



SANTA ROSA PLAIN
GROUNDWATER
SUSTAINABILITY AGENCY

Rate & Fee Study Session

DECEMBER 13, 2018

Study Session Agenda

- Introduction & Purpose of Study Session
- Background & Context
- Study Session Topics for Board Discussion
- Closing and Next Steps

Introduction & Purpose

Purpose of study session

- Review and discuss status of fee study
- Describe proposed fee assessment methodology
 - Fee calculations will depend on basin boundaries (final decision on Sebastopol modification request)
- Examine & provide direction to staff on remaining key issues related to developing a methodology for a fee structure
- Describe overall schedule goals & next steps

RATE/FEE STUDY & IMPLEMENTATION PROPOSED WORK PLAN

December 13	Board	Study Session
December-February	Board and Advisory Committee members	Seek feedback and input from stakeholder groups on methodology and proposed fee.
• January 14	Advisory Committee	Review & provide feedback for Board on draft well registration options
• January-February	Board, Advisory Committee, Raftelis, staff	Community workshop & other outreach seeking feedback on proposed methodology, fee and well registration program
• February 14	Board	Review and discuss final fee option; come to conceptual agreement on methodology (awaiting DWR release of basin boundary modifications). Provide feedback on final well registration program.
February 2019	Department of Water Resources	Basin boundary modification finalized, which will affect fee options
February-April	Consultants	Administrative findings (final report)
April 11	Board Meeting	Public hearing; adoption of fee schedule; approval of well registration program
April-May 2019	Staff	Provide findings/fee schedule to assessor
June 2019	Staff	Implementation of well registration program
August 2019	Staff	Deadline to submit fee schedule to County Assessor

Basin boundary modifications

California Department of Water Resources (DWR) estimated release dates:

- November 2018: DWR released draft approval of Sebastopol boundary change request. Final DWR determination anticipated February 2019
- Governance: Will Sebastopol elect to participate on the SRP Board?
 - If so, GSA Board will determine whether Sebastopol will be required to contribute funding – implications to fee study.
- Mutual Water Companies (Belmont Terrace, Fircrest, and Kelly) will participate under existing GSA Board seat for mutual & investor owned water companies

Basin reprioritization

California Department of Water Resources (DWR) anticipated release dates:

- December 2018: Anticipated release of final Basin Reprioritization for basins that did NOT request boundary modifications (Alexander Valley & Dry Creek)
- Late spring/summer 2019: Anticipated release of final Basin Boundary Modification requests and Basin Reprioritization for basins with boundary modification requests (Wilson Grove, Santa Rosa Plain, Petaluma Valley & Sonoma Valley)

3 Required Steps to Sustainability



* DWR may grant up to two, five-year extensions on implementation upon showing of good cause and progress

“The Past” Step 1 – Formation of a Groundwater Sustainability Agency (GSA)

- Completed – GSA formed in June 2017
- GSA was formed through a Joint Powers Authority Agreement (JPA) which governs its operations
- Formation activities funded by GSA member agencies

“The Now” Step 2 – Development of a Groundwater Sustainability Plan (GSP)

Currently working on this step – deadline January 31, 2022

GSA Activities:

- Technical work required to prepare Groundwater Sustainability Plan
- Outreach and public information
- Grant writing and funding administration
- Support of Board and Advisory Committee
- Administrative activities required by SGMA and Joint Powers Authority agreement

“The Now” Step 2 – Development of a Groundwater Sustainability Plan (GSP)

How is this step funded?

- First two years funded by GSA member agencies
- Received \$1 million grant from the state for preparation of the Groundwater Sustainability Plan
- Need to identify equitable funding source for costs above the \$1 million grant for final three years of Step 2
- Costs to be covered are primarily administration of GSA
- Fee approval requires three-fourths vote of Board

“The Future” Step 3 – Implementing the GSP *(After January 2022)*

Specific activities will depend on conclusions reached in the Groundwater Sustainability Plan

At a minimum will include:

- Installing and tracking the monitoring networks (wells, stream gages, weather, water quality, etc.) needed per GSP & SGMA
- Annual and 5-year update reports to DWR
- Outreach and public information activities
- Ongoing support of Board and Advisory Committee
- Administrative functions required by SGMA & JPA for GSA operations

“The Future” Step 3 – Implementing the GSP (After January 2022)

Possible additional programs and projects required by GSP:

- Technical studies to fill data gaps identified in the GSP
- Installation and operation of capital projects to achieve sustainability (eg., recharge)
- Water management programs (e.g., conservation)
- Well registration program administration & potential regulatory programs

How will these activities be funded?

