

North San Benito County Groundwater Sustainability Agency
Groundwater Management Fee (GMF)
Methodology
Fiscal Years 21-22 to 25-26

The Groundwater Management Fee (GMF) is intended to cover the cost of development of the Groundwater Sustainability Plan (GSP) and to fund the ongoing annual expense necessary to comply with the monitoring and reporting required in the Sustainable Groundwater Management Act of 2014. These are the costs associated with the groundwater sustainability program for the North San Benito Groundwater Basin (the “Basin”), including, but not limited to, preparation of the groundwater sustainability plan, investigations, inspections, compliance assistance, enforcement, and program administration.

The GMF is set for this initial period (fiscal years 21-22 to 25-26) to cover the actual and estimated costs to develop the initial plan and to fund the ongoing annual expenses for the 5-year period after plan adoption.

Expenses to Develop the Groundwater Sustainability Plan (GSP)

Work began on the GSP in 2017 and is expected to be completed in December 2021. At its completion, the plan development is estimated to have incurred \$2.7 million in expenses. The District successfully applied for and was awarded \$2.0 million in grant funding from the Department of Water Resources. In addition to the plan development, the grant included the installation of 12 monitoring wells to be used for basin-wide monitoring. The remaining \$657 thousand has to be funded locally and will be recovered over a 10 year period.

Ongoing Annual Expenses of the GSA

The GSA is required to provide an annual report to the Department of Water Resources. The ongoing costs associated with the updates include staff and consultant costs for monitoring, annual reporting and development of basin-wide measuring tools. This cost is estimated at approximately \$449 thousand annually and assumes a 3% escalator for subsequent years.

Revenue Required

The revenue required for each fiscal year is the sum of the development and ongoing annual expense. (ranging from \$526 thousand in 21-22 to \$582 thousand in 25-26). This annual amount is distributed equally over the acreage in the Basin excluding parcels in the upland areas where benefits of GSP development and groundwater management are insignificant. A per acre GMF is determined by dividing the annual expense by the qualifying acreage. The annual per acre rate ranges from \$5.77 to \$6.39 over the 5-year period.

GMF in Years After 2025-2026

The amount of the GMF will need to be reassessed at the end of the initial 5-year period. The current fee is intended only to recover the administrative portion of SGMA compliance and the unfunded plan development from the parcels benefitting significantly from the plan. If, as part of SGMA compliance, future projects are undertaken, the fee structure will need to be reevaluated.