DRAFT

FY 2023-2024 GROUNDWATER EXTRACTION FEE REPORT

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

TABLE OF CONTENTS

SECTION 1 – ACRONYMS

AF	Acre-feet
CBGSA	Cuyama Basin Groundwater Sustainability Agency
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
SGMA	Sustainable Groundwater Management Act

SECTION 2 – DEFINITIONS

De Minimis User – *Commercial*
Uses 1.5 acre-feet or less in a year per well. De minimis users do not have to pay a fee.

De Minimis User – *Domestic (Non-Commercial)*
Uses 2 acre-feet or less in a year per well. De minimis users do not have to pay a fee.

SECTION 3 – CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY BACKGROUND

The Cuyama Basin Groundwater Sustainability Agency (CBGSA) was formed in 2017 under the Sustainable Groundwater Management Act (SGMA) to develop and implement a Groundwater Sustainability Plan (GSP). The purpose of the GSP is to achieve groundwater sustainability for the Cuyama Basin by 2040. The CBGSA is governed by an 11-member board with representatives from the four counties that intersect the Basin (Kern, Santa Barbara, San Luis Obispo, and Ventura), the Cuyama Community Services District, and the Cuyama Basin Water District.

SECTION 4 – ESTABLISHING A FEE

Water Code section 10730 authorizes Groundwater Sustainability Agencies (GSAs) to establish a groundwater extraction fee to fund, among other things, the costs of a groundwater management program, including administration of a GSP. The CBGSA has set the fee over the Fiscal Year 2023-2024 period and is based on (i) the CBGSA's draft budget and cash flow for Fiscal Year 2023-2024; and (ii) 2022 water use.

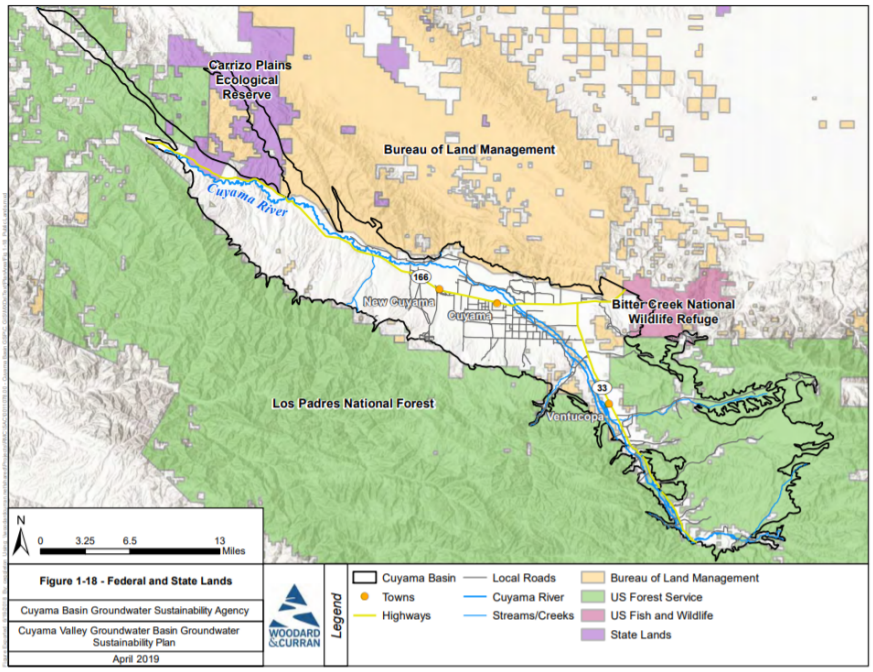
Section 4.1 – Definition of an "Extractor"

An extractor is defined as a pumper of groundwater within the Cuyama Basin groundwater basin boundary as defined by California Department of Water Resources' Bulletin 118 (see Figure 1 below). The below groups are not considered extractors:

Exclusions:

- De miminis user – Wells that use 1.5 acre-feet or less per year for commercial purposes, or wells that use less than 2 acre-feet per year for residential purposes. De minimis users do not have to pay a fee.
- State and federal lands – Non-commercial water use on State and federal lands. Well use on State and federal lands do not have to pay a fee.

