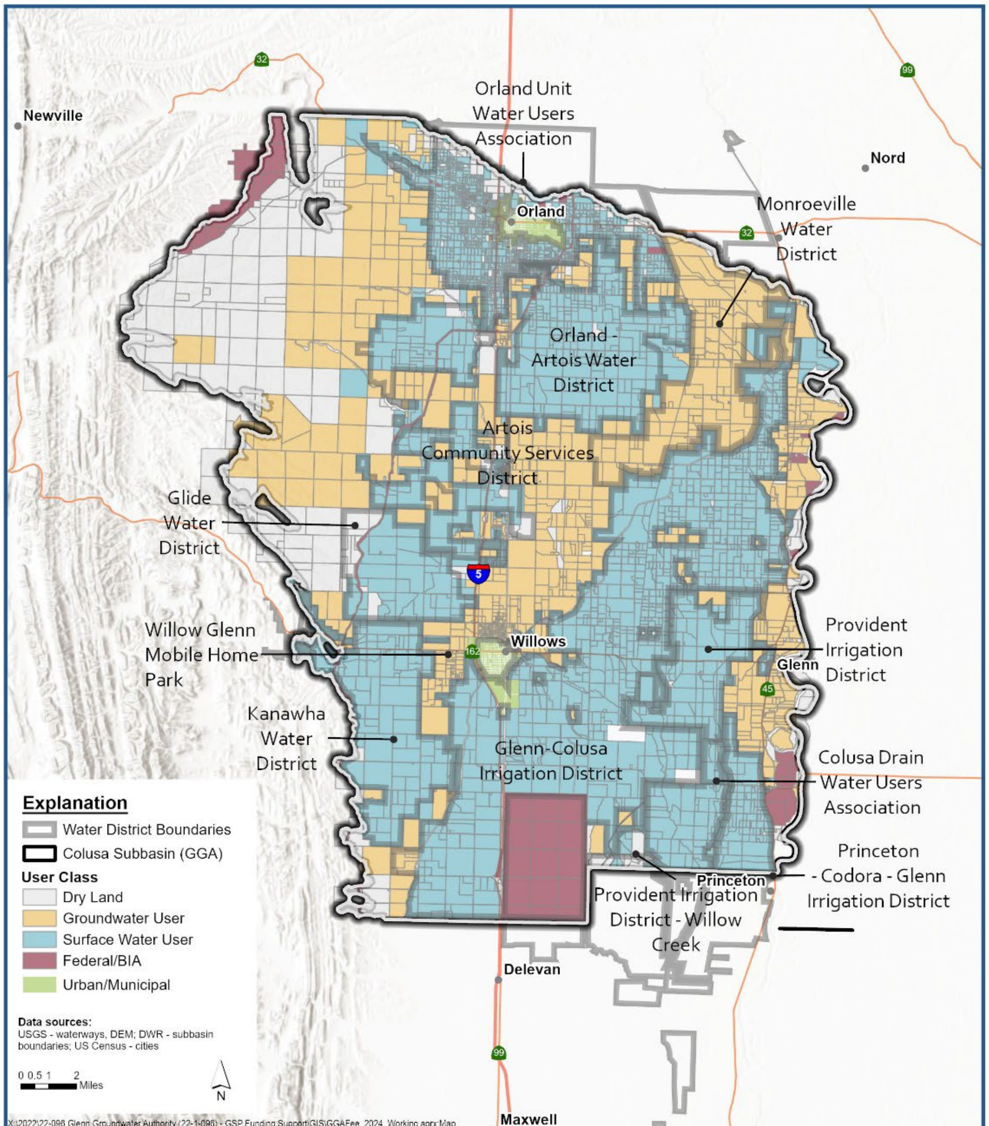
Surface Water User Class - includes parcels within the GGA service area that use surface water as a primary source of water but may include conjunctive use. Parcels that are within the service district boundary of surface water district will have to opportunity to be classified in the Surface Water User fee category if they provide information to GGA confirming the parcel uses surface water when it is available. A one-time verification of this information shall be provided by August 5, 2024, in order to be categorized in the Surface Water User fee category initially. If no such affirmative proof of surface water use is provided, the parcel shall be classified in the Groundwater user fee category.

Groundwater User Class – includes parcels within the GGA service area that use groundwater. These parcels will typically have a well(s) on the parcel serving as the primary source of water supply for residential and/or irrigation water uses. Includes parcels located within surface water provider service areas that have opted out of using surface water and/or do not use surface water when it's available.

