FY 2022-2023 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 2022-2023 period and is based on (i) the CBGSA's draft budget and cash flow for Fiscal Year 2022-2023; and (ii) 2021 water consumption.

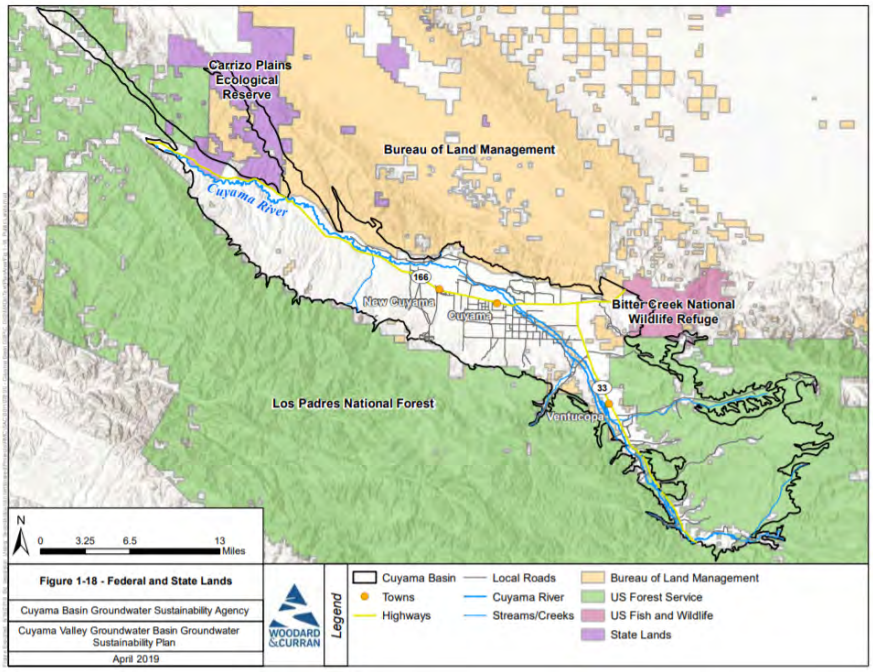
Section 4.1 – Definition of an "Extractor"

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 2022-2023 will be presented for consideration of adoption at the May 4, 2022 regular meeting of the CBGSA Board of Directors. The draft budget for Fiscal Year 2022-2023 totals $4.16 million. $4.05 million represents costs reimbursable by the recently awarded California Department of Water Resources Sustainable Groundwater Management Act Implementation Grant and $106,000 represents costs not reimbursable by the grant. The draft budget for Fiscal Year 2022-2023 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 $4.16 million.

Water consumption was based on user-reported data from 2021 and was 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. The 2021 water consumption estimate totals 28,000 acre-feet and is used as the basis for the reduction of this fee.

Fee Recommendation

Based on (1) the Fiscal Year 2022-2023 budget and cash flow, and (2) user-reported 2021 water use data, the CBGSA recommends a reduction of the basin-wide groundwater extraction fee to $38 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 2022 and will be based on the 2021 water use previously reported by Cuyama extractors. If payments are not received by the due date of June 30, 2022, a past due notice will be mailed in July 2022 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 4, 2022	Fiscal Year Budget Adopted and Public Hearing to Establish Fee
May 13, 2022	Invoices and Forms are Mailed Out
May-June 2022	Payment Collection Period
June 30, 2022	Payment Due Date
July 1, 2022	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, 2022 due date with an escalation rate of 1 percent for each month late after the initial due date.