FIGURE 1 – GROUNDWATER BASIN IN CUYAMA



Section 4.2 – Fee Basis

The proposed reduction of the groundwater extraction fee is based on the CBGSA's fiscal year budget and cash flow. The budget and cash flow for Fiscal Year 2023-2024 will be presented for consideration of adoption at the May 3, 2023 regular meeting of the CBGSA Board of Directors. The draft budget for Fiscal Year 2023-2024 totals $5.291 million. $4.80 million represents costs reimbursable by through the California Department of Water Resources Sustainable Groundwater Management Act Implementation Grant and $488,896 represents costs not reimbursable by the grant. The draft budget for Fiscal Year 2023-2024 is attached hereto as Exhibit "A." While the current budget total is subject to change, CBGSA does not anticipate the total budget amount to exceed $5.29 million.

Water use was based on user-reported metered data from 2022. For small pumpers (water users using less than 25 acre-feet annually) not required to install meters, they reported water use based on evapotranspiration crop factors developed by a Cal Poly Irrigation Training & Research Center (ITRC) as shown in Forms I and M included as Exhibit B including a conversion factor to estimate the gross water use consistent with the metered data reporting. The 2022 water use estimate totals 42,500 acre-feet and is used as the basis for the reduction of this fee.

Fee Recommendation

Based on (1) the Fiscal Year 2023-2024 budget and cash flow, and (2) user-reported 2022 water use data, the CBGSA recommends a reduction of the basin-wide groundwater extraction fee to $12 per acre-foot.

Section 5 – ADMINISTRATION OF FEE

Section 5.1 – Invoices

Invoices and instructions for payment will be sent to water users in May 2023 and will be based on the 2022 water use previously reported by Cuyama extractors. If payments are not received by the due date of June 30, 2023, a past due notice will be mailed in July 2023 and late penalties will apply (see section 6 below).

Section 5.2 – Schedule/Reporting period

The below schedule outlines the groundwater extraction fee process:

May 3, 2023	Fiscal Year Budget Adopted and Public Hearing to Establish Fee
May 13, 2023	Invoices and Forms are Mailed Out
May-June 2023	Payment Collection Period
June 30, 2023	Payment Due Date
July 1, 2023	Late penalties assessed (10% and then 1% per month)

SECTION 6 – PENALTIES

Well owners will be charged a 10 percent penalty after the June 30, 2023 due date with an escalation rate of 1 percent for each month late after the initial due date.

Exhibit A

FISCAL YEAR 2023-2024 BUDGET AND CASH FLOW

DRAFT CBGSA FISCAL YEAR 2023-2024 BUDGET

	A		B
	CATEGORY		**FY 23-24**
A	**HALLMARK GROUP**		
1	CBGSA Board of Directors Meetings	$	111,397
2	Consultant Management and GSP Implementation	$	73,351
3	Financial Information Coordination	$	51,357
4	Cuyama Basin GSA Outreach	$	10,721
5	Annual Groundwater Extraction Fee	$	5,562
6	Prepare 5-Year GSP Update	$	18,217
7	Central Management Area Support	$	11,768
8	Adjudication Discussions	$	1,935
9	Enforcement for Un-reported Water User	$	25,400
10	Well Permit Review	$	2,000
11	Other Direct Charges (Mileage, conference lines, copies)	$	5,694
	Subtotal	**$**	**317,400**
B	**LEGAL**		
1	General Legal Counsel	$	200,000
	Subtotal	**$**	**200,000**
C	**ADMIN**		
1	Audit (FY 22-23)	$	10,000
2	Insurance (D&O, General Liability)	$	16,603
3	California Association of Mutual Water Co. Membership	$	200
4	Contingency	$	20,000
	Subtotal	**$**	**46,803**
D	**WOODARD & CURRAN & TECHNICAL**		
1	Grant Proposals	$	42,000
2	Stakeholder/Board Engagement		
3	SAC meetings	$	27,000
4	Board meetings	$	40,000
5	Board Ad-hoc calls	$	16,000
6	Tech Forum calls (new item)	$	16,000
7	Public Workshops	$	33,000
8	Outreach		
9	General, Newsletter Development, etc.	$	15,000
10	Website Updates - Maintenance / Hosting	$	6,667
11	Website Redesign	$	9,000
12	Well Permit Review	$	12,000
13	Support for DWR Technical Services (TSS) and Enforce Well Pumpers	$	16,000
14	GSP Implementation Support		
15	GSP Implementation Program Management	$	60,000
16	GW Levels and GWQ Monitoring Network Coordination and Data Mgmt - W&C	$	20,000
17	DMS Ongoing Maintenance and Enhancements	$	25,000

