

CENTRAL MANAGEMENT AREA

Sustainable Groundwater Management Fee Study

REPORT / APRIL 21, 2025



April 21, 2025

Mr. William Buelow
Plan Manager
CMA GSA
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Santa Ynez, CA 93460

Subject: Central Management Area Sustainable Groundwater Management Fee Study

Dear Mr. Buelow:

Raftelis is pleased to provide this Central Management Area Sustainable Groundwater Management Fee Study (“Fee Study”) to the Central Management Area Groundwater Sustainability Agency (CMA GSA or CMA), which determines the cost-of-service for the CMA’s groundwater sustainability program and the appropriate allocation of those costs in the proposed Sustainable Groundwater Management Fee.

The primary objectives of the study include the following:

- Identify the properties that overlie the CMA and the groundwater extraction from those properties
- Create a five-year financial plan for the CMA GSA to identify the cost of service and the revenue that must be recovered to finance the CMA SGMA groundwater sustainability program
- Derive fees that align with the requirements of Proposition 218

Our report details the key assumptions and analyses. It proposes an initial maximum fee and a five-year escalation schedule. The report includes a brief Executive Summary followed by a description of the process undertaken during the study.

It has been a pleasure working with you, and we thank you and the CMA staff for the support provided during the course of this study.

Sincerely,



Sudhir Pardiwala
Senior Principal



Theresa Jurotich
Manager

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Line-Item Allocation

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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 2014, and became effective January 1, 2015, to provide a framework for managing groundwater supplies in the State of California. The State identifies basins that are critically over-drafted, 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 over-drafted basins must reach sustainability by 2040 while high- and medium-priority basins have until 2042. Reprioritized basins have until 20 years after reprioritization to reach sustainability. The Central Management Area Groundwater Sustainability Agency (CMA) is one part of the Santa Ynez River Valley Groundwater Basin (Basin). The Basin was designated by the California Department of Water Resources (DWR) as medium priority. 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 3” funding requirements.

Figure 1-1: SGMA Timeline



1.2. Study Background

In 2024, Raftelis was contracted by the CMA to develop the Sustainable Groundwater Management Fee for Phase 3. Phase 3 includes the GSP implementation as well as CMA operations, administration, professional services, and establishment of a prudent cash reserve, which all support the GSP. Member agencies have been providing loans to the CMA to support the development and implementation of the CMA’s GSP.

In November 2023, The CMA GSA was reformed as a Joint Powers Authority (JPA) between the City of Buellton, Santa Ynez River Water Conservation District (SYRWCD), and the Santa Barbara County Water

Agency (County). The County is a non-voting member with no financial responsibility. Since its original formation in 2017, the CMA has been staffed and managed by SYRWCD staff, as requested by the CMA members. Additionally, the CMA GSA has been funded through loans from the member agencies. As a JPA, the CMA GSA is a separate public entity, with its own boundaries as a management area within the Santa Ynez River Valley Groundwater Basin. To continue to provide for local sustainable groundwater management within the CMA, the CMA GSA requires a dedicated funding source for the financial independence and financial sustainability of the CMA and to accomplish its sustainability goals stated in its GSP.

1.3. Study Objectives

The CMA GSA'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:

- Develop a five-year financial plan for CMA GSA to identify rate revenue required to fund the CMA GSA
- Update the parcels and acreage overlying the CMA groundwater basin subject to the GSA fee
- Derive fees that align with SGMA, Proposition 218, and other applicable legal requirements

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

1.4. Context and Benefits of Sustainably Managed Groundwater

Sustainably managed groundwater basins reduce the risk of undesirable results including, the chronic decreases in groundwater-levels and groundwater in storage, water quality deterioration, land subsidence, impacts to surface water, and seawater intrusion.

Implementation of the GSP will provide a roadmap to sustainably manage the CMA's groundwater resources.

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
- Surface water depletions
- Seawater Intrusion (not applicable to CMA)

The CMA does not currently have any undesirable results occurring, as described in the CMA's most recent annual report, but nevertheless must continue to implement its groundwater sustainability program, including its GSP, to avoid undesirable results. To continue to do so, that requires the CMA to create an independent funding source.

1.5. Basin Characteristics¹

The Basin is designated as Basin Number 3-015 by the State of California DWR. The basin is located in central Santa Barbara County and borders the Los Padres National Park to the east and south, the San Antonio Creek Valley Basin to the north, and the Pacific Ocean to the west. A map of the Basin is provided in Figure 1-2. As of 2010, the Basin’s population was estimated at 75,446. DWR estimates that approximately 94 percent of the Basin’s total water supply is met by groundwater. Of the 1,429 wells reported by the DWR, approximately 8 percent are public supply wells. Groundwater is heavily relied upon for agricultural uses.

