

Section 1: EXECUTIVE SUMMARY

1.1 INTRODUCTION

The Tehama Groundwater Sustainability Agency (Tehama GSA or Agency) was created in 2017 by resolution to serve as the primary groundwater management agency that provides groundwater management in the Tehama Subbasins pursuant to the Sustainable Groundwater Management Act (SGMA) of 2014 (see **Appendix A**). The Tehama GSA oversees groundwater management for all subbasins located in Tehama County, including urban areas such as the cities of Corning, Tehama, and Red Bluff, surrounding agricultural and resource-based lands, with major waterways such as Elder and Thomes Creeks and Sacramento River, Proberta and Corning Water Districts, and Thomes Creek Water Users Association. The Tehama GSA is governed by the Tehama County Flood Control and Water Conservation District Board of Directors and supported by the Groundwater Commission. **Figure 1** on the following page illustrates the Tehama GSA's jurisdictional boundaries.

SGMA provides for the local management of groundwater by mandating that all groundwater basins in the State of California achieve sustainability. Bulletin 118 Final Update 2025, circulated by the California Department of Water Resources (DWR), identifies the groundwater basins and subbasins to be managed, and designates their priority status. DWR designated the Corning and Antelope as high priority basins, Red Bluff and Los Molinos as medium priority basins, and Bowman, Bend, and South Battle Creek as low priority basins. High and medium subbasins are required to be managed by a groundwater sustainability plan (GSP). Pursuant to this requirement, and potential risks in Bowman, the Tehama GSA prepared and submitted five GSPs to DWR in 2022 with revised GSPs receiving DWR approval in April 2024.

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 results¹. The six undesirable results are:

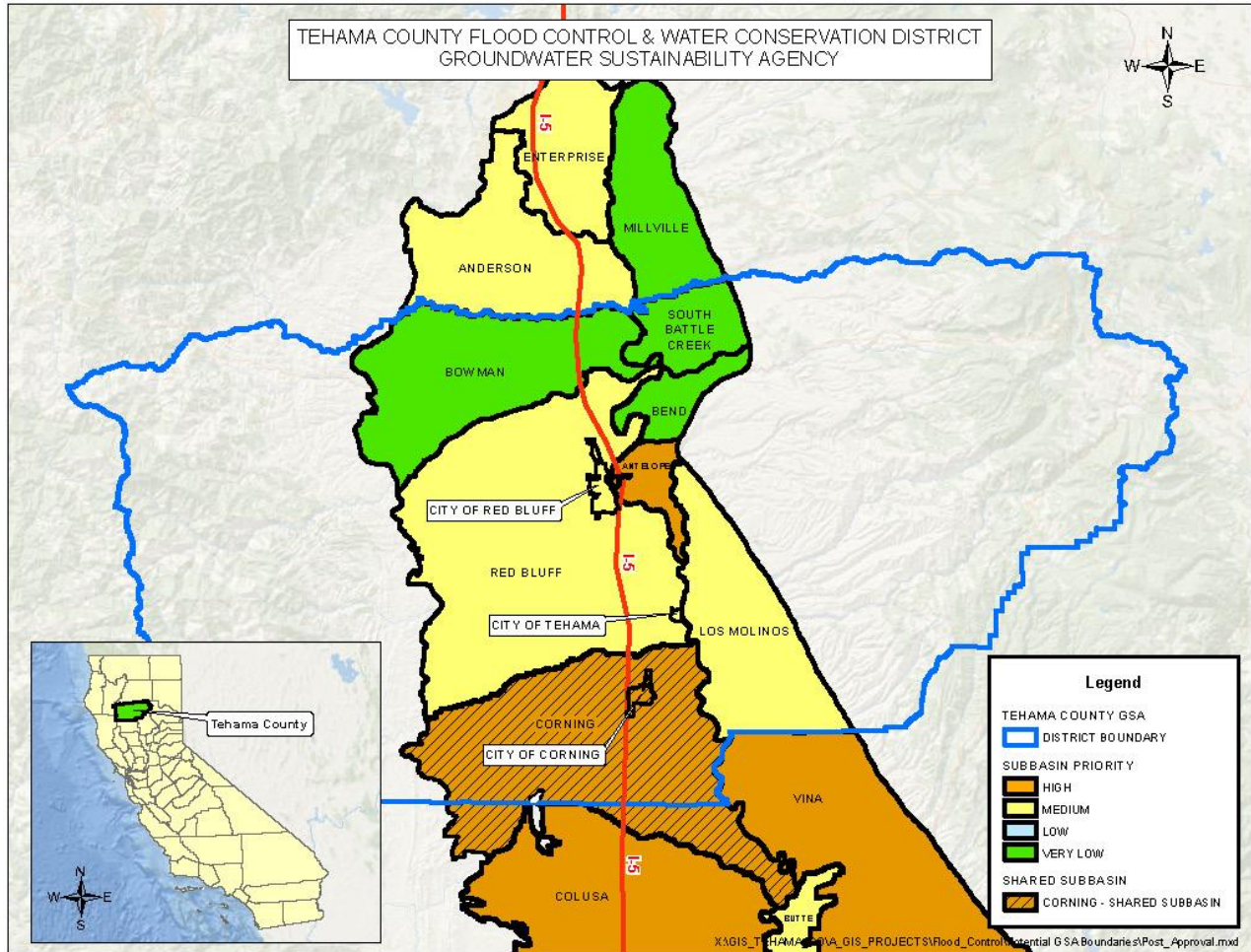
1. Chronic lowering of groundwater levels,
2. Significant and unreasonable reduction of groundwater storage,
3. Significant and unreasonable seawater intrusion,
4. Significant and unreasonable degradation of water quality,
5. Significant and unreasonable land subsidence, and
6. Surface water depletions that have significant and unreasonable adverse impacts on beneficial uses of surface water.

The GSPs address each of these undesirable results as they pertain to the Tehama GSA Subbasins and provide a plan for sustainability of groundwater in Tehama GSA service area. Each year, the Tehama GSA submits its annual reports to DWR on or before April 1 to report on groundwater conditions and GSP implementation status over the prior water year². The Tehama GSA works to ensure groundwater sustainability to support urban and rural communities, agricultural land uses, and environmental uses now and in the future.

¹ Water Code 10721.

² The water year runs from October 1 through September 30.

Figure 1
Map of the Tehama GSA Subbasins



1.2 PURPOSE OF THE FEE STUDY

The Tehama GSA has been utilizing grant funds from the California Department of Water Resources during the 2021-2026 period to support the development of the GSA, establish Groundwater Sustainability Plans, and evaluate the feasibility of water management programs and projects that could achieve groundwater sustainability by 2042 as required by SGMA. Local fees are now needed to support the GSA and GSP implementation activities during the 2027-2042 period. If a local GSA cannot achieve SGMA compliance locally, the State can intervene and impose fees approved by the State Water Resources Control Board (**see Appendix B**).

This fee study was commissioned to evaluate long term GSA fee alternative methodologies to structure a fee that will fund the GSA's evolving operations in groundwater management and implementation activities. The fee study considers several factors in determining alternative fee structures including land use, zoning, water use characteristics, and demographics. The GSA needs sufficient revenues to cover essential operating expenses, staff support, fund feasibility and special studies, and address data gaps that improve its understanding of the Tehama GSA groundwater subbasins. Revenues also support monitoring activities, the preparation of annual reports, and periodic evaluations as required by SGMA. By funding

these SGMA-required activities with a groundwater fee, the Tehama GSA ensures it stays compliant with State law while maintaining local control over groundwater management. Keeping decision-making local while providing direct benefit for the Tehama GSA subbasins is the preferred SGMA compliance approach. Landowners in the Tehama GSA jurisdiction benefit from the sustainable groundwater management activities funded by the proposed fees, which are essential for protecting the long-term health of its groundwater subbasins, a condition vital for the prosperity and security of all groundwater users who rely on it for urban, rural, agricultural, and environmental benefits.

The Tehama GSA has the authority to charge fees, conduct investigations, register wells, require reporting, and take other actions to sustainably manage groundwater resources for subbasins within the Tehama GSA service area. GSAs may be funded as provided in Chapter 8 of SGMA (commencing with section 10730 of the Water Code). Water Code Sections 10730, 10730.1 and 10730.2 set forth the authority for the Tehama GSA to establish and charge fees. The SGMA fee described in this report is being adopted pursuant to these authorities. The fee covers “reasonable costs” of the SGMA regulatory program. The fee is proportional and related to the benefits of the program. An example of a local annual fee is included herein (**see Appendix C**).

Goals of the fee study are:

1. Establish and secure a local fee that the Tehama GSA can adopt with confidence and support from interested parties and stakeholders.
2. Provide a fee structure that generates sufficient revenue to support the financial obligations and budget needs of the GSA to perform the duties required of it under SGMA and groundwater sustainability criteria.
3. Ensure the fee is based on current, reliable data and reflects only the reasonable costs of Tehama GSA’s groundwater management services.
4. Notify customers in advance of considering fee approval (**see Appendix D**).
5. Adopt a fee structure that is economically and easily administered, charged, and collected.

