

# WYANDOTTE CREEK SUBBASIN

## GROUNDWATER SUSTAINABILITY PLAN IMPLEMENTATION

### Proposition 218 Draft Fee Report

May 2023



*Wyandotte Creek*  
GROUNDWATER SUSTAINABILITY  
AGENCY

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## **LIST OF ACROYNMS AND ABBREVIATIONS**

<b>AF</b>	acre-feet (generally equivalent to 325,851 gallons)
<b>APNs</b>	Assessor’s parcel numbers
<b>Budget</b>	Five-Year Annual Budget
<b>CASGEM</b>	California State Groundwater Elevation Monitoring
<b>City</b>	City of Oroville
<b>County</b>	County of Butte
<b>CPI</b>	Consumer Price Index
<b>DACs</b>	Disadvantaged Communities
<b>District</b>	Thermalito Water and Sewer District
<b>DWR</b>	California Department of Water Resources
<b>CY</b>	Calendar Year
<b>FY</b>	Fiscal Year
<b>GSA</b>	Groundwater Sustainability Agency
<b>GSP</b>	Groundwater Sustainability Plan
<b>IRWMP</b>	Integrated Regional Water Management Plan
<b>JPA</b>	Joint Powers Agreement/Authority
<b>LAFCO</b>	Local Agency Formation Commission
<b>MOU</b>	Memorandum of Understanding
<b>SGMA</b>	Sustainable Groundwater Management Act (2014)
<b>Subbasin</b>	DWR delineated alluvial groundwater areas in WCGSA boundary
<b>SWRCB</b>	State Water Resources Control Board
<b>WCGSA</b>	Wyandotte Creek Groundwater Sustainability Agency
<b>TM</b>	Technical Memorandum

# **ACKNOWLEDGEMENTS**

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## **WCGSA Board of Directors**

### **City of Oroville:**

- Primary - Janet Goodson
- Alternate - Eric Smith

### **County of Butte:**

- Primary - Bill Connelly (Chair)
- Alternate - Tod Kimmelshue

### **Thermalito Water & Sewer District:**

- Primary - Bruce Wristen
- Alternate - Scott Koch

### **Domestic User:**

- Primary - William Bynum (Vice Chair)
- Alternate - Rick Wulbern

### **Agricultural User:**

- Primary - Kyle Daley
- Alternate - Vacant

Consultant Assistance: Luhdorff and Scalmanini Consulting Engineers (LSCE)



## **SECTION 1: INTRODUCTION AND SUMMARY**

### **Background**

The Wyandotte Creek Subbasin Groundwater Sustainability Agency (WCGSA) was established through a Joint Powers Agreement (JPA) between three member agencies, the County of Butte, City of Oroville, and Thermalito Water and Sewer District (TWSD). The JPA was adopted by resolution in April 2019 (**see Appendix A**). The WCGSA is responsible for compliance with the 2014 Sustainable Groundwater Management Act (SGMA) and oversees the management of the Wyandotte Creek Groundwater Subbasin. The WCGSA serves as the administrative and fiscal agent on behalf of its member agencies and is the most cost-effective regional governance structure for achieving SGMA compliance and maintaining local control over local groundwater resources.

The WCGSA functions with a five-member Board of Directors who make decisions about the budget and financial outlook, establish policies and procedures, ensures that SGMA compliance is achieved for all landowners, and plans for implementation of identified projects and management actions that benefit the Subbasin and help the GSA reliably meet SGMA requirements over the 2022-2042 period. The WCGSA Board is served by the Wyandotte Creek Advisory Committee (WAC) that is comprised of appointed stakeholder representatives and a management committee, consisting of a staff representative from each member agency. The WAC advises the Board on matters pertaining to the GSA. The management committee works together to determine the most cost-effective means to maintain GSA operations, comply with SGMA requirements, and implement the Wyandotte Creek Subbasin Groundwater Sustainability Plan (GSP) that was adopted by the WCGSA and submitted to the California Department of Water Resources (DWR) in January 2022. The management committee provides guidance to the Board on policy, budget, legal and financial matters.

Now that GSAs are changing their focus from GSP development to implementation, it may be necessary to update existing agreements with a focus on GSP implementation efforts. All parties would need to work together to update these agreements, if necessary, to ensure SGMA compliance and implement priority actions contained in the GSP. This approach will leverage the existing collaborative working relationships established during GSP development. Ongoing collaboration provides economies of scale for sharing the cost of GSP implementation and SGMA compliance amongst the member agencies and stakeholders, while maintaining local control of its groundwater resources.

As a GSA, the WCGSA (in coordination through the existing governance agreements) may develop, adopt, and implement a Groundwater Sustainability Plan (GSP) or Plans (GSPs) for sustainable management of groundwater underlying the Subbasin boundary. The member agencies agreed to have the County of Butte, as a member agency, continue to serve as the GSA administrator, GSP plan manager, and fiscal agent during GSP development using Proposition 1 and 68 grant funds with some local in-kind contributions until the GSP was prepared, adopted and submitted to DWR by the January 31, 2022 deadline for SGMA compliance. Thereafter, the County of Butte would continue to serve in these roles in collaboration with the other member agencies for GSP implementation and SGMA compliance activities.

Starting in January 2023, the primary focus of the WCGSA has been the development of a long-term funding mechanism to sustain WCGSA operations, achieve SGMA compliance, and implement the GSP projects and management actions. The WCGSA is using a Proposition 218 process to approve a property related fee to fund overall costs associated with WCGSA administrative, GSP implementation, and SGMA compliance costs. The proposed WCGSA Fee would be collected beginning on December 10, 2023 through the Butte County Tax Roll. The WCGSA administrative operations includes legal, technical, administrative, accounting, office, insurance, audits, and outreach materials. GSP implementation costs include annual monitoring and reporting, five-year GSP updates, Subbasin coordination and outreach, data management system maintenance, and grant funding services. These activities are required to achieve and maintain SGMA compliance for all landowners within the WCGSA service area. The WCGSA received Proposition 1 and 68 grant funding to develop the Wyandotte Creek Subbasin GSP; however, costs for GSP implementation that will not be covered by grants will need to be covered by the proposed WCGSA Fee. It is anticipated that any necessary management actions resulting from GSP implementation that would be in addition to the revenue needs identified during this funding mechanism process would be funded by other localized fees or assessments, cost-sharing arrangements, or through additional outside grant funding sources.

The WCGSA fulfills its GSA role by facilitating SGMA compliance and support groundwater management actions that benefit WCGSA stakeholders, while achieving long-term groundwater sustainability throughout the WCGSA service area boundary and subbasin. The WCGSA will pursue outside funding sources to assist in securing additional grant funds to support cost-effective GSP implementation activities by the WCGSA. The WCGSA will also participate in regional funding opportunities that benefit the WCGSA to reduce long-term SGMA compliance costs and achieve long-term groundwater sustainability objectives.

### **Budget Planning**

The WCGSA has developed a Five-Year Budget which estimates the costs of SGMA compliance that includes both GSA Administration and GSP implementation related costs. The budget estimates costs for the WCGSA to achieve SGMA compliance (based on current requirements) at \$273,464 per year for GSP implementation related costs for a five-year period spanning fiscal years 2023-24 through 2027-28 (fiscal year beginning July 1, 2023). Based on the WCGSA service of providing SGMA compliance and working toward maintaining groundwater sustainability, the WCGSA Board of Directors is seeking to collect the proposed WCGSA Fee from each acre included in the in the WCGSA service area to fund the WCGSA operations for SGMA compliance and maintain local control as defined herein. The WCGSA Fee would cover GSP implementation costs beginning July 1, 2023 based on adoption and submittal of the Wyandotte Creek Subbasin GSP in accordance with the DWR GSP filing deadline of January 31, 2022. The proposed WCGSA Fee would cover the ongoing WCGSA operational and GSP implementation costs over the initial five-year implementation period.

