

Tehama GSA Board Meeting Long Term Funding Project GSA Administration Fee

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July 20, 2026



**Luhdorff &
Scalmanini**
Consulting Engineers

Tehama GSA 7.20.2026 Board Meeting – 2026 Long Term Funding Project – GSA Fee Items

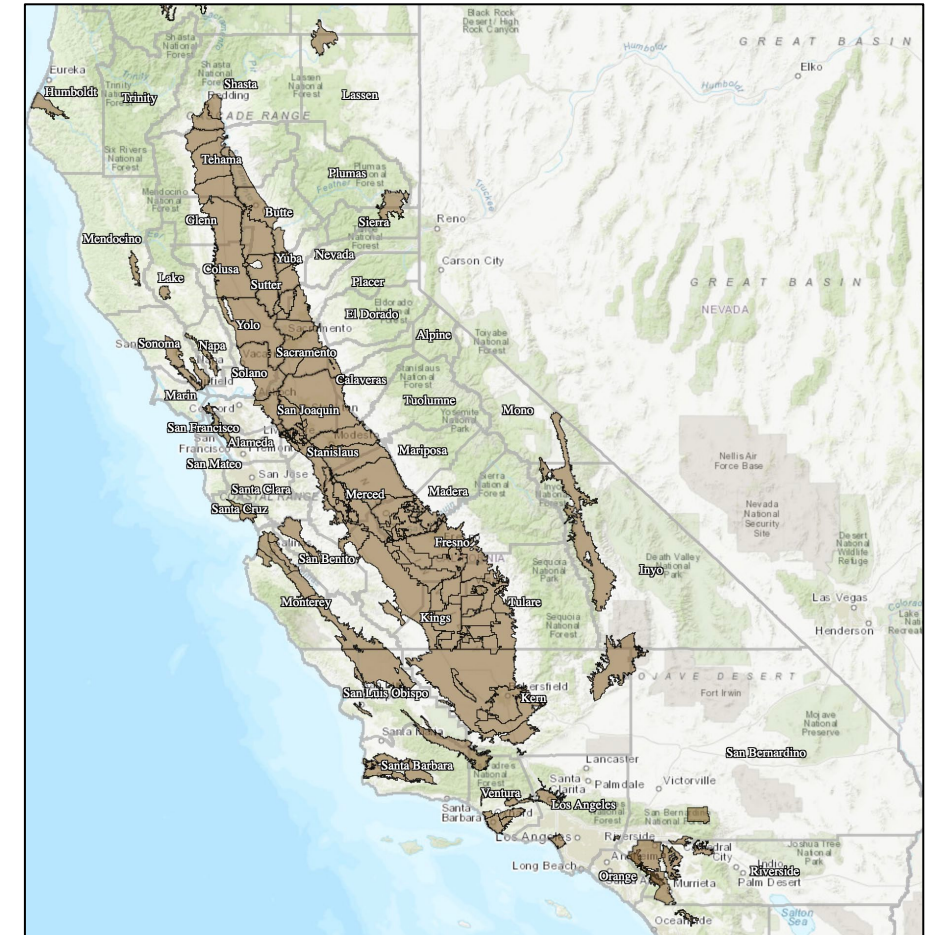
MEETING AGENDA ITEMS

1. Conduct Public Hearing and Count Protests.
2. Consideration of certifying the Majority Protest Process.
3. Consideration of a resolution to establish and collect a GSA Administration Fee for Tehama GSA Operations.

Context: SGMA, GSAs, & GSPs

Most GSAs have local fees in place to maintain local control.