- Grant opportunities will be pursued to help cover some costs
- It's anticipated that a second fee study will be conducted to fund remaining implementation costs, once costs have been clearly identified

What is the Status of Funding Step 2: GSP Development?

	Repayment is 100% Deferred*
Estimated <u>5-year</u> operating expenses**	\$3,000,400
GSA Member agency repayment deferral	-\$992,000
Grant funding	-\$1,000,000
Total to be recovered	<hr/> \$1,008,400
Years to recover expenses	<hr/> 3
Total estimated annual amount to be recovered	<hr/> \$337,000**

**If repayment of member agencies is not deferred, annual amount will more than double.*

*** Rounded up to the nearest hundred (operating expenses) and thousand (annual amount to be recovered).*

What is the Status of Funding Step 2: Activities to date

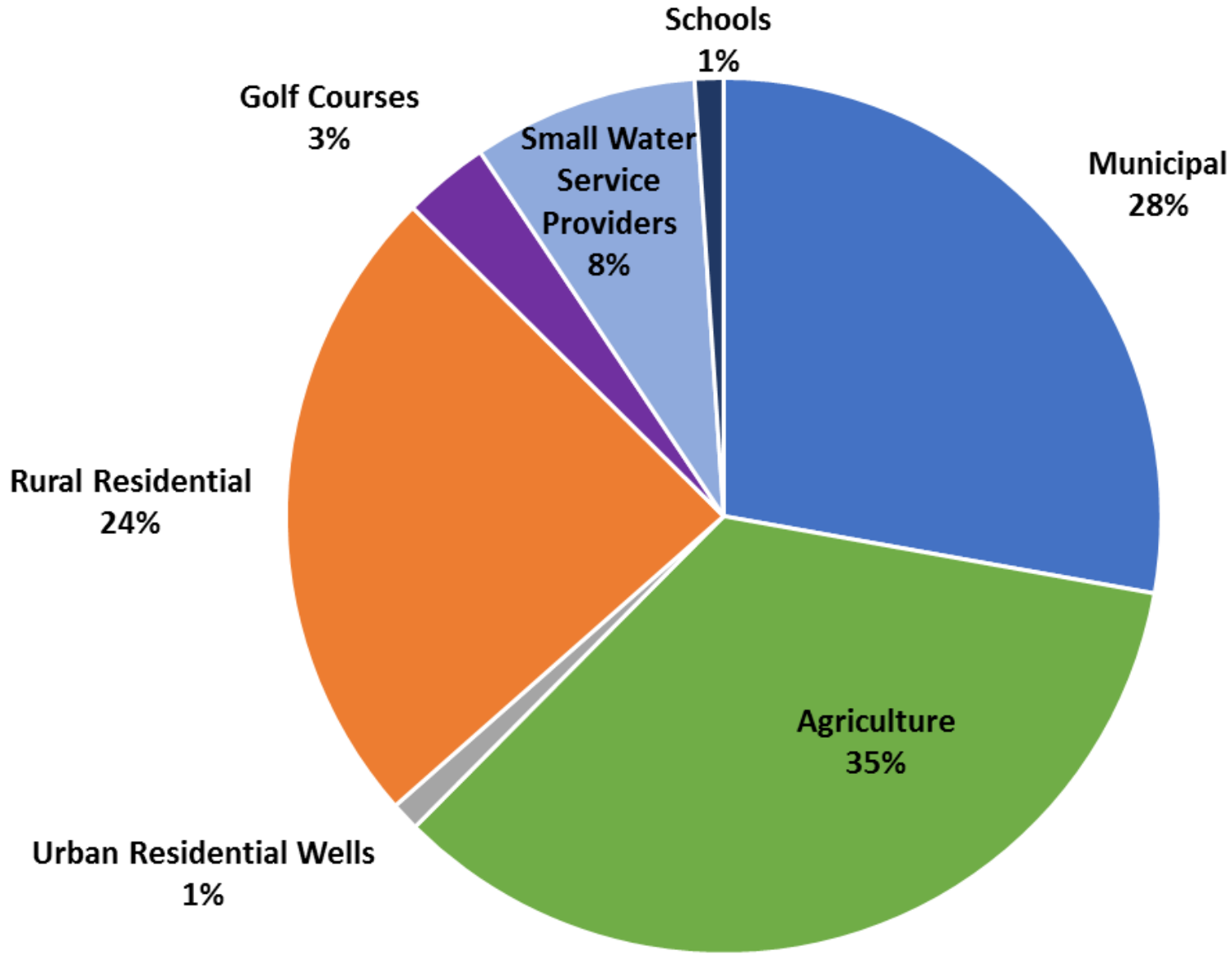
- **Five Board meetings** that included presentations & updates.
- **Key Board decisions include:**
 - Creation of ad hoc committee (April)
 - Do not pursue parcel tax (June)
 - Do not pursue ongoing member agency contributions (June)
 - Continue work on fees based on estimated/actual groundwater use (June)
 - Pursue possible well registration program (June)
- **Six Advisory Committee meetings** with discussion and feedback
- March 21, 2018 **Community Workshop** (standing room only)