The proposed WCGSA Fee are considered property-related service charges governed by Proposition 218 (as allowed by the Water Code) and are planned to apply on a cost of service per acre basis to lands within the WCGSA boundaries within Butte County in the manner described in this Fee Report. SGMA provides authority for GSAs to charge fees or charges to support its operations to facilitate compliance with SGMA. Failure to adequately manage groundwater in

the Subbasin may result in intervention by the State Water Resources Control Board (SWRCB). If the SWRCB were to intervene, it would be authorized to impose annual fees ranging from \$100 per de minimis well (using less than 2 ac-ft of water per year), to \$300 per well plus up to \$55 per acre-foot of groundwater pumped per well, with no guarantee of assistance in bearing costs to address the groundwater issues for which it intervenes (see **Appendix B**). By adopting the WCGSA Fee, the WCGSA will provide landowners with a more affordable and locally managed service for managing groundwater in the Wyandotte Creek Subbasin. The proposed 2023 WCGSA Fee is based on the WCGSA's service area boundary for parcels on the 2023 tax rolls of Butte County. The tax roll lists property owners and their associated assessor's parcel numbers (APNs) that would be subject to the proposed WCGSA Fee and is included as **Appendix C**. The complete roll will be submitted to the County Assessor if the the WCGSA Board of Directors adopts the WCGSA fee in July 2023.

The City of Oroville and Thermalito Water and Sewer District will have two options for paying their share of the proposed charges. For option 1 these agencies would opt to have landowners within their respective serve areas receive the WCGSA Fee Proposition 218 Notice (see **Appendix D**) for payment of fees through the property tax bill. Option 2 would exclude those agencies from the protest process and instead those agencies would pay the WCGSA Fee for lands within their district areas directly to the WCGSA to cover the per acre cost of the WCGSA service through a Funding Agreement and consistent with existing agreements for GSP implementation. In the event these agencies choose to enter into Funding Agreements to cover the WCGSA fee, payment of specified charges would be paid to the WCGSA in the middle of its fiscal year (beginning January 1, 2024 and every year thereafter through 2028). The City of Oroville and Thermalito Water and Sewer District are choosing to have fees collected through the GSA proposed long term fee process. The Local Agency Formation Commission (LAFCO) boundaries and Wyandotte Creek County Fee Roll for each of these entities were used for assessable acreage and charge calculations. The WCGSA 2023 Funding Agreement List is included as **Appendix E**.

Parcels listed by the assessor as tax-exempt will not be included in the WCGSA Fee, and therefore not included in assessable acreage and charge calculations. These parcels primarily include the exclusion of Federal, Tribal, and State-owned parcels.

The following Table 1-1 provides an example schedule of the proposed WCGSA Fee to be collected to proportionally fund operating expenses calculated using the WCGSA's budget on a cost per acre basis during the next five years. The annual fee assessment will be set each year by the Board, based on the budget needs and to ensure the WCGSA Fee does not exceed the cost of service, but it will not exceed the proposed maximum rate of \$9.37 per acre for irrigated parcels and \$1.11 per acre for non-irrigated parcels. The budgeted operations expenses are in 2023 dollars and include an inflation factor of 3% per annum based on the expected average Consumer Price Index (CPI) during the period. The maximum annual inflation factor to be applied to the WCGSA Fee would not exceed 3% annually, with the actual inflation factor applied each year at the discretion of the WCGSA Board through Fiscal Year 2027-28. Operations expenses have not been projected beyond the Fiscal Year 2027-28. The Board will update its WCGSA Fee for Fiscal Year 2028 and beyond based on actual expenses experienced during the first five years of GSP implementation and projected expenses over the subsequent five-year period.

**Table 1-1: WCGSA Proposed Irrigated Fee – For SGMA Compliance**

<b>Table 1-1 Irrigated Charge Recommended</b>	<b>Fiscal Year 2023-24</b>	<b>Fiscal Year 2024-25</b>	<b>Fiscal Year 2025-26</b>	<b>Fiscal Year 2026-27</b>	<b>Fiscal Year 2027-28</b>
Irrigated Budget	\$201,848	\$207,903	\$216,784	\$233,105	\$246,117
Proposed Irrigated Charge (\$/ac)	\$9.17	\$9.45	\$9.85	\$10.59	\$11.18
GSA Implementation Costs	\$0.39	\$0.40	\$0.42	\$0.43	\$0.44
Proposed Irrigated Total Charge (\$/ac)	\$9.57	\$9.85	\$10.27	\$11.02	\$11.62

**Table 1-2: WCGSA Proposed Non-Irrigated Fee – For SGMA Compliance**

<b>Table 2-2 Non-Irrig. Charge Recommended</b>	<b>Fiscal Year 2023-24</b>	<b>Fiscal Year 2024-25</b>	<b>Fiscal Year 2025-26</b>	<b>Fiscal Year 2026-27</b>	<b>Fiscal Year 2027-28</b>
Non-Irrigated Budget	\$22,428	\$23,100	\$24,087	\$25,901	\$27,346
Proposed Non-Irrig. Charge (\$/ac)	\$0.77	\$0.79	\$0.83	\$0.89	\$0.94
GSA Implementation Costs	\$0.39	\$0.40	\$0.42	\$0.43	\$0.44
Proposed Non-Irrig. Total Charge (\$/ac)	\$1.16	\$1.19	\$1.25	\$1.32	\$1.38

The WCGSA Administration and GSP implementation components comprise the total proposed WCGSA Fee that covers the cost of SGMA compliance for the WCGSA within its service area (and contributes to compliance for the Subbasin as a whole). Additional funds may be required to implement specific projects listed in the GSP. Project funding for these projects will come from other funding sources and be the responsibility of the project proponent(s) to identify funding sources and secure necessary funding for project implementation. The WCGSA will assist project proponents with grant funding opportunities if available to improve groundwater management or lower future WCGSA operations costs. Project funds could come from supplemental funding and/or local fees or assessments greater than the maximum fees



recommended in this report, and approval by the landowners in a future Proposition 218 election will likely be required for those fees or assessments.

The component costs that make up the total budget are shown in the table and explained further in this Report. Note that the proposed WCGSA Fee is expected to be the same from year to year but will not exceed the maximum amount unless an increase is approved through a subsequent Proposition 218 proceeding. **The necessary funding for the WCGSA will be reviewed annually by the Board and, depending on the funds projected to be needed for the year, may be adjusted up to the maximum assessment rate.**

The assessment process is being conducted in accordance with provisions of Proposition 218, as reflected in Article XIII D of the California Constitution and Sections 53750 through 53756 of the State's Government Code. These constitutional and statutory provisions of Proposition 218 establish specified mandatory procedures that local agencies must follow.

Under the Proposition 218 process, prior to adopting the WCGSA Fee, the WCGSA Board must notify landowners of the proposed WCGSA Fee and provide the opportunity to protest the adoption of the WCGSA Fee. At the public hearing, the WCGSA will consider and address comments and questions from owners of land that would be subject to the proposed WCGSA Fee. Landowner protests received at the protest hearing will be counted and the protest results will be certified. If owners of a majority of total assessed parcels included in the WCGSA service area submit protests, the WCGSA will not adopt the proposed WCGSA Fee. Absent a majority protest, the WCGSA is authorized to adopt the proposed WCGSA Fee at its public adoption hearing starting at 5 p.m. on July 27, 2023, to be held at the Oroville City Council Chambers, 1735 Montgomery Street, Oroville, CA 95965.

### **Proposition 218 Process – Stakeholder Outreach**

The WCGSA plans to conduct public and stakeholder outreach prior to taking action on the proposed WCGSA Fee on July 27, 2023 at 2:00 p.m.. This may include public meetings, providing key information posted on the WCGSA website, availability of Frequently Asked Questions (FAQ) information, Fact Sheet, and other outreach deemed appropriate to inform and involve those affected by the WCGSA Fee (**Appendix F**). A Public Workshop was held on April 11, 2023 to discuss GSP implementation and long-term funding needs for SGMA compliance. This outreach and notification was provided in addition to that required for a Proposition 218 charge process, including sending all affected parcel owners of the proposed charges and noticing of planned charge adoption at least 45-days prior to WCGSA Board consideration for approval. Additional outreach may be conducted through other WCGSA venues before consideration for WCGSA Fee adoption by the WCGSA.