Urban Area User Class – includes parcels within incorporated cities, located within the GGA service area that pay SGMA fees to the GGA directly through an annual payment plan. If urban parcels are billed for GGA fees through a local SGMA Fee process users would be charged based on water source (per groundwater or surface water definitions above).

Figure 3-1 represents the projected parcel user classification map once landowners have settled into the appropriate user classification based on the 2024 Fee Policy in Appendix H. The assumption is that surface water users that can be classified in the surface water user class will provide the GGA with affirmative proof of surface water use by August 5, 2024.

Figure 3-1: GGA Subbasin Boundary – Parcel User Classification Map



Category	Acres*
Colusa Subbasin Boundary (GGA)	305,909
Federal/BIA	13,952
Bureau of Land Management	77
Fish and Wildlife Service	10,620
Bureau of Reclamation	1,488
Army Corps of Engineers	1,768
Theoretical	**291,957**

User Class	Acres*
Dry Land	40,910
Groundwater User	88,530
Surface Water User	158,784
Urban/Municipal Water User	3,733
Total	291,957

*Boundary parcel acreage calculated using GIS; Interior parcel acreage from tax roll- except for

Glenn Groundwater Authority GSA (Colusa Subbasin) User Class Map

Updated 5/14/2024

The GGA service area is within Glenn County adjacent to the CGA portion of the Subbasin. The Colusa Subbasin is designated as a high priority basin by DWR's basin prioritization policy as defined in DWR Bulletin No. 118. More information is available at https://www.countyofglenn.net/glenn-groundwater-authority.

Glenn County has a population of approximately 28,915 as of July 2023 with a diversified economy. The City of Willows is an urban area (1,813 acres) with a population of 6,348. The City of Orland is an urban area (1,920 acres) with a population of approximately 8,423 is the largest urban community located within the GGA service area boundary. Agriculture is an important major producing industry in the GGA service area dependent on both surface and groundwater. Top crops include irrigated crops such as rice, fruit and nut orchards, olives, field crops, and row crops as well as low water use operations such as livestock grazing. There are areas in the GGA service area that are identified as disadvantaged communities (DACs) through DWR's mapping tool. The GGA service area boundary is surrounded by the CGA service area to the south, Corning Sub-basin GSA to the north, and Butte Subbasin to the east. The Sacramento River and Stony Creek generally make up the eastern and northern boundaries of the subbasin as they traverse through Glenn County. The Glenn-Colusa Canal and Tehama Colusa Canal provide large scale surface water supply operations for portions of the Subbasin.