A key tenant in developing the fee has been to maintain transparency throughout the project, informing the Tehama GSA fee payors about the fee study, opportunities for involvement, and how to provide input to the process. The Tehama GSA’s proposed fee was developed using two key pillars of information that were constructed through the fee study process:

- (1) Encouraging stakeholders and public input on who should be charged based on the most reasonable fee structure options, and (2) Using best available and reliable data upon which to estimate the benefits received by Tehama GSA services each year. Recent fee outreach information is included herein (**see Appendix E**).

This report documents the methodology, public outreach conducted, and Fiscal Year (FY) 26-27 Tehama GSA calculated and proposed fees.

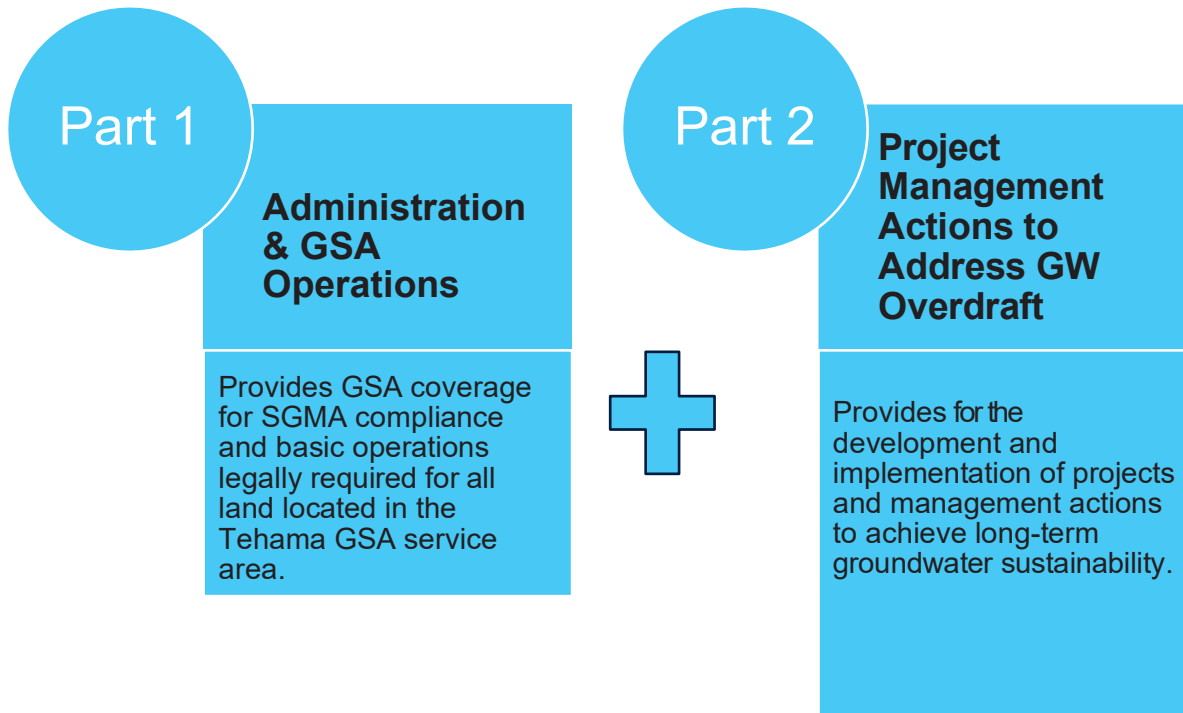
Tehama GSA Board of Directors Approval

It is anticipated that the 2026 Fee Report will be approved by the Board of Directors (Board) by resolution at the April 2026 Board Meeting with fee approval by resolution at the June 2026 Board Meeting. The Fee Report approval enables the Board to consider approving the fees by resolution at the June 2026 Board Meeting to adopt maximum fees and establish recommended FY26-27 fees. The Tehama GSA anticipates adopting a fee resolution each year, not exceeding maximum fees, to establish the applicable annual fees and place the fees calculated for each Assessor’s parcel on the tax roll. The applicable fee will be adjusted each year as necessary to raise sufficient revenues by either applying the change in a price index (annual Consumer Price Index (up to 3% per year) as published by the Bureau of Labor Statistics is recommended), and/or applying an increase not to exceed the maximum fee amount required to fund the GSA’s next fiscal year budget including prudent reserves. The Tehama GSA shall periodically review the fee structure and revise the fee study when changes are necessary.

1.3 FEE STRUCTURE

Fee Structure

The Tehama GSA fee structure is divided into **two parts** based on the different services the Tehama GSA provides and are needed to address long term groundwater overdraft conditions.



Part 1 Fee: GSA Administration and Basic GSA Operations

The Part 1 fee funds represent the minimum cost of having a GSA in place, which is a legal requirement for managed subbasins under SGMA, including the Tehama GSA Corning, Red Bluff, Los Molinos, Antelope, and Bowman subbasins. These five (5) subbasin prepare annual reports submitted to DWR and prepare Groundwater sustainability Plans that are updated every five years.

Part 1 Fee Service Provided: Maintaining a functioning GSA, performing all the basic legal requirements that SGMA requires of a GSA in a high-priority basins.

The Part 1 Fee covers the following cost items:

✓ **GSA Administration** – Staff, legal support, financial reporting, and operational costs necessary to run the agency. ✓ **Board of Directors Meetings & Public Oversight** – Ensuring local governance, stakeholder engagement, and decision-making authority. ✓ **Minimum SGMA Compliance Requirements** – Covering only what is required to keep the GSA in existence and recognized by the State of California.

Why the Part 1 Fee Applies to All Subbasins:

- The land included in the Tehama GSA service area subbasins legally required to be managed by a GSA, regardless of groundwater use.
- This fee represents the cost of governance and administration, which is a requirement of the land in high and medium priority subbasins, regardless of groundwater use.

Part 2 Fee: Project Management Actions To Address Groundwater Overdraft (Applies Only to Corning, Red Bluff, and Los Molinos Groundwater Users)

The Part 2 fee funds the costs of projects and programs (PMAs) provided by the GSA to sustainably manage groundwater in subbasins with groundwater overdraft conditions.

Part 2 PMA Fee: Groundwater overdraft mitigation projects and programs to achieve sustainable groundwater management, ensuring long-term groundwater availability in those subbasins.

The Part 2 PMA Fee covers the following cost items:

✓ **Project Management Actions** – planning, design and implementation of PMA actions that address long term overdraft conditions. ✓ **Supply/Recharge PMAs** – increased use of available surface water supplies, increased flood/storm peak flow diversions, Ag ASR, other feasible actions. ✓ **Demand Management PMAs** – improve irrigation efficiency, crop rotations, crop idling (strategically), voluntary use reductions, other feasible actions to achieve long-term sustainability. ✓ **Stakeholder Engagement & Outreach** – Working with groundwater users to identify cost-effective projects and programs, participate in projects, share information and ideas, implement pilot projects, and share results to educate the public on sustainability efforts.

Why the Part 2 PMA Fee Applies Only to Ag Users in Overdrafted Subbasins:

- Ag uses most of the total groundwater use in over-drafted subbasins meaning that Ag users are the primary cause of overdraft conditions to be mitigated as it relates to understanding and management of how groundwater is used in Tehama GSA subbasins.
- Ag users would be responsible for funding PMA actions that support the long-term sustainability of groundwater as a resource, which directly benefits groundwater users and the ability to achieve long-term availability of a sustainable groundwater subbasin.
- Ag users would be responsible for funding PMA actions that support long term sustainability of groundwater based on estimated water use with lands requiring higher water amounts paying a more substantial cost share than those who do not benefit from PMA actions in the same way extractors do because their use of groundwater, if any, is minimal (e.g. stock watering for rangeland example).

Why This Two-Part Fee Structure is Necessary

✓ **Ensures the GSA fees are reasonably related to services provided** – Part 1 keeps all lands within the regulated subbasins SGMA compliant. ✓ **Aligns cost with service** – Part 2 ensures Ag pays for PMAs resulting in sustainable groundwater management.

The Part 2 PMA fee is determined by subbasin condition and groundwater user type. Groundwater users that are subject to PMA fees have been placed into three groups.

Water User Type: Agricultural users only who extract groundwater for crop irrigation. The fee is charged per cropped acre and use factor where a cropped acre is identified using UC Extension and DWR published water use factors.

Subbasin: Subbasins with overdraft conditions. The PMA fee only applies to Ag users within the three (3) designed subbasins with overdraft conditions: Corning, Red Bluff, and Los Molinos. Urban residential, rural residential and commercial water users located within these subbasins would not be subject to the PMA portion of the proposed fees. Each parcel subject to the PMA fee would pay based on their acreage and crop type water use factor based on the approved PMA fee (\$/acre foot/year).

Low Water Users: Ag lands with minimal or no groundwater use, such as grazing land and vacant parcels would have a \$0 Part 2 fee as long as a well registration form is submitted to the GSA and approved as a registered parcel.