## **SECTION 2: REPORT PURPOSE**

This Fee Report is prepared to describe the basis for the WCGSA’s proposed Fee to each assessable parcel within the WCGSA jurisdiction. The proposal is for the WCGSA to collect revenue in the form of that which will be used to cover everyday operations, GSP implementation, and SGMA compliance related costs of the WCGSA providing groundwater management services. These operations include administration, legal services, technical services, funding services, insurance, consulting, office, outreach materials, accounting, annual monitoring and reporting, GSA coordination, five-year GSP updates to the Department of Water Resources (DWR), and potentially special studies on an as needed basis during GSP implementation. The cost of SGMA compliance characterized in this Report is based on current SGMA legislation requirements. It is the WCGSA’s responsibility to provide SGMA compliance services for all landowners within the Wyandotte Creek Subbasin.

### **Sustainable Groundwater Management Act**

On September 16, 2014, the Governor of California signed into law a three-bill legislative package (Senate Bill 1168, Assembly Bill 1739 and Assembly Bill 1319) that provided a state-wide framework for sustainable groundwater management for basins in California with a focus on those subbasins with a higher priority for formalized local and regional groundwater plans. These laws are collectively known as the Sustainable Groundwater Management Act (SGMA). SGMA defines sustainable groundwater management as the *management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results*. *Undesirable results* are defined in SGMA as any of six primary effects caused by groundwater conditions occurring throughout the basin:

**Table 2-1: SGMA Legislation Primary Effect Descriptions**

<b>Groundwater Effects (1-6)</b>	<b>SGMA Legislation Primary Groundwater Effect Descriptions</b>
1	Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply
2	Significant and unreasonable reduction of groundwater storage
3	Significant and unreasonable seawater intrusion
4	Significant and unreasonable degraded water quality
5	Significant and unreasonable land subsidence
6	Depletions of interconnected surface water that have significant and unreasonable adverse impacts on

These potential undesirable results are the focus of SGMA and must be addressed in GSPs prepared by GSAs. GSPs will need to focus on assessing, monitoring, and mitigating undesirable

results from groundwater use. Some of these undesirable results, such as sea water intrusion, are not applicable to the WCGSA area, while others, such as lowering of groundwater levels and reduction in groundwater storage are significant issues in some areas and will need to be addressed. Each of these undesirable results has been investigated and prioritized as part of the GSP development process. The GSP also includes measurable objectives and implementation actions to achieve and maintain groundwater basin sustainability in the Subbasin. SGMA requires the development and implementation of GSPs that document the proposed plans and programs for achieving groundwater basin sustainability within a prescribed 20-year window. During the GSP implementation phase, GSAs are required to adopt programs to facilitate measures outlined in the GSP, update the GSP every five years, conduct regular GSA coordination activities, and provide DWR with annual updates on the progress of achieving sustainability based on annual monitoring and reporting requirements for each GSP. The WCGSA has received Proposition 1 and 68 grant funding to cover a majority of the work to develop the GSP; however, costs for GSP implementation that cannot be covered by SGMA grants will need to be funded through the proposed WCGSA Fee. Projects and management actions required by GSP implementation may be will be funded by other local and regional cost sharing and funds, or through other grant funding programs.

### WCGSA's Authority to Levy Assessments

The WCGSA is a multi-agency organization that was formed through the Wyandotte Creek Subbasin SGMA compliance formation process in 2017 with coordinating agreements executed in 2019 with DWR subbasin boundary amendments thereafter to facilitate cost-effective SGMA compliance for all GSAs with the Wyandotte Creek Subbasin in Butte County. A copy of the GSA formation resolution establishing the WCGSA can be found in **Appendix A**. A description of its members follows.

#### WCGSA Member Agencies

##### Membership:

- Butte County (Appointed by Board of Supervisors)
- City of Oroville (Appointed by City)
- Thermalito Water and Sewer District (Appointed by Board)

The WCGSA is the GSA responsible for the compliance and implementation of the provisions of SGMA for a portion of the DWR-defined Wyandotte Creek Subbasin (5-021.69) which is classified as a Medium Priority Basin by DWR encompassing approximately 59,382 acres in Butte County. **Appendix A** contains the adopted resolution establishing the WCGSA to serve as the primary GSA for its service area within the Subbasin on behalf of its member agencies responsible for SGMA compliance within the Wyandotte Creek Subbasin. GSA responsibility for SGMA compliance is as follows:

**Table 2-2: DWR Wyandotte Creek Subbasin – GSA Delineations**

DWR GW Subbasin #	DWR GW Subbasin Name	GSAs	Total Area (Acres)
5-021.69	Wyandotte Creek Subbasin	WCGSA	59,382

The Wyandotte Creek Subbasin is located within Butte County as depicted in DWR Bulletin 118 as cited in Table 2-2 above. The GSA coordinated on the development of a single Subbasin GSP with its member agencies and stakeholders with responsibility for SGMA compliance within the Subbasin service area boundaries. The GSP was approved by the GSA and was submitted to DWR by the January 31, 2022 regulatory deadline. There is a cooperating agreement (MOU) between the GSA member agencies which was initially prepared to cover the GSP development phase of SGMA compliance. Any existing coordinating agreements required for effective GSP implementation will be approved as necessary between the parties. GSP implementation responsibility is demarcated as follows: the GSA is responsible for covering their GSA administration costs, and the GSP implementation and SGMA compliance costs. All landowners benefit from the GSA budget and actions as part of the long term GSP implementation costs that must be supported by a long-term fee or funding source. The WCGSA may develop, adopt, and implement sustainable management of groundwater underlying the WCGSA service area and take actions as necessary to ensure SGMA compliance for all landowners within its service area.

The WCGSA will rely on the proposed WCGSA Fee for the initial five years of GSA operations and SGMA compliance. The WCGSA will update its long-term funding plan at least every five years to operate the GSA at the lowest possible costs while achieving the goals and objectives of the GSP and member agencies.

Pursuant to Chapter 8 (commencing with Section 10730) of Part 2.74 of Division 6 of the Water Code, a GSA may impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, including, but not limited to, preparation, adoption, and amendment of a GSP, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve. The GSA needs a long-term funding source to achieve SGMA compliance and maintain local control over its groundwater resources.

### **State Intervention Alternative**

If local GSAs are unable or unwilling to sustainably manage their portion of the groundwater Subbasin, the SWRCB may step in to protect the groundwater resources using a process called state intervention. The SWRCB is responsible for setting and collecting fees to recover the costs associated with state intervention and has established a fee structure as shown in **Appendix B**. The SWRCB fee schedule, if applied to the WCGSA area, would cost overlying users of groundwater significantly more than current estimates under the local management option.

As illustrated in **Appendix B**, the SWRCB could intervene and implement the requirements of the SGMA legislation in the WCGSA service area boundary (as well as other areas of the State) if local GSAs are unable or unwilling to comply with the law. In such a case, the Subbasin would be considered a “Probationary Basin” by the SWRCB and directly charge the intervention fees to each groundwater extractor (landowner). The SWRCB fees would be as follows:

- Base Filing Fee: \$300 per well, plus \$40 per acre-foot (AF) per year (Probationary Basin) or \$55 per AF per year (Interim Plan), plus costs for needed studies.
- De minimis wells (less than or equal to 2 AF per year) would be charged \$100 per year.

For perspective on these costs, if the SWRCB determines the basin to be a Probationary Basin and an irrigated landowner has 40 acres with one well and the demand is 3.0 AF per acre. The associated annual SWRCB fees would be \$300 (filing fee) plus \$4,800 (3.0 AF/acre x 40 acres x \$40/AF) for a total of \$5,100 per year. If the SWRCB determined the basin needed an Interim Plan, the annual cost would go to \$6,900. Over the next five years, the 40-acre landowner would pay \$25,500 to \$34,500 in SWRCB fees, without achieving the benefit of any project development to help comply with SGMA.

By comparison, under the rates and schedule proposed for the WCGSA through the proposed WCGSA Fee, this same irrigated landowner would pay a maximum of \$464 per year (40 acres x \$11.62/acre) and \$2,342 over a five-year period, plus an annual inflation factor. From a cost and regulation standpoint, the desire is to prevent state intervention while maintaining local control in a cost-effective manner. As such, the purpose of the WCGSA is to fully comply with SGMA on behalf of its landowners to avoid state intervention or excessive groundwater-related fees.