GGA Service Area Climate Description

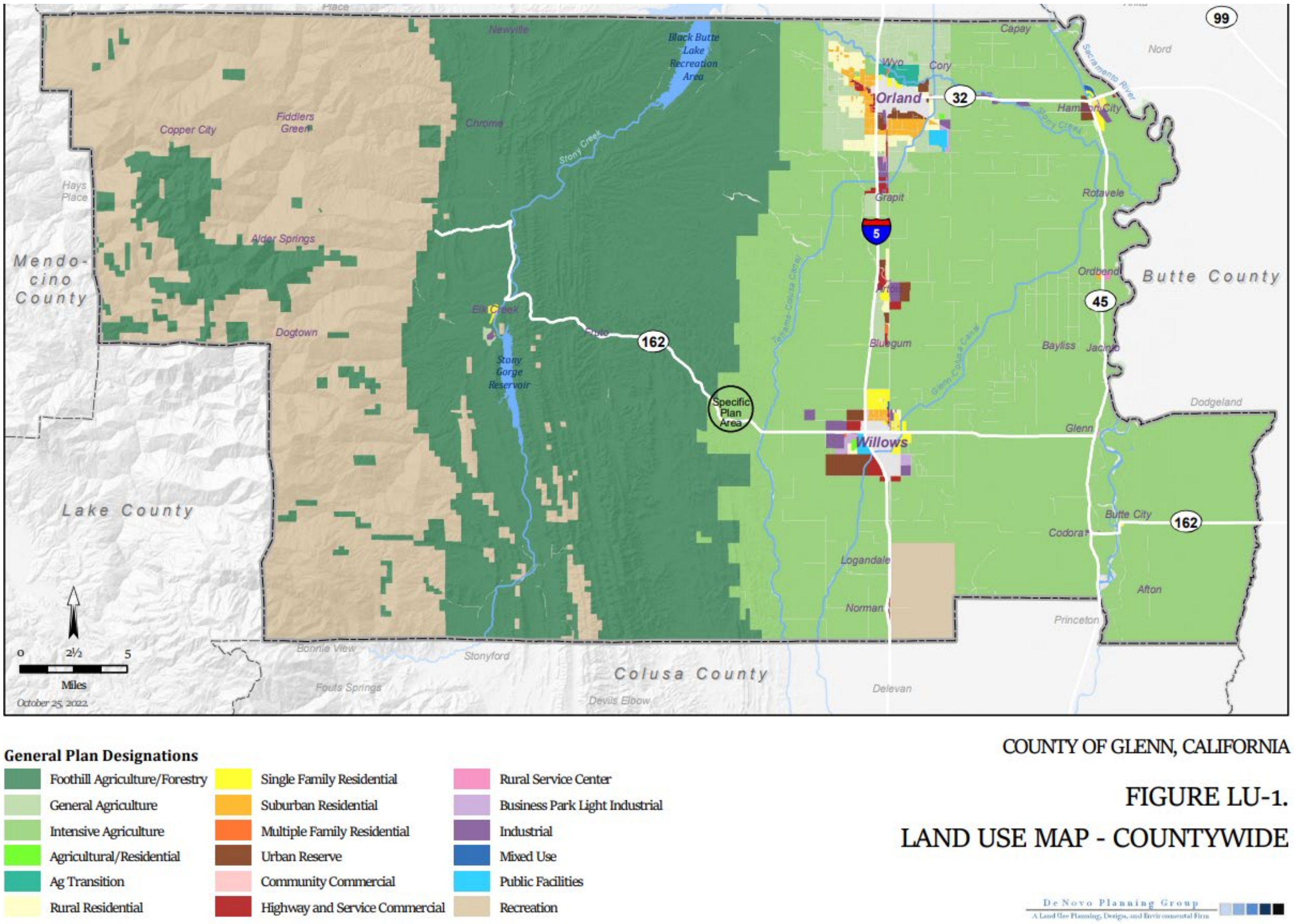
The Colusa Subbasin, consistent with the Sacramento Valley, has a Mediterranean climate characterized by warm, dry summers and cool, wet winters with transitional months in the spring and fall. Based on weather station and observation collected in the Subbasin the average monthly precipitation and average monthly maximum daily temperatures are described as follows. Monthly average daily maximum temperatures range from 56.1˚ Fahrenheit (F) in December to 97.1˚F in July. Precipitation is greatest between October and April, with little precipitation in the months of May through September. Annual average precipitation is approximately 20 inches per year, similar to the rest of the Sacramento Valley.

DWR determines a Water Year Type Index each year for the entire Sacramento Valley. The water year is from October 1 to September 30. The analysis to determine the water year type is based on unimpaired runoff calculations from several stream gauges dispersed throughout the region. Data collected each water year from 1906 to present are classified by the DWR as 'wet,' 'above normal,' 'below normal,' 'dry,' and 'critical' depending on the amount of precipitation and water availability in the Sacramento River and major tributaries. This information is used in this GSP to guide interpretation of natural water level fluctuations within the Subbasin. Annual precipitation records are correlated with water year type in accordance with the variation in hydrologic conditions in the Subbasin. In general, greater local precipitation occurs in wetter water year types, though there are some years where local precipitation was not aligned with the regional outlook for the Sacramento Valley, potentially due to carryover storage available in major Sacramento Valley reservoirs. Weather can vary drastically in the region with a medium 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.

GGA Service Area Land Use Description

Land in the Subbasin is widely utilized for agricultural purposes with the primary land uses being agricultural crops, rangeland, and pasture. The Subbasin is generally covered with irrigated crops such as rice, fruit and nut orchards, olives, field crops, and row crops. There are Federally owned lands in the GSA service area and wildlife refuge areas. The GGA is a large diverse service area with multiple land uses, types of property ownership, and water entities providing water service to agricultural and urban areas. Figure 3-2 represents the most recent version of current land use patterns and types as specified in the 2023 Glenn County General Plan including Subbasin areas within Glenn County.

Figure 3-2: Glenn County Region Land Use Map



Based on 2021 Land IQ data an estimated that 20% of the land within the GGA jurisdiction is characterized as dryland (e.g. open space characterized as grassland, rangeland, shrubland, open water, wetlands, or barren land). Approximately 80% of the GGA jurisdiction was used for intensive agricultural and other irrigated purposes (including crop irrigation and urban areas).

Land use areas in the Subbasin are broadly classified across three sectors: agricultural, urban, and native vegetation. Agricultural land use (and water use) encompasses all agricultural crops reported in the Subbasin. Urban land uses are associated with the cities and communities within the Subbasin and typically include residential, commercial, industrial, public and quasi-public, and semi-agricultural land. Native lands are designated as native lands that are either privately managed or managed by the U.S. Fish and Wildlife Service as wildlife refuges. Land uses in the General Plan are allocated into the proposed SGMA fee user classes based on net assessable acreage in the GGA service area. 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.

