Carpinteria

Groundwater Sustainability Agency

GSA Fee Study Update

Final Report / May 10, 2023

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CARPINTERIA GSA
GROUNDWATER SUSTAINABILITY AGENCY

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May 10, 2023

Mr. Robert McDonald
Executive Director
Carpinteria Groundwater Sustainability Agency
1301 Santa Ynez Ave
Carpinteria, CA 93013

Subject: GSA Fee Study Update Report

Dear Mr. McDonald,

Raftelis is pleased to provide this Groundwater Sustainability Agency (GSA) Fee Study Report (Study) to the Carpinteria Groundwater Sustainability Agency (Carp GSA or Agency) which updates groundwater basin fees that recover operating, administrative, and regulatory costs from properties that overlie the groundwater basin.

The primary objectives of the Study include the following:

- Update the multi-year financial plan for Carp GSA to project future costs
- Update the acreage overlying the groundwater basin subject to the GSA fee
- Derive fees that align with the requirements of Proposition 218
- Document the updated fees in a Study Report

Our report details the key assumptions, analyses, and proposed GSA fee for a one-year adoption by the Board of Directors. The report includes a brief Executive Summary followed by a description of the process undertaken during the Study.

It was a pleasure working with you and we wish to thank you for your and other staff members' support during the study.

Sincerely,

Kevin Kostiuk
Senior Manager

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1. Executive Summary

1.1. Sustainable Groundwater Management Act

The Sustainable Groundwater Management Act (SGMA), comprised of AB 1739, SB 168, and SB 1319, was enacted in September of 2014 to provide a framework for managing groundwater supplies in the State of California. The State identifies basins that are critically overdrafted, high-priority, and medium-priority as the focus of the legislation. These basins are required to achieve sustainability within 20 years from Groundwater Sustainability Plan (GSP) implementation. Critically overdrafted basins must reach sustainability by 2040, while high- and medium- priority basins have until 2042, or 20 years post-implementation for reprioritized basins. Carpinteria Groundwater Sustainability Agency (Agency) was reprioritized by the Department of Water Resources (DWR) as a high-priority basin and plans to begin GSP implementation in 2024. Figure 1-1 shows the SGMA timeline as well as the funding phases, pre- and post-GSP implementation. The proposed fees found in this report address what we refer to as "Phase 1" funding requirements. "Phase 2", or GSP Implementation may require funding above and beyond Phase 1 depending on the results of the GSP.

Figure 1-1: SGMA Timeline

1.2. Background of the Study

In 2023, Raftelis was contracted to update the GSA fee for Phase 1 funding requirements. Phase 1 includes the regulatorily required GSP development as well as agency operations, administration, professional services, and establishment of a prudent cash reserve, which all support the GSP. Developing and implementing a GSP is a significant and costly multi-year effort. Carp GSA was awarded a grant of $1.9 M to develop the GSP. The fee proposal in this Study therefore does not include direct GSP development costs.

The Agency was founded as a Joint Powers Authority (JPA) between the City of Carpinteria, Carpinteria Valley Water District (CVWD), the County of Santa Barbara, and the County of Ventura in 2020. To date, the Agency has been staffed and managed by CVWD staff. And, until 2022, Carp GSA was funded through loans from CVWD. Sharing of staff and resources will continue with additional staff and resources added as necessary. Carp GSA will be responsible for their share of staff time, any new dedicated staff, and for the reimbursement of CVWD costs loaned to date for Carp GSA activities. While there is a great degree of shared staff, resources, and facilities, Carp GSA is an independent entity, with a distinct management/service area, which requires a dedicated funding source for the financial independence and financial sustainability of the Agency.

1.3. Objectives of the Study

The Agency's mission is to ensure a reliable and sustainable groundwater supply for the community through effective basin management pursuant to SGMA. The primary objectives of the fee study update include the following:

- Update the multi-year financial plan for Carp GSA to project future costs
- Update the acreage overlying the groundwater basin subject to the GSA fee
- Derive fees that align with the requirements of Proposition 218
- Document the updated fees in a Study Report

This study derives a GSA fee to fund the mandate of SGMA, achieve Carp GSA objectives, and sustainably fund the Agency's ongoing operations and administration.

1.4. Context and Benefits of Sustainably Managed Groundwater

Sustainably managed groundwater basins reduce the risk of undesirable results such as overdraft. Overdraft can have many long-term negative effects including well failure, water quality deterioration, land subsidence, aquifer capacity depletion, and seawater intrusion, among other environmental harms. Managing groundwater basins in a sustainable manner not only avoids these negative outcomes but can also protect in-basin property values and community characteristics.