What is proposal to fund remaining Step 2 costs?

Regulatory fees based on groundwater use: Actual use or estimates

- **Actual use based on metered pumping data:** Municipal & public water systems
- **Estimated groundwater use (pumping data not available):**
 - Rural residential, agriculture & other users (e.g., golf courses, schools)
 - Estimates of groundwater use need to be based on data, reports, studies by independent parties

Estimated Groundwater Use by User



What is proposal to fund remaining Step 2 costs?

Estimated Rural Residential Water Use

- Based on representative estimated average annual use per property
- Some properties will be higher & some will be lower in use
- Metered residential usage from cities not representative of rural residential water use
- Water use factor should be based on studies, referenced reports, etc.



Photo by Jennifer Noonan

What is proposal to fund remaining Step 2 costs?

Rural Residential Groundwater Usage Estimate	Data Source
0.48 AFY/household (assumes 2.5 residents per household at 0.19 AFY/capita)	Simulation of Groundwater and Surface-Water Resources of the Santa Rosa Plain Watershed, Sonoma County, California (U.S. Geological Survey, 2014)
0.5 to 0.75 AFY	County of Napa Water Availability Analysis Guidance Document (County of Napa, 2015)
0.53 AFY	Canon Manor West Subdivision Assessment District Groundwater Study (Todd Engineers, June 2004)
0.40 to 0.55 AFY (Average of 0.47)	Reported groundwater usage per connection for nine public water suppliers, including mutual water companies, within the Santa Rosa Plain Groundwater Subbasin (California State Water Resources Control Board - Division of Drinking Water, 2011 to 2017)
0.5 AFY (466 gallons per day)	Proposed Assumed Usage for Fee Study

What is proposal to fund remaining Step 2 costs?

Agriculture estimated use based on:

- Number of irrigated acres and estimated annual applied water for specific crop type (crop coefficient)
- Account for recycled water use & surface water rights
- **Key Applied Water Estimates: Vineyards**
 - Proposed 0.6 feet water per acre per year
 - UC Cooperative Extension, GSA staff and several vineyard managers convened working group
 - Consistent with documented reports/studies

What is preliminary proposal to fund remaining Step 2 costs?

Key Applied Water Estimates: Irrigated Pastures/Dairies

- UC Cooperative Extension, Sonoma County Farm Bureau, Gold Ridge Resource Conservation District, dairy operators convened work group
- Documented no groundwater pumping for pastures
- Estimated dairy use for operations (non-irrigation) based on documented reports/studies
- Cow numbers per dairy as reported by the North Coast Regional Water Quality Control Board's Dairy Water Quality Permit

Estimated fees compared to State Intervention Fees

Source of Usage	Repayment 100% Deferred	Annual State Intervention Fees
Charge per Acre Foot (agriculture, municipal, golf courses)	\$16 - \$22	\$300 base fee, plus \$40 per AF*
Charge for Rural Residential (\$ per parcel/year)	\$8 - \$11	\$100
Charge for Urban Supplemental Irrigation Wells (\$ per parcel/year)	\$1-3	\$100
<p>* The \$300 annual base fee is charged to all well owners, except <i>de minimis</i> (rural & urban residential).</p>		

Key Remaining Issues to Develop Fee Methodology

Study Session Topic #1:

What are general elements of a well registration program?