### **Proposition 218 Requirements**

In November 1996, the California voters approved Proposition 218, the *Right to Vote on Taxes Act*, which added Article XIII D to the California Constitution. Proposition 218 imposes certain requirements relative to the imposition of certain assessments, fees, and charges by local agencies. There are several processes for approval of revenue generation under Proposition 218 – Section 4 identifies revenue requirements, Section 5 identifies parcels subject to the Charge, and Section 6 is for calculating fees or charges on a unit basis (i.e., per acre charge) for land-based assessments based on revenue requirements and assessable acreage.

For this initial five-year budget, the WCGSA Board of Directors would approve applying charges under Section 6 of Proposition 218 for GSA operations. SGMA requires every acre in each high and medium priority subbasin to be managed by a GSA and guided to sustainability through a GSP. Therefore, the service provided by the WCGSA covers mandatory SGMA compliance for each and every acre in the subbasin. The WCGSA does not currently have pumping data for individual parcels, which disallows the WCGSA from attempting to develop charges proportional to extractions in a practical, applicable, or defensible manner. Therefore, collecting fees on a cost per acre basis fulfills the proportionality requirement by differentiating operational vs. GSP implementation costs with the cost allocation based on level of service required for SGMA compliance.



In general, before a local agency can levy new charges subject to Section 6 of Proposition 218, the Agency (or WCGSA) must comply with the following Proposition 218 requirements to achieve SGMA compliance in a reasonable fashion, while only charging customers for proposed fees that are necessary to achieve the goals and objectives of the WCGSA and its members as follows:

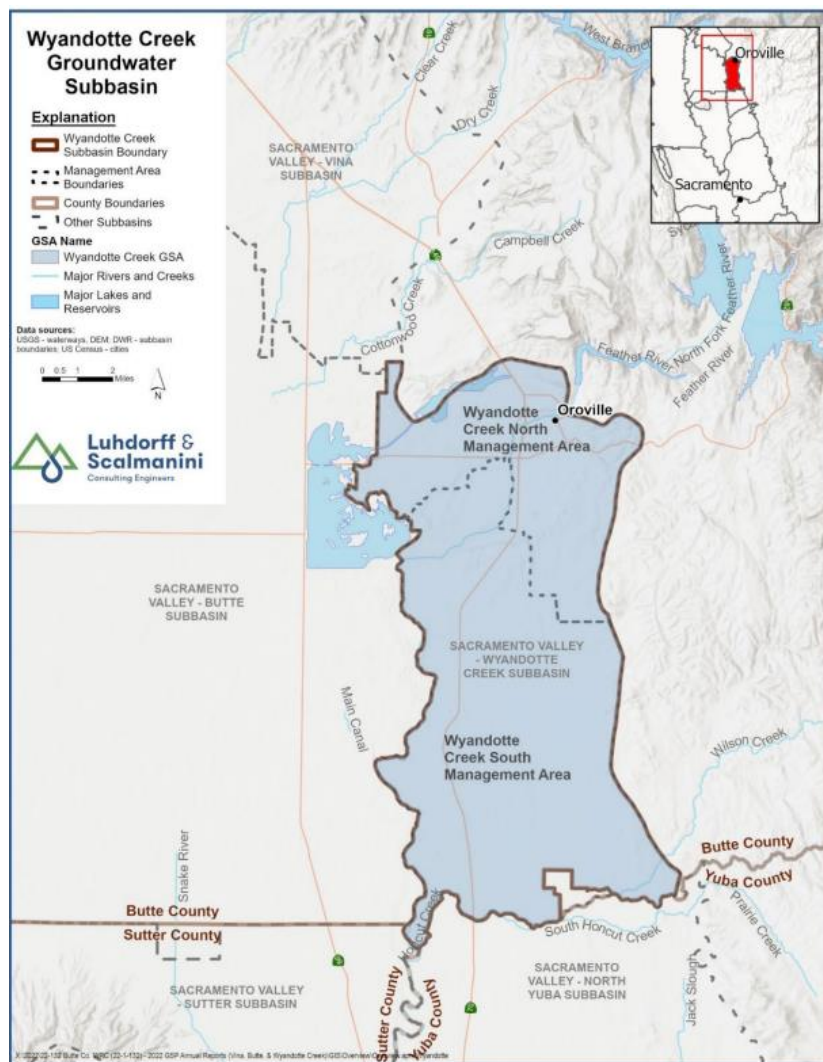
1. Revenues derived from the fee or charge must not exceed the funds required to provide the property-related service.
2. Revenue from the fee or charge must not be used for any purpose other than that for which the fee or charge is imposed.
3. No fee or charge may be imposed for general governmental services, such as police, fire, ambulance, or libraries, where the service is available to the public in substantially the same manner as it is to property owners.
4. The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel.
5. The fee or charge may not be imposed for service, unless the service is actually used by or immediately available to, the owner of the property in question.

This Report is limited to the proposed assessments to fund the WCGSA's annual operations and to comply with the requirements of the SGMA legislation forecast over the next five years. The WCGSA will monitor DWR SGMA compliance requirements and policy direction to achieve SGMA compliance for its members at the lowest possible cost. To achieve SGMA compliance in the Subbasin, a GSA serving a Subbasin must be in compliance with SGMA regulations. The proposed charge will enable the WCGSA to achieve SGMA compliance for all landowners within the GSA service area thereby meeting its SGMA requirements within their service area boundary.

## SECTION 3: WCGSA BACKGROUND INFORMATION

The WCGSA was formed and established in 2017 and inter-agency coordination agreements executed in 2019 (see **Appendix A**) and is located in the Sacramento Valley Groundwater Basin – Wyandotte Creek Subbasin (5-021.69) in the central portion of the Sacramento Valley and encompasses a total area of approximately 59,382 acres within the WCGSA jurisdiction. There are three member agencies (City of Oroville, Thermalito Water and Sewer District, and Butte County in the Wyandotte Creek Subbasin within the GSA service area boundary in Butte County within the WCGSA jurisdiction that was a participant in the development and preparation of the Wyandotte Creek Subbasin GSP. The location of the WCGSA is illustrated in **Figure 3-1**. The WCGSA is within Butte County adjacent to the Vina Subbasin GSA service area. There are eleven GSAs within the Butte Subbasin in the southern portion of Butte County. The Wyandotte Creek Subbasin is designated by DWR’s basin prioritization policy as defined in DWR Bulletin No. 118. More information is available at <https://www.WyandotteCreekgsp.com/WyandotteCreek-subbasin/>.

**Figure 3-1: WCGSA Subbasin Service Area Boundaries**



Butte County has a population of approximately 207,303 with a diversified economy. Agriculture is an important major producing industry in the WCGSA service area dependent on both surface and groundwater. Top crops include rice, almonds, walnuts, prunes, and nursery stock products. There are areas in the WCGSA service area that are identified by DWR as disadvantaged communities (DACs). The WCGSA boundary service area includes Butte County, City of Oroville, and Thermalito Water and Sewer District. The City of Oroville with a population of approximately 20,000 is the largest city located within the WCGSA service area boundary. Thermalito Water and Sewer District serves a population of approximately 11,000.

