



McMullin Area
Groundwater Sustainability Agency

**FINANCING GROUNDWATER
SUSTAINABILITY**

Landowner Workshop
May 2018



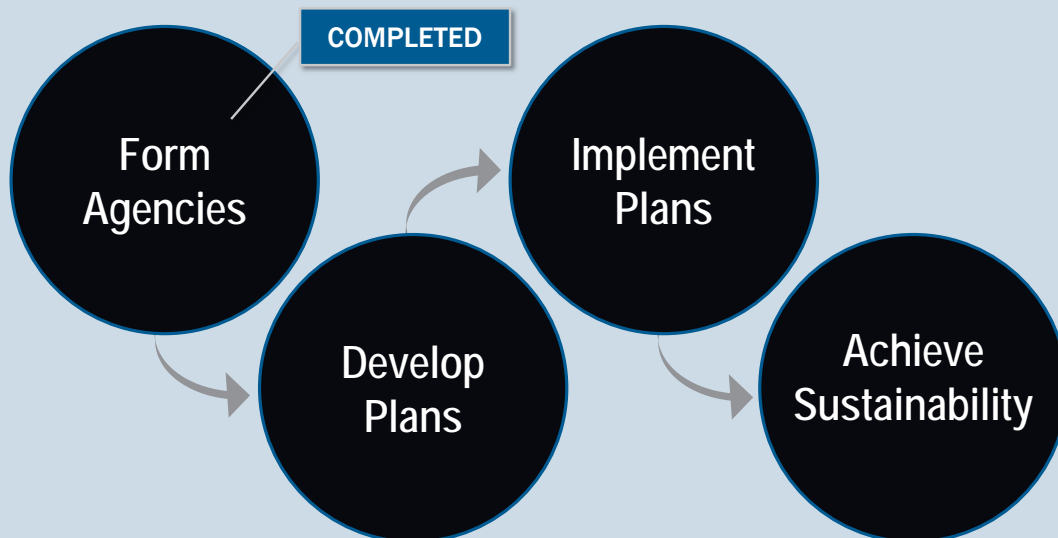
McMullin Area
Groundwater Sustainability Agency

WHAT WE WILL COVER

- What is California's new groundwater law the Sustainable Groundwater Management Act?
- Why is there a newly formed, local groundwater agency the McMullin Area Groundwater Sustainability Agency?
- Why is a local groundwater fee needed?
- How do you participate in the groundwater fee election?



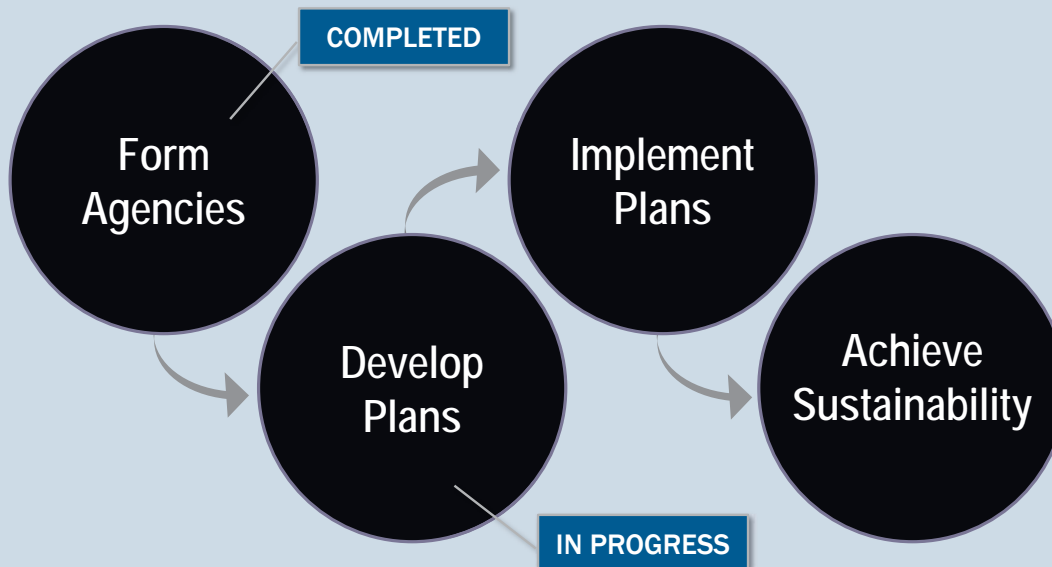
SGMA DESIGN



WHAT MIGHT A GSA DO?