Implementation of the GSP will provide a roadmap to sustainably manage the Basin's groundwater resources. Sustainably managed groundwater is beneficial for a variety of reasons including maintaining surface water flows, providing water for agricultural operations, and providing water for municipal users and private domestic pumpers. Groundwater serves both private users and a share of water supply for municipal water uses served by CVWD. In addition to normal pumping, local groundwater represents an important supplemental and backstop source of supply for CVWD in dry years to serve its agricultural and municipal customer base, most of which overlie the Carp GSA boundaries and receive direct or indirect benefits from both entities. Managing groundwater conditions is critical in maintaining the local community and economy.

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 results." Undesirable results are defined as any of the following:

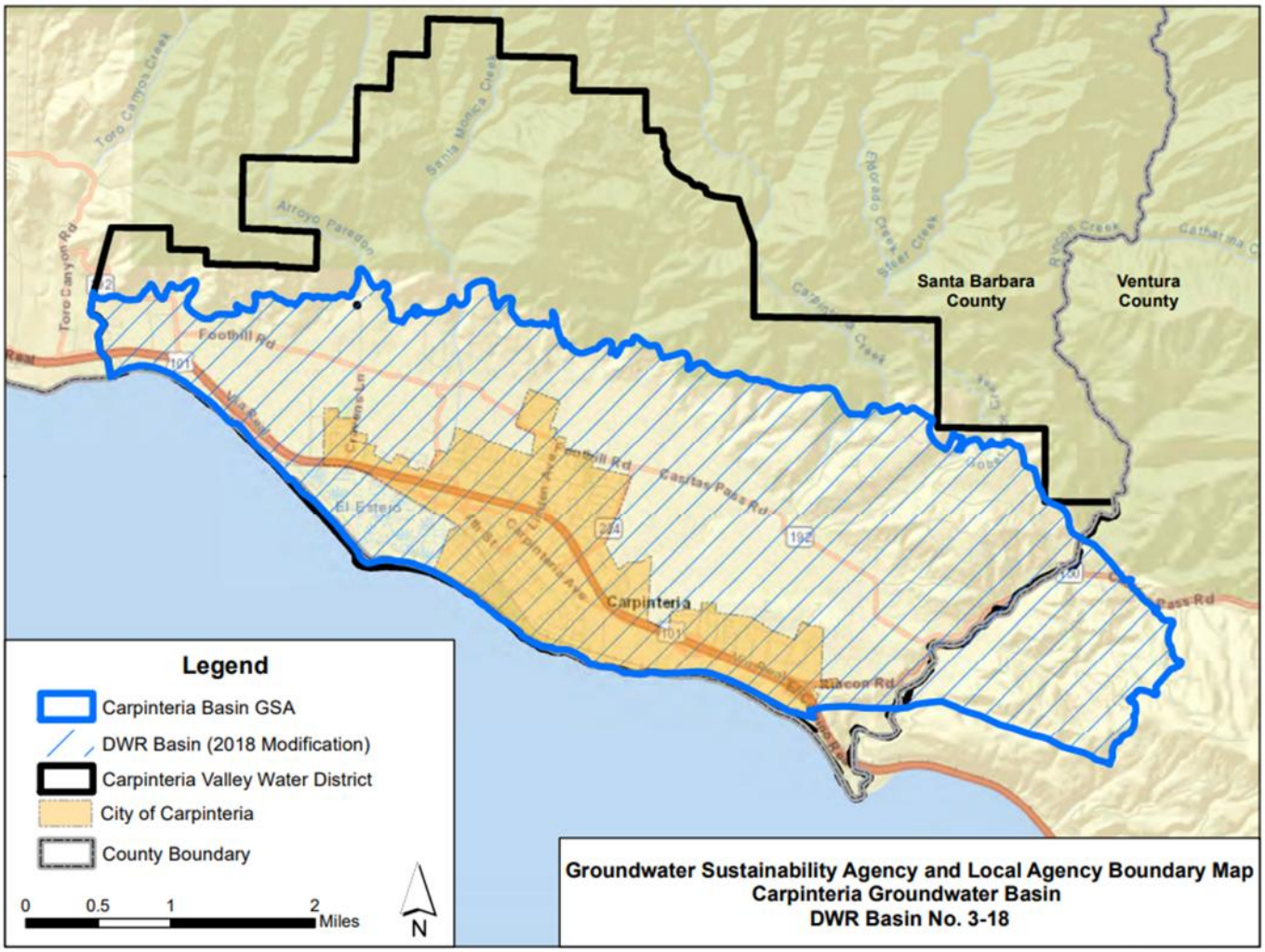
- Chronic lowering of Groundwater levels
- Significant and unreasonable reduction in Groundwater Storage
- Significant and unreasonable degradation of water quality
- Land subsidence due to collapsing of aquifer pore space
- Surface water depletions that have significant and unreasonable impacts on beneficial uses
- Seawater Intrusion

Several of these undesirable results are of concern in the Carpinteria Groundwater Basin.