- A well registration program (or some form of regulation) is required if fees are to be assessed to de minimis groundwater users (i.e., most rural residential groundwater users)

Study Session Topic # 1: Proposed Well Registration Program Parameters

Cumulatively, *de minimis* water users (those using less than 652,702 gallons per year) comprise a large percent of groundwater use in basin.

Well registration program is necessary if fees will be assessed to *de minimis* groundwater users.

If rural residential groundwater users are not assessed, there will be a significant increase in fees to other groundwater users.

Study Session Topic # 1:

Proposed Well Registration Program Parameters

- Well owners shouldn't pay registration fee, but costs for program will be funded by GSA budget
- Well registration form is clear and simple, and includes option to provide well location
- People who aren't in public water supply system are assumed to have a well, with appeal process
- Contract with County (e.g., Ag. Commissioner, Permit Sonoma) for development and administration of program
- Outreach/public information provided by GSA
- Well information will be protected from disclosure as consistent with utility customers of local agencies

Study Session Topic # 1: Proposed Well Registration Program Parameters

Outreach Plan

- English and Spanish radio ads
- Media advisories
- Social media through member agencies and partners
- Pre-registration postcard to all well owners
- Simple, clear letter (from GSA) announcing program
- Easy-to-understand web and/or paper appeal process

Topic 1: Board Discussion

Key Remaining Issues to Develop Fee Methodology

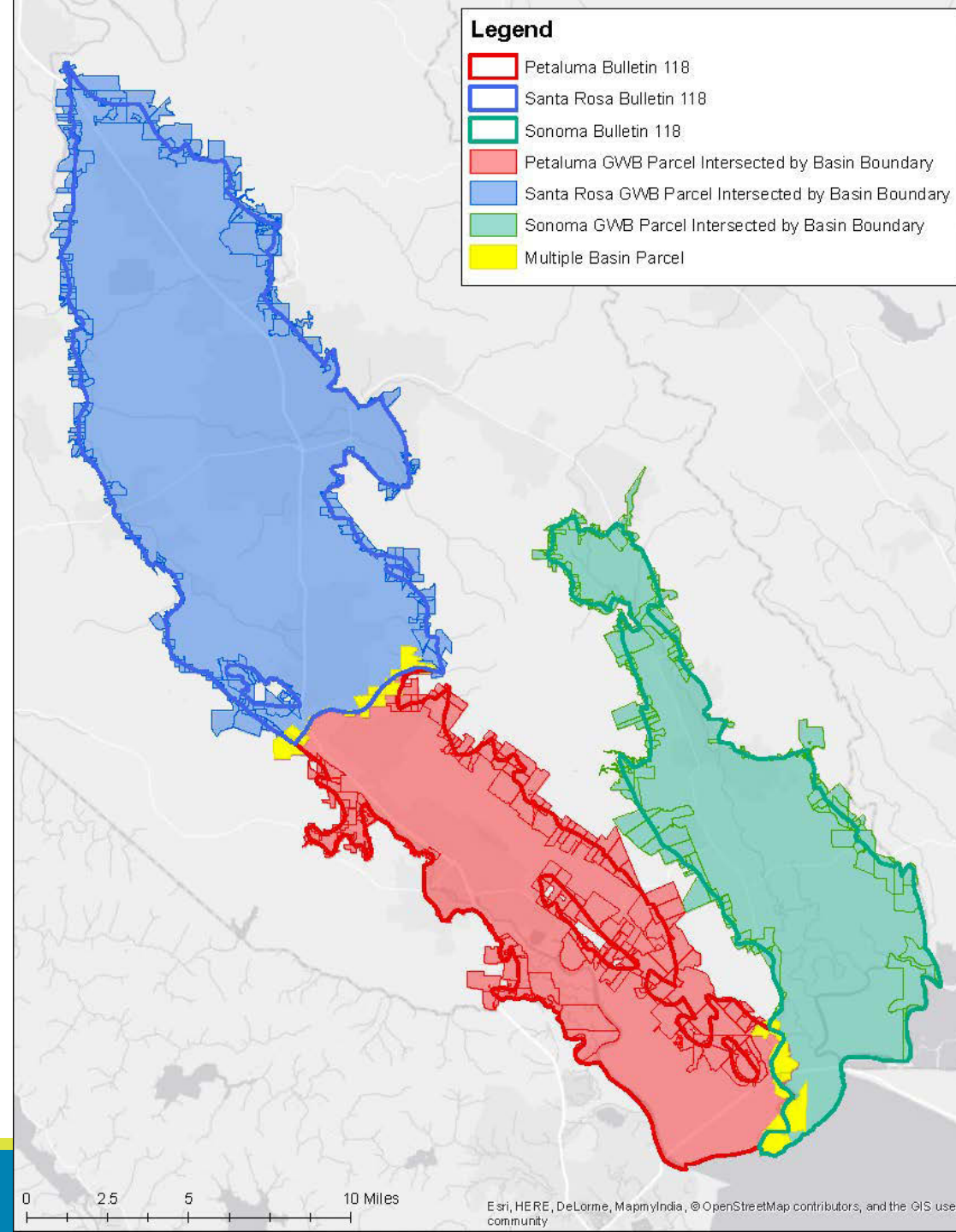
Study Session Topic # 2:

How should parcels that are partially within the basin be considered?

- Parcels in both SRP and Petaluma Valley basins
- Parcels partially in SRP and outside a SGMA basin
- Can assess fee if groundwater is pumped within a basin regardless of whether use is within basin
- Issue: We don't know where most wells are located

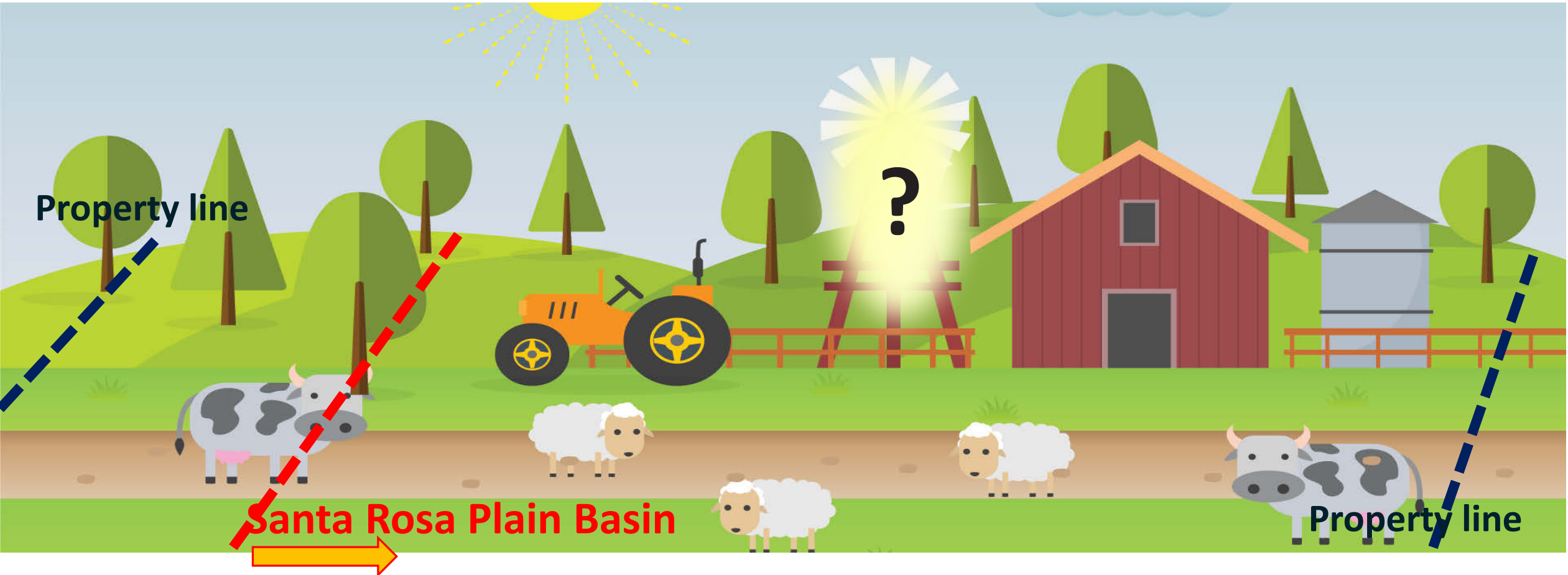
Study Session Topic #2: Parcels Intersected By Basin Boundaries