SGMA DESIGN









GROUNDWATER SUSTAINABILITY PLAN

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



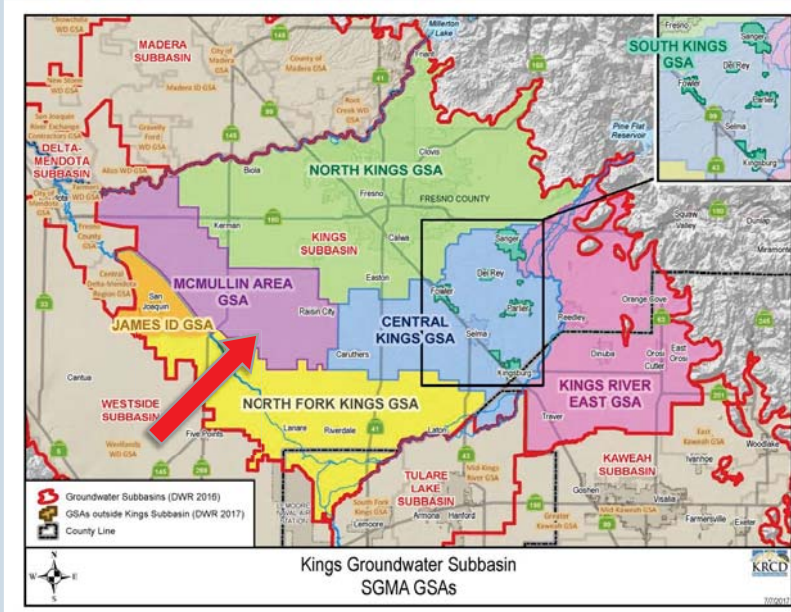
SUSTAINABILITY CHALLENGES

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

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



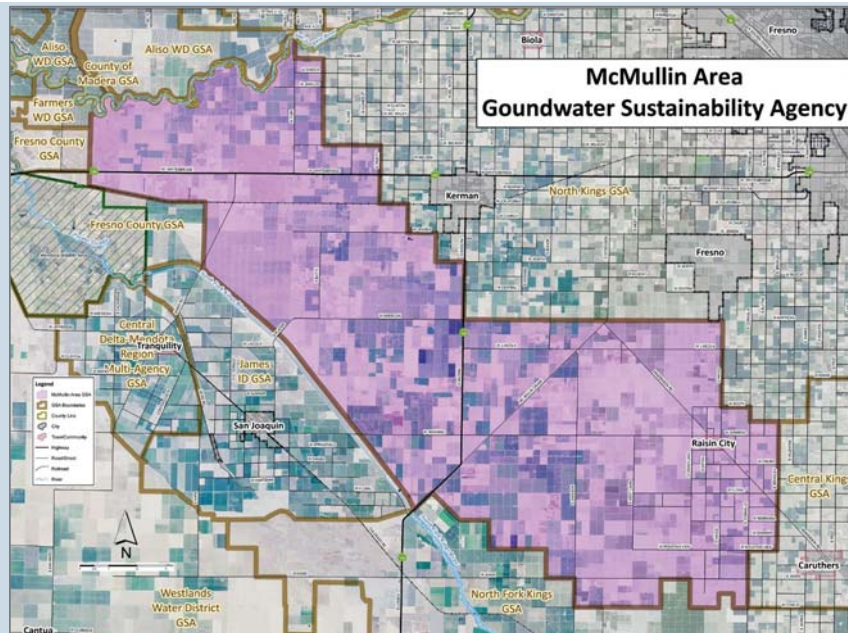
KINGS SUBBASIN (PRIORITY BASIN)



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



MCMULLIN AREA MAP



MCMULLIN AREA GSA

- Began meeting 2015 to implement SGMA
- Joint Powers Authority GSA executed 1/17
- 5 Board Members