	CATEGORY		FY 23-24
18	Support for Adaptive Management of Groundwater Levels	$	50,000
19	Prepare Annual Report for Cuyama Basin	$	45,000
20	Meter Implementation - Ongoing Support	$	10,000
21	Grant Admin (SGM Round 1)	$	100,000
22	Perform Monitoring and Monitoring Network Enhancements		
23	Install Piezometers for GW-SW and GDE Monitoring	$	30,000
24	Driller Cost	$	165,000
25	Install Dedicated Monitoring Wells	$	248,000
26	Driller Cost	$	2,000,000
27	Improve Understanding of Basin Water Use		
28	Perform updated land use survey	$	15,000
29	Perform river channel survey	$	35,000
30	Enhance existing CIMIS station & implement new stations	$	52,000
31	Project & Management Action Implementation		
32	CBWRM model update and re-calibration	$	200,000
33	Incorporate AEM data into model update	$	90,000
34	Pumping allocation implementation	$	50,000
35	Analysis of management action implementation options	$	96,000
36	Precipitation enhancement feasibility study	$	-
37	Flood and Stormwater Capture - water rights analysis	$	55,000
38	GSP Implementation, Outreach, and CBGSA Management		
39	Outreach - domestic well owners	$	-
40	5-year GSP update	$	688,450
41	Fault Investigation (cost under development)	$	330,000
	Subtotal	**$**	**4,597,117**
E	**OTHER TECHNICAL**		
1	Quarterly GW Levels and Piezometer Monitoring (Contractor TBD)	$	43,000
2	Annual WQ Monitoring (Contractor TBD)	$	25,000
3	Annual Stream Gauge Maintenance (USGS)	$	56,650
	Subtotal	**$**	**124,650**
	Grant Funded	$	4,797,073
	CBGSA Funded (non grant-elegible costs)	$	488,896
	TOTAL	**$**	**5,285,969**

PROJECTED FISCAL YEAR 2023-2024 CASH FLOW

Month	Beginning Cash	Hallmark Group	Legal	W&C & Technical	Other Technical Monitoring, etc.	Non Grant Reimb Exp	Total Expenses	Cash Disbursements for Expenses	DWR SGM Grant	GW Extraction Fee *(memo only)*	Total Revenues	Projected Ending Cash Balance
		Expenses							Revenues			
	-									510,000		
July-23	2,220,672	23,692	16,667	349,010	10,388	40,741	440,497	350,000			-	1,870,672
August-23	1,870,672	23,692	16,667	349,010	10,388	40,741	440,497				-	1,870,672
September-23	1,870,672	23,692	16,667	349,010	10,388	40,741	440,497	880,995			-	989,677
October-23	989,677	23,692	16,667	349,010	10,388	40,741	440,497		663,166		663,166	1,652,843
November-23	1,652,843	23,692	16,667	349,010	10,388	40,741	440,497	880,995			-	771,848
December-23	771,848	23,692	16,667	349,010	10,388	40,741	440,497				-	771,848
January-24	771,848	23,692	16,667	349,010	10,388	40,741	440,497	880,995	1,079,341		1,079,341	970,195
February-24	970,195	23,692	16,667	349,010	10,388	40,741	440,497				-	970,195
March-24	970,195	23,692	16,667	349,010	10,388	40,741	440,497	880,995			-	89,200
April-24	89,200	23,692	16,667	349,010	10,388	40,741	440,497		1,079,341		1,079,341	1,168,541
May-24	1,168,541	23,692	16,667	349,010	10,388	40,741	440,497	880,995			-	287,547
June-24	287,547	23,692	16,667	349,010	10,388	40,741	440,497				-	287,547
Total		**284,306**	**200,000**	**4,188,117**	**124,650**	**488,896**	**5,285,969**	**4,754,974**	**2,821,849**		**2,821,849**	