GGA Service Area – GSA Governance Approach

The GGA serves as the exclusive GSA for managing groundwater in the Glenn County portion of the Colusa Subbasin in coordination with the CGA in the southern portion of the Subbasin. Part of the responsibility of the GGA (in compliance with SGMA) is to conduct regular groundwater GSA coordination meetings during GSP implementation that would be supported by the proposed SGMA Fee. The GGA will assist with and facilitate GSP implementation within and between the GSAs to achieve and maintain the GSP sustainability goal within twenty (20) years of implementation (by 2042). The Colusa Subbasin is currently working toward achieving its sustainability goals, including developing a well mitigation program and demand management program. Working collaboratively through the GGA joint powers governance model 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 Colusa Subbasin GSP will be planned and implemented by the lead applicant(s) and through regional collaboration as needed to accomplish GGA groundwater management objectives. The GGA 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 GGA costs of service. Project funding will be accounted for as described in separate Project Agreements. The GGA will coordinate with the CGA and partner agencies to assist in securing project level funding in a timely and cost-effective manner. The GGA will maintain a list of GSP projects and work within the Subbasin and prioritize its project funding list accordingly to take advantage of grant funding sources as they become available. The GGA 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 and maintain sustainability metrics through 2042.

SECTION 4: GGA FINANCIAL INFORMATION

The GGA is a relatively new organization and has obtained funding for GSP development related activities from inception to date primarily through secured grant funds (CGA served as the grant applicant and administrator), in-kind and start-up voluntary contributions from member agencies, and local fees generated through the existing fee process. GGA member agencies agreed to have the GSA lead the initial GSP development and establish a functioning GSA to position the members for SGMA compliance once the grant funded GSP was prepared, adopted by the GSAs, and submitted to DWR in January 2022. In April 2024, the GSAs submitted a revised GSP to address deficiencies identified by DWR in its incomplete determination. For the next five years of GSP implementation, the GGA will rely on the proposed SGMA Fees to support GSA operations and GSP implementation and SGMA compliance actions. The previous SGMA fees have been used to support GSA administration, GSP development, and SGMA compliance. This included funding to ensure adequate staffing to complete the work on schedule given SGMA compliance schedule targets and to ensure that the GSP was completed and submitted to DWR by January 31, 2022, deadline. As discussed above, the primary purpose of the GGA is to organize its respective members and represent the landowners for the purposes of SGMA compliance while maintaining local control over groundwater policy and management. The GGA's administrative activities are expected to continue; including annual monitoring and reporting requirements, complete the Five-Year GSP periodic evaluations and potential GSP revisions, maintain GSA coordination and continue GSA operations which will be coordinated with member agencies and stakeholders. 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 GGA members can implement to improve long-term groundwater resource sustainability for the region. The GGA 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, environmental, and other beneficial users and users of groundwater supply needs within the Subbasin sustainable yield.

The GGA projected Five-Year Budget is based on the current governance model to serve the GGA service area and coordinate with other GSAs in the Subbasin as required to evaluate and potentially update the GSP on a five-year basis. The GGA Budget will be funded through the proposed SGMA Fees and all budget revenues and expenditures would be held in an account that can only be used for approved GGA activities related to GSA operations and GSP implementation costs. The Five-Year Budget is presented to cover the GSP implementation period of the GGA post-GSP development on an annual budget cycle basis. Each annual rate will be effective for the specified year as implemented through an annual fee-setting resolution that will not exceed approved maximum fees.

The GSA administration and GSP implementation costs were developed through a collaborative effort of the GSA with SGMA compliance responsibilities. The GGA working with the LSCE Team, evaluated fee options based on updated agreed upon GSA revenue projections for SGMA compliance and cost allocation approach for sharing regional costs based on the best available acreage estimates to serve as a basis for the proposed SGMA Fee within the GGA service area. This information will be updated in the future and will consider 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 as a result of any changes to the SGMA legislation requirements constituting SGMA compliance for GSAs in the Subbasin. The GGA will continue to work together with the CGA to streamline costs to their respective GSA stakeholders. The SGMA Fee options evaluated based on the GGA Five-Year budget are included in **Appendix G**.

The GGA'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 periodic evaluation and potential revisions, and Subbasin coordination activities required for SGMA compliance. The proposed SGMA Fees are based on the Annual Average Costs in Table 4-1 which will enable the GGA to meet SGMA compliance requirements in a cost-effective manner on both a short- and long-term basis.

