

**BEFORE THE BOARD OF DIRECTORS OF  
THE SANTA YNEZ RIVER VALLEY GROUNDWATER BASIN CENTRAL  
MANAGEMENT AREA GROUNDWATER SUSTAINABILITY AGENCY**

**IN THE MATTER OF: RESOLUTION NO. 2025-02**

**DECLARING THE RESULTS OF A PROPOSITION 218 MAJORITY PROTEST  
PROCESS AND ADOPTING THE GROUNDWATER MANAGEMENT FEE**

WHEREAS, the Sustainable Groundwater Management Act of 2014 (“SGMA”), including but not limited to Water Code section 10720 et seq., requires Groundwater Sustainability Agencies (“GSAs”) to manage medium and high priority groundwater basins throughout the state through the adoption and implementation of Groundwater Sustainability Plans (“GSPs”);

WHEREAS, in 2016, local public agencies eligible to form a GSA or GSAs in the Basin determined that a separate GSA would be formed for three separate Management Areas within the Santa Ynez River Valley Groundwater Basin (“Basin”);

WHEREAS, the City of Buellton (“Buellton”), Santa Ynez River Water Conservation District (“SYRWCD”), and the Santa Barbara County Water Agency (“Santa Barbara”), also each referred to individually as “Member” and collectively as “Members,” as permitted by SGMA and pursuant to the Joint Exercise of Power Act, formed the Santa Ynez River Valley Basin Central Management Area Groundwater Sustainability Agency (“CMA GSA”);

WHEREAS, California Department of Water Resources (“DWR”) recognizes the CMA GSA as the exclusive GSA for the Central Management Area of the Santa Ynez River Valley Groundwater Basin (“CMA”) for purposes of compliance with SGMA;

WHEREAS, the CMA GSA adopted a GSP on January 5, 2022, which was subsequently found to be in compliance with SGMA by DWR;

WHEREAS, implementation of the CMA GSA GSP is necessary to comply with SGMA and to sustainably manage the CMA;

WHEREAS, the implementation of the CMA GSA’s GSP benefits all water users within its boundaries but, without funding, said implementation cannot be achieved;

WHEREAS, Water Code section 10730 authorizes the CMA GSA to “impose fees, including but not limited to, ...fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, including but limited to, preparation, adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve”;

WHEREAS, Water Code section 10730.2 authorizes the CMA GSA to “impose fees on the extraction of groundwater from the basin to fund costs of groundwater management, including, but not limited to, the costs of the following: administration, operation, and maintenance, including a prudent reserve. ... [and] ... other activities necessary or convenient to implement a plan”;

WHEREAS, the CMA GSA proposes a Sustainable Groundwater Management Fee with two components: a charge per acre-foot of groundwater extraction (“Extraction Charge”) and a separate per-acre charge (“Acreage Charge”), sometimes collectively referred to herein as the “Charges,” to be imposed, respectively, on the extraction of groundwater and the parcels within

the CMA to fund the CMA GSA’s costs of groundwater management;

WHEREAS, the CMA GSA’s staff and consultants have prepared a “Central Management Area Sustainable Groundwater Management Fee Study” dated April 21, 2025 (“Fee Study”) analyzing the appropriate rate for the Charges for 2025 and an appropriate schedule of increases for five years;

WHEREAS, on April 22, 2025, the CMA GSA passed Resolution 2025-01 to initiate a process to approve this two-component Fee as a “property-related fee” within the meaning of Article 13D, Section 6 of the California Constitution (“Prop 218”) and Water Code sections 10730 and 10730.2, including a majority protest hearing under Prop 218 to be held on June 23, 2025 (“Hearing”);

WHEREAS, notice of the proposed implementation of the Groundwater Management Fee was provided by mail pursuant to Prop 218 and Government Code section 53755;

WHEREAS, notice of the proposed implementation of the Groundwater Management Fee was published pursuant to California Water Code section 10730 and Government Code section 6066;

WHEREAS, notice of the proposed implementation of the Groundwater Management Fee and the Rate Study providing the basis of the fee was published and noticed pursuant to California Government Code section 53759.1, subdivision (c);

WHEREAS, the public Hearing was held on June 23, 2025, pursuant to Prop 218, at which all interested persons had an opportunity to provide oral and written testimony and all protests and objections to the proposed increases were heard; and

WHEREAS, the Board accepted and caused the tabulation of all written protests against the proposed Groundwater Management Fee received prior to the close of the public hearing, and based upon the results of this tabulation, a majority protest against the Groundwater Management Fee as proposed in the Rate Study does not exist.