1.5. Basin Characteristics[1]

The Carpinteria Groundwater Basin is designated as Basin Number 3-018 by the State of California DWR. The basin is located mostly in southeastern Santa Barbara County and partially in Ventura County and borders the Montecito Groundwater Basin on its eastern edge, the Santa Ynez Mountains to the north, and the Pacific Ocean to the south. A map of the Basin is provided in Figure 1-2. As of 2010, the Basin's population was estimated at 14,854. DWR estimates that up to 69 percent of the Basin's total water supply is met by groundwater. The remainder is met from conveyed local surface water and imported water served by CVWD. The total groundwater pumped from the basin in 2020 was estimated at 4,835 acre-feet (AF). Of the 4,835 AF, 3,952 AF was estimated as private pumpage and 883 AF, or 18.3 percent, was pumped from CVWD groundwater production wells. However, the average percent pumped by CVWD since 2016 is closer to 29 percent of the basin total. The accuracy of the count of private wells is a known deficiency and will be a component of the GSP in development. Groundwater is heavily relied upon for agricultural uses. Available data suggests that groundwater levels are low as a result of the recent multi-year drought across the region and the state.

Figure 1-2: Carpinteria Groundwater Basin



[1] https://gis.water.ca.gov/app/bp-dashboard/final/

1.6. Fee-Setting Legal Mechanism

A critical component of the Study is evaluating funding mechanisms to determine the most appropriate. Agency staff and Raftelis discussed the benefits, challenges, policy considerations, legal considerations, and procedural requirements associated with each funding approach. The Board of Directors (Board) of Carp GSA opted to pursue a fee subject to the requirements of Proposition 218. A summary of Raftelis' understanding of fees subject to Proposition 218 is summarized in Section 2.

1.7. Proposed Fee

Several funding methods are available to Carp GSA for consideration. Ultimately, the selected structure is a fee based on the total acreage of a parcel overlying the basin. Parcel acreage is derived with County of Santa Barbara and County of Ventura assessor Geographic Information System (GIS) data and the Carpinteria basin boundaries. The selected fee calculations are described in detail in Section 6. Table 1-1 shows the proposed fee per acre overlying the Basin for fiscal year (FY) 2024[2]. The calculated fee per acre is rounded up to the nearest dollar. An individual parcel's charge will be based on their total acreage, or fraction thereof. The fee is proposed for a one-year adoption period for fiscal year FY 2024.

Table 1-1: GSA Fee per Acre per Year (FY 2024)

Proposed Fee	FY 2024
Fee per Acre per Year	$68.00

[2] Each fiscal year begins July 1 and ends June 30 of the following calendar year. For example, FY 2024 is July 1, 2023 through June 30, 2024.

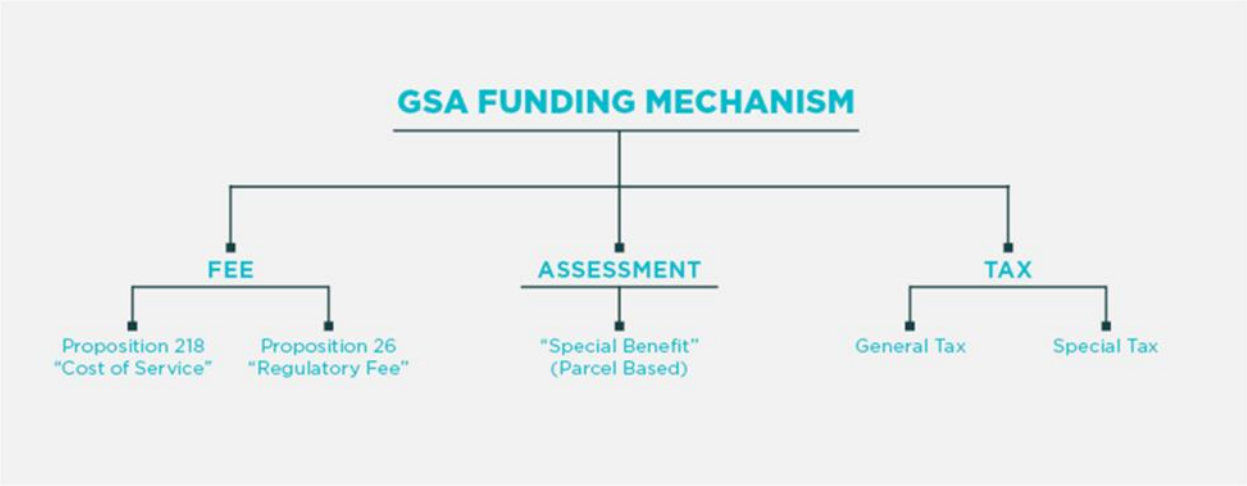
2. SGMA Fee-setting and California's Legal Framework

2.1. Funding Methods

A critical component of the Study is determining which funding mechanism to use and the legal requirements that govern the selected funding mechanism. Carp GSA staff, the Board of Directors, legal counsel, and Raftelis discussed the substantive requirements, procedural requirements, and policy considerations associated with several funding approaches[3].