Table 4-1: GGA Five-Year Budget (FY24-25 through FY28-29)

SGMA Fee Cost Category	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
GGA Admin. Costs					
Administration - Contracted Services	$200,000	$220,000	$170,000	$170,000	$170,000
Legal Services	$150,000	$150,000	$150,000	$150,000	$150,000
CPA Audit Services - Financial	$10,500	$11,000	$11,500	$11,500	$11,500
JPA Insurance	$2,500	$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
Domestic Well Prog.	$100,000	$100,000	$100,000	$100,000	100,000
Demand Mgmt. Prog.	$35,000	$35,000	$35,000	$35,000	$35,000
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%)	$57,350	$59,400	$54,450	$54,450	$54,450

GGA Admin. Sub-total	$630,850	$653,400	$598,950	$598,950	$598,950
GGA SGMA Compliance Costs					
Annual Reporting (with DWR monitoring)	$35,000	$35,000	$35,000	$35,000	$35,000
Five Year GSP Update w/Modeling Calibrations (due 2027)	$80,833	$80,833	$48,500	$48,500	$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	$175,000	$175,000	$175,000	$175,000	$175,000
Contingency (8%)	$32,267	$32,267	$29,680	$29,680	$29,680
SGMA Compliance Sub-total	**$435,600**	**$435,600**	**$400,680**	**$400,680**	**$400,680**
TOTAL GGA Costs	**$1,066,450**	**$1,121,670**	**$1,059,608**	**$1,089,597**	**$1,119,586**
Annual Avg. Costs	$1,091,382	$1,091,382	$1,091,382	$1,091,382	$1,091,382
GGA Admin.: staffing, office, financial, technical, and legal services for GSA operations. GGA SGMA Compliance: Represents DWR SGMA requirements as of April 2024 GSP update process (may be subject to change in the future).					

GGA Operational Budget Overview

The GGA staff will provide ongoing support for GSA operations, including administration and GSP compliance actions over the next five-year implementation period. The GGA 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 GGA staff will report to the GGA Board. The staff roles are expected include, but not limited to, the following tasks:

1. Coordinate meetings, prepare and distribute agenda packets, attend GGA meetings, establish action items, and brief the GGA 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 GGA directives.
3. Conduct educational, outreach, and collaborative activities (within and between the GSAs).
4. Coordinate the annual collection and maintenance of general GGA 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 periodic evaluation and potential revisions requirements to maintain SGMA compliance.
7. Facilitate timely completion of the Domestic Well Mitigation and Demand Management Programs as required by DWR to maintain a compliant GSP.
8. Pursue outside grant funding sources that reduce SGMA compliance costs.

The underlying purpose of the GGA is to achieve SGMA compliance for its members and maintain local control of groundwater resources in its service area boundary with no State intervention or fees.

Alternative Fee Options – Considered by GGA

The GGA considered various fee options and directed exploration of a SGMA fee structure option in the Fee Report that was based on benefits of service related to land use characteristics and known parcel level information. After multiple public GGA Board meetings, ad hoc committee meetings, and receiving public input, the GGA provided direction that the Fee Report focus on a land use basis structure that evaluated benefits to landowners for GSP administration and implementation based on their respective land use as depicted in the Fee Options evaluation technical memorandum (TM) in **Appendix G**. In providing this direction, the GGA considered other long term fee options including Uniform, Well Registration/Charge, Metering, and Land Use Hybrid based options which were generally more expensive to implement and, in some cases, may have required the GSA to become a billing collector, or were not reflective of the desired refined application of more detailed parcel level data.

Metering was the most expensive fee option and would have required several years for implementation. Other fee options required additional costs to collect, analyze and apply more detailed parcel level data which would have increased the GSA's overall cost of implementing these other options. This analysis is included in the fee evaluation TM in **Appendix G** and characterizes the options reviewed and considered prior to directing the inclusion of the proposed SGMA Fees in this Fee Report. The recommended SGMA Fees that will be considered at the public hearing expected to be scheduled for August 5, 2024, represent the SGMA Fees that charge landowners based on SGMA compliance costs and benefits received by user class.

The TM includes an evaluation of fee implementation costs for each option with some of the options requiring substantial additional costs for implementation by the GSA.

SECTION 5: GGA MANAGEMENT BENEFITS

For the activities covered in this Five-Year Budget, the GGA proposes to levy fees differently between user classes based on the net assessable acreage and allocation of GGA administrative costs and GGA GSP implementation costs as required to achieve SGMA compliance for all landowners within the Subbasin.

