

# Cawelo Groundwater Sustainability Agency (CGSA) Fee Workshop

July 27, 2018 - Workshop #2



Cawelo Water District  
17207 Industrial Farm Road,  
Bakersfield, CA 93308

# Introductions

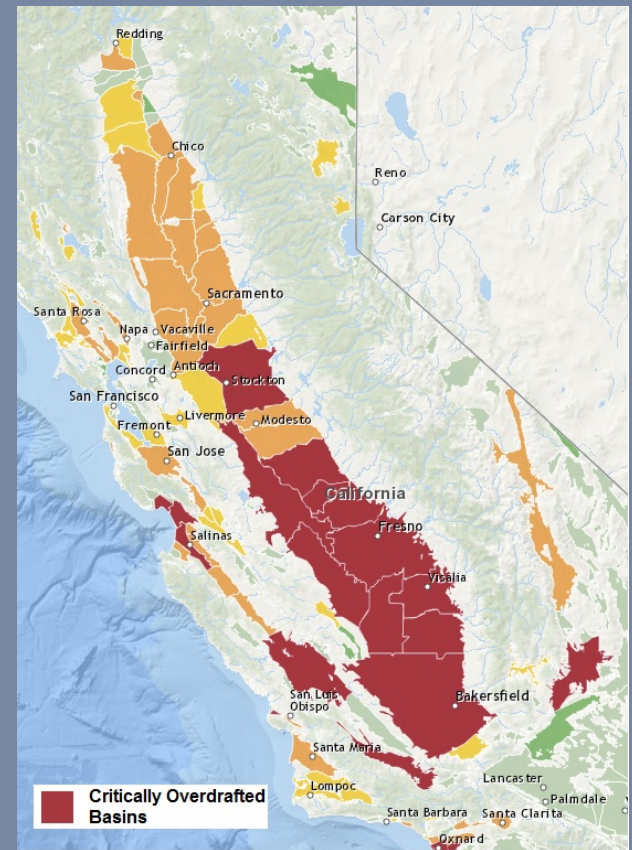
- General Manager – David Ansolabehere
- Board of Directors
- CGSA & CWD Staff
- Legal Counsel
- Consultants
  - Todd Groundwater
  - Hamilton Resource Economics

# Today's Workshop Agenda

1. SGMA & GSA Overview
2. Regulatory Requirements and Timeline
3. Costs and Budget
4. Questions, Comments and Open Discussion

# SGMA & GSA Overview

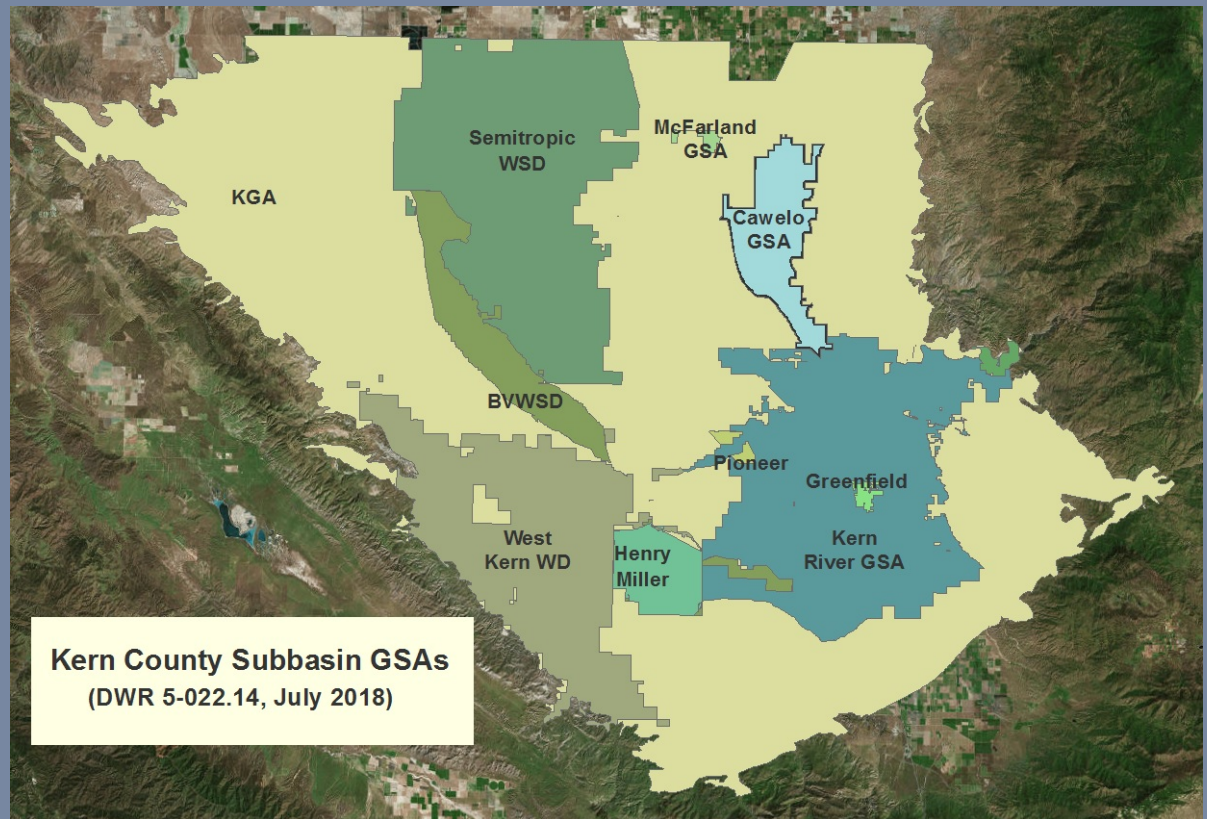
- Groundwater Basins in Critical Conditions of Overdraft
- SGMA was signed into Law in 2014
  - Requires government and water agencies to bring critically over-drafted basins into balance (sustainability) by 2040
  - Empowers local agencies to form GSAs to manage basin sustainability
  - Requires GSAs to adopt a Groundwater Sustainability Plan (GSP)
  - Kern-County Subbasin is a “Critically Overdrafted Basin”