Due to limitations imposed through Propositions 13, 218, and 26, there are nuanced distinctions between what constitutes a fee versus a tax. Taxes and assessments require voter approval. Proposition 218 fees for service are subject to mandatory individual noticing and majority protest. Regulatory fees identified as an exemption from taxes under Proposition 26 can be passed by the vote of the governing body of an agency levying the charge. Figure 2-1 summarizes the various funding mechanisms that may be available to a GSA.

Figure 2-1: GSA Funding Options



2.2. Selected Funding Mechanism – Proposition 218 Fee for Service

Proposition 218, passed by the voters in 1996, governs property-related fees including water, wastewater, and solid waste service. The measure created an amendment to the California Constitution (Article XIII D, Section 6). It was enacted to ensure, in part, that fees and charges imposed for ongoing delivery of a service to a property are proportional to, and do not exceed, the cost of providing service. Proposition 218 defines property-related fees for

[3] Raftelis is not a law firm.

service and the criteria for meeting the requirements of Proposition 218. The principal requirements, as they relate to property related fees and charges are as follows:

- Revenues derived from the fee or charge shall not exceed the costs required to provide the property-related service.
- Revenues derived by the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- The amount of the fee or charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
- No fee or charge may be imposed for a service unless that service is actually used or immediately available to the owner of property.
- A written notice of the proposed fee or charge shall be mailed to the record owner of each parcel not less than 45 days prior to a public hearing, when the agency considers all written protests against the charge.

The following is a summary of how the proposed fees meet the principal requirements of proposition 218 as listed above. Revenue needs are based upon a published and adopted budget that identifies the costs to operate the Carp GSA for FY 2024. The proposed fees are calculated based on budgetary totals including itemized categories of expense. The Carp GSA Budget for FY 2024 can be found on the Carp GSA website at www.carpgsa.org. The service provided by the operation of the Carp GSA, supported by the previously adopted operating budget, is the sustainable management of the Carpinteria Groundwater Basin ("Basin") in accordance with the requirements of SGMA so that the groundwater resources of the Basin will be available for beneficial use for the present and in the future. The groundwater management service funded by the GSA Fee, provides the benefit to all properties that overly the Basin, facilitating access to quality groundwater supplies now and into the future. Affected property owners received a notice indicating that the Carp GSA intended to adopt the new proposed GSA Fee, and the notice was mailed to affected property owners on May 10, 2023. The public hearing, protest count (if any), and proposed adoption of the fee is scheduled to occur on June 28th, 2023 at Carp GSA headquarters located at 1301 Santa Ynez Ave Carpinteria, CA 93013.

Procedurally, property related fees subject to Proposition 218 require that notice be provided to all affected properties with each property allowed to protest the proposed rates. Absent a majority protest, rates may be adopted by the governing body at a public hearing at least 45 days after providing notice to affected properties. SGMA explicitly states that fees imposed based on the extraction of groundwater "shall be adopted in accordance with subdivisions (a) and (b) of Section 6 of Article XIII D of the California Constitution" [commonly referred to as Proposition 218][4].

As a parcel based fee calculated on the basis of acres within the Basin, the Agency has opted to pursue a fee for service subject to the substantive and procedural requirements of Proposition 218. Proposition 218 requires that property related fees be directly derived from the cost required to provide the service by the agency, and that the revenues derived from the fee not be used for any purpose other than that for which the fee is imposed. Analysis of these first two Proposition 218 requirements follows in Sections 3-6 of this Fee Study Update, which detail the anticipated FY 2024 budget of Carp GSA and the fees necessary to cover that budget, then provides a breakdown of allocating the fees per acre. As supported by the following analysis, the anticipated revenues will not exceed the costs required to provide the Carp GSA services, nor will the fee be used for any purpose other than that for which the fee is imposed – generating revenues sufficient to cover the operations detailed in the approved FY 2024 Carp GSA budget.