The Part 1 and Part 2 fees are added together to determine the total fee charged to each Assessor's parcel. The fees will be collected from every parcel through the property tax bill, unless the property owner does not receive a property tax bill, in which case the GSA will 'hand bill'³ the fee directly to the landowner.

1.4 CALCULATED FY26-27 FEES

The proposed fee applies to all parcels of land in Tehama GSA's jurisdiction unless the parcel is:

- **Exempt** pursuant to SGMA. This includes federal properties, and properties held in trust by the federal government for tribes, or
- **Unusable** as determined using Tehama County Assessor data. These parcels are not charged because the land can never be developed due to geographical features such as a lake, or the parcel has insufficient data available upon which to charge the fee. These parcels are identified as having land use codes that have not been assigned a taxability code, per the Tehama County Assessor.
- **Other Exemptions May Apply** a number of excluded land use zoning codes includes timberland, water features, native, riparian, barren and idle. Any other exemptions will be described in the June 2026 Board meeting packet documentation as part of the process to consider approval of the proposed fees.

Table 1 presents the proposed Part 1 and Part 2 fees for FY26-27. The Part 1 fee is for Ag, commercial, and residential water use in managed subbasins. The Part 2 fee is for Ag only water use in subbasins with overdraft conditions. As noted in the table, a parcel may be subject to more than one type of fee. Only Ag users within subbasins with overdraft conditions would be subject to the Part 2 fees based on crop type and acreage. Fees for non-registered well owners may be higher based on assumed fees. Well registration forms are due to the County by June 30, 2026, to calculate more accurate user fees.

³ 'Hand bill' is the term used for sending an invoice directly to the property owners. Examples include the Chico Unified School District, Butte College, California State University, the California Department of Fish and Wildlife properties, and Union Pacific Railroad Company.

Table 1
FY26-27 Tehama GSA Proposed Fees

| Calculation of Estimated GSP Operations and PMA Fees | | | | | |
|--|--------------------------|-------------|--------------------|--------------------------------|-----------------------------------|
| Fee Alternative | Subbasins | Annual Cost | Basis of Fee | AF/Yr. or Parcels ⁴ | Estimated Annual Fee ⁵ |
| GSP Operations | All Managed ¹ | \$1,178,000 | Water Use (AF/Yr.) | 440,366 AF/Yr. | \$2.70 /AF/Yr. |
| PMA Fee | Overdrafted ² | \$728,000 | Water Use (AF/Yr.) | 375,899 AF/Yr. | \$2.00 /AF/Yr. |
| Combined Fee | Overdrafted ³ | \$1,906,000 | Water Use (AF/Yr.) | 375,899 AF/Yr. | \$4.70 /AF/Yr. |

1. Managed subbasins are Antelope, Bowman, Corning, Los Molinos and Red Bluff.

Urban water use (in AF/Acre) is based on County zoning/APN data for all managed subbasins (zoning codes R-1 - SCSP).

2. Overdraft subbasins are Corning, Los Molinos and Red Bluff. Only Ag parcels are included.

3. Overdrafted subbasin ag parcels pay the combined fee; Antelope and Bowman parcels only pay the GSP Operations Fee.

4. Estimated based on crop acreages from Tehama GSA Annual Reports and water use by crop type per LSCE Technical Memo dated Nov. 19, 2025.

5. An additional fee of \$1.99 per parcel will be added for the cost to the Assessor's Office of placing the combined charge on each parcel.

Definition of Acreage Subject to the GSA Fees. Land that is identified in Tehama County's Assessor's Parcel Number (APN) data with additional GIS information for subbasin identification (excludes floodplain, timber, natural resource, water, urban, native and riparian land uses and unclassified parcels).

Section 2: FEE STUDY PROCESS

2.1 FEE AUTHORITY

Tehama GSA's fee authority is derived from the SGMA-specific legislation codified in Water Code 10730 through 10731 "Financial Authority." This section of the Water Code allows the Agency to impose fees for regulated activities, including but not limited to, permits to operate wells, the costs of a groundwater sustainability program such as development and amendment of a GSP, investigations, inspections, compliance assistance, enforcement, and program administration including a prudent reserve.

The SGMA fee must be no more than necessary to cover the reasonable costs of the governmental activity, and the manner by which the costs are allocated to a payor must bear a fair or reasonable relationship to the payor's burden on, or benefits received from, the governmental activity.

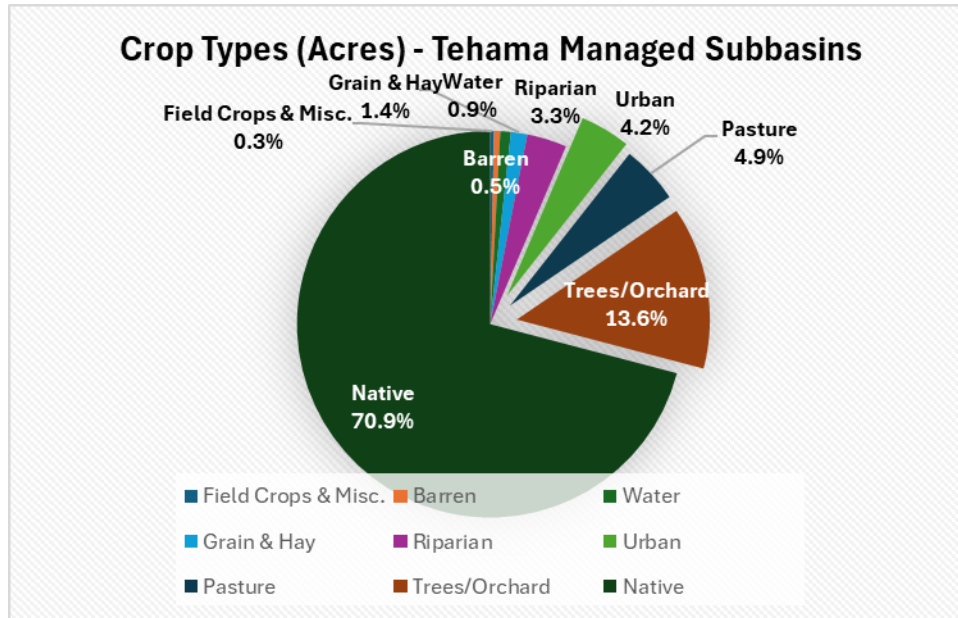
2.2 TEHAMA GSA GROUNDWATER STEWARDSHIP

The Tehama GSA is responsible for sustainably managing the groundwater in the subbasins to the benefit of all beneficial uses and users. Beneficiaries include individuals, businesses, and government agencies, including the State of California. Beneficiaries may also include wildlife, riparian habitat and other environmental users of groundwater and surface water sources which are interconnected to groundwater. Landowners in the Tehama GSA service area are beneficiaries because these lands benefit from Tehama GSA's existence and groundwater management activities. Uses of land protected by Tehama GSA's stewardship of groundwater resources of the Tehama GSA service area are summarized in **Figure 2**.

The Tehama GSA is monitoring and evaluating groundwater resources, as required by SGMA, to continually improve its hydrological model as environmental conditions change. Groundwater resources need to be protected, monitored, and managed to ensure a stable supply of groundwater in the Tehama GSA service area. Properties may be using groundwater supplied by a public water system, by a domestic well, commercial production well, or an irrigation well, or they may be passive users of groundwater. Residential, commercial, industrial, institutional, and other domestic users of water are 100% groundwater dependent in the Tehama GSA service area.

Agriculture predominantly uses groundwater; however, some surface water is utilized near the larger creeks that drain to the Sacramento River as well as surface water used through the CVP Project Tehama Colusa Canal system. Grazing and dry farming generally depends on precipitation and springs for water resources; some of these lands use a minimal amount of groundwater for stock water. Ag parcels who have filed an approved well registration application to the County verifying no groundwater use would not be subject to the PMA fee.

