

**Introduction to Groundwater Sustainability
Funding for the Sierra Valley Basin:
Sierra Valley Groundwater Management District GSA
Plumas County GSA**

Paying for GSP Implementation

Presented By
John W. Bliss, P.E., SCI Consulting Group
Ryan Aston, SCI Consulting Group

SCI Consulting Group

- ▶ 25 person Engineering Firm based in Solano County
- ▶ Specializes in funding for local public agencies
- ▶ GSP Implementation Funding
 - ▶ Sierra Valley Basin
 - ▶ Siskiyou County Basins
 - ▶ Sonoma County Basins
 - ▶ Ukiah Valley Basin

Project Goals

- ▶ Satisfy funding discussion for GSP as required by SGMA
- ▶ Create a locally-viable and right-sized Funding Strategy
 1. Evaluate and quantify costs
 2. Evaluate funding options
 - *Revenue Potential*
 - *Political Viability / Community Acceptance*
 - *Costs of Implementing Funding Mechanism*
 - *Legal Rigor*
 - *Administration*

Annual Implementation Costs - O&M

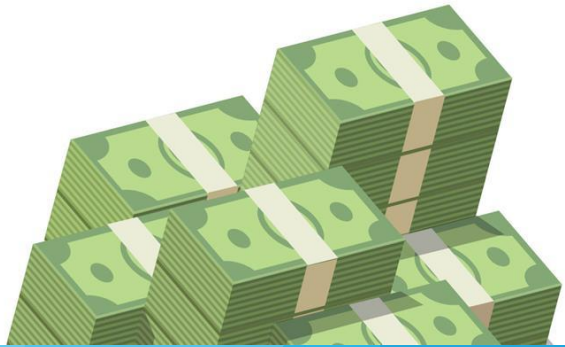
Operations and Maintenance

	Annual Budget	
	Low Range	High Range
General GSA Operations (partially included in current costs)	TBD	TBD
Annual Reporting (partially included in current costs)	TBD	TBD
Monitoring (partially included in current costs)	TBD	TBD
Model Maintenance	TBD	TBD
Future Stakeholder Engagement	TBD	TBD
Mediation Fund (optional)	TBD	TBD
Total	TBD	TBD



Annual Implementation Costs - Capital

	Annual Budget	
	Low Range	High Range
Grant Writing	TBD	TBD
Annual Grant Administration	TBD	TBD
Capital Projects Costs	TBD	
Total	TBD	TBD



Annual Implementation Costs - Total

	Annual Budget	
	Low Range	High Range
Operations and Maintenance	TBD	TBD
Capital Projects	TBD	TBD
Total	TBD	TBD



Sample of Annual Implementation Costs

Example of Total Costs in Similar Basins

	Annual Budget	
	Low Range	High Range
General GSA Operations (partially included in current costs)	\$7,000	\$22,000
Annual Reporting (partially included in current costs)	\$11,000	\$20,000
Monitoring (partially included in current costs)	\$32,000	\$45,000
Model Maintenance	\$28,000	\$60,000
Future Stakeholder Engagement	\$7,000	\$18,000
Grant Writing and Administration	\$5,000	\$15,000
Capital Projects	TBD	TBD
Mediation Fund (optional)	TBD	TBD
Total	\$90,000	\$180,000



Existing Revenue Sources

- ▶ **County Contributions**
 - \$4,000 from both Sierra and Plumas Counties

- ▶ **Management Charges**
 - Meter fee
 - \$200 per well
 - Parcel fee
 - Based on acreage

- ▶ Management charges are essentially regulatory fees

Existing Revenue

FY	<u>Management Charges</u>	<u>Well Evaluations & Flow Meters</u>	<u>County Contributions</u>	<u>Total Annual Revenue (Excluding Grants)</u>
2020/21	\$44,998	\$908	\$4,000	\$49,906
2019/20	\$74,669	\$0	\$8,000	\$82,669
2018/19	\$74,838	\$0	\$8,000	\$82,838
2017/18	\$72,072	\$2,818	\$12,000	\$86,890
Totals:	\$266,577	\$3,726	\$32,000	\$302,303
			Four Year Average:	\$75,575.75

Funding Mechanisms

- ▶ Best Option:
 - Existing Revenue Sources
 - Grants and Loans
 - County contributions
 - Management Charges:
 - **Regulatory fee** based on meters
 - **Regulatory Fee** based on parcels (acreage)
- ▶ If additional revenue is needed:
 - **Property Related Fees** - non-Balloted (*allocated to well owners*)
 - Based on estimated water usage or actual water usage
 - **Special Taxes** - Balloted (*allocated to all property owners within the basin*)
 - Based on parcels