[4] Water Code 10730.2(c)

Nor will the amount of the fee imposed on a parcel exceed the proportional cost of service attributable to that parcel. The amount charged to each payor for the GSA Fee is based on the theory that everyone equally benefits from the groundwater sustainability plan and operation of the GSA to achieve sustainable groundwater management, regardless of how much groundwater a landowner may currently extract since each landowner overlying the Basin has the present ability to pump groundwater from the shared resource of the Basin. By spreading the GSA Fee more widely, the burden of these costs will be relatively low to each payor while ensuring that the benefits of both current and future groundwater use are considered. As a result, each parcel will receive the benefit of a sustainable basin by contributing to the costs of administration of the Carp GSA in direct proportion to the benefit received; in other words, those payers who own large parcels of land will pay more than those who own smaller parcels, reflecting the current and future ability of those payers to extract and use[5] more sustainably managed groundwater, whether they currently do so or not.

Further, the proposed fee is imposed for a service that is actually used or immediately available to the property owner. As previously mentioned, the approach selected by Carp GSA acknowledges that sustainable management of the Carpinteria Groundwater Basin and availability of local groundwater as a water resource benefits all property owners in the community. Some parcels overlying the Basin directly benefit from pumping, while others receive direct and indirect benefits from groundwater availability as a source for CVWD as well as the future ability of all overlying property owners to potentially extract water from a sustainable basin. For example, groundwater availability offsets the need to obtain water from other more expensive, and less reliable, water sources. Still others have both CVWD service and private wells to draw upon. Many of the parcels that overlie the basin receive water exclusively from CVWD which pumps groundwater on the parcel's behalf and serves that water as a blended supply with other sources. Ultimately, all properties benefit from the management of the Basin by the Carp GSA. Therefore the amount charged to each payer is proportional, on an acreage basis, to the anticipated benefit received through the Agency's management as properties not currently using groundwater today nevertheless have access to that supply now (and in the future) as a result of the management authorized and funded via the GSA Fee.

[5] This premise is based upon the assumption that large parcels of land will generally require the use of more groundwater than small parcels.

3. Fee Structure Evaluation

3.1. Fee Structure Options

A key component in support of the selected approach is the validity of groundwater data required to levy a fee based on groundwater extraction. The number and location of all wells, estimates of groundwater extraction by meter or satellite measurement, irrigated area, and any deliveries from CVWD must be accounted for to levy charges fairly. While Agency staff has made significant progress in reconciling and validating data, more time is required to ensure that a fee based on this data is accurate.

All approaches that were considered relied on the assumption that reasonable estimates could be made, and in fact, that estimates must be made, to proceed with any proposed funding mechanism during this Phase I period. Better data will be available in the coming years, and after the GSP has been prepared and adopted, because of those efforts. Consequently, the selected method of estimation uses data that is currently available and applied in a reasonable way, while recognizing that all data is subject to further refinement and that Carp GSA will encourage additional data that may help improve the data.

Several fee options considered for evaluation by the Agency are briefly discussed below. A subsequent table shows the six options and their relative strength on four scores: Administration, equity, financial stability, and affordability.

3.1.1. ALL PARCELS - FLAT CHARGE REGARDLESS OF SIZE

Advantages: Parcel-based approaches are generally simple to understand and to administer. There are few data requirements as the data necessary is simple and readily available.
Disadvantages: Generally inequitable. No relation to groundwater extraction or parcel size.
Data requirements: County Assessor's parcel data.
Other/Policy Requirements: None identified.

3.1.2. ALL NON-DE MINIMIS PARCELS - FLAT CHARGE

Advantages: Generally simple to understand and to administer. There are few data requirements, but it requires a good data set of parcel owners and non-de minimis classifications.
Disadvantages: Inequitable among non-de minimis users. No relation to groundwater extraction or parcel size.
Data requirements: County Assessor's parcel database including non-de minimis classifications.
Other/Policy requirements: None identified.

3.1.3. PER PARCEL FEE – GSA FEE ASSESSED BASED UPON TOTAL ACREAGE

Advantages: Simple to understand and to administer. Minimal data requirements. Data is readily available from the County Assessor and in GIS. Acts as a proxy for the benefit of sustainably managed groundwater available to each parcel in the sense that it promotes sustainability to allow for current and future pumping by parcel owners, with large parcels, which have greater potential demand for sustainable groundwater supplies, being assessed more than small parcels (which have less potential demand) on a per acre basis.
Disadvantages: Not tied to current groundwater extraction.
Data requirements: County Assessor's parcel database.
Other/Policy requirements: None identified.

3.1.4. PER PARCEL FEE – IRRIGATED ACREAGE

Advantages: Absent another source of supply, irrigated usage is directly tied to groundwater extraction. More equitable than parcel or acreage. Proxy for the benefit of sustainably managed groundwater.
Disadvantages: Data intensive as GSA would have to identify irrigated acreage for each parcel. Requires regular updates. May be prone to challenges and manual surveys for confirmation. Requires landcover/crop type being irrigated, and also would not capture the benefit of available sustainable groundwater supplies to non-irrigators.
Data requirements: Accurate geospatial land cover data and independent estimation. Accounting for other water deliveries to the parcel.
Other/Policy requirements: Land cover update interval and appeals process.