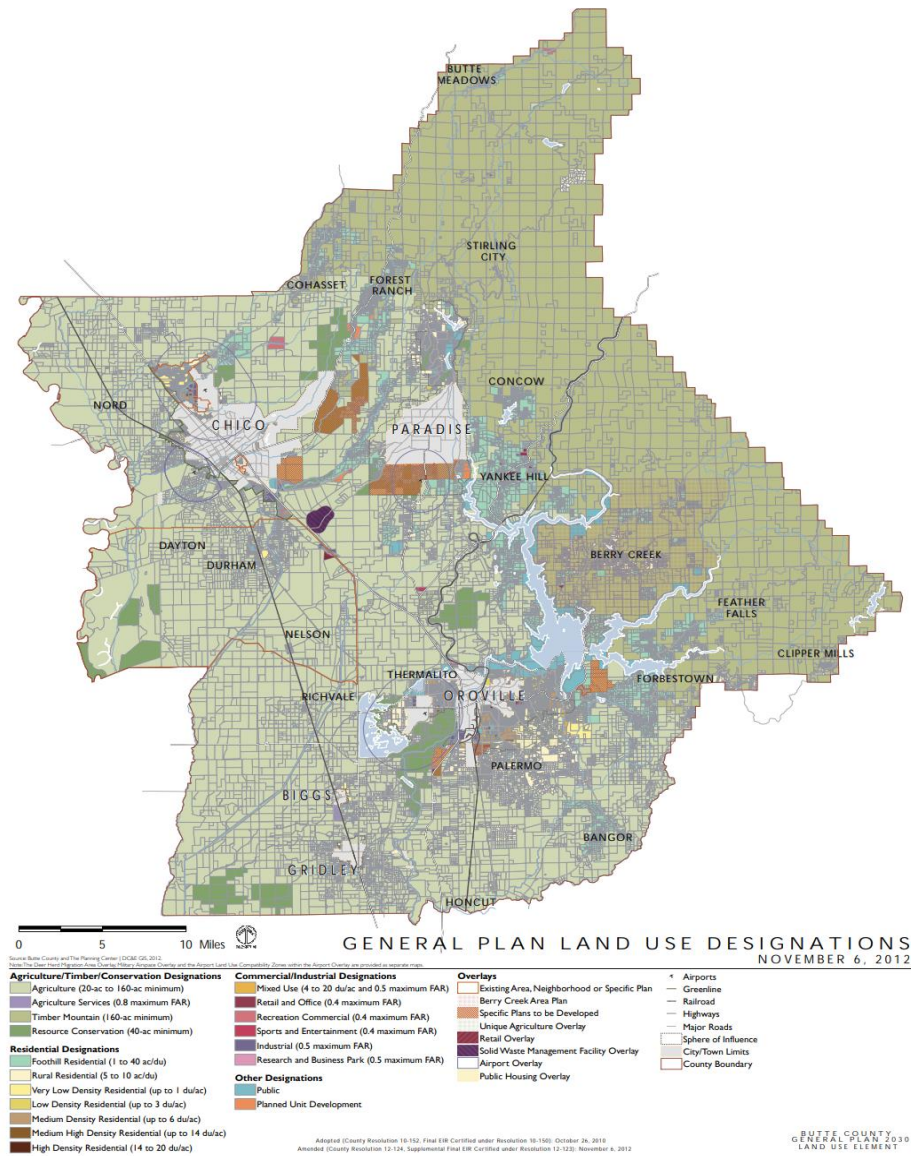
### **WCGSA Service Area Climate Description**

The climate in Butte County can vary within a moderate range in the valley areas with increased rainfall and snowfall in medium elevations. Hot, dry summers and temperate winters generally characterize the weather patterns in the County region. The average maximum temperature in July is approximately 93 degrees with average low temperatures of approximately 36 degrees. The average maximum temperature in January is approximately 59 degrees with average low temperatures of approximately 35 degrees. The average annual rainfall in the County is approximately 44 inches and average annual snowfall of approximately 3 inches. The majority of rainfall and snowfall occurs during the December through March period. The documented Medium and low annual rainfall amounts are approximately 84 and 12 inches respectively. There are about 245 sunny days per year with summer medium temperatures above 90 degrees. January low temperatures are typically in the range of 30 to 40 degrees. The warm summer climate allows for an active and diverse agricultural and recreational economy with multiple crops to thrive. Water supplies in the County are from both surface and groundwater sources to meet agricultural, urban, and environmental water supply needs. Weather can vary drastically in the region with a medium variability of hydrologic conditions resulting in a wide range of very wet to very dry years with multiple year dry periods not uncommon on a historic basis. These varying hydrologic conditions can impact the mix of annual surface and groundwater use allocations that may occur with groundwater extractions increasing during extended dry year periods when surface water allocations may be limited.

### **WCGSA Service Area Demographics Description**

The demographics in the region include a 2022 population of approximately 207,303 and Household Median Income of approximately \$59,863 with about 16% of the population living in poverty. The median age is 35 years old. The population grew by approximately 0% from the previous year. The labor force is approximately 60,377 with a 6.7% unemployment rate. There are jobs in the agricultural, government, retail, technology, manufacturing, health care, school district and other service industries. A land use map for the Butte County region is below as an excerpt from its General Plan.

Figure 3-2: Butte County Region Land Use Map



Butte County lies in north central California at the northern end of the Sacramento Valley, approximately 150 miles northeast of San Francisco and 70 miles north of Sacramento. Butte County's regional location is shown in Figure BC-1. Butte County is bounded on the west by Glenn and Colusa Counties, with the Sacramento River and Butte Creek forming portions of the westerly boundary. To the north and northwest, the county adjoins Tehama County; to the east, Plumas County; to the west Glenn and Colusa Counties; and on the south and southeast, Sutter and Yuba Counties. The South Fork of Honcut Creek forms the southeast boundary with Yuba County. Aside from the lines of demarcation created by the Sacramento River, Butte Creek and Honcut Creek, the county's boundaries do not reflect natural features or changes in landscape character.

Butte County is located in the northeastern part of the Sacramento Valley and extends into the northern Sierra Nevada Mountain range. The county's total land area including incorporated municipalities is approximately 1,680 square miles (1,073,000 acres) and ranges in elevation from approximately 60 feet above sea level in the southwest corner of the county, adjacent to the Sacramento River, to 8,100 feet above sea level in the northeast corner of the county, near Butte Meadows. Humboldt Peak, located in northeastern Butte County, is the county's highest point. The county's three general topographical areas, the valley region, the foothills east of the valley and the mountain region east of the foothills, are distinct environments each with their unique wildlife and natural resources.

Defined by mountains, hills and rivers, the valley is where Butte County shows off its agricultural bounty. Occupying almost half of the county's land, the valley is a wide and expansive green plain, neatly divided with hedge rows that protect acres of cropland, nut and fruit orchards, and meadows for livestock grazing. Late spring brings inundated wetlands with slim green rice stalks protruding from the water's surface, and migratory birds rising in their flocks from the wetlands. Fresh water from the Sierra Nevada snowpack is fed into the valley from the Feather River, the Sacramento River and Butte Creek, where wildflowers and butterflies bring color to the water's edge.

Agriculture has a major influence on the Butte County landscape and its economy and was the County's primary industry in the nineteenth and twentieth centuries. Manufacturing and service industries also flourished during the twentieth century, as exemplified by the Diamond Match Company, canning, lumber and wood processing enterprises. Other local industries included the manufacture of lead tube containers and prefabricated houses, structural steel fabrication, olive processing, sugar manufacturing, rice milling, walnut and almond processing and dairy processing.

Agriculture generates considerable economic activity and trends indicate that agriculture will maintain a strong position within Butte County's economy. Agriculture also supports other industrial sectors in Butte County, such as manufacturing, transportation and warehousing, which all generate a significant portion of the total sales volume in unincorporated Butte County. Other strong sales sectors in unincorporated Butte County are construction, wholesale and retail trades, and educational services.

All water users in the region require reliable long term water supplies that prudently manage available surface and groundwater sources within the safe yield of local groundwater aquifers.



## **WCGSA Service Area – Single GSA Governance Approach**

The WCGSA manages groundwater in the Wyandotte Creek Subbasin. The Wyandotte Creek Subbasin GSP was prepared by the WCGSA, including member agencies and stakeholders, and submitted to DWR by the January 31, 2022 deadline. The WCGSA will assist with and facilitate GSP implementation within and between the GSAs to achieve and maintain the GSP sustainability goal within twenty (20) years of implementation (by 2042). DWR classified the Wyandotte Creek Subbasin as a Medium priority subbasin which must comply with the provisions of SGMA. The Wyandotte Creek Subbasin is currently maintaining groundwater withdrawals within the Subbasin's safe yield. Working collaboratively through the single subbasin GSP will allow GSA members to cost-effectively achieve SGMA compliance and maintain local control over groundwater use and management decision-making and policy.

Projects that are recommended in the adopted Wyandotte Creek Subbasin GSP will be planned and implemented by the lead applicant(s) and through regional collaboration as needed to accomplish WCGSA groundwater management objectives. The WCGSA members will collaborate and coordinate on projects of mutual interest and maximize outside funding sources to deliver projects in a cost-effective manner and reduce long-term WCGSA costs of service. The WCGSA will maintain a list of GSP projects and work within its Subbasin and prioritize its project funding list accordingly to take advantage of grant funding sources as they become available. The WCGSA will continue to apprise its members of upcoming grant funding opportunities and assist in securing funds for shovel ready projects and actions that can reduce long-term SGMA compliance costs for its members and achieve and maintain safe yield metrics through 2042.