Exhibit A

FISCAL YEAR 2022-2023 BUDGET AND CASH FLOW

DRAFT CBGSA FY 2022-23 BUDGET

	A	B	C	D	E	F
	Category	**3-Yr Grant Funded**	**Grant Budget**	**2022-23 Budget**	**2023-24 Budget**	**2024-25 Budget**
A	**HALLMARK GROUP**					
1	CBGSA Board of Directors Meetings	Y	$ 870,000	$ 111,397	$ 111,397	$ 111,397
2	Consultant Management and GSP Implementation	Y		$ 73,351	$ 73,351	$ 73,351
3	Financial Information Coordination	Y		$ 51,357	$ 51,357	$ 51,357
4	Cuyama Basin GSA Outreach	Y		$ 10,721	$ 10,721	$ 10,721
5	Annual Groundwater Extraction Fee	Y		$ 5,562	$ 5,562	$ 5,562
6	Support for CBGSA Response to DWR and Public Comments	Y		$ 18,217	$ 18,217	$ 18,217
7	Central Management Area Support	Y		$ 11,768	$ 11,768	$ 11,768
8	Adjudication Discussions	Y		$ 1,935	$ 1,935	$ 1,935
9	Other Direct Charges (Mileage, conference lines, copies)	Y		$ 5,694	$ 5,694	$ 5,694
	Subtotal		**$ 870,000**	$ 290,000	$ 290,000	$ 290,000
B	**LEGAL**					
1	General Legal Counsel	Y	$ 300,000	$ 100,000	$ 100,000	$ 100,000
	Subtotal		**$ 300,000**	$ 100,000	$ 100,000	$ 100,000
C	**ADMIN**					
1	Audit (FY 21-22)	N		$ 9,800	$ 9,800	$ 9,800
2	Insurance (D&O, General Liability)	N		$ 14,000	$ 14,000	$ 14,000
3	California Association of Mutual Water Co. Membership	N		$ 200	$ 200	$ 200
4	Contingency	N		$ 20,000	$ 20,000	$ 20,000
	Subtotal		**$ -**	$ 44,000	$ 44,000	$ 44,000
D	**WOODARD & CURRAN & TECHNICAL**					
1	Grant Proposals	N	$ -	$ 42,000	$ 42,000	$ 42,000
2	Stakeholder/Board Engagement					
3	SAC meetings	Y	$ 81,000	$ 27,000	$ 27,000	$ 27,000
4	Board meetings	Y	$ 120,000	$ 40,000	$ 40,000	$ 40,000
5	Board Ad-hoc calls	Y	$ 48,000	$ 16,000	$ 16,000	$ 16,000
6	Tech Forum calls (new item)	Y	$ 36,000	$ 10,000	$ 16,000	$ 10,000
7	Public Workshops	Y	$ 65,000	$ 16,000	$ 33,000	$ 16,000
8	Outreach					
9	General, Newsletter Development, etc.	Y	$ 45,000	$ 15,000	$ 15,000	$ 15,000
10	Website Updates - Maintenance / Hosting	Y	$ 20,000	$ 6,667	$ 6,667	$ 6,667
11	Support for DWR Technical Services (TSS)	N	$ -	$ 20,000	$ 20,000	$ 20,000
12	GSP Implementation Support					
13	GSP Implementation Program Management	Y	$ 170,000	$ 55,000	$ 60,000	$ 55,000
14	GW Levels and GWQ Monitoring Network Coordination and Data Mgn	Y	$ 60,000	$ 20,000	$ 20,000	$ 20,000
15	DMS Ongoing Maintenance and Enhancements	Y	$ 75,000	$ 25,000	$ 25,000	$ 25,000
16	Support for CBGSA Response to DWR and Public Comments / Modify	Y	$ 70,000	$ 40,000	$ -	$ -
17	Support for Adaptive Management of Groundwater Levels	Y	$ 180,000	$ 80,000	$ 50,000	$ 50,000
18	Prepare Annual Report for Cuyama Basin	Y	$ 135,000	$ 45,000	$ 45,000	$ 45,000
19	Meter Implementation - Ongoing Support	Y	$ 30,000	$ 10,000	$ 10,000	$ 10,000
20	Grant Admin (SGM Round 1)	Y	$ 300,000	$ 100,000	$ 100,000	$ 100,000
21	Perform Monitoring and Monitoring Network Enhancements					
22	Install Piezometers for GW-SW and GDE Monitoring	Y	$ 45,000	$ 45,000	$ -	$ -
23	Driller Cost	Y	$ 165,000	$ 165,000	$ -	$ -
24	Install Dedicated Monitoring Wells	Y	$ 415,000	$ 415,000		$ -
25	Driller Cost	Y	$ 2,000,000	$ 2,000,000		$ -
26	Improve Understanding of Basin Water Use					
27	Perform updated land use survey	Y	$ 30,000	$ 30,000	$ -	$ -
28	Perform river channel survey	Y	$ 45,000	$ 45,000	$ -	$ -
29	Enhance existing CIMIS station & implement new stations	Y	$ 80,000	$ 80,000	$ -	$ -
30	Project & Management Action Implementation					
31	CBWRM model update and re-calibration	Y	$ 200,000	$ -	$ 200,000	$ -
32	Incorporate AEM data into model update	Y	$ 90,000	$ -	$ 90,000	$ -
33	Pumping allocation implementation	Y	$ 200,000	$ 100,000	$ 50,000	$ 50,000
34	Analysis of management action implementation options	Y	$ 240,000	$ 96,000	$ 96,000	$ 48,000
35	Precipitation enhancement feasibility study	Y	$ 30,000	$ 30,000	$ -	$ -
36	Flood and Stormwater Capture - water rights analysis	Y	$ 55,000	$ -	$ 55,000	$ -
37	GSP Implementation, Outreach, and CBGSA Management					
38	Outreach - domestic well owners	Y	$ 15,000	$ 15,000	$ -	$ -
39	5-year GSP update	Y	$ 983,500	$ -	$ 688,450	$ 295,050