3.1.5. FEE ON ESTIMATED GROSS GROUNDWATER EXTRACTION

Advantages: Potential for greater equity with fee based on estimated actual extraction. Easy to understand. Easy to administer provided wells are known and a metering plan and/or satellite estimation is adopted.
Disadvantages: May require flow meter installation to successfully implement, and such meters are not currently installed. If not installed, more time, effort, and cost than other options (i.e. Parcel or acreage options) if remote/indirect data based. More difficult to administer. More opportunities for users to request audit of estimates.
Data requirements: Validated metered data or sophisticated water use estimation data relying on area and crop cover among other inputs.
Other/Policy requirements: Requires adoption of metering plan or access to data allowing accurate estimated pumping with consideration for well service area, crop type, and geographical location.

3.1.6. FEE ON ESTIMATED NET GROUNDWATER EXTRACTION

Advantages: Greatest equity with fee based on actual extraction and accounts for permeability allowing for groundwater recharge. Promotes fairness and encourages adapting land to improve basin sustainability.
Disadvantages: Requires flow meter installation to successfully implement. If not, more time, effort, and cost than other options (i.e. Parcel or acreage options) if remote data based. More difficult to administer and understand. More opportunities for users to request audit of estimates.

Data requirements: Validated meter readings or sophisticated water use estimation data relying on modeling consumptive use.
Other/Policy requirements: Requires adoption of metering plan to access data allowing accurate estimated pumping with consideration for well service area, crop type, geographical location, and recharge estimates.

Figure 3-1: Fee Structure Options

Policy Objective	All Parcels	Non-de minimis Parcels	Total Acreage	Irrigated Acreage	Est. Gross Pumping	Est. Net Pumping
Administration	★★★★	★★★★	★★★★	★★★	★	★
Equity	★	★	★★★	★★★★	★★★★	★★★★
Financial Stability	★★★★	★★★★	★★★★	★★★	★★	★★
Affordability	★★	★	★★★	★★★		

3.2. Selected Approach

The Carp GSA has decided to develop a fee based on the total acreage of a parcel (option 3.1.3). The parcel count options (all parcels and non-de minimis parcels) does not provide equity across Basin property owners and may impact affordability of groundwater management. Conversely, while very equitable relative to other options, the pumping options (estimated gross pumping and estimated net pumping) were eliminated from consideration based on data limitations and the difficulty in administering such a fee at this time. The total acreage option was selected over the irrigated acreage option as it provides similar levels of equity, financial stability, and affordability, while reducing the administrative burden on the Carp GSA associated with determining how much irrigation is occurring on each parcel. An irrigated acreage approach not only requires additional data collection and data assumptions up front but requires regular updates to account for changes in land cover.

A fee based on the size of the parcel equitably recovers the costs of Carp GSA, ensuring that the benefit received from sustainable management of the Basin is proportional to the fees paid. As mentioned in the prior section, each parcel that overlies the basin benefits from sustainably managed groundwater. Some parcels overlying the Basin directly benefit from current pumping, while others receive direct and indirect benefits from groundwater as a source for CVWD and as a future source for the parcel owners. For example, groundwater availability offsets the need to obtain water from other less reliable and more expensive sources. Still others have both CVWD service and private wells to draw upon. Moreover, a parcel that currently receives only CVWD water may choose to permit a well on their property in the future to augment their property's water requirements. Carp GSA's management through the GSP ensures there is future availability of groundwater if and when a parcel chooses to directly extract groundwater.

A parcel's water use has the potential to increase based upon total acreage even if groundwater is not currently being extracted on the parcel, and therefore since the service supported by the GSA Fee is a sustainable groundwater supply made available through the operation of the GSA and the implementation of a GSP, it is logical that larger parcels have the potential to utilize greater services funded by the GSA Fee than smaller parcels. Use may change over time from switching crops, development occurring, or other land cover changes taking place. These examples are valid for the spectrum of property types overlying the basin which include small and large single family residential properties, commercial agricultural parcels, and mixed use properties, among others. Based on the various spatial and temporal benefits, across land types overlying the basin, a fee based on the total acreage of the parcel, regardless of how much groundwater may be currently extracted is a reasonable approach and a cost-justified way of recovering costs, relative to the proportional benefit received.

4. Required Revenue and Three-Year Financial Plan

The overall purpose of the financial plan is to determine annual revenues required to provide adequate cash flow for GSA operations and administration, reimbursement of existing loans from CVWD, and to maintain adequate cash reserves. The following subsections include estimates and projections of annual expenses. Revenues and expenses are projected over the five-year planning period from FY 2023-24 through FY 2025-26. The GSA fee proposal is for a one-year adoption period to align with the next phase, GSP implementation.