Figure 2
County Assessor's APN Data by Zoning Codes – Lands Benefiting from Tehama GSA Groundwater Management



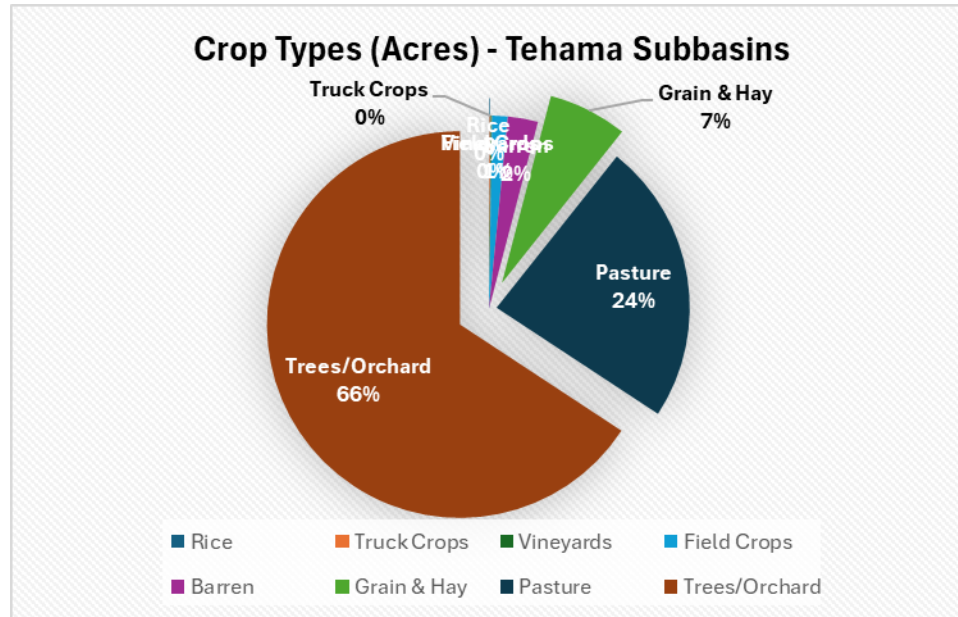
Source: County Assessor APN data

Tehama Subbasin’s land use characteristics indicate that most of Tehama County subbasins are non-ag lands that, while benefiting generally from groundwater management, are not direct beneficiaries from sustainable groundwater management in the Tehama Subbasins. However, the PMA fee directly benefits ag parcels in the over-drafted subbasins, and data shows that about 20% of the County’s land use is in active agricultural production that would benefit directly from the PMA (as well as the GSA Operations) fees.

⁴ Disadvantaged is a term used by the State for a community with median household income less than 80% of the State’s median household income.

Figure 3 shows the share of crops grown in the Tehama GSA's jurisdiction by crop category.

Figure 3
Tehama County GSA Crops Grown (Five Managed Subbasins)



2.3 GROUNDWATER USE ESTIMATES

The estimate of Tehama GSA groundwater use is based on the County's APN data, zoning codes, estimated acreage, and typical water use factors for crop types in the County. **Appendix F** provides a more detailed description of the data sources and fee calculation procedures used to estimate annual water use by parcel in the five managed and the three over-drafted subbasins addressed by the GSA Operations and PMA fees.

Table 2 summarizes the estimated water use by subbasin for both the over drafted and managed subbasins, including results for ag-only parcels in over-drafted subbasins and combined ag and residential parcels. The average volume (in AF/Acre/Year) for the Ag Parcels Only is the weighted average of all crop types, excluding urban and non-ag land use types.

⁵ California Agricultural Statistics Review 2022-2023, California Department of Food and Agriculture.

Table 3
Tehama County Estimated Annual Water Use by Subbasin

| Calculation of Estimated Water Use per Year by Subbasin (AF/Year) | | | | | | |
|---|---------------------|-------------------|------------------|----------------------|--|----------------------|
| Managed Subbasin | Acreage by Subbasin | | | Average % Urban Land | Average Vol. (AF/Acre/Yr. ²) | AF/Year ³ |
| | 2022 ¹ | 2024 ¹ | Average | | | |
| Overdrafted Subbasins - Ag Parcels Only | | | | | | |
| Corning | 61,207 | 63,649 | 62,428 | NA | 3.33 | 207,723 |
| Los Molinos | 15,987 | 16,406 | 16,196 | NA | 3.71 | 60,097 |
| Red Bluff | 30,727 | 33,975 | 32,351 | NA | 3.34 | 108,079 |
| <i>Subtotal - Overdrafted</i> | <i>107,921</i> | <i>114,029</i> | <i>110,975</i> | <i>NA</i> | <i>3.39</i> | <i>375,899</i> |
| Overdrafted & Managed Subbasins - Ag and Residential Parcels⁴ | | | | | | |
| Corning | 70,405 | 70,273 | 70,339 | 11.2% | N.A. | 213,656 |
| Los Molinos | 19,130 | 18,094 | 18,612 | 13.0% | N.A. | 61,909 |
| Red Bluff | 46,374 | 44,088 | 45,231 | 28.5% | N.A. | 117,739 |
| <i>Subtotal - Overdrafted</i> | <i>135,909</i> | <i>132,455</i> | <i>134,182</i> | <i>17.3%</i> | <i>N.A.</i> | <i>393,304</i> |
| Antelope | 10,591 | 9,914 | 10,252 | 21.9% | N.A. | 29,090 |
| Bowman | 9,781 | 7,362 | 8,571 | 55.0% | N.A. | 17,973 |
| <i>Subtotal - Other Managed</i> | <i>20,372</i> | <i>17,276</i> | <i>18,824</i> | <i>42.0%</i> | <i>N.A.</i> | <i>47,062</i> |
| Total - All Subbasins | 156,280.5 | 149,730.7 | 153,005.6 | 19.7% | N.A. | 440,366 |

1. Source: Tehama GSA Annual Reports.

2. Average water use per crop type is from Table 1, TM - Technical Foundations for Safe Yield, Sustainable Yield, and Groundwater Demand Management in Tehama County, Nov. 19, 2025. Excludes non-Ag parcels and those assumed to have no water use.

3. Urban AF/Acre Based on County zoning/APN data for all managed subbasins (zoning codes R-1 - SCSP).

For overdraft subbasins, total water use (AF/yr.) is 96% Ag, which is the total Ag Only AF/yr. divided by Ag & Residential AF/yr.

4. Assumes Urban Residential (including commercial) water use is 0.75 AF/Acre/Year. Source: Table 1 of Nov. 19, 2025 TM.

This table identifies several categories of subbasin water use and provides the basis for calculating the GSA fee alternatives:

- Ag-Only Parcels for Over-drafted subbasins
- Ag and Residential Parcels for Over-drafted subbasins
- Ag and Residential Parcels for combined Over-drafted and Managed Subbasins

This data indicates that the percentages of estimated water use compared to total water use in all the managed subbasins is as follows:

- Over-drafted Ag-Only subbasins = 85 percent of the total (375,899 AF ÷ by 440,366 AF).
- Over-drafted Ag and Residential = 89 percent of the total (393,304 AF ÷ by 440,366 AF).

Table 3 shows the estimated urban water use as a percentage of the total water use in the over-drafted subbasins. These data reflect only Ag parcels and those included in urban zoning designations and indicate that less than five percent of estimated water use in the over-drafted subbasins is attributed to urban users.

Table 3

Table 3 - Estimated Urban Water Use in Tehama Subbasins

| Estimated Urban Water Use as a Percentage of Total Estimated Water Use | | | | | |
|--|-----------------|-------------------------------|---------------|----------------|------------------------|
| Overdrafted Subbasin | Average Acreage | Estimated Water Use (AF/Year) | | | Urban as % of Total AF |
| | | Ag Only | Urban Only | Total AF | |
| Corning | 62,428 | 207,723 | 5,933 | 213,656 | 2.8% |
| Los Molinos | 16,196 | 60,097 | 1,812 | 61,909 | 2.9% |
| Red Bluff | 32,351 | 108,079 | 9,660 | 117,739 | 8.2% |
| <i>Subtotal - Overdrafted</i> | <i>110,975</i> | <i>375,899</i> | <i>17,405</i> | <i>393,304</i> | <i>4.4%</i> |

2.4 FEE STRUCTURE DEVELOPMENT

The fee structure was developed using two key pillars of information that were constructed through the fee study process:

1. **Stakeholder and public input** on who should be charged, and the most reasonable fee structure, and
2. **Available reliable data** upon which to estimate the benefits received by Tehama GSA services each year.

1. Stakeholder and Public Input

Outreach to the general public and stakeholders served as one of the fundamental components of establishing a reasonable, equitable and legally defensible fee structure. Key principles included transparency, inclusion, and recognition of the diversity of groundwater users in the Tehama GSA subbasins, as well as economic, environmental, and economic considerations. Outreach goals, objectives and considerations were identified through implementation of a comprehensive outreach and engagement plan, which was reviewed by GSA staff, Board, Groundwater Commission, ad-hoc committees, and placed on the Tehama GSA website.

Below is a summary of how the public was invited to be involved and provide input into the process. Additionally, the public had opportunities to participate and provide input at Tehama GSA Board meetings, Groundwater Commission (GWC) meetings, and public workshops when the fee topic and options were on the agenda and discussed in a very detailed deliberate manner. Public Workshops were held in March and November of 2024, December 2025, and April 2026 with all supporting documentation available on the Tehama GSA website for easy access. The fee options were discussed at the March 2026 Board and GWC meeting agendas, the recommended fee options discussed at the April GWC meeting, and Fee Report approved at the April 2026 Board meeting. The Fee Report was made available on the Tehama GSA website along with all public meeting agendas, handouts, and presentations. The Tehama GSA also reminded well owners in the county to register their wells by June 30, 2026, so that the proposed fees could be applied to reflect the best available information for each parcel to ensure equitable billing during fee implementation. A fee notice was mailed to all water users subject to the fee in May 2026 to inform customers regarding the proposed fees and provide the date and location of the public hearing and Board meeting where fee approval would be considered. Customers are provided with the opportunity to provide a protest form to the Board for their review prior to the closing of the public hearing.

Stakeholder Survey.