Draft
FY 23-24
Fee
$ 12

Exhibit B

CROP FACTORS

Exhibit B

Form I

IRRIGATOR

WATER USE ESTIMATE WORKSHEET – 2022

Cuyama Basin Groundwater Sustainability Agency

Name _____

Billing Address _____

Phone / Email _____

Instructions:

1. For 2022, input crop name(s)[1] in column A, the parcels those acres are farmed on in column B, the irrigated acres in column C, and the corresponding crop factors from the attached Exhibit C-1 in column D.
2. Multiply acres (column C) by the crop factor (column D) and input result in column E.
3. Total the acre-feet from column E in row 2.
4. Convert net water use (from row 2) to gross water use by multiplying total acre-feet from row 2, column E by the gross factor in row 3, column E and insert in row 4, column E.

	A	B	C		D		E
	Crop Name	Assessor Parcel Number(s) (APN)[2]	Acres		Crop Factor		Water Use (acre-feet)
1				X		=	
				X		=	
				X		=	
				X		=	
				X		=	
				X		=	
				X		=	
				X		=	
				X		=	
				X		=	
				X		=	
				X		=	
2	Total Acre-feet (sum column E)						
3	Gross Conversion Factor						1.52
4	Total Gross Water Use						

[1]If you have metered water use that is less than the crop factors, you can report metered water use.

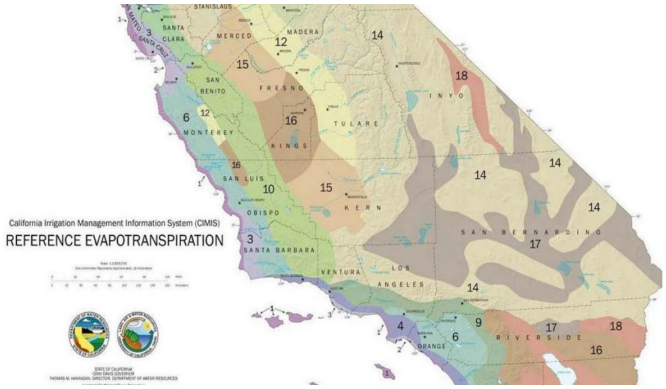
[2]Cropping location information may be provided separately from this form. Please contact Taylor Blakslee at 661-477-3385, or tblakslee@hgcpm.com for any questions.

Exhibit I-1 – Crop Factors

Source Information

Crop Factors are evapotranspiration (ET) values from California Polytechnic State University's Irrigation Training and Research Center (ITRC) California Crop and Soil Evapotranspiration Report (Crop Report), ITRC Report No. R 03-001 accessible at www.itrc.org/reports/pdf/californiacrop.pdf.

The below values were calculated using ET reference averages for zone 10 from the Crop Report (see below figure).