- 922 Parcels out of approximately 77,000 total parcels intersected by SRP basin boundary
- 60 Parcels (out of the 922 parcels) straddle SRP and Petaluma Valley jurisdictional areas



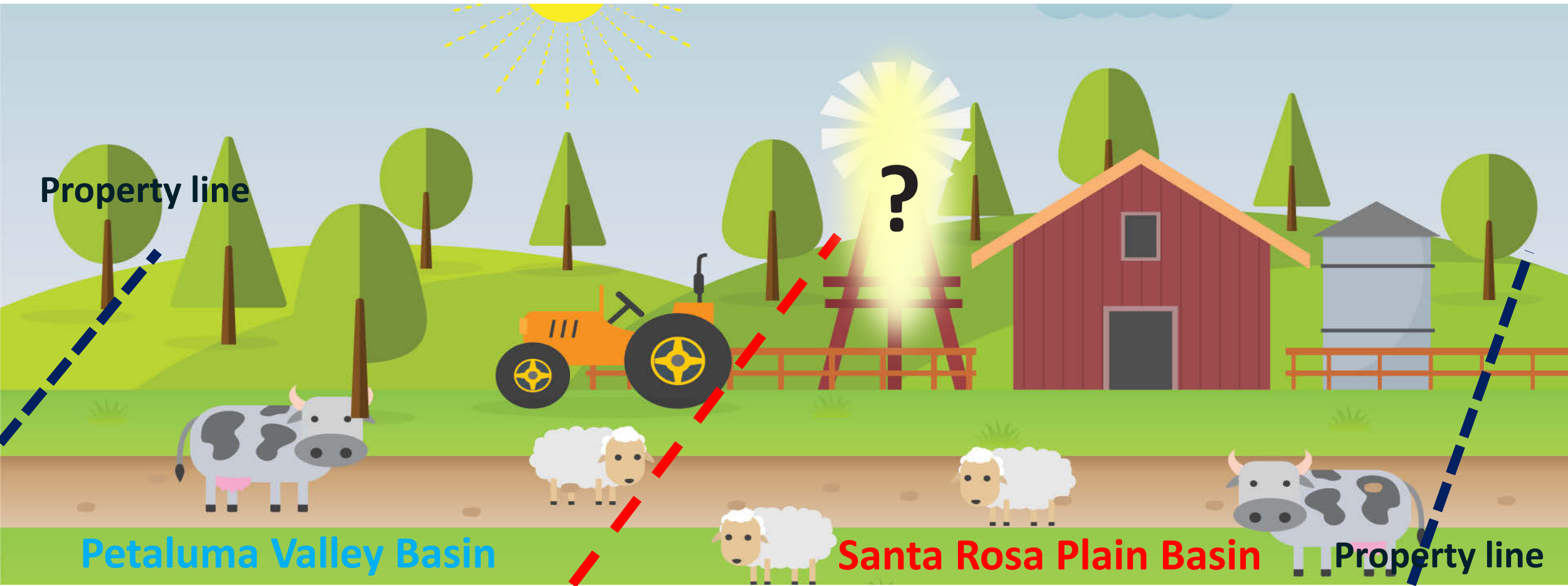
Scenario One: Parcels that are partially in the basin

Proposed Approach: Assume well is in the basin and provide appeals process to well owners



Scenario Two: Property is in Santa Rosa and Petaluma basins

Proposed Approach: Assume well is located in Santa Rosa basin and provide appeals process for well owners



Topic 2: Board Discussion

Key Remaining Issues to Develop Fee Methodology

Study Session Topic #3:

Should GSA member agency contributions for years 1 and 2 be paid back (partially or entirely) in years 3 through 5 - OR - deferred for consideration of reimbursement during Step 3?