A survey was distributed in 2025 regarding demand management and related topics regarding fees to assess customer concerns and ideas for implementing programs with positive impacts, including:

- 110 Responses Received
- Customers were interested in reasonable fees.
- Consider equity and how water is used.
- Provide transparency on fee collection and spending.
- Prefer annual budget and fee review process.

Public Workshops.

Public Workshops were held in March, November (2024), December (2025) and April (2026) as key GSP implementation, SGMA compliance and fee issues were discussed. Agendas, handouts, surveys, and presentations were made available to stakeholders who attended and through the GSA website. Information is included in Appendix E with examples of outreach materials used for these activities.

Online Information.

The Tehama GSA provided information on the well registration program and importance of registering wells before new proposed fees are implemented to ensure equitable billing based on updated information. The GSA also encouraged domestic well owners to participate in the Community Monitoring Program where domestic well owners can install monitoring equipment and track their water levels during all water year types. The data would be available to well owners based on real-time data tracking and graphic visualization. The GSA will continue outreach to increase participation in both programs during the FY26-27 period and beyond. Social media and cross-listing on websites provided additional avenues to encourage participation and postings on face book to broaden outreach activities and saturation.

GSA-Staff Led Meetings.

The Tehama GSA Manager worked collaboratively with various stakeholders within Tehama County and with surrounding counties. There were monthly Board and Commission meetings, regular DWR coordination meetings, and meetings with landowners and RCD staff to expand outreach activities by providing GSP and SGMA project updates to a variety of groups and organizations such as:

- Meetings with stakeholders in all subbasins within Tehama GSA service area
- Meetings with Ad-hoc Committees
- Meetings with RCD and Farm Bureau
- Public Meetings
- Meetings with surrounding GSAs – Shasta, Glenn, Butte counties
- GSA Board
- Groundwater Commission
- Landowners
- DWR

GSA staff also attended Grower's Days and supported various RCD outreach activities for landowners and water users in the region. Fees were discussed at an RCD landowner workshop in March 2026.

2. Data Sources to Estimate Benefits Received

The process for fee evaluation and development should rely upon the best available data at the time the fee is developed. The fee proposal herein relies on the best available data sources as of the time of this fee study report. Data sources used to develop the fee include:

- Tehama County Assessor Parcel Database,
- The Tehama Subbasin GSPs (2022 and 2024),
- Tehama Subbasin Annual Reports (WY2021-2025),
- UC Extension estimates of average crop water use by crop type¹
- LSCE estimates of commercial water use based on City of Corning and City Red Bluff annual water use for commercial accounts²
- DWR 2022 crop mapping (<https://data.cnra.ca.gov/dataset/statewide-crop-mapping>).
- Tehama County Well Registration Program (<https://tehamacountywater.org/well-registration/>)

A Geographic Information System (GIS) platform⁶ was used to create a web map application from which to conduct data queries and establish the necessary data for the fee database. The determination of fee-paying parcels, and acreage of those parcels, is shown in **Table 4**.

Table 4
Tehama Subbasin Number of Parcels and Acres

| SUMMARY - PARCEL DATA & ESTIMATED ANNUAL WATER USE | | OVERDRAFTED SUBBASINS ONLY | | | |
|---|---------------------------------|----------------------------|-------------------------|-------------------|---|
| Zoning Code/Description | | APN Data (LSCE) | | | Estimated Annual Volume ² (AF/Yr.) |
| Zoning Codes | Description | APN Parcels ¹ | LSCE Acres ¹ | Average Ac/Parcel | |
| AG-1 - AG-4 | Agricultural Parcels | 6,761 | 413,774 | 61.2 | 1,428,565 |
| C-1 - M-2-S-P | Commercial & Industrial Parcels | 8,636 | 24,716 | 2.9 | 34,774 |
| R-1 - SCSP | Residential Parcels | 9,124 | 42,797 | 4.69 | 8,230 |
| Totals or Average | | 24,521 | 481,286 | 19.6 | 1,471,569 |
| Totals/Avg. (After Deducting Exemptions and Exclusions) | | 24,285 | 475,678 | 19.6 | 1,471,569 |

1. From LSCE file: Assessor_Roll_GISS.

2. Volume in AF/year based on total acres for non-residential and total parcels for residential.

Combining Data, Outreach and Legal Considerations to Develop a Fee Structure

Data limitations, including those caused by lack of groundwater extraction measuring devices, influence which fee structures are feasible. Several fee structure options, including registered wells, per parcels County-wide, and system connection-based fees were considered but not selected due to either the lack of available data or preferences by the District Board for fees based on estimated annual water use for ag parcels. Although the over-drafted subbasins are designated as “high-priority” and “medium-priority” basins respectively, the Tehama GSA has limited registered well data to date, does not meter agricultural wells, and has a currently limited well pumping database.

- Wellhead and extraction fees were not supported due to data limitations, such as not having complete records of the number, characteristics of, and location of wells.
- A fee per water system connection was explored for domestic users (including those served by a water system and those with a private well), but this fee structure option was hampered by insufficient data from small water systems and private well users.

The fee structure options used estimated annual water use for subbasin parcels and a parcel-

¹ Average water use per crop type is from Table 1, TM - Technical Foundations for Safe Yield, Sustainable Yield, and Groundwater Demand Management in Tehama County, Nov. 19, 2025, p. 10.

² Average water use, commercial accounts, from Table 3, TM - Technical Foundations for Safe Yield, Sustainable Yield, and Groundwater Demand Management in Tehama County, Nov. 19, 2025, p. 12.

based fee structure. The water use-based fee alternatives relied on APN zoning types and acreages from the Assessor's Office and estimated annual water use in acre feet per acre by crop type. The parcel-based fee structure used Assessor's APN parcel data by subbasin.

Stakeholder Input

The Board directed staff and consultants at its December 2025 meeting to obtain input from the community and stakeholders in the fee structure development process with a focus on reviewing four (4) priority fee options. Two to recover the costs for operating the GSA and achieving SGMA compliance. And two options to recover PMA costs required to address groundwater overdraft conditions.

Key conclusions and direction received from Board direction included:

- The two-part fee structure fits the services provided to beneficiaries of Tehama GSA's activities.
- Four (4) specified fee options, two for GSA costs and two for PMA costs, will be evaluated and used as the basis for selecting a recommended fee.
- All parcels (unless Exempt or Unusable) must be charged because these parcels receive the same Part 1 services from the Tehama GSA. Additionally, if a Part 1 fee was based on parcel, the Board supported a flat fee per parcel.
- Part 2 service costs should be allocated to Ag only water users of groundwater based on annual estimates of Ag groundwater pumping as described in the annual reports prepared for DWR.
- Cropped acres should be charged a crop fee based on estimated crop water use for fee options using water use as a factor.
- Cropped acreage should be identified using completed and submitted well registration reports submitted to the GSA by June 30, 2026. It will be cross referenced with cropped acres from the GSA Annual Reports and County Annual Crop Report. The SHAC acknowledged data could be updated in the future should a better source become available for Tehama GSA's use.
- The Board and Groundwater Commission were presented with two options for charging Ag only users in over-drafted subbasins the Part 2 fee: (1) full recovery of the recommended PMA budget (\$1.395M/year) based on estimated annual water per crop, and (2) partial recovery of the recommended PMA budget (\$0.728M) based on estimated annual water use per crop. Ag only users would pay for 100% of the PMA option costs based on their estimated water use factors best reflecting the benefit received for Part 2 PMA services.
- The Board recommendation was to include the partial PMA budget option for FY26-27 fees until final decisions have been made about demand management actions and corresponding costs. Future fees may be adjusted up to the maximum amount to fund PMA costs that improve groundwater sustainability in over-drafted subbasin.

Appendix E of this report provides key public outreach materials and workshop summaries, and information supporting the Tehama GSA 2026 fee development process.

Section 3: FEE CALCULATION

3.1 COST BASIS OF FEE

The cost basis of the fee comprises the Tehama GSA's operations costs and a prudent reserve. Operating expenses include GSA staffing, legal counsel, general office expenses, audits, fee placement on the tax roll, annual reporting and monitoring to DWR, periodic evaluations of the GSP, and various other regulatory activities. The costs are described as Part 1 or Part 2 costs based on the different services that the Tehama GSA provides.

Part 1 Fee Service Provided: Maintaining a functioning GSA and performing all basic legal requirements that SGMA requires of a GSA in a high-priority basins.

Part 1 Fee: Governance & GSA Operations – Providing GSA coverage and basic operation of the GSA, which is legally required for all land located in the Tehama GSA subbasins. The Part 1 fee funds the minimum cost of having a GSA in place, which is a legal requirement for land included in high- and medium-priority subbasins under SGMA, including the subbasins in the Tehama GSA service area. This fee covers:

- ✓ **GSA Administration** – Staff, legal support, financial reporting, and operational costs necessary to run the GSA administration and operations.
- ✓ **Board of Directors Meetings & Public Oversight** – Ensuring local governance, stakeholder engagement, and decision-making authority and function.
- ✓ **Minimum SGMA Compliance Requirements** – Covering only what is required to keep the GSA in existence and recognized by the State of California as SGMA compliant.