Avg Annual Reference ET by Zone (inches/yr)

Zone	Total
1	33.0"
2	39.0"
3	46.3"
4	45.5"
5	43.9"
6	49.7"
7	43.4"
8	49.4"
9	55.1"
10	**49.1"**
11	53.0"
12	53.3"
13	54.3"
14	57.0"
15	57.0"
16	62.5"
17	66.5"
18	71.3"

Crop Factors

Crop	ET	Crop	ET
Alfalfa Hay	4.02	Melon, Radish, Squash, & Cucumbers	1.62
Alfalfa Seed, Sudan	3.60	Olives, Mature	3.27
Almonds	3.32	Olives, Deficit	2.58
Apples[1] (Drip)	2.50	Onions and Garlic	1.99
Apples, Pear, Cherry, Plum, and Prune	3.33	Permanent Pasture	3.93
Barley Wheat, Oats	1.97	Pistachios	2.99
Blackeyed Peas	1.97	Potatoes	3.00
Carrots	2.20	Rootstock	2.23
Corn	2.43	Sorghum Grain	2.43
Cotton	2.70	Sugar Beets	2.70
Citrus	3.45	Tomatoes	2.20
Grapes with 40% cover crop	1.56	Walnuts	3.53
Grapes with 60% cover crop	2.02	Cannabis[2]	TBD
Grapes with 100% cover crop	2.24	Hemp[3]	TBD
Lettuce	2.20		

[1]Value determined by local expertise in the Cuyama Valley.
[2]Value based on ____.
[3]Value based on ____.

Form M
MUNICIPAL & INDUSTRIAL

WATER USE ESTIMATE WORKSHEET – 2022

Cuyama Basin Groundwater Sustainability Agency

Name _____

Billing Address _____

Phone / Email _____

Instructions:

1. Calculate water use by inputting units used for municipal & industrial water use in column B (see Exhibit M-1 below to calculate units) for the appropriate corresponding water use categories found in column A.
    a. Multiply units used (column C) by the water consumption factor in column D and input result in column E.
    b. Total the gallons from column E and convert to acre-feet on row 13.

	A	B	C		D		E
	Type of Use	Water Use Location (APN, lat/long, or address)	Units Used		Water Consumption Factor (Gal)		Water Use (Gal)
1	Chicken Ranches			X	3,532	=	
2	Livestock Drinking Water No. of cows, bulls and horses No. of stockers No. of sheep and goats			X	5,520 2,760 1,100	=	
3	Hotels No. of rooms			X	46,000	=	
4	Office Buildings; including Churches No. of offices			X	38,600	=	
5	Restaurants Seating capacity			X	11,400	=	
6	Service Stations No. of stations			X	350,000	=	
7	Stores Sq ft of building			X	50	=	
8	Trailer Court Avg no. of people			X	36,800	=	
9	Elementary Schools No. of students x No. of school days			X	80	=	
10	Junior & Senior High Schools, Colleges and Churches No. of students x No. of school days			X	160	=	
11	Watered Land; non-ag No. of acres			X	5	=	
12	Total Gallons (sum column D and/or E)						
13	Convert to Acre-feet (Row 12/325,850)						

Exhibit M-1 – Unit(s) Calculations

Unit Calculation

	Type of Use	Units Used
1	Chicken Ranches	Avg number of units of 100 chickens on hand for the reporting period.
2	Livestock Drinking Water	Average number of livestock on hand for the reporting period (drinking water only). Amounts derived from NDSU Extension Service report from July 2015 entitled "Livestock Water Requirements."
3	Hotels	Total number of rooms.
4	Office Buildings; including Churches	Total number of offices in building, or offices served.
5	Restaurants	Total number of seats including seats at the counter, chairs, stools, benches and patio seating.
6	Service Stations	Number of stations served.
7	Stores	Square feet of any store, supermarket or shop. Calculation includes employee, customer and maintenance water use.
8	Trailer Court	Average number of people in the trailer court.
9	Elementary Schools	Total number of students, faculty, custodians, and maintenance staff multiplied by the number of school days. If there was non-ag watered land input amount in row 11.
10	Junior & Senior High Schools and Churches	Total number of students, faculty, custodians, and maintenance staff multiplied by the number of school days. If there was non-ag watered land input amount in row 11. For churches, figure total hours and divide by 8 to determine number of "school days."
11	Watered Land; non-ag	All lands, ornamental plants, shrubs, etc., watered but not qualifying for agricultural rate.