

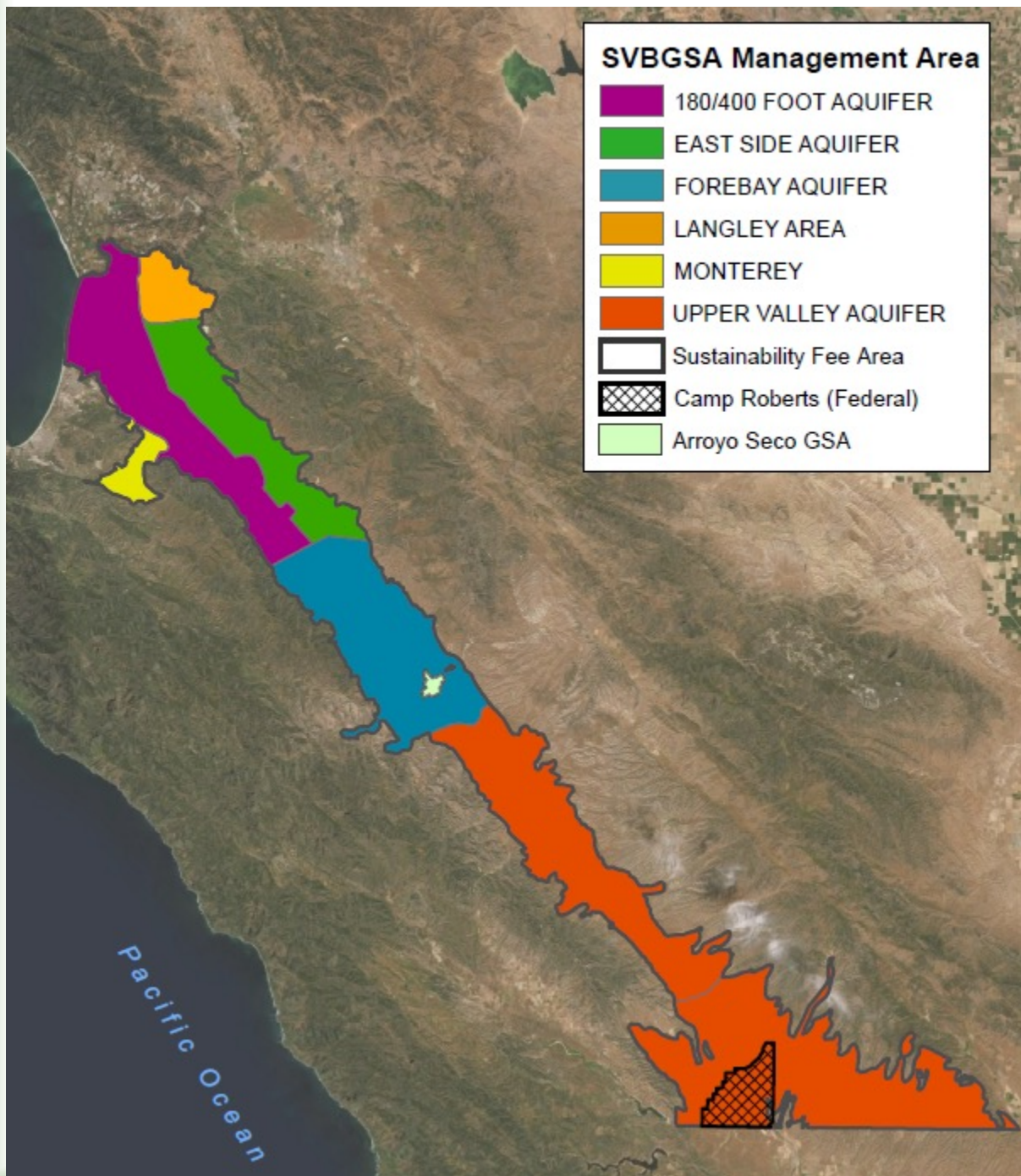
SVBGSA Groundwater Sustainability Regulatory Fee Fiscal Year 2021/22

Who Pays the Regulatory Fee?

- **All** beneficiaries of sustainable groundwater management in the SVBGSA management area
- 2 Groups of Beneficiaries: Agriculture & All Other
 - Agriculture** pays per Irrigated Acre – no exceptions; includes land irrigated with surface water
 - All Other** pays per Service Connection – no exceptions; includes beneficiaries that may also have a private well and beneficiaries not actively taking water through the service connection

Exempt: De Minimus Extractors, Federal Properties

Fee was set in 2019 and was not increased in 2020



The fee is uniform throughout the SVBGSA Management Area – applied to all aquifers / areas defined by DWR

The fee is not applicable in Arroyo Seco GSA and Camp Roberts is Exempt

Recap of what the Regulatory Fee Funds

Authorized by the Sustainable Groundwater Management Act and pursuant to California Water Code*; this list provides examples of regulatory activities that may be funded, but it is not all inclusive:

- GSP development and updates
- Investigations, inspections
- Data networks and monitoring
- Compliance assistance, enforcement
- Program administration (includes agency staffing, legal counsel, consultants, and associated costs)
- Prudent reserves

** The regulatory fee must be no more than necessary to cover the reasonable costs of the governmental activity. To date the fee has provided revenues that have matched and leveraged state funding.*

How is the fee charged?