4.1. Operating Expenses

Raftelis worked with Carp GSA staff to create a multi-year financial plan for the Agency. The first step in determining the GSA fee is determining how much revenue the Agency will require to recover its costs. The three-year forecasted budget for the GSA is shown in Table 4-1. Costs rely on best available estimates of salaries and benefits of, estimated hours and effort from outside professional services firms, and inflationary assumptions, among other factors.

In addition to the estimated operating expenses and contingency, Carp GSA must establish a cash reserve. Water Code Sections 10730(a) and 10730.2(a)(1) explicitly authorize a prudent cash reserve. Reasonable and achievable reserves are a financial tool to aid in cash flow timing and unforeseen expenditures. Generally, a reserve for operations targets a specific percentage of annual operating costs or days of cash on hand. The reserve target is influenced by several factors including the frequency of billing and the recurrence of expenses. The GSA fees will be submitted for collection by the County of Santa Barbara and the County of Ventura with the GSA receiving revenues only twice per year in December and April. Debt service relates to the repayment of funds loaned by CVWD prior to the first year of fee implementation (FY 2023).

Table 4-1: Carpinteria GSA Three-Year Expense Projection

Expenses	FY 2024	FY 2025	FY 2026
	Budgeted	*Budgeted*	*Budgeted*
Personnel	$122,887	$130,891	$136,985
Directors Fees	$12,600	$12,978	$13,367
Administrative Expenses	$3,000	$3,090	$3,183
Annual Reporting	$50,000	$51,500	$53,045
Groundwater Prof. Services	$10,000	$10,300	$10,609
Admin. Prof. Services	$62,000	$63,860	$65,776
Legal Professional Services	$21,125	$21,759	$22,412
Supplies & Equipment	$3,600	$3,708	$3,819
Water Quality & Testing	$20,000	$20,600	$21,218
Interest Expense	$30,500	$7,700	$3,450
Reserves	$50,000	$50,000	$50,000
Debt Service	$79,288	$102,564	$109,455
Total Expenses	**$465,000**	**$478,950**	**$493,319**

5. Carpinteria Groundwater Basin Acreage

Section 3.2 discussed the selected fee approach of total parcel acreage. This section describes the acreage overlying the Carpinteria Groundwater Basin, the acreage subject to the parcel fee, and an analysis of acreage by common land use classifications.

5.1. Fee Acreage

To determine the parcel acreage subject to the GSA fee, Raftelis and Agency staff analyzed the results from a Geographic Information Systems (GIS) dataset provided by Carp GSA staff. This analysis employed parcel data from the County of Santa Barbara Assessor, the County of Ventura Assessor, and the boundaries of the Carpinteria Groundwater Basin as defined by DWR. Acreage for parcels that fell partially inside, and partially outside, the Basin boundary include only the area within the boundary. Any acreage falling outside the Basin boundary is not subject to the GSA fee. For parcels wholly inside the Basin, the entire parcel area is subject to the fee.

Multi-Family, Multi-Unit, and Mobile Home parcel areas can depend on shared common area parcels within a specific development. Where a parcel has a full assessor's parcel number (APN) and owner of record, the acreage listed is used to calculate the fee. This is true for most parcels within the basin, particularly single family residential (SFR), Agricultural, and commercial classifications. When a parcel has a full APN number and is an HOA or mobile home park with a single owner of record, the acreage is used to calculate the fee. The HOA or mobile home park property owner will be responsible for the GSA charges for their parcel and will decide how/if to collect from those that live and benefit from the property. When a parcel has a group APN number, the acreage of the common area parcel(s) is divided equally between the APN with a dwelling unit. The ground-level acreage of any multi-story, multiple-unit properties is divided evenly by the APNs with dwelling units, with any common area parcel apportionment added to that acreage.

Some parcels are excluded from the fee calculation entirely. These include any parcels that are not and cannot reasonably be developed in the future. Examples include rights of way and conservation easements, among others. Federal and any tribal land are also excluded from the fee calculation as these lands are generally exempt from SGMA. The total excluded acreage is estimated to be 325 acres but could be greater if landowners demonstrate eligibility for an exemption approved by the Carp GSA Board.

Based on the basin boundaries, analysis of parcel data, and modifications based on the approach above, the net acreage subject to the GSA fee is 7,091 acres. Reducing the gross acreage by the exempt property yields the net acreage subject to the GSA fee (7,091 acres) which is shown in Table 5-1.