	Category	3-Yr Grant Funded	Grant Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget
	Subtotal		**$ 6,028,500**	**$ 3,588,667**	**$ 1,705,117**	**$ 890,717**
E	**OTHER TECHNICAL**					
1	Quarterly GW Levels and Piezometer Monitoring (Contractor TBD)	Y	$ 135,000	$ 45,000	$ 45,000	$ 45,000
2	Annual WQ Monitoring (Contractor TBD)	Y	$ 96,000	$ 32,000	$ 32,000	$ 32,000
3	Perform One-Time Nitrate and Arsenic Testing	Y	$ 5,500	$ 5,500		
4	Annual Stream Gauge Maintenance (USGS)	Y	$ 165,000	$ 55,000	$ 55,000	$ 55,000
	Subtotal		**$ 401,500**	$ 137,500	$ 132,000	$ 132,000
	Grant Funded			**$ 4,054,167**	$ 2,165,117	$ 1,350,717
	CBGSA Funded (non grant-elegible costs)			**$ 106,000**	$ 106,000	$ 106,000
	TOTAL		$ 7,600,000	**$ 4,160,167**	$ 2,271,117	$ 1,456,717

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PROJECTED FISCAL YEAR 2022-2023

Month	Beginning Cash	Hallmark Group	Legal	W&C & Technical	Other Technical Monitoring, etc.	Non Grant Reimb Exp Audit, Insurance, Contigency, Grant Proposal, TSS	Total Expenses	DWR SGM Grant	GW Extraction Fee	Total Revenues	Projected Ending Cash Balance
		Expenses						Revenues			
Dec 17-Jun 30 Reir	907,128						30,000		1,064,000	1,064,000	1,971,128
July-22	1,971,128	24,167	8,333	299,056	48,750	8,833	389,139			-	1,581,989
August-22	1,581,989	24,167	8,333	299,056		8,833	340,389			-	1,241,600
September-22	1,241,600	24,167	8,333	299,056	55,000	8,833	395,389			-	846,211
October-22	846,211	24,167	8,333	299,056	11,250	8,833	351,639	27,000		27,000	521,573
November-22	521,573	24,167	8,333	299,056		8,833	340,389			-	181,184
December-22	181,184	24,167	8,333	299,056		8,833	340,389			-	(159,205)
January-23	(159,205)	24,167	8,333	299,056	11,250	8,833	351,639	988,575		988,575	477,731
February-23	477,731	24,167	8,333	299,056		8,833	340,389			-	137,342
March-23	137,342	24,167	8,333	299,056		8,833	340,389			-	(203,047)
April-23	(203,047)	24,167	8,333	299,056	11,250	8,833	351,639	905,325		905,325	350,639
May-23	350,639	24,167	8,333	299,056		8,833	340,389			-	10,250
June-23	10,250	24,167	8,333	299,056		8,833	340,389			-	(330,139)
Total		**290,000**	**100,000**	**3,588,667**	**137,500**	**106,000**	**4,222,167**	**1,920,900**	**1,064,000**	**2,984,900**	