- **Irrigated Acres** – the fees are placed on the tax roll and collected by the County. The County sends the fees to SVBGSA in December, February, and June.
- **Connections**
 - **Small Water Systems** – the fees are placed on the tax roll
 - **Public Water Systems** - the fees are placed on the tax roll if the APN and number of connections per APN is provided by the water purveyor. The fees are “hand billed” if they cannot be placed on the tax roll (such as a State of California water system) or if the water purveyor prefers to pay for all their customers.

Methodology to Establish Fee

Step 1 – Allocate the cost basis between Agriculture and All Other

90% to Agriculture; 10% to All Other Users

-based on historical pumping data for the Salinas Valley

Step 2 – Divide allocated cost by total # irrigated acres for Agriculture

Step 3 – Divide allocated cost by total # connections for All Other Users

Irrigated Acres Defined

“All real property classified as Monterey County Assessor land use codes 4C, 4D, 4F, 4G, 4K, and 4N, whether the acre belonging to the Assessor Parcel Number upon which the regulatory fee is imposed is or is not currently irrigated.”

County GIS data is used to determine the number of Irrigated Acres per APN.

The number of Irrigated Acres upon which the fee is calculated for each parcel may not be the same as the acres of the parcel stated on a property tax bill because the GIS calculated number of acres may not exactly match that of a legal description or map provided to the County for the Assessor's roll.

Agricultural Land – Assessor Code 4

Land Use			Acres in SVBGSA Management Area Only
Code	Description	Acres	
Lands Charged Regulatory Fee			
4C	Row Crop	95,685	
4D	Field Crops Alfalfa, Pasture	2,271	
4F	Vineyards	32,759	
4G	Orchards (fruits or nuts)	571	
4K	Agricultural Preserves, Irrigated, Row Crop	76,728	
4N	Ag. Preserve Vineyard, orchard	42,443	
Total Irrigated Acres		250,457	
Lands NOT Charged Regulatory Fee			
4A	Grazing, Etc.	58,388	
4B	Dry Farming	17,344	
4E	Feed Lots	144	
4H	Agricultural Preserves: Grazing, Brush, Dry Farming	161,168	
4J	Waste Land Hunting or Rec. Use only	1,911	
4L	Open Space Easements - eligible for subvention	312	
Total Acres NOT Charged Regulatory Fee		239,268	
Total Agricultural Acres		489,724	

Steps to Impose the Annual Regulatory Fee

The SVBGSA has the authority under the CA Constitution to adjust the fee at any time; the authorizing resolution requires annual review of the fee

- SVBGSA Board authorizes the fee amounts for the next fiscal year.
- A copy of the authorizing resolution is sent to the County.
- No later than August 1 the list of APNs with the fee amounts by APN is sent to the County.
- The County verifies the list and places the fees on the tax roll in September.
- In September, SVBGSA staff prepare the 'hand bills' for properties that cannot, or have chosen not, to be charged on the tax roll.

Setting the Fiscal Year 2021/22 Fee

Based on the Budget

- Budget and Finance Committee March 4th - 5.0% increase in regulatory fees is included (this is rounded up from the San Francisco All Urban CPI index change of 4.5%)
- The fee does not pay for all operating expenses – a portion of the existing fund balance will also be used

No Change in Methodology Recommended

- No change in approximate % pumping between Agriculture and Other Users (see next slide)
- Only in Year 3; a review of methodology is required in Year 5

MCWRA Historical Pumping Data

Year	Total	Agricultural	Ag. as % of
	Pumping	Pumping	Total
	ac-ft	ac-ft	Pumping
2011	448,584	404,110	90.1%
2012	489,240	446,619	91.3%
2013	508,205	462,873	91.1%
2014	524,487	480,160	91.5%
2015	514,714	478,113	92.9%
2016	479,374	445,110	92.9%
2017	471,011	432,059	91.7%
2018	475,301	433,396	91.2%
Avg. Annual	488,865	447,805	91.6%

Source: MCWRA Annual Groundwater Extraction Reports.

Note: Data is for the Pressure, Forebay, East Side, and Upper Valley zones as defined by MCWRA; which boundaries are similar to the SVBGSA management area

Estimated Fee Increase Revenue

Using the FY 2020/21 fee database (# of irrigated acres and # of connections) the 5.0% fee increase is estimated to increase revenue by \$64,800.

The actual total amount of fees charged in FY 2021/22 will be determined in July when the database for Fiscal Year 2022 is generated using updated Assessor data, Small Water System data, and Large Water System data

Fiscal Year 2021/22 Calculated Fee

Fee Application	FY 2019/20	FY 2020/21 no change	FY 2021/22 5% increase
Irrigated Acre	\$4.79	\$4.79	\$5.03
Connection	\$2.26	\$2.26	\$2.37

Note: The fee is applied to the number of connections or number of irrigated acres per parcel (or water system if not charged to a parcel), then the total fee is rounded to the nearest 2 cents, as required by the County Auditor-Controller.