- **Sustainable Groundwater Management Act (SGMA):**
Comprehensive state legislation to regulate the management and use of groundwater. Enacted in 2014.
- **Groundwater Sustainability Agencies (GSA):**
Required in Subbasins to achieve sustainability.
361 GSAs in 142 subbasins statewide.
- **Groundwater Sustainability Plans (GSP):**
Required in medium and high priority subbasins to halt overdraft and bring a subbasin into a balanced level by 2042. *2027 GSP Updates to be under DWR review.*

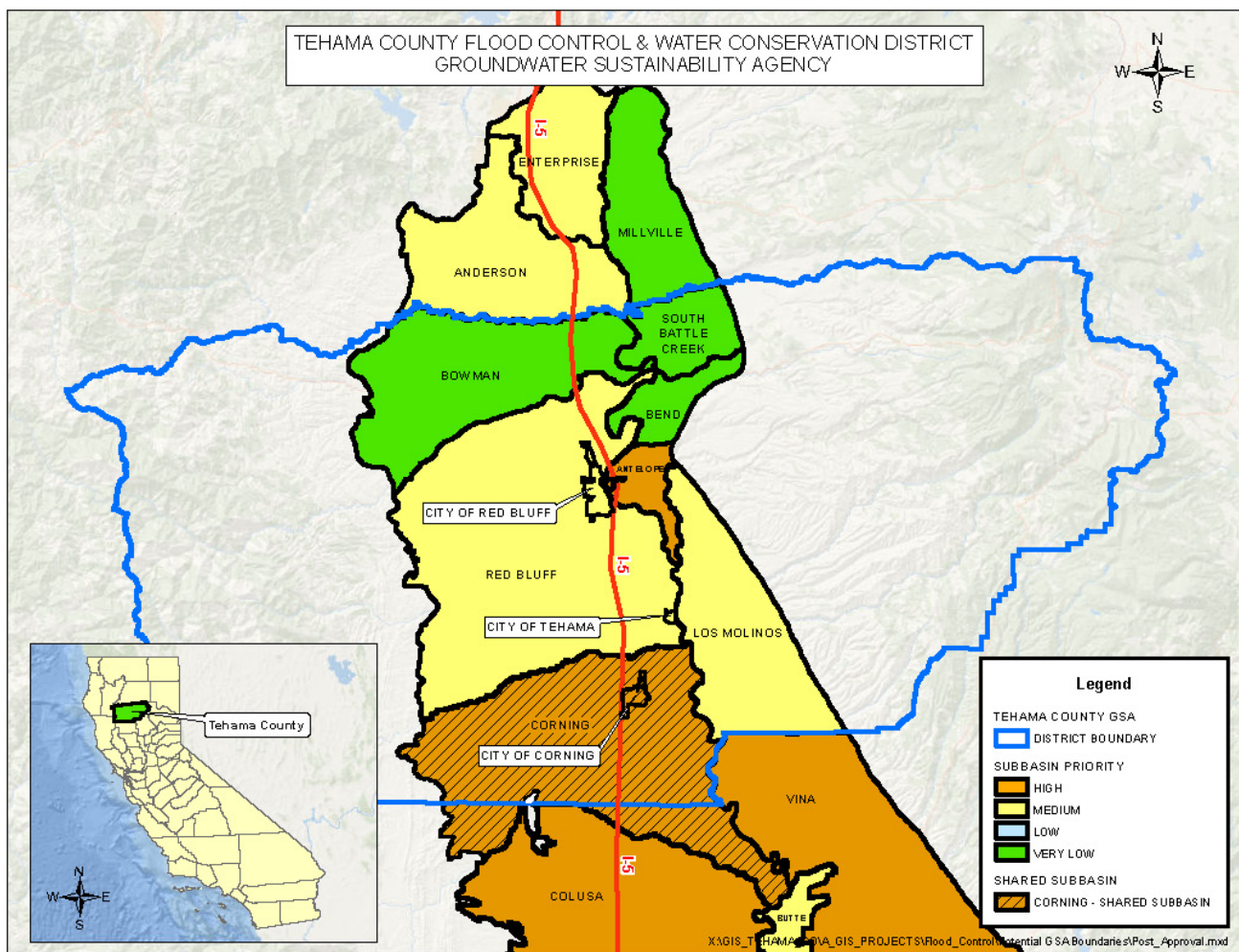


Context: Tehama GSA has 5 Managed Subbasins

Tehama GSA managed subbasins as classified per DWR Bulletin 118.