Use of Funds

- ▶ **Regulatory Fees** (Management Charges) (Water Code 10730, Prop 26 Compliant)
 - Operations and Maintenance
 - Program Administration
- ▶ **Property Related Fees** (Water Code 10730.2, Prop 218 Compliant)
 - Operations and Maintenance
 - Program Administration
 - Capital Projects
 - Grant Writing
 - “All other activities necessary or convenient to implement the plan”
- ▶ **Special Taxes** (Prop 218 Compliant)
 - Operations and Maintenance
 - Program Administration
 - Capital Projects
 - Grant Writing



Legal Rigor

▶ Regulatory Fees

- Legally rigorous for regulatory activities
- Must establish reasonable relationship between fee and use
- SGMA framers intended for GSP development
- Governing board approval

▶ Property Related Fees

- Legally rigorous for all activities
- Must establish strong nexus between fee and use
- SGMA framers intended for GSP implementation
- Property owner approval

▶ Special Taxes

- Legally rigorous for all activities
- Voter approval



Basin Wells

For regulatory fees and property related fees, methodology can be based on:

- Estimated Usage
- Actual Usage - Metered
- Irrigated acreage

Basin Wells	
	<u>Approx. Number</u>
Agricultural	59
Stockwater	24
Industrial	1
Municipal	26
Domestic	34
Other (Monitoring, injection, etc.)	108
Unknown	101
Total	353



Regulatory Fee and Property Related Fee - Estimated Usage Rate Model

Basin Wells	Approx. Number	Low Range		High Range	
		Rate	Revenue	Rate	Revenue
Agricultural	59	\$225.00	\$13,275	\$1,600.00	\$94,400
Industrial	1	\$225.00	\$225	\$1,600.00	\$1,600
Stockwater	24	\$15.00	\$360	\$40.00	\$960
Municipal	26	\$25.00	\$650	\$50.00	\$1,300
Domestic	34	\$0.00	\$0	\$25.00	\$850
Other (Monitoring, injection, etc.)	108	\$0.00	\$0	\$25.00	\$2,700
Unknown	101	\$0.00	\$0	\$0.00	\$0
Total	353		\$14,510		\$101,810
Four Year Average Revenue (Excluding Grants)			<u>\$75,000</u>		<u>\$75,000</u>
Combined Total:			\$89,510		\$176,810
Hypothetical Revenue Goals:			\$90,000		\$180,000



Regulatory Fee and Property Related Fee - Usage Rate Model

Basin Wells

	Approx. Acre Feet	Low Range		High Range	
		Rate	Revenue	Rate	Revenue
Agricultural	11,989	\$1.25	\$14,986	\$8.25	\$98,909
Municipal	710	\$1.25	\$888	\$8.25	\$5,858
Total	12,699		\$15,874		\$104,767
Four Year Average Revenue (Excluding Grants)			<u>\$75,000</u>		<u>\$75,000</u>
Combined total:			\$90,874		\$179,767
Hypothetical Revenue Goals:			\$90,000		\$180,000



Special Tax Model

	Residential			Low Range		High Range		Units
	Parcels	Units	Acres					
Single Family	1,057	1,083	6,339	\$4.00	\$4,332	\$8.50	\$9,206	<i>per residential unit</i>
Multi: 2-4 Units	4	8	13	\$4.00	\$32	\$8.50	\$68	<i>per residential unit</i>
Apartments	1	5	5	\$4.00	\$20	\$8.50	\$43	<i>per residential unit</i>
Mobile Home	63	63	142	\$4.00	\$252	\$8.50	\$536	<i>per residential unit</i>
Commercial/Industrial	127	NA	1,056	\$4.00	\$508	\$8.50	\$1,080	<i>per parcel</i>
Vacant	526	NA	1,778	\$4.00	\$2,104	\$8.50	\$4,471	<i>per parcel</i>
Parking & Storage	11	NA	34	\$4.00	\$44	\$8.50	\$94	<i>per parcel</i>
Agricultural	286	NA	67,839	\$1.10	\$74,623	\$2.10	\$142,463	<i>per acre</i>
Timber & Pasture	55	NA	9,316	\$1.10	\$10,247	\$2.10	\$19,563	<i>per acre</i>
Government & Institutional	114	NA	12,975	\$0.00	\$0	\$0.00	\$0	NA
Not Assessable	18	NA	11	\$0.00	\$0	\$0.00	\$0	NA
Totals	2,262	1,159	99,507		\$92,162		\$177,521	

Hypothetical Revenue Goals: **\$90,000**

\$180,000



Next Steps

- ▶ Questions for the GSA:
 1. Refine total costs (existing costs + SGMA costs)
 2. Community preference for revenue:
 - ▶ estimated usage
 - ▶ actual usage
 - ▶ parcels (acres)
 3. Funding approach portfolio
- ▶ Engage Community
- ▶ Implement Funding Strategy



Questions and Discussion