The GGA 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. Furthermore, there is a different level of benefits received from the GSA SGMA fees depending on the user class. Each user class pays a proportional share of the total SGMA compliance costs based on its impact on the ability of the GGA service area to comply with SGMA. User classes that use a higher proportion of groundwater use pay a higher cost share because they receive a higher level of SGMA compliance benefits. The Dryland user class uses the lowest amount of groundwater and receives the lowest level of SGMA compliance benefits. The Surface Water user class has a lower cost allocation than the Groundwater user class because of the net recharge benefit provided and lower impact on groundwater sustainability metrics. In addition, surface water users primarily use groundwater resources only during dry years as a supplemental source of supply or used conjunctively with surface water. The Groundwater user class uses the groundwater resource directly as a permanent long-term supply and has the highest cost allocation and receives the highest level of SGMA compliance benefits. The Urban user class has a lower per acre water use factor than irrigated ag and some economies of scale for SGMA compliance resulting in lower SGMA compliance costs relative to the other user classes.

Table 5-1. GGA Proposed SGMA Fee Cost Allocation User Classes

GGA User Class	GGA Acreage Data Land IQ/Glenn County	GGA Five-Year Budget Cost Allocation
Dryland	40,910 acres	Lowest impact on groundwater sustainability metrics
Surface Water User	158,784 acres	Lower portion of irrigated cost allocation: provides some net groundwater recharge benefits
Groundwater User	88,530 acres	Higher portion of irrigated cost allocation: directly impacts groundwater sustainability metrics
Urban Area User	3,733 acres	Separate user class based on lower water use factor
NET BILLABLE ACRES	= 291,957 acres	GGA service area
User Class definitions are included in Section 3 of the Report and Appendix H. *(Groundwater receives highest SGMA compliance benefits through Fees).*		

Structuring proposed Fees based on the different level of service received by each user class will allow landowners to pay for the services it receives as the GGA proceeds to meet the requirements of SGMA over the 2042 planning horizon.

Based on the cost allocation by user class, which represents the different levels of benefits attributed to landowners within the GGA service area boundaries, Table 5-2 summarizes the acreages used in the analyses.

Table 5-2. Acreage Subject to GGA Fees

GGA	GGA Acreage Data Land IQ/Glenn County	GGA Five-Year Budget Data Source
Total GGA	305,909 acres	Colusa Subbasin GSP
Total Federal and Tribal Lands	-13,952 acres	Colusa Subbasin GSP
NET ASSESSABLE ACRES	= 291,957 acres	GGA
Net acreage = Total GGA – exempt parcels (Federal/Tribal Lands) *(source: Land IQ 2021 Data, County Assessor's data for parcel data, GIS data for boundary parcels)*		

The Operational and GSP Implementation Costs are applicable to all parcel owner acreages listed in Table 5-2. The proposed SGMA Fee is based on the GGA net assessable acreage for each user class located within the GGA. The tax roll list of APNs subject to the proposed SGMA Fees are included as **Appendix C.**

SECTION 6: GGA PROPOSED SGMA FEES

This section describes the GGA's proposed SGMA Fees for funding GGA operational and GSP implementation costs over the next five-year implementation period (FY2024-25 through FY2028-29). The SGMA Fee would cover the associated legal, technical and administrative costs, as well as SGMA compliance costs associated with annual monitoring and reporting, five-year GSP periodic evaluations and potential revisions, subbasin coordination, data management, financial planning, and grant funding procurement. Based on the services to be provided by the GGA, the GGA proposes to levy fees to all non-exempt assessable parcels within the service area boundary of the GGA.

The proposed SGMA Fees include the GSA operational and GSP implementation costs necessary for SGMA compliance that would be proportional to the net assessable acreage by user class covered in meeting the annual operational budget target over the five-year period for the benefit of all landowners within the GGA service area boundary and is presented in Table 6-1. The maximum fees for dryland, surface water, groundwater and urban user classes allowed are $0.63, 3.06, $7.18 and $3.87 per acre respectively during the five-year funding period. An annualized charge (average annual charge) option is presented.

