



# Wyandotte Creek Groundwater Sustainability Agency Agenda Transmittal

Agenda Item: 6

**Subject:** Consideration of a Resolution to Establish and Collect a Fee for the Wyandotte Creek GSA Operations.

**Contact:** Kamie Loeser

**Phone:**

**Meeting Date:** 07/27/23

**Regular Agenda**

**Department Summary:**

The Wyandotte Creek Groundwater Sustainability Agency (WCGSA) is establishing a long-term fee to fund the ongoing GSA administration, GSP implementation activities, and SGMA compliance and reporting requirements. The WCGSA Board has met the Proposition 218 requirements associated with approving a property-based fee through implementation of the following actions:

- 1) Approved the WCGSA Fee Report at the May 25, 2023, Board Meeting including recommended long-term fees.
- 2) Distributed the Proposition 218 Notice to landowners in the WCGSA service area subject to fees.
- 3) Published a Notice of Public Hearing in the Chico Enterprise Record Newspaper prior to the public hearing.
- 4) Conducted a noticed public hearing and received and counted protests upon closing the public hearing.
- 5) Approved the FY23-24 Operations Budget to be funded by the fees.

The Board has approved the FY23-24 Operations Budget which will allow the WCGSA to achieve immediate SGMA compliance benefits for landowners subject to the fee. The WCGSA will be operating with a low-cost business model with a GSA Program Manager to be housed within the Butte County Department of Water and Resource Conservation overseeing GSA operations, implementation of the GSP, and ensuring SGMA compliance for all landowners within the Subbasin. The Board would be approving the Irrigated/Non-Irrigated Fee option to meet the long-term funding needs of the WCGSA as reflected in the Final Fee Report approved by the WCGSA Board on May 25, 2023. The Board plans to adjust fees during subsequent Fiscal Years based on DWR grant funds that offset eligible GSP implementation and SGMA compliance costs. It is anticipated that the DWR funding agreement will be in place by or prior to the first quarter of 2024. Grant reimbursements for eligible expenses can then begin to offset GSP implementation and SGMA compliance costs.

The WCGSA conducted public outreach as part of establishing a long-term fee including development of a Fact Sheet and Frequently Asked Questions document, conducted five Board meetings where the fee was discussed, two water advisory committee meetings, and two special workshops held during the fee development process. In addition, email notifications were provided to those who are signed up on the GSA’s and County email lists. The public outreach materials and information are available on the WCGSA website.

It is recommended that the WCGSA set the fee for FY23-24 at \$1.16, \$7.39, and \$11.40 per acre per year for the Non-Irrigated, Irrigated-Surface Water, and Irrigated-Groundwater user classes respectively. The fees for each user class would be based on distributing the GSA revenue needs across the three distinct user classes in the Subbasin on a per acre basis. The five-year revenue projections indicate that year 1 (FY23-24) has the lowest revenue needs for the WCGSA. The proposed FY23-24 WCGSA fees are lower than the maximum fees included in the attached WCGSA Proposition 218 Notices distributed in June 2023. Subsequent years are projected to have higher fees based on higher annual revenue projections which may be offset by expected DWR grant funding benefits over subsequent four fiscal years. The WCGSA Board will review the annual revenues and expenses on a regular basis and can adjust fees as prudent if they do not exceed the maximum fee stated in the Proposition 218 Notices circulated to landowners subject to the fees. If a majority protest vote has not succeeded, the WCGSA can certify the majority protest process and approve the proposed fees.

The WCGSA will continue to evaluate fee options and update fees in the future as more information becomes known through the GSP implementation process. In addition, the WCGSA will continue to work to avoid and resolve legal challenges that can result in higher long-term fees for landowners. The fees will provide landowners and properties with immediate SGMA compliance benefits and local representation for substantially lower costs than if no GSA was formed. If no GSA was formed, the landowners would be subject to regulation and oversight by the State Water Resources Regional Control Board (SWRCB) and would be subject to higher fees.

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**Recommendation:** That the WCGSA Board approve the proposed Operations Fees based on the following actions.

1. Approval of the Final Fee Report including recommended long-term fees and Proposition 218 Notices.
2. Certifying the WCGSA Proposition 218 Majority Protest process through approval of Resolution 2023-01.
3. Approving the FY23-24 WCGSA Annual Operations Budget through approval of Resolution 2023-02.
4. Compliance with Proposition 218 requirements pertaining to property-based assessments.

**Attachments:**

Exhibit A: Resolution To Establish and Collect a Fee for the Wyandotte Creek GSA Operations

**WYANDOTTE CREEK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY**

**RESOLUTION NO. 2023-03**

**CONSIDERATION OF A RESOLUTION TO ESTABLISH AND COLLECT A FEE FOR THE WYANDOTTE CREEK GSA OPERATIONS**

**WHEREAS** the WYANDOTTE CREEK Subbasin Groundwater Sustainability Agency (WCGSA) is authorized to establish an operations fee by Water Code Section 10730; and

**WHEREAS** Article XIID Section 6, the State of California's Constitution (Proposition 218) requires that public agencies place establishment of certain fees before voters in what is defined as a “majority protest” election and hearing; and,

**WHEREAS** on July 27, 2023, the WCGSA, in accordance with the provisions of Proposition 218 and Authority Resolution No. 2023-01, held a properly noticed “Majority Protest” hearing regarding the Authority’s proposed “Operations Fee”; and,

**WHEREAS** in accordance with the provisions of Proposition 218, the WCGSA solicited landowner comment on the proposed Operations Fee; and,

**WHEREAS** in accordance with the provisions of Proposition 218, the Authority accepted written protests regarding the proposed Operations Fee until the conclusion of the public hearing.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE WYANDOTTE CREEK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY** does hereby resolve, declare and order as follows:

- 1) The WCGSA Board has certified the results of the Proposition 218 Majority Protest process in accordance with approval of WCGSA Resolution No. 23-01.
- 2) The WCGSA Board has approved the FY23-24 Annual Operations Budget in accordance with approval of WCGSA Resolution No. 23-02.
- 3) The Board hereby sets the WCGSA FY23-24 Operations Fees as follows: \$1.16 per acre per year for Non-Irrigated classified parcels, \$7.39 per acre per year for Irrigated-Surface Water classified parcels, and \$11.40 per acre per year for Irrigated-Groundwater classified parcels.

**PASSED, APPROVED AND ADOPTED by the Board of Directors of the WYANDOTTE CREEK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY** this 27th day of July 2023.

WCGSA Board of Directors Meeting Date: July 27, 2023, Meeting Packet.

AYES:

NOES:

ABSENT:

ABSTAIN:

## CERTIFICATE OF RESOLUTION

We, the undersigned, hereby certify as follows:

1. That we are the Chair and Secretary of the WYANDOTTE CREEK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY;  
and
2. That the foregoing resolution, consisting of 2 pages, including this page, is a true and correct copy of a resolution of the Board of Directors of the WYANDOTTE CREEK SUBBASIN Groundwater Sustainability Agency, passed at the meeting of the Board of Directors held on July 27, 2023, at the Oroville City Council Chambers, 1735 Montgomery Street, Oroville, CA 95965.

IN WITNESS WHEREOF, we have signed this certificate this 27th day of July 2023, at Oroville, California.

\_\_\_\_\_ Bill Connelly, Chair of the Board of Directors

\_\_\_\_\_ Kamie Loeser, Secretary