As discussed above, the primary purpose of the WCGSA is to organize and represent the landowners for the purposes of SGMA compliance while maintaining local control over groundwater policy and management. The WCGSA's administrative activities are expected to continue annually to complete annual monitoring and reporting requirements, complete the Five-Year GSP updates, maintain GSA coordination and continue GSA operations which will be coordinated with member agencies and stakeholders who participated in the approved GSP. It is also planned that in the initial several years of GSP implementation additional technical evaluations may be undertaken to better understand Subbasin groundwater characteristics, address data gaps, and refine preferred projects the WCGSA members can implement to improve long-term groundwater resource sustainability for the region. The WCGSA will also be coordinating with other GSAs on an inter-basin basis on a regular basis during GSP implementation consistent with the requirements of SGMA. The technical report evaluations and GSP development actions are intended to prioritize water resource actions that help reliably meet long-term agriculture, urban, and environmental groundwater supply needs within the Subbasin sustainable yield.

## **SECTION 4: WCGSA FINANCIAL INFORMATION**

The WCGSA is a relatively new organization and has obtained funding for administrative and GSP development related activities from inception to date primarily through secured grant funds and some in-kind voluntary contributions from member agencies. For the initial five years of GSP implementation, the WCGSA is proposing to fund GSA operations, GSP implementation, and SGMA compliance actions through the WCGSA Fee.

There have been in-kind member agency contributions to date to supplement existing grant funded activities to ensure adequate staffing to complete the work on schedule given SGMA compliance schedule targets. In addition, there have been in-kind staff and GSP partner staffing contributions to ensure that the GSP was completed and submitted to DWR by January 31, 2022 deadline.

The WCGSA projected Five-Year Annual Budget (Budget) is based on the GSA members using the single WCGSA governance model to serve the WCGSA service area in Butte County and coordinate with other GSAs in the Subbasin as required to update their GSP on a five-year basis. The WCGSA Budget would be funded through the proposed charges and all budget revenues and expenditures would be held in a special account that can only be used for approved WCGSA activities related to GSA operations and GSP implementation costs. The Budget is presented over the initial five-year implementation period of the WCGSA post-GSP development on annual fiscal year budget cycle of July 1 through June 30 on an annual basis. Any annual rate increase would be effective July 1 of the specified year as implemented through updated County Assessor tax roll assessments.

The GSA administration and GSP implementation costs were developed through a collaborative effort of the GSA with SGMA compliance responsibilities. Member agencies working with the LSCE Team, prepared a technical memorandum (TM) to memorialize the agreed upon GSA cost estimates for SGMA compliance and cost allocation approach for sharing regional costs based on the best available acreage estimates to serve as a basis for the proposed WCGSA Fee within the WCGSA service area. This information will be updated in the future based on the actual costs for GSP implementation, any revisions to the cost allocation formula, the availability of grant funds to offset GSA administration or changes in GSP implementation regional costs, or modifications to annual GSA revenue requirements as a result of any changes to the SGMA legislation requirements governing SGMA compliance for GSAs in the Subbasin. The WCGSA will continue to work together with members and GSAs to comply with SGMA at the lowest possible cost to their respective GSA stakeholders. The WCGSA will need the proposed Charge in place to serve as a dedicated revenue source to cover their costs for SGMA compliance during the first five years of GSP implementation broken down by Fiscal Year. The draft TM is included in **Appendix G**.

The WCGSA's projected Five-Year Budget in Table 4-1 is allocated into Operational Costs associated with maintaining the GSA as a functioning organization to meet SGMA compliance requirements. The budget projections also include GSP implementation related costs primarily for annual monitoring and reporting, five-year GSP updates, and Subbasin coordination activities required for SGMA compliance. The proposed charges would be based on the Annual Avg.

Costs in Table 4-1 which will enable the WCGSA to meet SGMA compliance requirements in the most cost-effective manner on both a short- and long-term basis.

**Table 4-1: Wyandotte Creek Subbasin GSA Five-Year Budget (FY23-24 through FY27-28)**

Charge Cost Category	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28
<b>WCGSA Admin.</b>					
Prof. Services (Admin)	\$67,500	\$62,500	\$62,500	\$62,500	\$62,500
Office Expenses	\$7,250	\$6,750	\$6,750	\$6,750	\$6,750
Prof. Services (GSP)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Legal Services	\$0	\$0	\$0	\$0	\$0
County Tax Roll	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Contingency	\$8,975	\$8,425	\$8,425	\$8,425	\$8,425
<b>Admin. Sub-total (w/ inflation)</b>	<b>\$98,725</b>	<b>\$95,455</b>	<b>\$98,236</b>	<b>\$102,869</b>	<b>\$107,503</b>
<b>SGMA Compliance (w/inflation)</b>	<b>\$125,550</b>	<b>\$129,317</b>	<b>\$133,083</b>	<b>\$139,361</b>	<b>\$134,676</b>
<b>TOTAL WCGSA Costs (w/inflation)</b>	<b>\$224,275</b>	<b>\$224,772</b>	<b>\$231,319</b>	<b>\$242,230</b>	<b>\$242,179</b>
Annual Avg. Costs	\$232,955	\$232,955	\$232,955	\$232,955	\$232,955
GSA Administration: Program Manager, Office Expenses, and legal services for GSA operations with WCGSA serving as fiscal agent for members agencies.					
GSA SGMA Compliance: Annual Reports, 5-Year GSP Updates, GSA coordination, Data Management, Financial Planning, Surface-Groundwater modeling, and grant funding.					

### WCGSA Operational Budget Overview

The WCGSA will provide staffing through Butte County to support ongoing GSA operations, including administration and GSP compliance actions over the initial five-year implementation period post-GSP development and adoption by the Board of Directors. The WCGSA operations budget is comprised of primary legal, technical, funding, and administrative (staffing responsibilities) service components which will include staff administration and Subbasin coordination tasks associated with an active GSA maintaining SGMA compliance. The WCGSA staff will report to the Board of Directors and be assigned to, but not limited to, the following tasks:

1. Coordinate meetings, prepare and distribute agenda packets, attend WCGSA Board meetings, establish action items, and brief the Board on all relevant issues in a timely manner.
2. Create, supervise and coordinate accounting, technical, legal and administration services, hydrogeological, and similar technical work necessary to accomplish the WCGSA directives.
3. Conduct educational, outreach, and collaborative activities (within and between the GSAs).
4. Coordinate the annual collection and maintenance of general WCGSA watershed information necessary to comply with SGMA, including land ownership, land use types and acreage, surface water deliveries, groundwater usage, key climate factors and data, and GSP management and project objective assessment tracking.
5. Facilitate timely completion of Annual Monitoring and Reporting requirements to maintain SGMA compliance.
6. Facilitate timely completion of Five-Year GSP Update requirements to maintain SGMA compliance.
7. Pursue outside grant funding sources that reduce SGMA compliance costs.

The WCGSA will achieve SGMA compliance for its members to maintain local control of groundwater resources in its service area boundary with no State intervention or fees.

## **SECTION 5: WCGSA MANAGEMENT BENEFITS**

For the activities covered in this initial Five-Year Budget, the WCGSA proposes to levy charges equally to all assessable acreage based on the sum of WCGSA administrative costs and WCGSA GSP implementation costs as required to achieve SGMA compliance. The rationale is that the existence of the WCGSA provides the benefit of SGMA compliance to all landowners within its boundaries and maintains local control with no State imposed fees. Although some properties might not presently utilize groundwater, all parcels have overlying groundwater rights. The information generated by the development of the Wyandotte Creek Subbasin GSP will inform the landowners about the available water supply to their land on a current and future basis, the potential for additional groundwater recharge, and allow them to be directly represented through the WCGSA as it proceeds to meet the requirements of SGMA over the 2042 planning horizon.

This section provides the breakdown of the benefits that are to be attributed to landowners within the WCGSA service area boundaries if the proposed WCGSA Fee is approved. Table 5-1 summarizes the acreages used in the analyses.