The cost allocation for the recommended SGMA fees is based on the benefits received from the SGMA fees in the Subbasin by user class. The cost allocation for the SGMA Fee proposes the cost allocation of the total GSA costs based on benefits received from SGMA compliance. This cost allocation is based on the percentage of SGMA compliance costs each user class should be responsible for based on their impact on the ability of GGA to meet groundwater sustainability metrics by 2042. Dryland users have the lowest impact on GGA groundwater metrics and therefore pay the lowest percentage of SGMA compliance costs based on the premise that they use a very small percentage of total groundwater use in the Subbasin. Groundwater users significantly impact the groundwater aquifer and sustainability metrics. Because of groundwater users direct impact on the ability of the GGA to meet groundwater sustainability metrics by 2042, their land use benefits from the GGA management more than other users. Groundwater users primarily affect the ability of the GSA to operate the Subbasin within the safe yield identified in the GSP and therefore would pay a higher percentage of the total GSA costs. Therefore, the proposed SGMA Fees allocate most of the total GSA costs to the Groundwater, Surface Water and Urban user classes who have a direct impact on the ability of the GSA to operate the Subbasin within the safe yield and are responsible for the majority of all groundwater use in the Subbasin. This understanding is based on the Subbasin Annual Report data and 2016-2023 water resource data analysis completed for the April 2024 GSP update process. The Groundwater user class utilizes the majority of groundwater used in the GGA service area and therefore has the highest GSA fees. Surface Water and Urban user classes utilize a lower portion of groundwater use resulting in relatively lower fees.

The recommended SGMA Fees by user class are presented in Table 6-1 below.

Table 6-1: GGA Proposed SGMA Fees

Table 6-1 Recommended Fees ($/acre)	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Proposed Dryland Fee	$0.47	$0.49	$0.47	$0.48	$0.49
Fee Implementation Costs	$0.14	$0.14	$0.14	$0.14	$0.14
Proposed Total Dryland Fee	**$0.61**	**$0.63**	**$0.61**	**$0.62**	**$0.63**
Proposed Surface Water User Fee	$2.78	$2.92	$2.76	$2.84	$2.92
Fee Implementation Costs	$0.14	$0.14	$0.14	$0.14	$0.14
Proposed Total Surface Water User Fee	**$2.91**	**$3.06**	**$2.90**	**$2.97**	**$3.05**
Proposed Groundwater User Fee	$6.69	$7.04	$6.65	$6.84	$7.03
Fee Implementation Costs	$0.14	$0.14	$0.14	$0.14	$0.14
Proposed Total Groundwater User Fee	**$6.83**	**$7.18**	**$6.79**	**$6.98**	**$7.17**
Urban User Fee	$3.68	$3.87	$3.65	$3.76	$3.86
Fee Implementation Costs	$0.00	$0.00	$0.00	$0.00	$0.00
Total Urban User Fee	**$3.68**	**$3.87**	**$3.65**	**$3.76**	**$3.86**

The cost allocation for the recommended SGMA Fee recognizes that irrigated parcels should bear the burden for a majority of SGMA compliance costs since they use most of the groundwater in the service area and will determine if long term water balance and sustainability metrics are met in the future. The cost allocation from lowest to highest by user class is Dryland, Surface Water, Urban, and Groundwater user class fees based on estimated groundwater use by those parcels within the Subbasin using the 2016-2023 data set used in the April GSP update process. Urban areas are excluded from paying the fee implementation costs because they pay their share of SGMA compliance costs directly to the GGA.

The recommended SGMA Fee will meet the GSA's Five-Year budget projections. The GGA can consider annual fee adjustments that do not exceed the maximum fees for each user class as needed for GSA operations and SGMA compliance costs. The GGA will continue to pursue outside funding opportunities as available to keep future GSA costs as reasonable as possible while maintaining local control over its groundwater resources.

In order for the GGA to continue its local management, it will need to fund the operation and implementation of the actions described herein. The GGA will consider the approval of the Fee Report and recommended long-term fees prior to considering adoption of the SGMA Fees on August 5, 2024. If approved, the SGMA Fee will replace the current fee structure which was designed to cover the costs for GSP development and initial early GSP implementation. Approval of the proposed SGMA Fee is recommended in 2024 to provide additional GGA revenues to achieve SGMA compliance for all landowners in the GGA service areas.

The GGA has held several public meetings related to the proposed SGMA Fee and will hold several stakeholder outreach meetings directly related to the proposed SGMA Fee in June and July. In addition, the GGA will circulate Fee Notices mailed to property owners within the GGA service area boundary who are subject to the proposed fees for Surface Water User, Groundwater User and Dryland classified parcels. The Fee Notice will have specific details on the public hearing the GGA will hold prior to consideration of approving fees by the GGA.

The budgeted operational expenses are in 2024 dollars and do not include future CPI annual inflation adjustments to account for the impact of future inflation on the GSA Operational Budget during the five-year fee implementation period. Note that the proposed SGMA Fees in Table 6-1 are the maximum fee; annual fees will be set by the GGA and may vary from year to year but will not exceed the maximum amount unless an increase is approved through a subsequent fee setting proceeding. **The annual budget for the GGA will be reviewed annually by the GGA 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 charge allows the GGA to apply SGMA 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 fee setting process.