Part 2 Fee Service Provided: Project Management Actions (PMA) that address overdraft conditions and sustainable groundwater management, ensuring long-term groundwater availability.

Part 2 Fee: PMAs & Sustainable Groundwater Management – Providing the development of projects, management actions, and implementation of projects and actions that achieve long-term groundwater sustainability. The Part 2 fee covers:

- ✓ **Supply/Recharge Actions** – Planning, design, and implementation of supply related actions that increase supply availability and improve groundwater sustainability in over-drafted subbasins.
- ✓ **Demand Management Actions** – Planning, design, and implementation of demand related actions that improve groundwater conditions and sustainability trends.
- ✓ **GSP Implementation** – Activities identified in the Groundwater Sustainability Plan (GSP) to achieve long-term sustainability to address overdraft conditions.
- ✓ **Stakeholder Engagement & Outreach** – Working with groundwater users to ensure SGMA compliance and PMA implementation educate the public on sustainability efforts.

FY26 Cost Basis

Table 5 shows the cost basis for setting the FY26-27 fee. The recovery of the cost basis between Part 1 and Part 2 is based on the 5-year forecast of costs as further described in the next section of this report.

**Table 5
FY26 Fee-Setting Cost by Part**

| Overview Description of Tehama County Fee Alternatives Evaluated | | | | | |
|--|---|----------------------|---------------|---------|------------------|
| Fee Alternative | Funding (\$/Year) | APN Data Alternative | Fee | Ag Only | Ag, Resid., Comm |
| #1. GSP Oper Fee | \$1.178 M | All Subbasins | \$/AF/Yr. | | ✓ |
| #2. GSP Oper Fee | \$1.178 M | All Parcels | \$/Parcel /Yr | | ✓ |
| #3. PMA Fee | \$1.395 M (Maximum Funding Level) | Overdraft Subbasins | \$/AF/Yr. | ✓ | |
| #4. PMA Fee | \$0.728 M (Recommended FY'26-27 Funding Level) | Overdraft Subbasins | \$/AF/Yr. | ✓ | |

Table 6 shows the five-year costs forecast in real (inflated) dollars with a FY26/27 starting budget of \$1,178,000, escalating to \$1,269,000 by FY30/31 using a 1.5% annual CPI adjustment.

Table 6 – GSA Operations Budget Projections

| Tehama County Groundwater Sustainability Agency Budget Forecast | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| EXHIBIT "A" | | | | | |
| FIVE YEAR TEHAMA GSA BUDGET | | | | | |
| Inflation Adjustment Factor - 3% Recommended | | 1.5% Assumed | 1.5% Assumed | 1.5% Assumed | 1.5% Assumed |
| Category | Proposed FY26/27 | Proposed FY27/28 | Proposed FY28/29 | Proposed FY29/30 | Proposed FY30/31 |
| OPERATING EXPENSES | | | | | |
| Legal Services | | | | | |
| General Legal Support | \$55,000 | \$55,000 | \$55,000 | \$55,000 | \$55,000 |
| Total Legal Services | \$55,000 | \$55,000 | \$55,000 | \$55,000 | \$55,000 |
| Technical Services | | | | | |
| Fee Process | \$7,000 | \$7,000 | \$7,000 | \$7,000 | \$7,000 |
| Special Studies/Consultant Support | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 |
| Total Technical Services | \$37,000 | \$37,000 | \$37,000 | \$37,000 | \$37,000 |
| Administrative Services | | | | | |
| Administration and Management (0.75 FTE) | \$160,000 | \$160,000 | \$160,000 | \$160,000 | \$160,000 |
| Administrative Support (0.5 FTE) | \$51,000 | \$51,000 | \$51,000 | \$51,000 | \$51,000 |
| District Overhead | \$32,000 | \$32,000 | \$32,000 | \$32,000 | \$32,000 |
| Audits | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Outreach Materials/Printing & Copying | \$15,000 | \$15,000 | \$15,000 | \$15,000 | \$15,000 |
| Postage | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| Website Development/Maintenance | \$6,000 | \$6,000 | \$6,000 | \$6,000 | \$6,000 |
| Financial Services/Banking/Bookkeeping | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 |
| Total Administrative Services | \$289,000 | \$289,000 | \$289,000 | \$289,000 | \$289,000 |
| OPERATING EXPENSES SUBTOTAL | \$381,000 | \$381,000 | \$381,000 | \$381,000 | \$381,000 |
| Operating Expenses Reserve (10%) | \$38,000 | \$38,000 | \$38,000 | \$38,000 | \$38,000 |
| TOTAL OPERATION EXPENSES | \$419,000 | \$419,000 | \$419,000 | \$419,000 | \$419,000 |
| SGMA COMPLIANCE EXPENSES | | | | | |
| GSP Annual Monitoring/Reporting | \$225,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 |
| GSA Sub-basin Coordination | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| GSP Periodic Evaluation/Amendments (at 3 Yrs) | \$400,000 | \$400,000 | \$400,000 | \$400,000 | \$400,000 |
| Monitoring/Data Management | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |
| GSP Implementation Grant Funding | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| SGMA COMPLIANCE EXPENSES SUBTOTAL | \$690,000 | \$690,000 | \$690,000 | \$690,000 | \$690,000 |
| SGMA Compliance Expenses Reserve (10%) | \$69,000 | \$69,000 | \$69,000 | \$69,000 | \$69,000 |
| TOTAL SGMA COMPLIANCE EXPENSES | \$759,000 | \$759,000 | \$759,000 | \$759,000 | \$759,000 |
| TOTAL ANNUAL BUDGET | \$1,178,000 | \$1,200,770 | \$1,223,540 | \$1,246,310 | \$1,269,080 |

Table 7 shows the projected project management activities budgets, with a beginning budget in FY26/27 of \$1,000,000, escalating with annual CPI increases through FY30/31.

Table 7 – Projected PMA Annual Funding Requirements

| Tehama County Groundwater Sustainability Agency Budget Forecast | | | | | |
|--|--|---------------------|---------------------|---------------------|---------------------|
| EXHIBIT "A" | | | | | |
| Cost Avoidance Strategy-List | FIVE YEAR TEHAMA GSA BUDGET - PMA Program Costs | | | | |
| Category | Proposed | Proposed | Proposed | Proposed | Proposed |
| PMA EXPENSES | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 |
| Demand Management Program | | | | | |
| Admin. Process | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 |
| Voluntary Incentive Program | \$433,333 | \$433,333 | \$433,333 | \$433,333 | \$433,333 |
| Total DM Program Costs | \$468,333 | \$468,333 | \$468,333 | \$468,333 | \$468,333 |
| Demand Management Cost Basis | | | | | |
| Total Annual Overdraft (C, RB, LM) | 65,000 | 65,000 | 65,000 | 65,000 | 65,000 |
| Incentive Cost/Ac-Ft | \$200 | \$200 | \$200 | \$200 | \$200 |
| Annual Adjustment Factor (2042) | 7% | 7% | 7% | 7% | 7% |
| Annual Adjustment Factor (50%) | 50% | 50% | 50% | 50% | 50% |
| Total Voluntary Incentive Costs | \$433,333 | \$433,333 | \$433,333 | \$433,333 | \$433,333 |
| Well Mitigation Program | | | | | |
| Admin. Process | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| Well Replacement Costs | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 |
| Total WM Program Costs | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 |
| Well Mitigation Cost Basis | | | | | |
| Avg. Cost/Domestic Well Replaced | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 |
| # Wells Replaced/Year | 1 | 1 | 1 | 1 | 1 |
| Total Annual Well Mitigation Costs | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 |
| TOTAL PMA EXPENSES | \$528,333.33 | \$528,333.33 | \$528,333.33 | \$528,333.33 | \$528,333.33 |
| Total PMA Costs-Water Purchases | FY26/27 | FY27/28 | FY28/29 | FY29/30 | FY30/31 |
| Total Annual Overdraft (C, RB, LM) | 65,000 | 65,000 | 65,000 | 65,000 | 65,000 |
| Project Cost/Ac-Ft | \$400 | \$400 | \$400 | \$400 | \$400 |
| Annual Adjustment Factor (2042) | 4% | 4% | 4% | 4% | 4% |
| Annual Adjustment Factor (50%) | 50% | 50% | 50% | 50% | 50% |
| Total PMA Costs-Water Purchases | \$471,666 | \$471,666 | \$471,666 | \$471,666 | \$471,666 |
| TOTAL PMA COSTS | \$1,000,000 | \$1,018,638 | \$1,037,276 | \$1,055,913 | \$1,074,552 |

3.2 FEE CALCULATIONS

There are three steps to calculating the FY26 fee schedule:

Step 1: Determine the Part 1 and Part 2 costs (the fee calculation numerators)

- Update the fiscal year Part 1 and Part 2 cost basis using the estimated budget for the following year and the forecast of costs and revenues for the following four years.

