FINANCING GROUNDWATER SUSTAINABILITY

Landowner Workshop
March 2018

WHAT WE WILL COVER

• What is California’s new groundwater law the Sustainable Groundwater Management Act?
• Why is there a newly formed, local groundwater agency the North Fork Kings Groundwater Sustainability Agency?
• Why is it important that you vote on the assessment to pay for groundwater sustainability?
• How do you participate in the groundwater assessment election?
SGMA DESIGN

Form Agencies
Implement Plans
Develop Plans
Achieve Sustainability

WHAT MIGHT A GSA DO?

GSA authorities responsibilities
develop Groundwater Sustainability Plan (GSP)
well registration, metering, reporting, monitoring
regulate, limit or suspend groundwater production
procure surface water for replenishment
adopt rules, regulations, & ordinances
enforcement actions
administrative fees and assessments
SGMA DESIGN

1. Form Agencies
2. Develop Plans
3. Implement Plans
4. Achieve Sustainability

- Physical description of groundwater management area
- Water budget
- Monitoring program and projects
- Sustainability in 20 years
- Measureable objectives / thresholds
- Annual reporting
- State evaluations for compliance – every 5 years
SUSTAINABILITY CHALLENGES

Sustainability is defined as management and use that can be maintained during the planning and implementation horizon without causing “undesirable results,” based on “significant and unreasonable” standard.

- Chronic lowering of groundwater levels
- Reductions in groundwater storage
- Degraded water quality
- Land subsidence
- Surface water depletions that have adverse impacts on beneficial uses
- Seawater intrusion

KINGS SUBBASIN (PRIORITY BASIN)

- Seven GSAs
  - McMullin Area
  - North Fork Kings
  - James Irrigation Dist.
  - North Kings
  - Central Kings
  - Kings River East
  - South Kings
NORTH FORK KINGS MAP

NORTH FORK KINGS GSA

- Began meeting in 2015
- Formed a Special Act Agency through legislation
  - SB 564 Canella signed by Governor Brown on Sep. 16, 2016
- 15 Member Agencies
  - Irrigation districts, County, community/public service districts, mutual water companies
- 7 Divisions, 7-Member Board of Directors
- Rural Community Advisory Committee
MEMBER AGENCIES

DIVISION 1
County of Fresno

DIVISION 2
Clark's Fork Reclamation District
Laguna Irrigation District
Upper San Jose Water Company

DIVISION 3
Lanare Community Services District
Laton Community Services District
Riverdale Public Utilities District

DIVISION 4
Crescent Canal Company
Stinson Canal & Irrigation Company

DIVISION 5
Reed Ditch Company
Riverdale Irrigation District

DIVISION 6
Burrel Ditch Company
Liberty Mill Race Company

DIVISION 7
Liberty Canal Company
Liberty Water District

GET INVOLVED

- Board meets bimonthly
  - 4th Wednesday of the month
  - next meeting April 25, 5:30 pm, Riverdale Community Education Center

- Participate in GSP Development Process
  - Defining sustainability for the region
  - Defining “significant and unreasonable results” thresholds
  - ID of projects and approval of funding (Prop 218)
PROP 218 ASSESSMENT

BUDGET FORECAST

Table 3-2. Projected 5-Year Annual Budget

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¹5% Contingency/Reserve

| Fiscal year (FY) is July 1 - June 30 |

Notes:
- Total Estimated ESA Administration & Professional Services Cost = $ 188,638 x 340,706
- Enterprise Fund for GIS Implementation - Project Development/Accreditation Monitoring = $ 901,490 x 1,151,100

Total Estimated Cost = $ 1,698,337 x 1,698,337
BUDGET FORECAST

- Budget forecast is based upon reasonable assumptions and objectives
- NFKGSA area must meet expensive, unfunded mandates of SGMA

REVENUE REQUIREMENTS

- Needs
  - Fund annual management and operating costs
  - Reimburse member agencies for past support
  - Develop and initial implementation of GSP

- Types of Activities
  - Technical evaluation of groundwater basin
  - Groundwater monitoring
  - Coordinate with other Subbasin GSA’s
  - Undertake projects for groundwater stability
QUESTIONS?

PROP 218 PROCESS & NEXT STEPS

- Comply with California Constitution
  - Proposition 218, Article XIIIID, Section 4

<table>
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<tr>
<td>✓ ID all parcels</td>
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<tr>
<td>✓ Prepare Engineer's Report</td>
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<td>✓ Calculate proposed assessment</td>
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<td>✓ Set Public Hearing</td>
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PROP 218 PROCESS & NEXT STEPS

- Comply with California Constitution
  - Proposition 218, Article XIIIID, Section 4

  COMING SOON
  - Notice Landowners and provide balloting
  - Conduct Public Hearing (45+ days after noticing)
  - Other Administration Requirements

- Seeking voter approval of a not-to-exceed $10 per acre annual assessment

EXAMPLES OF NFKGSA ASSESSMENTS

- Average sized ¼ Acre Residential parcel at $10 per acre per year
  - $2.50 per parcel per year (billed biennially)

- Small farm 40 acre agricultural parcel at $10 per acre per year
  - $400 per parcel per year (billed biennially)
ALTERNATIVE TO ASSESSMENT ELECTION

- State can intervene and assume control of the responsibilities of the NFKGSA
- State will fund its' operations and oversight through involuntary fees (No Prop 218 election)
- Fees can include:
  - Regulation
  - Filing fees per well
  - Acre-foot fees for usage
  - All technical reports and special studies fees

STATE INTERVENTION COST

FEES beginning in Water Year 2018

- **Base Filing Fee** (per well): $300
- **Volumetric Rate** (per acre-foot):
  - Unmanaged: $25
  - Probation: $40
  - Interim Plan: $55
- **Late Fee** (per month): 25%

*special studies extra*
EXAMPLES OF STATE INTERVENTION FEES

Average sized ¼ Acre municipal household parcel base annual payment to the State
$60.09 for the first year

Average sized 40 acre agricultural parcel base annual payment to the State
$7,450 for the first year

NEXT STEPS

- Continue public outreach
- Notice Landowners and provide balloting
- Public Hearing and Closed Voting
  - May 9th Riverdale
- Certify results
- If election passes, forward assessments to Counties for implementation and collection via tax roll (January 2019)
QUESTIONS?

Thank You

North Fork Kings
Groundwater Sustainability Agency