Study Session Topic # 3:

GSA Agency Contributions Reimbursements

- To date, no GSA board direction regarding reimbursement
- This issue significantly affects fees
- GSA member agencies with governing board direction authorizing deferral of year 1 & 2 contributions:
 - Cities of Cotati, Rohnert Park and Santa Rosa
 - Town of Windsor
- GSA member agencies directors indicating support of majority board consensus regarding deferral:
 - Mutual and Investor Owned Public Water Companies
 - Sonoma & Gold Ridge Resource Conservation Districts
 - County of Sonoma
 - Sonoma Water

Study Session Topic # 3: Year 1 & 2 GSA Agency Contributions Reimbursed in Years 3-5

	If Repayment is 100% Deferred	If Repayment is 50% Deferred	If Repayment is not Deferred
Estimated Operating Expenses	\$3,000,400	\$3,000,400	\$3,000,400
Repayment Deferral	-\$992,000	-\$496,000	0
Grant Funding	\$1,000,000	\$1,000,000	\$1,000,000
Total to be recovered	\$1,008,400	\$1,504,400	\$2,000,400
Years to recover expenses	3	3	3
Total estimated annual amount to be recovered	\$337,000	\$502,000	\$667,000

Amounts are rounded up to the nearest hundred (operating expenses) and thousand (annual amount to be recovered).

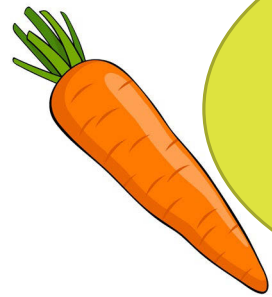
Topic 3: Board Discussion

Key Remaining Issues to Develop Fee Methodology

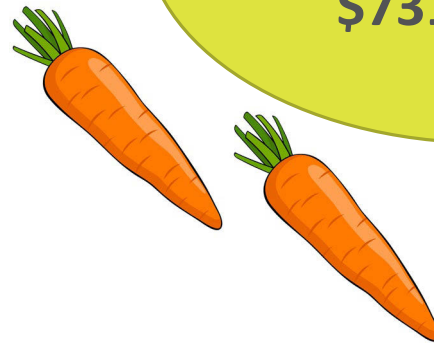
Study Session Topic #4:

Are there opportunities to reduce potential economic impacts on some payors?

Examples of estimated annual costs for certain agricultural operations



**10 Acre
Vegetable
Farm
\$292-\$772**



**25 Acre
Vegetable Farm
\$731-\$1,929**



**10 Acre
Vineyard
\$97-\$257**



**200-cow dairy
\$89-\$234**



**100 Acre Vineyard
\$975-\$2,571**

Range of costs for cities/water service providers

City/Water Service Provider	Projected Usage (AF annually)*	Estimated Annual Fee (Low)	Estimated Annual Fee (High)
Cotati	272	\$4,416	\$5,888
Rohnert Park	1,681	\$27,293	\$36,390
Santa Rosa	1,598	\$25,945	\$34,594
Sebastopol	1,004	\$16,301	\$21,735
Windsor	50	\$812	\$1,082
Sonoma Water	592	\$9,612	\$12,816
Sonoma State University	196	\$3,182	\$4,243
California-American Larkfield (PUC)	468	\$7,598	\$10,131
Other small water service providers	891	\$14,466	\$19,288
TOTAL	6,752	\$109,625	\$146,167

* Projected water use based on recent measured/reported water use patterns.

Study Session Topic #4: Opportunities to reduce economic impacts

Cost per acre foot (agriculture, public water supply, golf courses)	If repayment is 100% deferred; \$337,000 annual budget
No additional member agency funding (\$0)	\$16-\$22 per AF
If member agencies meet 20% of costs (\$67,400)	\$13-\$18 per AF
If member agencies meet 40% of costs (\$134,800)	\$10-\$13 per AF

Study Session Topic #4: Opportunities to reduce economic impacts

Cost per parcel (rural residential and urban irrigation wells)	If Repayment is 100% deferred; \$337,000 annual budget
	Rural Residential
No additional member agency funding (\$0)	\$8-\$11 per parcel
If member agencies meet 20% of costs (\$67,400)	\$7-\$9 per parcel
If member agencies meet 40% of costs (\$134,800)	\$5-\$7 per parcel
	Urban Irrigation Wells
No additional member agency funding (\$0)	\$1.60-\$2.20 per parcel
If member agencies meet 20% of costs (\$67,400)	\$1.30-\$1.80 per parcel
If member agencies meet 40% of costs (\$134,800)	\$1-\$1.30 per parcel

Topic 4: Board Discussion

Moving forward ...

- Review of action items
- Next Board Meeting: February 14, 2019
- Go to www.santaroseplaingroundwater.org for updates and information
- Email arodgers@westyost.com or call (707) 543-8506 with questions