This means that efforts need to be made to achieve sustainability by 2042 per SGMA regulations.

<u>Subbasin</u>	<u>DWR Priority</u>	<u>Status</u>
Antelope	HIGH	No Overdraft
Bowman	LOW	No Overdraft
Corning	HIGH	Overdraft
Los Molinos	MEDIUM	Overdraft
Red Bluff	MEDIUM	Overdraft



Introductions: People Behind the Process

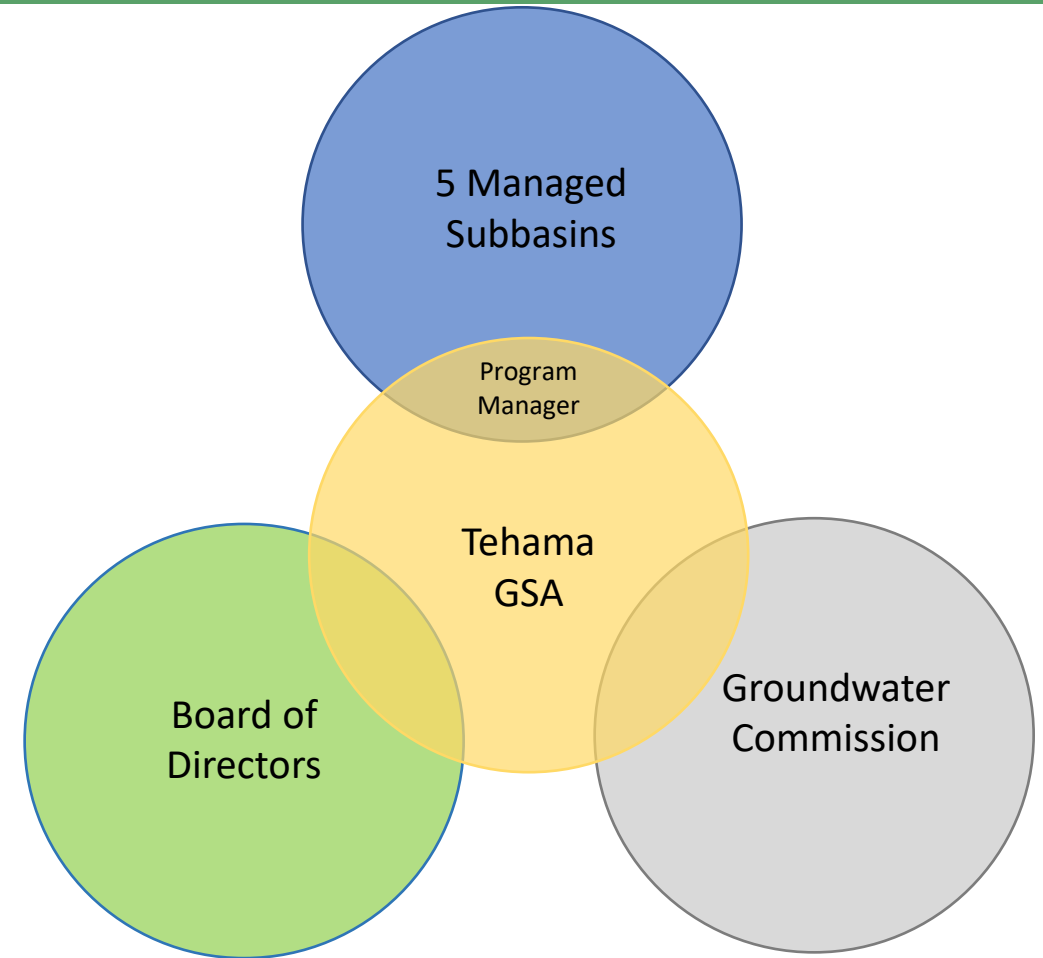
Staff from Tehama County Flood Control and Water Conservation District:

Justin Jenson, Deputy Director

Adriana Langerica, Engineering Tech

Lena Sequeira, Administrative Assistant

Daniel B. Klausner, Legal Counsel



The Road to Sustainability

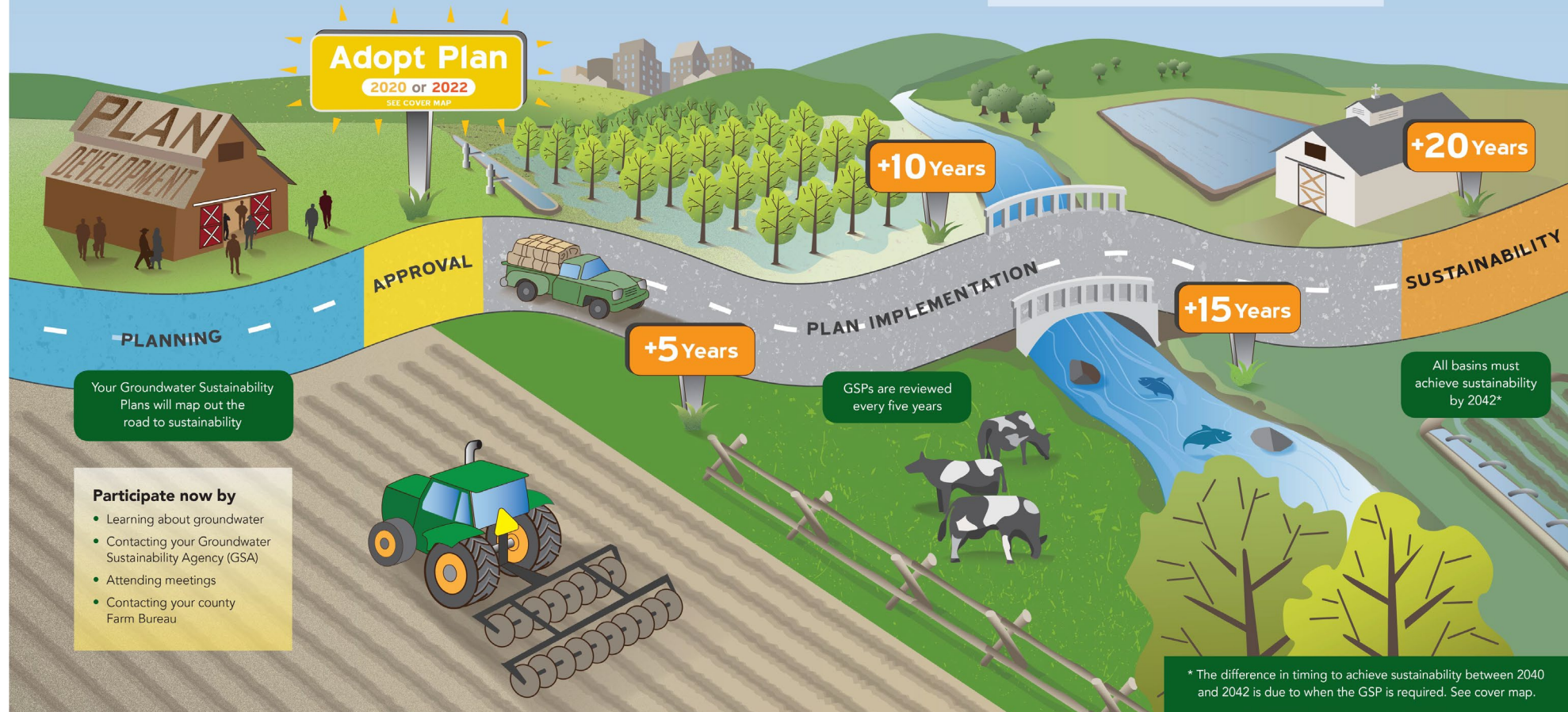
Learn and Engage!