Table 5-1: Fee Acreage Summary

	Acreage
Gross Acreage Intersecting the Basin Boundary	8,836
(Less Parcel Acreage Outside the Basin Boundary)	*(1,420)*
Net Acreage within the Basin Boundary	7,416
(Less Exempted/Omitted Acreage)	*(325)*
Net Acreage subject to GSA Fees	**7,091**

Within the parcel database, Raftelis consolidated the numerous county land use codes into fewer, more common categories to describe the data. County land use designations are summarized in the following categories:

- SFR: Single Family Residential parcels
- MFR: Apartments, condos, mobile homes, and any other non-SFR residential category
- Agriculture: orchards, avocados, vines, and nurseries, among others
- Commercial: restaurants, retail, office buildings, etc.
- Industrial: petroleum refineries, warehouses, etc.
- Vacant: vacant land
- Miscellaneous: highways and streets, parking lots, etc.
- None: lacking use code or owner name in database but confirmed to be real property

Table 5-2 shows the parcel statistics for each customer class ranging from very small to the maximum parcel size.

Table 5-2: Parcel Statistics in Acres by Customer Class

Parcel Size (Acres)	SFR	MFR	Agriculture	Commercial	Industrial	Institutional	Vacant	Miscellaneous
Very Small	0.12	0.02	1.01	0.09	0.09	0.05	0.05	0.06
Small	0.15	0.04	4.00	0.14	0.42	0.19	0.13	0.19
Median	0.18	0.06	7.75	0.35	1.52	0.68	0.30	0.72
Large	0.25	0.07	14.11	1.15	7.75	2.21	1.10	2.58
Very Large	1.00	0.16	25.19	3.29	11.22	6.22	3.75	8.86
Max	33.55	22.62	136.54	122.70	21.89	37.64	113.26	17.65
Average	0.51	0.14	11.74	1.84	4.24	2.77	2.11	2.45

6. Fee Calculation & Impacts

6.1. Fee Calculation

To develop the fee per acre, the revenue required from GSA fees in Table 4-1 is divided by the net acreage overlying the Basin from Table 5-1. The fee per acre is rounded up to the nearest whole dollar. The fee per acre is the same rate for all parcels, regardless of land use. The resulting fee per acre per year for all properties are shown in Table 6-1. Individual charges are determined by multiplying the acreage, or fraction thereof, of a given parcel overlying the Basin by the fee per acre. Because there are some unresolved parcels, and because additional appeals seeking exemption are anticipated to be requested and granted in FY 2024, there is a current need for an operating reserve to prevent future budget shortfalls,[6] Accordingly, Carp GSA staff recommends setting the fee at $68.00. The proposed adoption period is one year (FY 2024) and the fee will be revisited and updated next fiscal year.

Table 6-1: Proposed Five-Year GSA Fee Schedule

Fee Calculation	FY 2024
Revenue Requirement	$465,000
Total Acres	7,091
Calculated Fee (rounded)	$66.00
Fee per Acre per Year	**$68.00**

6.2. Fee Impacts

Table 6-2 shows the proposed fee per acre per year and includes two additional impact points: fee per acre per installment representing the two equal tax bill payments during the year; and fee per acre per month which is a familiar measurement for properties served by CVWD. Table 6-3 shows sample charges for each customer class using the parcel statistics shown in Table 5-2. For example, the median size SFR parcel (0.18 acres) would pay an annual fee of $12.24 and the median size Agricultural parcel (7.75 acres) would pay an annual fee of $527.

Table 6-2: Fee per Acre Per Year Calculation

Proposed Fee Schedule	FY 2024
Fee per Acre per Year	$68.00
Fee per Acre per Installment	$34.00
Fee per Acre per Month	$5.67

[6] The operating reserve is facilitated by the proposed charge of $68 rather than $66 an acre and is anticipated to ensure sufficient operating revenue where exemptions are granted in excess of 325 acres.

Table 6-3: Sample Charges by Customer Class

Parcel Size (Acres)	SFR	MFR	Agriculture	Commercial	Industrial	Institutional	Vacant	Miscellaneous
Very Small	$8.24	$1.62	$68.95	$6.02	$6.31	$3.24	$3.40	$4.08
Small	$10.20	$3.00	$272.00	$9.52	$28.22	$13.08	$8.84	$13.16
Median	$12.24	$3.91	$527.00	$23.80	$103.08	$46.35	$20.48	$49.02
Large	$17.00	$5.00	$959.48	$78.20	$527.26	$149.96	$74.99	$175.10
Very Large	$68.00	$10.57	$1,712.78	$223.79	$763.16	$423.14	$254.66	$602.75
Max	$2,281.40	$1,538.26	$9,284.72	$8,343.60	$1,488.52	$2,559.52	$7,701.68	$1,200.20
Average	$34.83	$9.81	$798.23	$125.26	$288.24	$188.15	$143.82	$166.80