NOW, THEREFORE, IT IS RESOLVED by the Board of Directors that:

1. **Findings.** Based on evidence presented at the Hearing and on evidence in the CMA GSA’s files and records, the Board finds as follows based on the Rate Study and other evidence before the Board:
  - (a) Each of the above recitals is true and correct.
  - (b) The facts stated in the Rate Study and Response to Written Objections are true and correct.
  - (c) Revenues derived from the CMA GSA’s Groundwater Management Fee will not exceed the funds required to provide the services of complying with SGMA by sustainably managing the CMA portion of the Basin and implementing the CMA GSA’s GSP.
  - (d) Revenues derived from the CMA GSA groundwater extraction fee shall not be used for any purpose other than those purposes identified in the Rate Study;
  - (e) The maximum amount of the CMA GSA’s Groundwater Management Fee

levied on a parcel does not exceed the proportional cost of the service attributable to the parcel.

- (f) The CMA GSA’s Groundwater Management Fee is imposed for services actually used by, or immediately available to, the owners of all parcels within the boundaries of the CMA GSA as identified.
- (g) The CMA GSA’s Groundwater Management Fee is not imposed for general governmental services.
- (h) The CMA GSA’s Groundwater Management Fee is not a tax within the meaning of Article 13C, Section 1, of the California Constitution, the amount collected will be no more than necessary to cover the reasonable costs of the governmental activity, and the manner in which those costs are allocated among payors bears a fair and reasonable relationship to each payor’s burdens on, or benefits received from, the governmental activity.
- (i) The written objections received and addressed in the Response to Written Objections do not warrant any changes to the proposed Groundwater Management Fee.

**2. Extraction Charge.** The Extraction Charge is hereby defined as a volumetric charge on extraction of groundwater in the CMA. Extraction of underground water from the Santa Ynez River Alluvium characterized as surface water by the GSP will not be subject to this charge. Domestic de minimis extraction less than 2 AF/yr is also exempted, as long as total extraction for the year for all purposes does not exceed 2 AF/yr. The Extraction Charge will be calculated using a rolling 5-year average of extractions. In the first year, the fee shall be based on the total AF of groundwater extraction in FYE 2024 for each parcel. In the second year, it will be the average of extractions in FYE 2024 and FYE 2025. This will continue until there is a 5-year running average.

The maximum per acre-foot charge for groundwater extraction subject to the Extraction Charge will be as shown in the following table:

GSA Fee Component	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Effective Date	1-Jul-25	1-Jul-26	1-Jul-27	1-Jul-28	1-Jul-29
Extraction (\$/AF)	\$63.32	\$65.85	\$68.48	\$71.22	\$74.07

**3. Acreage Charge.** The Acreage Charge is hereby defined as a per-acre charge on each parcel in the CMA. Parcel sizes shall be rounded up to the nearest whole acre. Federal parcels are exempt.

The maximum per acre charge for each parcel subject to the Acreage Charge will be as shown in the following table:

GSA Fee Component	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Effective Date	1-Jul-25	1-Jul-26	1-Jul-27	1-Jul-28	1-Jul-29
Acreage (\$/Acre)	\$2.08	\$2.16	\$2.25	\$2.34	\$2.43

**4. Groundwater Management Fee.** The Groundwater Management Fee is hereby imposed on all parcels in the CMA, and the fee charged to a parcel in each fiscal year shall be the sum of the Acreage Charge for that parcel and the Extraction

Charge on all groundwater extracted from that parcel.

5. **Severability.** If any provision, sentence, clause, section, or part of this Resolution or its application to any person or circumstance is found to be unconstitutional, illegal, or invalid by a court of competent jurisdiction, such unconstitutionality, illegality, or invalidity shall affect only such provision, sentence, clause, section, or part or that person or circumstance and shall not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts or application to other persons and circumstances and, to that end, the provisions of this Resolution are hereby declared to be severable. The Board of the CMA GSA would have adopted this Resolution had such unconstitutional, illegal, or invalid provision, sentence, clause, section, or part thereof not been included.
6. **Appeal of Fee Calculation.** CMA GSA staff is instructed to prepare a policy establishing a process by which an individual or entity upon whom the CMA GSA Groundwater Management Fee is imposed may appeal the calculation of the fee as to the appealing party's parcel(s). The Board will consider for adoption the appeal policy upon its preparation and presentation to the Board.

All the foregoing, being on motion of Director Sanchez, seconded by Director Dunlap, is authorized by the following roll-call vote, to wit:

**AYES:** Sanchez and Dunlap

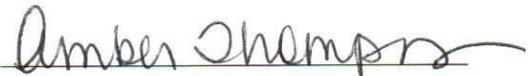
**NOES:** none

**ABSTAIN:** none

**ABSENT:** none

**I HEREBY CERTIFY** that the foregoing resolution is the resolution of said CMA GSA as duly passed and adopted by said Board of Directors on the 23<sup>rd</sup> day of June 2025.

**WITNESS** my hand this 23<sup>rd</sup> day of June 2025.



Secretary of the Board of Directors