Participate now to represent your interest. SGMA stresses local group formation, local plans and local management.

SGMA plans will reflect local conditions and can include local solutions. Once approved by the state, your local plan represents a commitment to future actions.

Let's be clear:

- SGMA will affect your groundwater pumping
- SGMA establishes new responsibilities to share groundwater
- SGMA will change how we use land and water
- SGMA does not change water rights

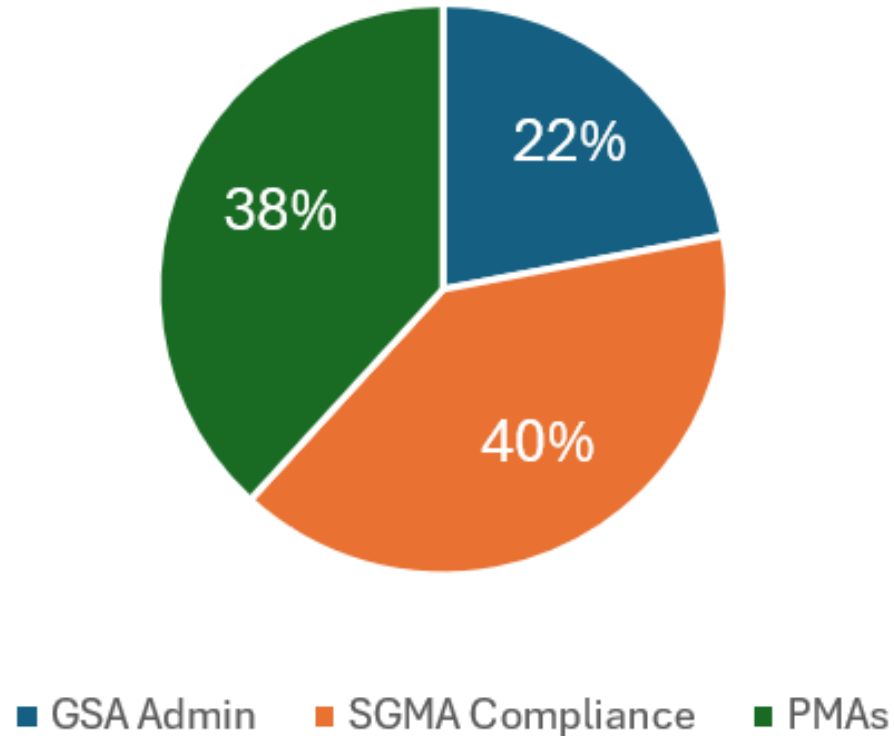


Developing a Local SGMA Fee

1. Review of Governance, Structure and Funding for GSA – Established 2017
 - Authorities in 2014 SGMA legislation to establish local fees for SGMA compliance
2. Revenue projections updated (FY26-27 through FY30-31) – 12/10/2026 & 3/26/2026
 - Identify costs, confirm revenue needs, and develop cost allocation alternatives
3. GSP Updates/Fee Workshops – 12/3 and 12/4/2025
4. Additional Fee Workshops – 4/1 and 4/2/2026
5. Fee Report Approval – 4/23/2026
6. Notice of Public Hearing mailed – 6/1/2026
7. Public Hearing – Fee Approval / Protest Hearing – 7/20/2026
8. Fee placed on Assessor's Tax Roll – 8/10/2026 (for property tax bill)

For Every Dollar Spent in FY26/27:

Tehama GSA Annual Fee - For Every Dollar



State Water Board Intervention Fees May Be Imposed On GSAs Non-compliant With SGMA

Fee Category	Fee Amount	Applicable Parties
Annual Base Filing Fee	\$300 per well	All extractors required to report (excludes de minimis extractors).
Unmanaged Area Rate	\$10 per acre-foot (AF) (metered)	Extractors in unmanaged areas (excludes de minimis extractors).
	\$25 per AF (unmetered)	
Volumetric Rate	\$20 per AF	Extractors in probationary basins (excludes de minimis extractors).
Interim Plan Rate	\$35 per AF	Extractors in probationary basins where the State Water Board determines an interim plan is required (excludes de minimis extractors).
De minimis Fee	\$100 per well	De minimis extractors in probationary basins (only required if the State Water Board determines at a public hearing that de minimis pumpers must report extractions and pay fees).
Automatic Late Fee	25% per month	Extractors that do not file reports by the due date.

