



EXECUTIVE COMMITTEE STAFF REPORT

MEETING DATE: March 25, 2021

AGENDA ITEM: 4.c

SUBJECT: FY 2021/2022 GSA Sustainability Fee Adjustment

RECOMMENDATION:

Receive report and recommend FY 2021/2022 GSA Sustainability Fee Adjustment to the Board of Directors.

BACKGROUND:

The Sustainable Groundwater Management Act (SGMA) authorizes groundwater Sustainability Agencies (GSAs) to impose fees to fund various regulatory activities, including the development and implementation of GSPs. Additionally, SGMA requires GSAs to immediately undertake implementation of adopted GSPs.

In 2018, the SVBGSA Board of Directors received the Salinas Valley Basin Groundwater Sustainability Agency 2018 Regulatory Fee Study prepared by Hansford Economic Consulting (HEC). Following approval of the report, the FY 2019/2020 GSA Sustainability Fee (Fee) was adopted by the Board of Directors on March 14, 2019 by Resolution No. 2019-03. Section 4 of the Resolution No. 2019-03 Section 4.1 requires that during the budget process, the Board of Directors shall review the Fee to determine if the Fee is sufficient to cover expenses, consistent with California Constitution and state law. During the annual review, the Board of Directors may increase or decrease the Fee as necessary or appropriate in compliance with the California Constitution and state law. A review of the regulatory fee was conducted by the Board in February 2020 and no fee increase was proposed for budget year 2020/21.

On December 10, 2020 the Board approved Amendment No. 2 for HEC to review the GSA Sustainability Fee for FY 2021/2022. Concurrent with this direction, Staff began developing the 2021-2022 Work Plan for the GSA and the FY 2021/2022 Budget. On February 19, 2021 the Executive Committee received and approved the tasks and timeline for the Sustainability Fee annual review. On March 4, 2021 the Budget and Finance Committee received and approved the FY 21-22 Preliminary Budget which included a 5% increase of the GSA Sustainability Fee to cover increased Agency expenses. On March 11, 2021 the Board of Directors approved the Two-year Agency Workplan for 2021. On March 18, 2021 the Advisory Committee reviewed and approved the methodology for the GSA Sustainability Fee increase.

DISCUSSION:

GSA staff has completed the necessary steps to review Agency needs for the FY 21-22 Budget and adopted the 2021-22 Work Plan for the Agency. Included in action for the Executive Committee today is both recommending the FY 21-22 Preliminary Budget to the Board and a recommendation to complete a Sustainability Fee adjustment for FY 21-22 needs. Staff seeks recommendation to the Board on these items. HEC will present current rates for the Sustainability Fee and proposed increase for FY 21-22. Following direction from the Executive Committee level, staff will bring the draft Fee Adjustment proposal to the Board of Directors on April 8, 2021.

FISCAL IMPACT:

The Fee Adjustment Study by HEC work was approved by the Board of Directors on December 10, 2020.

ATTACHMENT(S):

None

PREPARED BY:

Donna Meyers, General Manager