PROJECTED FISCAL YEAR 2023-2024											
July-23	(330,139)					8,833	189,260	905,325	140,000	1,045,325	525,927
August-23	525,927					8,833	189,260			-	336,667
September-23	336,667					8,833	189,260			-	147,407
October-23	147,407					8,833	189,260	905,325		905,325	863,473
November-23	863,473					8,833	189,260			-	674,213
December-23	674,213					8,833	189,260			-	484,953
January-24	484,953					8,833	189,260	487,151		487,151	782,845
February-24	782,845					8,833	189,260			-	593,585
March-24	593,585					8,833	189,260			-	404,325
April-24	404,325					8,833	189,260	487,151		487,151	702,217
May-24	702,217					8,833	189,260			-	512,957
June-24	512,957					8,833	189,260			-	323,697
						106,000	2,271,117				

Draft FY 22-23 Fee
$ 38

Draft FY 23-24 Fee
$ 5

PROJECTED FISCAL YEAR 2024-2025								
July-24	323,697	10,600	145,672	487,151	140,000	627,151	805,177	**Draft FY 24-25 Fee**
August-24	805,177	10,600	145,672			-	659,505	**$ 5**
September-24	659,505	10,600	145,672			-	513,834	
October-24	513,834	10,600	145,672	487,151		487,151	855,313	
November-24	855,313	10,600	145,672			-	709,641	
December-24	709,641	10,600	145,672			-	563,970	
January-25	563,970	10,600	145,672	364,694		364,694	782,992	
February-25	782,992	10,600	145,672			-	637,320	
March-25	637,320	10,600	145,672			-	491,648	
April-25	491,648	10,600	145,672	364,694		364,694	710,670	
May-25	710,670	8,833	95,833			-	614,837	
June-25	614,837	8,833	95,833	1,246,258		1,246,258	1,765,261	
		123,667	1,648,383					

PROJECTED FISCAL YEAR 2025-2026							
July-25	1,765,261	95,833		140,000	140,000	1,809,428	**Draft FY 25-26 Fee**
August-25	1,809,428	95,833			-	1,713,595	**$ 5**
September-25	1,713,595	95,833			-	1,617,761	
October-25	1,617,761	95,833			-	1,521,928	
November-25	1,521,928	95,833			-	1,426,095	
December-25	1,426,095	95,833			-	1,330,261	
January-26	1,330,261	95,833			-	1,234,428	
February-26	1,234,428	95,833			-	1,138,595	
March-26	1,138,595	95,833			-	1,042,761	
April-26	1,042,761	95,833			-	946,928	
May-26	946,928	95,833			-	851,095	
June-26	851,095	95,833			-	755,261	
		1,150,000					

Exhibit B

CROP FACTORS

Form I

IRRIGATOR

WATER USE ESTIMATE WORKSHEET – 2021

Cuyama Basin Groundwater Sustainability Agency

Name _____

Billing Address _____

Phone / Email _____

Instructions:

1. For 2021, 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.

	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		=	
				X		=	
				X		=	
2	Total Acre-feet (sum column E)						

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

[2]Cropping loca. on 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 – 2021

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 B) by the water consumption factor in column C and input result in column D.
    b. Total the gallons from column D and convert to acre-feet on row 13.

	A	B		C		D
	Type of Use	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 en. tled "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.