County of Fresno
Director Brian Pacheco

Mid-Valley Water District
Director Jeevan Singh

Raisin City Water District
Director Jerry Rai

Landowner
Director Matt Abercrombie, Vice Chair

Raisin City Water District
Director Don Cameron, Chair

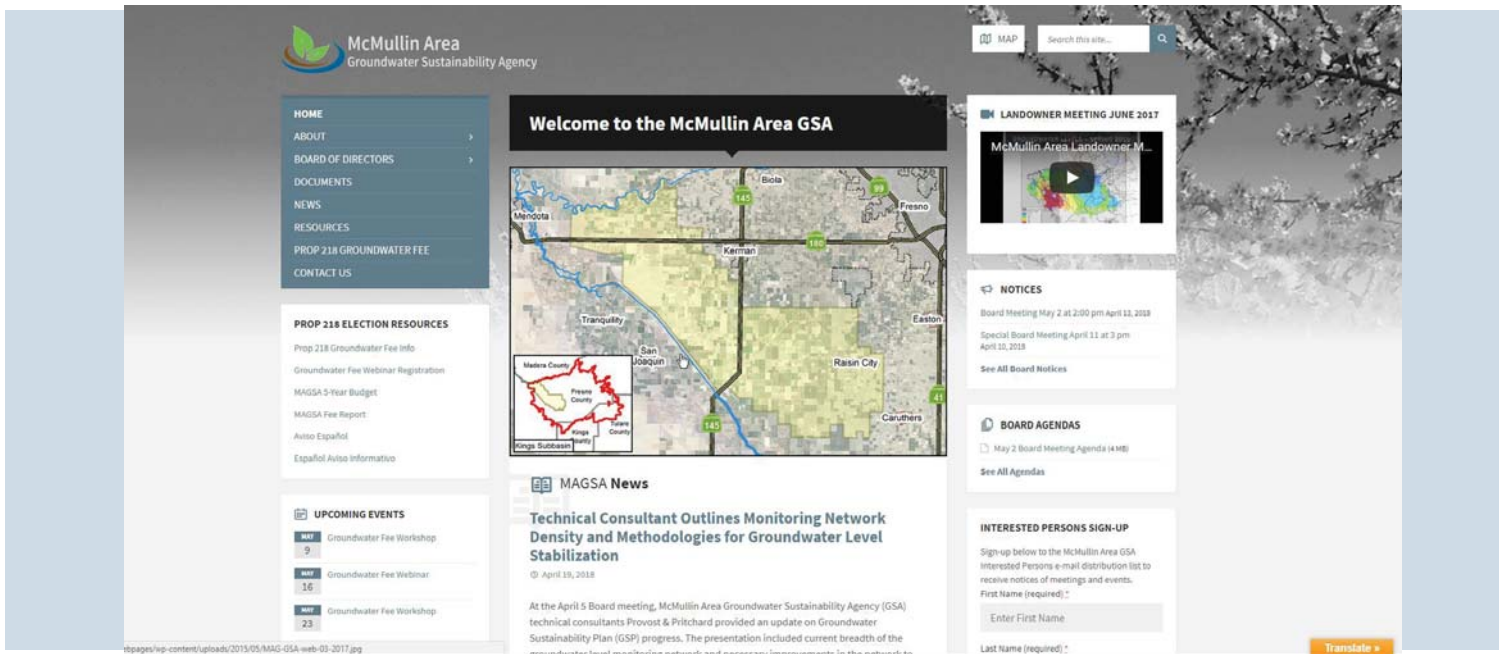


GET INVOLVED

- Board meets monthly
 - First Wednesday of the month at 2:00 pm
 - Kerman Community Center
- 2018 dates: June 6, July 4 (holiday), August 1, September 5, October 3, November 7, December 5.
- Participate in GSP Development Process
 - Defining sustainability for the region
 - Defining “significant and unreasonable results” thresholds
 - Identification of projects



WWW.MCMULLINAREA.ORG



BUDGET FORECAST

	CATEGORY	FY ^a 2017-2018	FY ^a 2018-2019	FY ^{a,b} 2019-2020	FY ^{a,b} 2020-2021	FY ^{a,b} 2021-2022	FY ^{a,b} 2022-2023	TOTAL
1	GSA Administration	\$38,000	\$55,000	\$56,800	\$58,600	\$60,400	\$62,200	\$293,000
2	Professional Services	\$462,000	\$1,621,271	\$1,463,040	\$1,260,612	\$1,241,682	\$1,222,064	\$6,808,668
3	Monitoring and Implementation		\$215,000	\$371,500	\$572,100	\$589,300	\$607,100	\$2,355,000
4	Reserve/Contingency (15%)		\$283,700	\$283,700	\$283,700	\$283,700	\$283,700	\$710,170
	Total Estimated Budget	\$500,000	\$2,174,971	\$2,175,040	\$2,175,012	\$2,175,082	\$2,175,064	\$10,875,168
	AVERAGE COST PER ACRE		\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	

BUDGET FORECAST

- Budget forecast is based upon reasonable assumptions and objectives
- MAGSA area must meet expensive, unfunded mandates of SGMA
- Draft budget - \$19/acre, \$2.18 million/year