AF = acre-foot

An acre-foot is enough water to cover one acre of land with one foot of water.



Tehama GSA 7.20.2026 Board Meeting – 2026 Long Term Funding Project – GSA Fee Item

The Tehama GSA has been deemed the exclusive local agency with powers to comply with SGMA in its jurisdiction for managed subbasins. Pursuant to Chapter 8 (commencing with Section 10730) of Part 2.74 of Division 6 of the Water Code, a GSA may impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, including, but not limited to, preparation, adoption, and amendment of a Plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.

PUBLIC OUTREACH – LIST OF BOARD MEETINGS DISCUSSING FEE PROJECT (NOTE: IN ADDITION, GROUNDWATER COMMISSION MET MONTHLY)

Tehama GSA Board Meetings

- Discussed regularly 2021 to 2026 – GSP Updates and Fees
- Tehama GSA Website – Meetings Posted/Info. Updated Regularly
- December 10, 2025 – Five-Year GSA Budget Projections
- March 26, 2026 – Funding Options and Cost Allocation
- April 23, 2026 – Fee Report Approval
- May 28, 2026 – Fee Ordinance Approval
- July 20, 2026 – Public Hearing/Fee Approval

Tehama GSA Website – Long Term Fee Project

PUBLIC OUTREACH

- Fact Sheet.
- Frequently Asked Questions (FAQ).
- Board and Groundwater Commission meetings.
- Multiple public meetings (12/3 and 12/4/2025; 4/1 and 4/2/2026).
- Website Updates – Reports, Notices, Meetings, outreach documents.
- Fee Assessment Tools – Annual Fee Estimator, Interactive Map.

Long Term GSA Fee – Development Process

Establish Revenue Needs (Operational and Implementation Costs)

- Revenue needs – GSA Operations, SGMA Compliance
- Revenue needs – PMAs (over drafted subbasins only)
- Five-year Revenue Projections – planning horizon
- Adequate for GSA to comply with SGMA
- Meet GSA financial assurance/sustainability goal

Cost Allocation

- By type – operations vs. implementation
- By Subbasin GSA – weighted by effort
- By use – weight by groundwater use
- Proportional relative to user costs and service/benefit received

Proposed Fees/Charges

- Public notification
- Stakeholder outreach
- Public hearing and majority protest

YOU
ARE
HERE

Tehama GSA – Updated Revenue Projections For GSP Implementation and SGMA Compliance

For all managed
subbasins for all
water users.

GSA Fee FY26-27
annual budget is
\$1,178,000.

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	Proposed	Proposed	Proposed	Proposed
OPERATING EXPENSES	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31
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	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>
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	<u>\$12,000</u>	<u>\$12,000</u>	<u>\$12,000</u>	<u>\$12,000</u>	<u>\$12,000</u>
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%)	<u>\$38,000</u>	<u>\$38,000</u>	<u>\$38,000</u>	<u>\$38,000</u>	<u>\$38,000</u>
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 (10 years)	\$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%)	<u>\$69,000</u>	<u>\$69,000</u>	<u>\$69,000</u>	<u>\$69,000</u>	<u>\$69,000</u>
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



Tehama GSA – Updated Revenue Projections For Project Management Actions (PMA)

PMA Fee FY26-27 budget is \$0.728M.

Ag only in over drafted subbasins.