# SGMA & GSA Overview

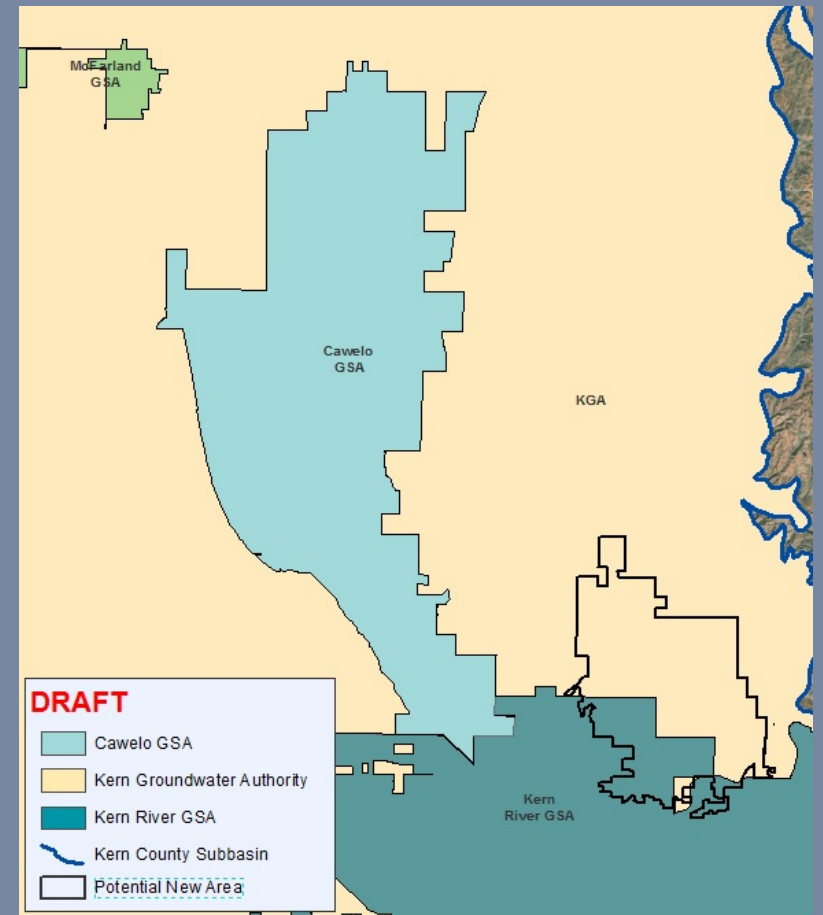
- There are 10 GSAs in the Kern County Subbasin

1. Buena Vista WSD
2. Cawelo GSA
3. Greenfield County
4. Henry Miller WD
5. KGA GSA
6. Kern River GSA
7. McFarland GSA
8. Pioneer GSA
9. Semitropic WSD
10. West Kern WD



# SGMA & GSA Overview

- Cawelo GSA
  - Exclusive GSA in June of 2017
  - GSA Boundary same as Cawelo Water District Boundary
  - Initially, Cawelo GSA to include all undistricted lands east of Cawelo
  - There have been requests from lands outside of the current boundary to become part of Cawelo GSA
  - Currently working with Chevron to move Kern River Field area into Cawelo GSA (also working with Kern River GSA, KGA, and Kern County)
  - Cawelo is a member of the KGA