REVENUE REQUIREMENTS

- Needs
 - Fund annual management and operating costs
 - Develop and initial implementation of GSP
 - Legal Defense
- Types of Activities
 - Technical evaluation of groundwater basin
 - Groundwater monitoring and data management
 - Coordinate with other Subbasin GSA's
 - Project development for groundwater stability

PROP 218 PROCESS & NEXT STEPS

- Comply with California Constitution
 - Proposition 218

COMPLETE

- ✓ ID all parcels
- ✓ Prepare Rate Study
- ✓ Calculate proposed assessment
- ✓ Set Public Hearing
- ✓ Notice Landowners

PROP 218 PROCESS & NEXT STEPS

- Comply with California Constitution
 - Proposition 218

COMING SOON

- Conduct Public Hearing (45+ days after noticing)
- Absent majority protest, MAGSA may adopt fees

- Seeking voter approval of a not-to-exceed \$19.00 per acre annual assessment

ELECTION VOTING PROCESS

- Election is a written protest
 - Absent a majority protest, the fees will be implemented
- How to submit a written protest
 1. identify the property owner and state the property owner opposes the fees
 2. provide the location of the identified parcel(s) by assessor's parcel number or street address
 3. include the name and signature of the property owner submitting the protest
- Deadline to submit protest: June 6 @ 2pm, public hearing



ALTERNATIVE TO ASSESSMENT ELECTION

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



STATE PERSPECTIVE ON INTERVENTION

“That kind of interim plan wouldn’t have much flexibility; we’d require monitoring, collect pumping data, and set a schedule for certain corrective actions – likely reduced pumping. SGMA gives us that blunt instrument – reducing pumping – and we would probably use it.”

Sam Boland-Brien, Groundwater Management Program Chief, State Water Resources Control Board



WHAT DOES STATE INTERVENTION LOOK LIKE

- Each pumper will work directly with State Water Resources Control Board
- State Board is likely to only curtail pumping
- State Board fees will not build projects
- State Board fees will not acquire surface water



STATE INTERVENTION COST

FEES beginning in Water Year 2018

Base Filing Fee
(per well)

\$300

+

Volumetric Rate
(per acre-foot)

Unmanaged
\$25

Probation
\$40*

Interim Plan
\$55*

+

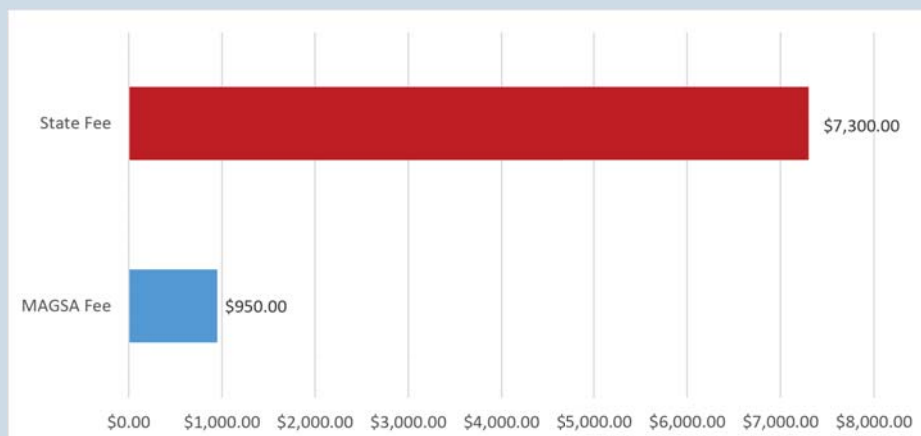
Late Fee
(per month)

25%

*special studies extra

EXAMPLE OF MAGSA FEE VERSUS STATE FEE

- 50 acre ag parcel, 1 well pumping 3.5 AF/ac: annual payment to the **State** = **\$7,300** for the first year
- 50 acre ag parcel flat \$19/acre: annual payment to the **McMullin Area GSA** = **\$950** per parcel per year



NEXT STEPS - HEARING

- Continue public outreach
- Public hearing to close election June 6th, Kerman
- Certify results
- If passed, forward assessments to Fresno County for implementation and collection via tax roll (January 2019)



NEXT STEPS - MAGSA

- Create a viable, successful GSA
 - Serves the Public's Interest
- Works with Regional Partners
 - Develop Projects and Programs
- Develop Long-Term Strategy
 - Water Acquisition
 - Infrastructure Development
 - Financing
 - Pumping Credits



Thank You