PMA COSTS	FY26-27 BUDGET	MAXIMUM BUDGET
Demand Management	\$468,000	\$468,000
Well Mitigation	\$60,000	\$60,000
Recharge Projects	<u>\$200,000</u>	<u>\$472,000</u>
TOTAL	\$728,000	\$1,000,000

Tehama GSA – Proposed Annual FY26-27 Fees

FEE REPORT – GROUNDWATER USE BASED FEE (NO DWR GRANTS)

Typical User	PROPOSED FY26-27 FEES (not over drafted subbasin)	PROPOSED FY26-27 FEES (over drafted subbasin)
Urban Residential	\$4.02	\$4.02
Rural Residential	\$8.74	\$8.74
Commercial (2 acres)	\$21.65	\$21.65
Ag-Small (40 acres)	\$359.39	\$622.39
Ag-Large (200 acres)	\$1,783.99	\$3,103.99



Corning, Los Molinos, and Red Bluff
have overdraft conditions.

Tehama GSA – Best Alternative Long-Term Fee Option

RECOMMENDED FEE OPTION – GW USE BASED FEES (WITH NO DWR GRANTS)

Fixed fees tend to over bill small users and under bill large users. Groundwater use based fees are the most defensible fees based on available data. Fees are based on estimated water use factors or actual water use when available. Customers can meter their water source(s) and provide metered data to the GSA. Customers can provide updated information to the GSA if circumstances change at any time.

The Tehama GSA Board will assess FY26-27 fees and update as needed. Each May-June the Board will review its budget and consider fee updates not to exceed the maximum allowable fees.

Tehama GSA Board – Long Term Fee Project

FEE NOTICE

- Notice and Protest Form Circulated per Article XIID, Section 6 of the California Constitution
 - Tehama GSA Fee Notice distributed 45-days before Board consideration of proposed fees to those subject to Fee.
 - Public hearing date, time and location and maximum Fee(s) included in Notice.
- Notice Posted On Tehama GSA Website
 - In accordance with Water Code Section 10730, a notice was distributed to those subject to the fee and was posted to the Tehama GSA website prior to Board meeting to consider Fee approval.
 - The Tehama GSA also posted a fee estimator tool on their website to allow customers to calculate their bill under the proposed fees based on their account and parcel information prior to Board meeting to consider Fee approval.

Tehama GSA Meeting Notice Requirements.

Tehama GSA Board – Long Term Fee Project

ITEM 4. CONDUCT PUBLIC HEARING

- Open public hearing for GSA Fee.
- Receive public comments and protests during public hearing.
- Close public hearing.
- Tally valid protests – received at District Office and during public hearing.
- Report on outcome of Majority Protest Process.

Tehama GSA Board – Long Term Fee Project

CERTIFYING FEE MAJORITY PROTEST PROCESS

- Determine final count of protests received by the Tehama GSA upon closing of the public hearing under Item 4.
- Based on the protest count the Tehama GSA would consider acertifying the Majority Protest Process.
- If a majority protest (50% + 1) is not received, the Tehama GSA can consider approving a fee.

Tehama GSA – Basis For Long Term Fees

FEE REPORT – FIVE YEAR REVENUE PROJECTIONS

- Includes lowest cost Governance/Program Manager option.
- Includes GSA operational and SGMA compliance costs.
- Includes PMA costs for over drafted subbasins.
- Includes GSA Administration and SGMA compliance contingencies.
- Includes inflation during years 2 through 5 of projected fee period.
- Based on current DWR SGMA requirements and GSP costs to date.