# Regulatory Requirements and Timeline

- ✓ Form GSAs – Kern County Subbasin fully covered by June 2017
- Develop Groundwater Sustainability Plans by January 31, 2020
  - One plan to be submitted for the Kern Subbasin (Umbrella Plan)
  - KGA is developing the Umbrella Plan which will have chapters representing each individual member plans
  - Coordination is required between KGA members and non-KGA GSAs
- Plan Implementation
  - Groundwater monitoring, administrative management, project implementation and mitigation measures – Sustainability by 2040
- Plan Updates
  - Plan to be updated every 5 years

# Regulatory Requirements and Timeline

## SGMA Timeline for Kern County Subbasin





# Regulatory Requirements and Timeline

## SGMA Timeline for Kern County Subbasin



### Umbrella GSP Development:

- Background Info, Basin Setting & HCM
- Groundwater Model
- Water Budget
- Undesirable Results
- Sustainable Management Criteria
- Projects & Management Actions

# Regulatory Requirements and Timeline

## SGMA Timeline for Kern County Subbasin



### Umbrella GSP Development:

- Background Info, Basin Setting & HCM
- Groundwater Model
- Water Budget
- Undesirable Results
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### Cawelo GSP Development:

- Background Info, Basin Setting & HCM
- Groundwater Model
- Water Budget
- Undesirable Results
- Sustainable Management Criteria
- Projects & Management Actions

Chapter

# Cawelo GSA Activity

- Exclusive GSA in June 2017
- Member of the KGA
  - CGSA Director is on the KGA Board of Directors
  - Participate in board meetings, coordination meetings and workshops.
  - Participate in the development of the Umbrella GSP and associated tasks orders or special activity agreements
- North of the River Hydrogeological Conceptual Model
- Contract with Todd Groundwater to develop Cawelo GSP
- Outreach and Public engagement

# Cawelo GSA Activity – Cost (Preliminary)

<b>DRAFT</b>	To Date	Estimated Projection to 2020
Todd Groundwater	\$84,454.35	\$484,394.00
KGA	\$76,996.05	\$150,000.00
Legal	\$11,448.00	\$10,000.00
Other Consultants	\$0.00	\$50,000.00
Other (Admin, etc.)	\$50.00	\$2,000.00
<b>Total</b>	<b>\$172,948.40</b>	<b>\$696,394.00</b>

Current Cawelo GSA Acres = 44,334

2018 Agricultural Acres = 34,276

10 Year Ave. Water Delivered = 73,253 AF

10 Year Ave. Delivered to Service Area = 2.2 AF/acre

# SGMA Fees and Funding

Pursuant to Water Code § 10730:

(a) A groundwater sustainability agency 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 groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve. A groundwater sustainability agency shall not impose a fee pursuant to this subdivision on a de minimis extractor unless the agency has regulated the users pursuant to this part.

# SGMA Fees and Funding

## Pursuant to Water Code § 10730.2:

(a) A groundwater sustainability agency that adopts a groundwater sustainability plan pursuant to this part may impose fees on the extraction of groundwater from the basin to fund costs of groundwater management, including, but not limited to, the costs of the following:

- 1) Administration, operation, and maintenance, including a prudent reserve.
- 2) Acquisition of lands or other property, facilities, and services.
- 3) Supply, production, treatment, or distribution of water.
- 4) Other activities necessary or convenient to implement the plan.

(c) Fees imposed pursuant to this section shall be adopted in accordance with subdivisions (a) and (b) of Section 6 of Article XIII D of the California Constitution.

# SGMA Fees and Funding

## Potential Methods to Charge Fees and Fund CGSA

1. Extraction Permit Fee (Annual)
  - Fee per well or tiered for well size
  - Well surveys, cooperation from County
2. Groundwater Extraction Fee (pump tax)
  - Fee based on volume extracted
  - Requires meters or evapotranspiration calculations
3. Land Based Assessment (Prop 218)
  - Fee base on per acre of land
  - Consider land use, extraction activity, history or future consideration
4. Some combination of above
5. Other?

# SGMA Fees and Funding

Examples (based on meeting budget requirements through end of 2019):

1. Extraction Permit Fee – There are approximately 200 GW wells in Cawelo. Using a budget number of \$700K for 2 years, that equates to \$1,750 per well each year.
2. Groundwater Extraction Fee – The Cawelo Service Area received an average of 2.2 AF/acre. Assuming an average crop irrigation demand of 3.7 AF/acre, total crop demand would be 126,821 AF. Less the delivered surface water, pumped GW volume would be 53,781 AF per year which is \$6.51/AF.
3. Land Based Assessment – Using full CGSA acres, land assessments would be \$7.89/acre. Using agricultural land only, the assessments would be \$10.21/acre.
4. 50% Extraction/50% Assessment - \$3.25/AF & \$3.95/acre or \$5.10/acre.



Questions, comments  
and discussion on how  
fund CGSA and SGMA  
activities