**Table 5-1. Acreage Subject to WCGSA Charge**

<b>WCGSA GSA Wyandotte Creek Sub-basin</b>	<b>WCGSA Acreage Data Land IQ/Butte County</b>	<b>WCGSA Five-Year Budget Data Source</b>
Total Wyandotte Creek GSA	59,372 acres	Wyandotte Creek Subbasin GSP
Total Federal Lands	-0 acres	Wyandotte Creek Subbasin GSP
Total State Lands	-5,781 acres	Wyandotte Creek Subbasin GSP
Total Tribal Lands	-21 acres	Wyandotte Creek Subbasin GSP
Other Unbillable	-2,489 acres	Wyandotte Creek Subbasin GSP
<b>NET ASSESSABLE ACRES</b>	<b>= 51,080 acres</b>	<b>Wyandotte Creek Subbasin GSP</b>
Net acreage = Total WCGSA – exempt parcels (e.g. Federal/State/Tribal Lands). Other Unbillable = roads, surface water features, other similar items. <i>(source: Land IQ 2021 Data, County Assessor's data for boundary and parcel data)</i>		

The lands have been identified as subject to the proposed WCGSA Fee and would fund the required WCGSA Five-Year Budget. The Operational and GSP Implementation Costs are applicable to all parcel owner acreages listed in Table 5-1 as reflected in net assessable acres above to all who will have an adopted 2022 GSP funded through the Proposition 1 and 68



programs. The proposed 2023 WCGSA Charge Roll is based on the WCGSA net assessable acreage located within portions within the WCGSA, 2023 tax rolls of Butte County. The tax roll list of property owners and their associated APNs that would be subject to the proposed WCGSA Fee are included as **Appendix C**. The complete roll will be submitted to the County Assessor upon implementation of the WCGSA Charge by July 31, 2023.

The WCGSA service area boundary includes the lands in the City of Oroville, Thermalito Water and Sewer District, Butte County and the South Feather Water and Power Agency areas within Butte County. All property owners subject to the proposed WCGSA Fee would pay the County through their property tax bill for specified charges. The City of Oroville and Thermalito Water and Sewer District could have opted to pay the WCGSA directly for their share of the WCGSA costs based on applicable net assessable acres through a Funding Agreement with the WCGSA. However, the City and District have opted to have their landowners share of total GSA costs levied on the County property tax bill assessment using this Proposition 218 process based on applicable net assessable acres subject to the proposed WCGSA charges. The County Assessor's Office will verify the GIS boundaries for each of these entities to be used assessable acreage and charge calculations. The WCGSA will maintain the option for the City and District to collect their share of future GSA costs through agreed to funding agreements (MOUs). The GSA will coordinate with these agencies and update as necessary to ensure that all parcels subject to the proposed charge pay their fair share of the WCGSA's total Five-Year Budget amount. **Appendix E** contains a potential Funding Agreement List.

Parcels listed by the assessor as tax-exempt or unbillable under SGMA will not be included in the Charge Roll, and therefore are not included in assessable acreage and charge calculations. These parcels include primarily Federal, State and Tribal-owned parcels per SGMA legislation. And other non-billable acreage that would be paying the charge.

## **SECTION 6: WCGSA PROPOSED FEES**

This section describes the proposed WCGSA Fee for funding WCGSA operational and GSP implementation costs over the initial five-year period (FY2023-24 through FY2027-28) post-GSP adoption in January 2022. The WCGSA Fee would cover the associated legal, technical and administrative costs, as well as GSP SGMA compliance costs associated with annual monitoring and reporting, five-year GSP updates, subbasin coordination, data management, financial planning, and grant funding procurement. Based on the services to be provided by the WCGSA, the WCGSA proposes to levy charges to all assessable parcels within the service area boundary of the WCGSA that are identified on the tax rolls of Butte County.

In conformance with this Fee Report, the WCGSA would seek to fund its GSA operational and GSP related implementation costs associated with SGMA compliance for all parcels in the WCGSA service area boundary. Section 4 presents the proposed WCGSA Five-Year Budget and total charges needed to fund the WCGSA efforts over the next five years and the methodology for setting charges in proportion to cost of service based on available information. Proposition 218 requires that charges levied to each parcel owner be proportional to the cost of service attributable to that customer. The costs of administering the GSA on behalf of the parcels within the WCGSA includes the legal, technical and administrative costs for landowners in the WCGSA service area boundary and are proportional to the number of acres covered by the WCGSA with all parcels equally benefitting from the WCGSA's single GSA low-cost governance model, SGMA compliance, and local control attributes (no State Intervention or imposed fees). Therefore, collecting the operational and GSP implementation portions of the Charge based on a cost per acre basis fulfills the proportionality requirement.

The proposed WCGSA Fee includes the GSA operational and GSP implementation costs necessary for SGMA compliance that would be proportional to the number of acres covered in meeting the annual operational budget target over the five-year charge period for the benefit of all landowners within the WCGSA service area boundary and is presented in Table 6-1. Fiscal Year 2027-28 represents the maximum irrigated charge allowed (\$11.62 per acre) and largest non-irrigated charge allowed (\$1.38) during the initial five-year funding period. An annualized charge (average annual charge) option is presented.

The cost allocation for the irrigated and non-irrigated charges proposes to allocate approximately 90% of the total GSA costs to the irrigated parcels and 10% to the non-irrigated parcels. This cost allocation is based on the percentage of SGMA compliance costs non-irrigators would be responsible for based on the premise that they do not impact the groundwater aquifer and would not impact the ability of the GSA to operate the Subbasin within the safe yield identified in the GSP. It also applies the majority of the total GSA costs to irrigators who use the majority of groundwater in the Subbasin and have a direct impact on the ability of the GSA to operate the Subbasin within the safe yield. The average annual proposed charge would be \$10.92 per acre for irrigators and \$1.27 per acre for non-irrigators.

**Table 6-1. Recommended WCGSA Irrigated/Non-Irrigated Fee – Irrigated**

<b>Table 6-1 Irrigated Charge Recommended</b>	<b>Fiscal Year 2023-24</b>	<b>Fiscal Year 2024-25</b>	<b>Fiscal Year 2025-26</b>	<b>Fiscal Year 2026-27</b>	<b>Fiscal Year 2027-28</b>
Irrigated Budget	\$201,848	\$207,903	\$216,784	\$233,105	\$246,117
Proposed Irrigated Charge (\$/ac)	\$9.17	\$9.45	\$9.85	\$10.59	\$11.18
GSA Implementation Costs	\$0.39	\$0.40	\$0.42	\$0.43	\$0.44
Proposed Irrigated Total Charge (\$/ac)	\$9.57	\$9.85	\$10.27	\$11.02	\$11.62

**Table 6-2. Recommended WCGSA Irrigated/Non-Irrigated Fee – Non-Irrigated**

<b>Table 6-2 Non-Irrig. Charge Recommended</b>	<b>Fiscal Year 2023-24</b>	<b>Fiscal Year 2024-25</b>	<b>Fiscal Year 2025-26</b>	<b>Fiscal Year 2026-27</b>	<b>Fiscal Year 2027-28</b>
Non-Irrigated Budget	\$22,428	\$23,100	\$24,087	\$25,901	\$27,346
Proposed Non-Irrig. Charge (\$/ac)	\$0.77	\$0.79	\$0.83	\$0.89	\$0.94
GSA Implementation Costs	\$0.39	\$0.40	\$0.42	\$0.43	\$0.44
Proposed Non-Irrig. Total Charge (\$/ac)	\$1.16	\$1.19	\$1.25	\$1.32	\$1.38

**Table 6-3. Best Option WCGSA Fee – With DWR Grants**

Charge Best Option	Calendar Year 2023	Calendar Year 2024	Calendar Year 2025	Calendar Year 2026	Calendar Year 2027
Operational Budget	\$120,325	\$117,703	\$121,132	\$254,218	\$254,707
Proposed Irrigated Charge (\$/ac)	\$5.15	\$5.06	\$5.19	\$11.02	\$11.62
Proposed Non-Irrigated Charge (\$/ac)	\$0.78	\$0.88	\$0.89	\$1.32	\$1.38

The WCGSA is considering an alternative Irrigated/Non-Irrigated Charge option which would bifurcate the Irrigated user class into separate Irrigated Surface Water (Irrig-SW) and Irrigated Groundwater (Irrig-GW) user classes to differentiate between surface water users, which provide a net recharge benefit to groundwater storage over time. A 35/65% cost allocation for irrigated/non-irrigated parcels respectively recognizes the surface water recharge benefit.