Tehama GSA – Proposed FY26-27 GSA Fee Budget

TEHAMA GROUNDWATER SUSTAINABILITY AGENCY		
JULY 1, 2026 - JUNE 30, 2027		
FY26-27 GSA ADMINISTRATION/OPERATIONS FEE BUDGET		
ANNUAL REVENUES	BUDGET	ACTUAL
Property Tax Revenue-December 31. 2026	\$589,000	
Property Tax Revenue-April 30, 2027	\$471,200	
Property Tax Revenue-June 30, 2027	\$117,800	
Grant Funds	\$0	
Total Annual Revenues	\$1,178,000	\$0
ANNUAL OPERATING EXPENSES	BUDGET	ACTUAL
Total Legal Services	\$55,000	
Total Technical Services	\$37,000	
Total Administrative Services		
Administration and Management (0.75 FTE)	\$160,000	
Administrative Support (0.5 FTE)	\$51,000	
District Overhead	\$32,000	
Audits	\$10,000	
Outreach Materials/Printing & Copying	\$15,000	
Postage	\$3,000	
Website Development/Maintenance	\$6,000	
Financial Services/Banking/Bookkeeping	\$12,000	
Sub-total Administrative Expenses	\$289,000	
OPERATING EXPENSES SUB-TOTAL	\$381,000	
Operating Expenses Reserve (10%)	\$38,000	
TOTAL ANNUAL OPERATING EXPENSES	\$419,000	
SGMA COMPLIANCE EXPENSES	BUDGET	ACTUAL
GSP Annual Monitoring/Reporting	\$225,000	
GSA Sub-basin Coordination	\$20,000	
GSP Periodic Evaluation/Amendments (@ 5 Yrs.)	\$400,000	
Monitoring/Data Management	\$25,000	
GSP Implementation Grant Funding	\$20,000	
SGMA COMPLIANCE EXPENSES SUBTOTAL	\$690,000	
SGMA Compliance Expenses Reserve (10%)	\$69,000	
TOTAL SGMA COMPLIANCE EXPENSES	\$759,000	
TOTAL ANNUAL GSA BUDGET	\$1,178,000	

GSA budget included in April 2026 Fee Report.

SGMA expenses are based on currently required SGMA compliance actions.



Tehama GSA – Annual Budget Review Process

ANNUAL GSA BUDGET REVIEW RECOMMENDATIONS

- Conduct each May-June
- Review GSA revenues and expenses during the current fiscal year
- Review projected GSA revenues and expenses for the upcoming fiscal year
- Determine if any fee adjustments are needed
- If Fee changes are necessary, implement on upcoming August fee roll cycle

Tehama GSA – FY26-27 Fee Approval

FY26-27 PROPOSED GSA FEES - \$/af/year

- Urban Residential: \$2.70/af/year
- Rural Residential: \$2.70/af/year
- Commercial: \$2.70/af/year
- Ag (AG 1-4): \$2.70/af/year

FY26-27 PROPOSED PMA FEES - \$/ac/year

- \$0 (not applicable)
- \$0 (not applicable)
- \$0 (not applicable)
- \$2.00/af/year

-
- Commercial includes commercial, industrial and institutional users.
 - PMA Fees – Ag Only in over drafted subbasins.

Tehama GSA – FY26-27 Fee Approval

CONSIDERATION OF FEE APPROVAL

- The Majority Protest Process Outcome.
- If no majority protest was received the Tehama GSA Board has the option to approve fees that do not exceed the maximum fee included in the Notice.
- Board resolution approving fees based on Majority Protest Process Outcome.
- Fees may be adjusted during five-year fee period not exceeding maximum fee amounts.
- Board may update future fees at any time. If a different fee approach is pursued a subsequent fee process may be completed as the basis for updating future fees.

Tehama GSA – FY26-27 GSA Fee Approval

RECOMMENDED FEES

- Approve recommended fee of \$2.70/ac-ft/acre for urban residential users.
- Approve recommended fee of \$2.70/ac-ft/acre for rural residential users.
- Approve recommended fee of \$2.70/ac-ft/acre for commercial users.
- Approve recommended fee of \$2.70/ac-ft/acre for Ag users in managed subbasins.

Tehama GSA – FY26-27 GSA Fee Approval

RECOMMENDATION

- Approve resolution allowing the Tehama GSA to collect its FY26-27 GSA Fee through the County Assessor's tax roll process.
- Collecting the fee through the County Assessor's tax roll process is the most cost-effective manner for the Tehama GSA to collect the fees.
- Most GSAs collect long term fees through their local County Assessor's Office fee collection process.