Step 2: Determine the Part 1 and Part 2 fee units, which are the fee calculation denominators

- Calculate total estimated annual water use and number of parcels by subbasin for the Part 1 fee.
- Calculate the total number of acres in agricultural production for the Part 2 fee.
- Calculate the estimated annual water use by subbasin for Ag only parcels for the Part 2 fee.

Step 3: Perform the fee calculations.

- Divide the Step 1 numerators for each part by the Step 2 denominators for each part.

The fee calculation steps are described in detail below.

Step 1: Determine the Part 1 and Part 2 Costs

Every year the Tehama GSA will update the 5-year financial forecast using the adopted budget and the estimate of costs for the following four years (i.e., the projected costs previously shown in Tables 6 and 7).

Step 2: Determine the Part 1 and Part 2 Fee Units

Part 1 fees will be charged to all parcels except Exempt and Unusable parcels based on the number of fee-paying parcels in the Tehama GSA's boundaries. Part 2 fees will be charged based on the number of acres in agricultural production, excluding urban and exempt or excluded parcels. **Table 8** describes the fee units in greater detail.

Calculation of GSP Operations and PMA Fees by Alternative

| Calculation of Estimated GSP Operations and PMA Fees | | | | | |
|--|--------------------------|-------------|-------------------------------|--------------------------------|----------------------|
| Fee Alternative | Area or Subbasins | Annual Cost | Basis of Fee | AF/Yr. or Parcels ³ | Estimated Annual Fee |
| 1. GSP Operations | All Managed ¹ | \$1,178,000 | Water Use (AF/Yr.) | 440,366 AF/Yr. | \$2.70 /AF/Yr. |
| 2. GSP Operations | District-Wide | \$1,178,000 | Managed Subbasin ² | 38,673 Parcels | \$30.50 /Parcel/Yr. |
| 3. PMA Fee | Overdrafted ⁵ | \$1,395,000 | Water Use (AF/Yr.) | 375,899 AF/Yr. | \$3.80 /AF/Yr. |
| 4. PMA Fee | Overdrafted ⁵ | \$728,000 | Water Use (AF/Yr.) | 375,899 AF/Yr. | \$2.00 /AF/Yr. |

1. Managed subbasins are Antelope, Bowman, Corning, Los Molinos and Red Bluff.

2. Exclusions include Zoning designations of Natural Resource (NR), Floodplain (FP), and Timber (TPZ).

3. Estimated based on crop acreages from Tehama GSA Annual Reports and water use by crop type per LSCE Technical Memo dated Nov. 19, 2025.

For the 2. GSP Oper. Alt., urban water use (in AF/Acre) is based on County zoning/APN data for zoning codes R-1 - SCSP.

4. Reflects the Ag total AF/Yr. divided by Total AF/Yr. for all parcels and the total Ag parcels (10,588) divided by total of all parcels (38,673).

5. Overdraft subbasins are Corning, Los Molinos and Red Bluff. Only Ag parcels are included.

For the first fee alternative, the estimated water use in the five managed subbasins is the 440,366 AF/year shown in Table 8. For the second fee alternative there are a total of 38,673 Assessor parcels in the Tehama GSA boundaries that would be subject to the parcel fee. For the third and fourth PMA fee alternatives, the 375,899 AF/year shown in Table 8 are for Ag-only parcels for the three over-drafted subbasins.

The selected fee alternatives are alternatives 1 and 4, which are based on estimated annual water use for both ag and residential parcels in the five managed subbasins (Alternative 1) and for the Ag-only parcels in the three over-drafted subbasins.

There is also an administrative fee of \$1.99 per parcel per year that would be added to the annual fees to cover the cost of adding the fee to the annual tax bill. **Table 9** summarizes the total GSA fees and shows the Assessor's fee.

Table 9 – Proposed FY26-27 GSP Operations and PMA Fees

| Summary of GSP Operations and PMA Fees | | | | |
|--|--------------------------|--------------------|---------------|--|
| Fee Alternative | Subbasins | Annual Cost | Fee \$/AF/Yr. | Assessor's Fee ³ (\$/Parcel/yr) |
| 1. GSP Operations | All Managed ¹ | \$1,178,000 | \$2.70 | \$1.99 |
| 4. PMA Fee | Overdrafted ² | \$728,000 | \$2.00 | N.A. |
| Combined Fee | Overdrafted | \$1,906,000 | \$4.70 | -- |

1. Includes the five managed subbasins: Antelope, Bowman, Corning, Los Molinos and Red Bluff.

Applies to ag, residential and commercial parcels.

2. Overdraft subbasins are Corning, Los Molinos and Red Bluff. Only Ag parcels are included.

3. The Assessor's fee only applies to parcels once, when the GSP Operations fee is placed on the Assessor's tax role, not a second time for the PMA fee.

3.3 FEE COLLECTION

The Tehama SGMA fee will be collected by placing it on the property tax roll by the Tehama County Auditor-Controller and collected by the Tehama County Treasurer-Tax Collector¹⁰. Tehama County adopted the Teeter Plan which guarantees payment of the full amount of the fees that are charged with the County pursuing any unpaid fees. Fee revenues will be disbursed generally to the Tehama GSA in December (55%), April (40%) and July or August (5%)¹¹.

Properties not assessed on the property tax roll include parcels zoned as timber, floodplain, natural resource, native vegetation, riparian vegetation, barren, idle and water parcels. There have been no ‘hand billed’ arrangements between third parties subject to the fees that would result in direct payment from the parcel owner(s) and GSA versus collecting fees on the property tax bill. Under such arrangements an agreement would be required between the parties specifying the terms of payment (including amount and timing) whereby the Tehama GSA would directly “hand bill” these properties. Before any such arrangements could be implemented an agreement would need to be prepared and approved by the GSA Board. At this time 100% of total revenue will be collected via property tax assessment as demonstrated in **Table 10**.

Table 10
Fee Collection by Part

| Collection of GSP Operations and PMA Fees | | | | | |
|---|--------------------------|---------------|--------------------------|--------------------------|--|
| GSA Fee | Subbasins | Fee \$/AF/Yr. | Annual Water Use (AF/Yr) | Estimated Annual Revenue | Assessor's Fee ³ (\$/Parcel/Yr) |
| 1. GSP Operations | All Managed ¹ | \$2.70 | 440,366 | \$1,178,000 | \$1.99 |
| 4. PMA Fee | Overdrafted ² | \$2.00 | 375,899 | \$728,000 | \$0.00 |
| <i>Combined Fee</i> | -- | <i>\$4.70</i> | -- | <i>\$1,906,000</i> | <i>\$1.99</i> |

1. Includes the five managed subbasins: Antelope, Bowman, Corning, Los Molinos and Red Bluff. Applies to ag, residential and commercial parcels.
2. Overdraft subbasins are Corning, Los Molinos and Red Bluff. Only Ag parcels are included.
3. The Assessor's fee only applies to parcels once, when the GSP Operations fee is placed on the Assessor's tax role, not a second time for the PMA fee.

Parcels in the Antelope and Bowman subbasins will pay only the Part 1 GSP Operations fee, while the Corning, Los Molinos, and Red Bluff subbasins will pay both the Part 1 GSP Operations Fee and the Part 2 PMA fee. **Table 13** shows the fee collection by subbasin.

Note: Fee totals in Table 13 do not show the additional \$1.99/parcel for the Assessor's fee, as this is a small charge added to only the GSP Operations fee. That is, the over-drafted subbasins paying the PMA fee will have already paid the Assessor's fee when their GSP Operations fee is placed on their tax bill.

The fee calculations and data sources are summarized in **Appendix F**.

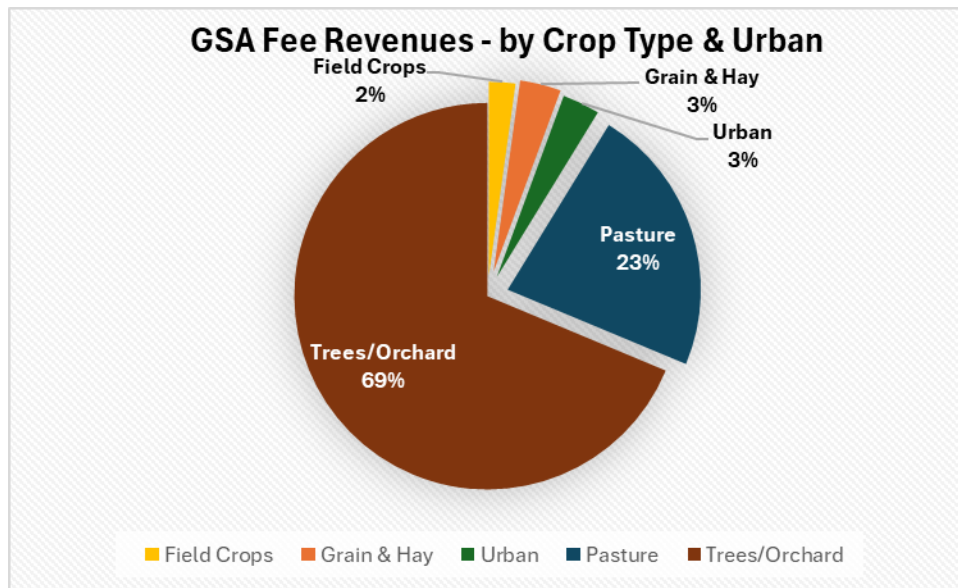
Table 11
Fee Collection by Subbasin

| Collection of GSP Operations and PMA Fees by Subbasin | | | | | |
|---|-----------|--------|---------|-------------|-----------|
| GSA Fee | Subbasins | | | | |
| | Antelope | Bowman | Corning | Los Molinos | Red Bluff |
| 1. GSP Operations ¹ | \$2.70 | \$2.70 | \$2.70 | \$2.70 | \$2.70 |
| 4. PMA Fee | -- | -- | \$2.00 | \$2.00 | \$2.00 |
| <i>Combined Fee</i> | \$2.70 | \$2.70 | \$4.70 | \$4.70 | \$4.70 |

1. The Assessor's fee of \$1.99/parcel/year is charged only once, when the GSP Operations fee is placed on the Assessor's tax role, not a second time for the PMA fee.