**Table 6-4. Alternative Irrigated/Non-Irrigated Charge Option (w/Irrig-SW)**

<b>Table 6-4</b> Irrig.-SW Charge Alternative	Calendar Year 2023	Calendar Year 2024	Calendar Year 2025	Calendar Year 2026	Calendar Year 2027
Irrig-SW Budget	\$70,647	\$72,766	\$75,874	\$81,587	\$86,141
Proposed Irrig-SW Charge (\$/ac)	\$7.00	\$7.21	\$7.52	\$8.09	\$8.54
GSA Implementation Costs	\$0.39	\$0.40	\$0.42	\$0.43	\$0.44
Proposed Irrig-SW Charge (\$/ac)	\$7.39	\$7.61	\$7.94	\$8.52	\$8.98

**Table 6-5. Alternative Irrigated/Non-Irrigated Fee Option (w/Irrig-GW)**

<b>Table 6-5 Irrig.-GW Charge Alternative</b>	<b>Calendar Year 2023</b>	<b>Calendar Year 2024</b>	<b>Calendar Year 2025</b>	<b>Calendar Year 2026</b>	<b>Calendar Year 2027</b>
Irrig-GW Budget	\$131,201	\$135,137	\$140,910	\$151,518	\$159,976
Proposed Irrig-GW Charge (\$/ac)	\$11.01	\$11.34	\$11.82	\$12.71	\$13.42
GSA Implementation Costs	\$0.39	\$0.40	\$0.42	\$0.43	\$0.44
Proposed Irrig-GW Charge (\$/ac)	\$11.40	\$11.74	\$12.24	\$13.14	\$13.86

The WCGSA is seeking to implement an Irrigated/Non-Irrigated charge in the maximum amount shown in Table 6-1, specifically \$11.62 per acre for all assessable irrigated parcels and Table 6-2, specifically \$1.38 per acre for all assessable non-irrigated parcels. The budgeted operational expenses are in 2023 dollars and includes an average annual inflation factor of 4% to adjust for the impact of future inflation on the GSA Operational Budget during the five-year charge implementation period for the subsequent four years. Note that the Charge applied by the WCGSA may vary from year to year but will not exceed the maximum amount unless an increase is approved through a subsequent Proposition 218 proceeding. **The necessary funding for the WCGSA will be reviewed annually by the Board** and, depending on the projected funding level needed for the year, may be approved up to the maximum assessment rate. The proposed maximum annual charge allows the WCGSA to apply Fees to pay for anticipated increases in operating expenses and actions required to achieve SGMA compliance for members without having to incur the expense of routinely repeating the Proposition 218 process.

The Board will review the GSA budget on an annual basis and determine the appropriate GSA fee to adopt as long as the fee does not exceed the maximum fee for irrigated and non-irrigated parcels stated above. If DWR grant funds are approved in a timely manner the WCGSA Board would have the opportunity to keep charges lower than projected during the initial five-year fee schedule period.

### **WCGSA Service Area – Assessment Roll**

**Appendix C** is the proposed 2023 WCGSA Charge Roll. This roll serves as the basis for providing notice to each landowner in the WCGSA service area boundary whose land will be subject to the Charge, identifying each landowner, the parcels they own as reflected in County records, and the acreage for each parcel. The protest is directly related to the number of owners of parcels subject to the WCGSA Charge. The Charge will apply unless written protests accounting for a majority of the total assessed parcels are submitted at the public hearing.



**Appendix D** includes the Public Notice, which would be distributed to all parcels subject to Charge at least 45-days before the WCGSA considers approving the proposed fees.

### **WCGSA Conclusion**

The primary objective of the WCGSA Fee is to ensure that the cost of the service provided is allocated in a fair and equitable manner to those lands receiving the benefit of service. Based on the revenue objectives, the WCGSA's proposal is to fund its annual operational and GSP implementation related future activities identified in this five-year budget for the benefit of all parcels within the WCGSA that pay the Charge. Absent the creation of the WCGSA (or a similar entity) and funding by the proposed charge, the WCGSA landowners would have no direct representation or cost-effective means for complying with SGMA requirements. Without such representation, the SWRCB would take corrective action as provided by SGMA to achieve compliance at a higher cost without local control. However, with this proposed charge, properties will receive SGMA compliance benefits with local representation for substantially lower costs than if no GSA were formed. If no GSA were formed, the landowners would pay much higher fees and be left subject to regulation and oversight by the SWRCB with no guarantee that costs for addressing groundwater issues would be shared by the State.

## **SECTION 7: WCGSA IMPLEMENTATION PROCEDURES**

The WCGSA intends to consider the adoption of the WCGSA Fee pursuant to the requirements in Article XIII D of the California Constitution.

The WCGSA Board of Directors will consider the following actions: (a) approve and accept the Fee Report; (b) approve the notice for public hearing on the proposed WCGSA Fee which includes (i) notices to these landowners informing them of the proposed charges, and (ii) instructions for protest. At the public hearing, the WCGSA will state its intentions and justifications for pursuing a Proposition 218 effort, take into consideration any objections received to the proposed WCGSA Fee, and count any eligible written protests received as of the close of the public hearing. If written protests are submitted and received from a majority of the total assessed parcels by the close of the public hearing, the WCGSA may not adopt the WCGSA Fee. Absent a majority protest, the WCGSA will adopt the proposed WCGSA Fee to comply with SGMA and maintain local control over groundwater management decisions.

The WCGSA shall maintain a record of the Report, protest notice and received protests, public outreach and notifications, and meeting agendas and minutes for all pre-charge adoption actions consistent with Proposition 218 procedures and to document WCGSA process transparency for the benefit of all stakeholders.

During the initial five-year Proposition 218 charge period (FY2023-24 through FY2027-28) the WCGSA will keep charges as low as possible based on actual expenses associated with WCGSA operations and GSP implementation activities as required to maintain compliance with SGMA requirements. The WCGSA may not charge more than the maximum fee during the initial five-year period. The Board will review the proposed Fee annually and determine if any adjustments are necessary based on actual expenditures to date and projected expenses over the initial five-year implementation period.

The WCGSA will provide members and stakeholders with updated Five-Year Budget financial information regarding the revenues and expenditures associated with WCGSA Charge collections and SGMA compliance status. Subbasin coordination and grant funding efforts will be documented and updated on a regular basis. The WCGSA will conduct periodic financial audits to ensure efficient use of Fees and maintain transparency to members and stakeholders.

## **SECTION 8: WCGSA REFERENCES**

The WCGSA referenced and used information from the following sources to prepare this Charge Report for the WCGSA and its members. All documents referenced are available as indicated on the website links below.

***Wyandotte Creek Subbasin Groundwater Sustainability Agency***

<https://www.WyandotteCreekgsa.org/>

***Bulletin No. 118, California's Groundwater, 2003 and 2016 Interim Update***

California Department of Water Resources

***2014 Sustainable Groundwater Management Act (including Fee related provisions)***

California Department of Water Resources

***Wyandotte Creek County Assessor's Office, Parcel/Tax Data Year 2023, provided April 2023.***

***Wyandotte Creek County Crop Report***

[Archive Center • Butte County, CA • CivicEngage](#)

***Wyandotte Creek Subbasin – 2022 Groundwater Sustainability Plan***

Wyandotte Creek Subbasin website: [Read the Groundwater Sustainability Plan \(GSP\) - Wyandotte Creek Groundwater Sustainability Agency \(WyandotteCreekgsa.org\)](#)

***Department of Water Resources Disadvantaged Communities Mapping Tool***

<https://gis.water.ca.gov/app/dacs/>

***Proposition 218, Local Agency Guidelines for Compliance, 2007 Update***

Association of California Water Agencies

***Proposition 26 and 218, Local Agency Implementation Guide, 2019 Update***

League of California Cities