The GGA will continue to pursue outside grant funding opportunities so the GGA would have the opportunity to keep their fees lower than projected during the five-year fee schedule.

GGA Service Area – Assessment Roll

Appendix C is the proposed 2024 GGA Fee Roll. This roll serves as the basis for providing notice to each landowner in the GGA service area boundary whose land will be subject to the Fee, identifying each parcel as reflected in County records, and the acreage for the portion of each parcel within the GGA service area. The GGA will accept landowner protests opposing the SGMA Fee at the public hearing at which the GGA Board will consider adoption.

Appendix D includes the Public Notices, which would be distributed to all parcels subject to Fees. The Protest Form will be included in the Fee Notice for those landowners who wish to file a protest against the proposed fees. More information will be available as part of the GSA's outreach and communication protocols.

GGA Conclusion

The primary objective of the Fee Report is to document the projected GGA revenues, identify the basis of the SGMA Fee, provide data that supports the proposed SGMA Fee, and communicate to the public that the SGMA Fee has been constructed in a fair and equitable manner amongst the net assessable acres in its service area boundary. Based on the revenue objectives, the GGA's proposal is to fund its annual operational and GSP implementation activities identified in this five-year budget for the benefit of all parcels within the GGA that pay the Fee. Absent the creation of the GGA (or a similar entity) and funding by the proposed charge, the GGA 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 total cost to the Subbasin without local control. However, the purpose of the GGA is to provide SGMA compliance benefits with local and more tailored representation than the SWRCB can provide for substantially lower basin-wide costs.

SECTION 7: GGA IMPLEMENTATION PROCEDURES

The GGA will be asked to: (a) approve and accept the Fee Report; (b) set a public hearing on the proposed Fees; and (c) authorize an effort to mail (i) notices to these landowners informing them of the proposed Fees, and (ii) instructions for protest. At the public hearing, the GGA will state its intentions and justifications for pursuing a fee setting effort, take into consideration any objections received to the proposed Fees and count any acceptable written protests received as of the close of the public hearing. If written protests, following all protest procedures, are submitted and received from a majority of the total assessed parcels by the close of the public hearing, the GGA may not adopt the charge. Absent a majority protest, the GGA will consider adoption of the proposed charge to comply with SGMA and maintain local control over groundwater management decisions.

The GGA 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 fee setting procedures and to document GGA process transparency for the benefit of all stakeholders.

During the five-year SGMA fee period (FY2024-25 through FY2028-29) the GGA will strive to keep Fees as reasonable as possible based on actual expenses associated with GGA operations and GSP implementation activities as required to maintain compliance with SGMA requirements. The fee setting process establishes the maximum Fees the GGA may charge during the five-year period. The proposed Fees are planned to be implemented throughout the fee period with annual fee adjustments not to exceed the maximum rate implemented as needed during the five-year fee schedule. The GGA will maintain Fees within the maximum level as required to achieve and maintain compliance with SGMA requirements. The GGA will review the proposed Fees annually and determine if any Fee adjustments are necessary based on actual expenditures to date and projected expenses over the following fiscal year.

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

The GGA has developed a Fee Implementation Policy for approval at the July/early August 2024 meeting when the GGA would consider approving the proposed fees. The policy is included in **Appendix H**. The goal of the Fee Policy is to ensure that landowners have a mechanism in place to change their user classification based on changes in land use and/or change the acreage subject to the proposed SGMA fees to ensure fair and equitable billing of proposed SGMA fees.

SECTION 8: GGA REFERENCES

LSCE referenced and used information from the following sources to prepare this Fee Report for the GGA. All documents referenced are available as indicated on the website links below.

Glenn Groundwater Authority Groundwater Sustainability Agency
Glenn Groundwater Authority | County of Glenn

Bulletin No. 118, California's Groundwater, 2003 and 2016 Interim Update
California Department of Water Resources

https://water.ca.gov/Programs/Groundwater-Management/Bulletin-118#

2014 Sustainable Groundwater Management Act (including Fee related provisions)
California Department of Water Resources

https://water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management

Glenn County*, Parcel/Tax Data Year 2023, provided May 2023.*

Glenn County Crop Reports
Crop Reports (Statistics) | County of Glenn

Colusa Subbasin – 2022 Groundwater Sustainability Plan
https://www.countyofglenn.net/dept/planning-community-development-services/water-resources/colusa-subbasin-groundwater

Department of Water Resources Disadvantaged Communities Mapping Tool

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