Figure 7 shows the percentage of revenue collected by crop type plus urban zoned parcels. As shown here, Trees/Orchard and Pasture together account for over 90% of the total GSA fee revenue. Note that the urban parcels are only subject to the GSP Operations fee, not the PMA Fee which is only applied to Ag parcels in the over-drafted subbasins.

Figure 7
GSA Revenue Collection by Crop Type plus Urban Parcels – Tehama County



Source: Revenues based on Tehama County APN database and water use estimates shown in previous tables.

3.4 FEE EXAMPLES

The FY26-27 SGMA fees were calculated for several different types of properties for demonstrable purposes only. **Table 12** shows the annual charges calculated for Ag, commercial and residential parcels for the GSA Operations Fee and provides estimated typical annual bills. **Table 13** shows similar calculations for the PMA Fee along with typical fees, which applies only to Ag parcels. The typical customers used as examples in these tables are based on APN data and estimated annual water use and represent typical parcel sizes for each customer type. **Appendix F** provides more details on the data sources and calculation methodology used to calculate these fees.

Table 12 – Typical Customer GSA Operations Fees

| Estimated Annual GSA Operations Fee - Typical Fees Based on Annual Water Use | | | | | |
|--|---|---|------------------------------------|---------------------------|-----------------|
| Typical Customer Type | Typical Acreage Per Parcel ¹ | Typical Water Use (AF/Ac or Parcel/Yr) ² | Managed Basins - Ag, Resid., Comm. | | |
| | | | GSA Fee ³ | Assessor Fee ⁴ | Total \$/Parcel |
| Estimated Annual GSA Operations Fee - Recommended Funding Level (\$1.178 M) | | | | | |
| Typical Urban Residential - Managed Subbasins | 0.6 | 0.75 AF/Acre | \$1.22 | \$1.99 | \$3.21 |
| Typical Rural Residential - Managed Subbasins | 5.0 | 1.25 AF/Acre | \$16.88 | \$1.99 | \$18.87 |
| Commercial - Managed Subbasins | 3.3 | 3.65 AF/Acre | \$32.52 | \$1.99 | \$34.51 |
| Typical Small Ag (AG-2) - Managed Subbasins | 40.0 | 140 AF/Parcel | \$378.00 | \$1.99 | \$379.99 |
| Typical Large Ag (AG-1) - Managed Subbasins | 200.0 | 688 AF/Parcel | \$1,857.60 | \$1.99 | \$1,859.59 |
| <i>GSA Operations Fee Based on Water Use (\$/AF/Yr)</i> | | | \$2.70 | | |

1. Typical parcel size based on APN data for the five managed basins. Urban Residential are all parcels zoned R-1; Rural Residential are zoned RE(xx) and SCSP; Commercial are zones C-1 - M2SP; Small Ag are zoned AG-1; and Large Ag are zoned AG-2.
2. Typical water use estimated by water use (AF/Yr.) divided by total parcels in each typical customer type. Based on County's APN data.
3. GSA Operations Fee Based on Water Use (\$/AF/Yr) times the AF/Acre.
4. Estimated cost for the Assessor's Office to add a new fee to each parcel's tax bill.

Table 13 – Typical Customer PMA Fees

| Estimated Annual PMA Fee - Typical Fees Based on Annual Water Use | | | | | |
|--|---|--|--|---------------------------|-----------------|
| Typical Customer Type | Typical Acreage Per Parcel ¹ | Typical Water Use (AF/Parcel/Yr.) ² | Overdrafted Basins - Ag, Resid., Comm. | | |
| | | | PMA Fee ³ | Assessor Fee ⁴ | Total \$/Parcel |
| Estimated Annual PMA Fee - Minimum Recovery Level (\$0.728 M) | | | | | |
| Typical Small Ag (AG-2) - Overdraft Subbasins | 40.0 | 144.7 | \$289.46 | \$0.00 | \$289.46 |
| Typical Large Ag (AG-1) - Overdraft Subbasins | 200.0 | 697.9 | \$1,395.76 | \$0.00 | \$1,395.76 |
| <i>PMA Fee Based on Water Use (\$/AF/Yr)</i> | | | \$2.00 | | |

1. Typical parcel size based on APN data for the five managed basins. Urban Residential are all parcels zoned R-1; Rural Residential are zoned RE(xx) and SCSP; Commercial are zones C-1 - M2SP; Small Ag are zoned AG-1; and Large Ag are zoned AG-2.
2. Typical water use estimated by water use (AF/Yr.) divided by total parcels in each typical customer type. Based on County's APN data.
3. PMA Fee Based on Water Use (AF/Parcel/Yr) times the Fee (\$/AF/Yr).
4. Estimated cost for the Assessor's Office to add a new fee to each parcel's tax bill. Only charged once (on the GSA Operations Fee).

Section 4: FEE IMPLEMENTATION

4.1 FEE ADOPTION

To adopt the proposed fees, the Tehama GSA Board must hold at least one public meeting. Prior to the public meeting to adopt the proposed fees, notice will be provided as follows:

- (1) Publicize at least 45 days ahead of the meeting, (2) post notice on the Tehama GSA's website, and (3) send fee notice by mail to any those subject to the fee which would include a form to comment or protest regarding the Tehama GSA's proposed fees to be implemented in FY26-27.
- (2) The notice will include time and place of meeting, general explanation of the item, and a statement that the data upon which the proposed fee is based is available (this must be made available to the public at least 45 days prior to the meeting).

The specific fee must be set each year to place the fees on the tax roll, regardless of whether the fee amounts change or not. The fee should be adjusted each year as necessary to raise sufficient revenues by one of the following methods:

- a) Applying the change in a price index (up to a 3% change in the Consumer Price Index published by the Bureau of Labor Statistics is recommended), or
- b) Applying a (maximum, up to) set percentage increase (e.g. 4%), or
- c) Estimating costs required to fund the GSA's next fiscal year budget plus an amount for prudent reserves. The GSA is committed to annual budget and fee reviews as reflected in the fee resolution.

The SGMA legislation provides GSAs with the authority to establish fees to support local management and control of its groundwater resources and the District has authority to levy groundwater fees as a special district to ensure that groundwater resources are sustainable in the long term for all water users with the Tehama GSA service area. After adopting the fee, the Tehama GSA must continue with the following actions to implement the fees for FY26-27, and each fiscal year thereafter:

- (1) Per Water Code 10730, the Tehama GSA shall implement groundwater fees that are reasonable and support beneficial use of groundwater resources in the Tehama GSA service while achieving SGMA compliance for landowners within subbasins within the GSA service area that file annual reports and GSPs with the California Department of Water Resources.
- (2) The Tehama GSA shall maintain updated groundwater ordinances and policies (**see Appendix G**) that support implementation of approved Tehama GSA fees and provide the Tehama County Auditor-Controller all required documentation authorizing placement of the fees on the property tax roll by August 10, 2026 and shall provide the list of Assessor Parcel Numbers and fee amounts to be placed on the FY26-27 roll no later than the date specified by the Tehama County Auditor-Controller (usually around August 10th).

4.2 CORRECTIONS

The Tehama GSA will develop a policy for landowners to provide corrected information if any of the fees are based on incorrect data or data that has changed since fees were implemented.

The Tehama GSA will work with property owners to correct any incorrect data. The process of correcting information will require communication with both landowners and the County assessor. During the correction process, property owners must pay the fee on the property tax bill during the current FY. Corrections reviewed and accepted by the Tehama GSA will be implemented on the upcoming FY property tax bill. Corrections that reduce or increase the amount of the fee due will be credited or debited on the subsequent year's tax roll. If the Tehama GSA observes that particular parcel fees should be adjusted a letter will be sent to the landowner about the proposed fee change before it is implemented on the upcoming FY property tax bill. The Tehama GSA will develop a policy that includes the methods by which annual groundwater fee adjustments will be implemented and the timing for such corrections.