The Basin has been divided into three management areas. The CMA boundaries are shown in Figure 1-3. The CMA is almost 33 square miles with 2,000 parcels. It has two subareas: the Buellton Aquifer and the Santa Ynez River Alluvium. The Buellton Aquifer roughly corresponds to SYRWCD’s Zone D. The surface water and underflow of the Santa Ynez River is not considered groundwater under SGMA. While the CMA GSA does not currently manage extractions within the river alluvium, as a corrective action DWR has required the CMA and other GSAs in the Basin to implement an action plan including further investigation of the alluvial basin and related extractions. The alluvium roughly corresponds to the portion of SYRWCD’s Zone A in the CMA².

The total groundwater extraction (in acre-feet (AF)) from the CMA portion of the Basin (Buellton Aquifer) between Fiscal Year Ending³ (FYE) 2018 and FYE 2024 is shown in Table 1-1. This period includes very wet years and very dry years.

Table 1-1: Historical Reported Pumping in the Buellton Aquifer⁴

FYE	AF
2018	3,252
2019	2,520
2020	3,167
2021	2,714
2022	2,232
2023	3,579
2024	4,804

¹ <https://gis.water.ca.gov/app/bp-dashboard/final/>

² Stetson et al, “Groundwater Sustainability Plan for the Santa Ynez River Valley Groundwater Basin Bulletin 118 No. 3-15 Central Management Area Groundwater Sustainability CMA”, January 2022.

³ Fiscal years run from July 1 through June 30. Fiscal Year Ending references the end year of the fiscal year. For example, FYE 2025 is the period July 1, 2024, through June 30, 2025.

⁴ Stetson Engineers’ *Forty-Seventh Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation SYRWCD* dated March 3, 2025,

Figure 1-2: Santa Ynez River Valley Groundwater Basin

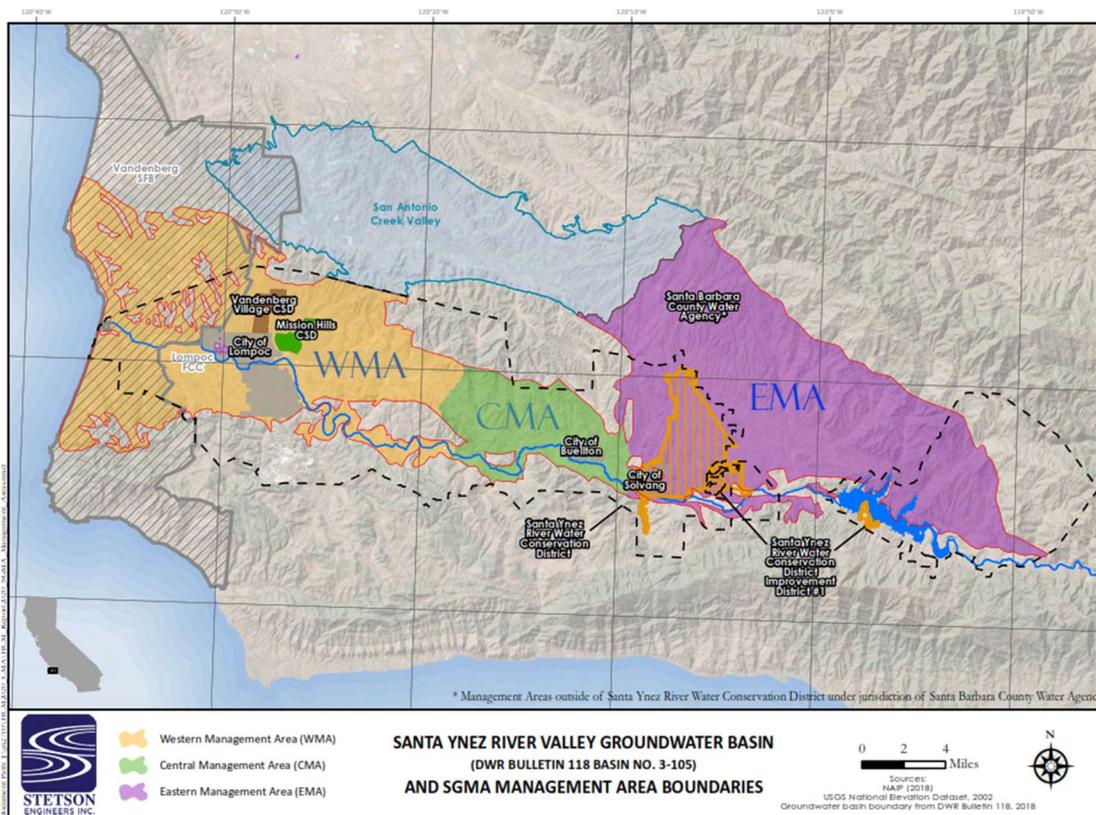
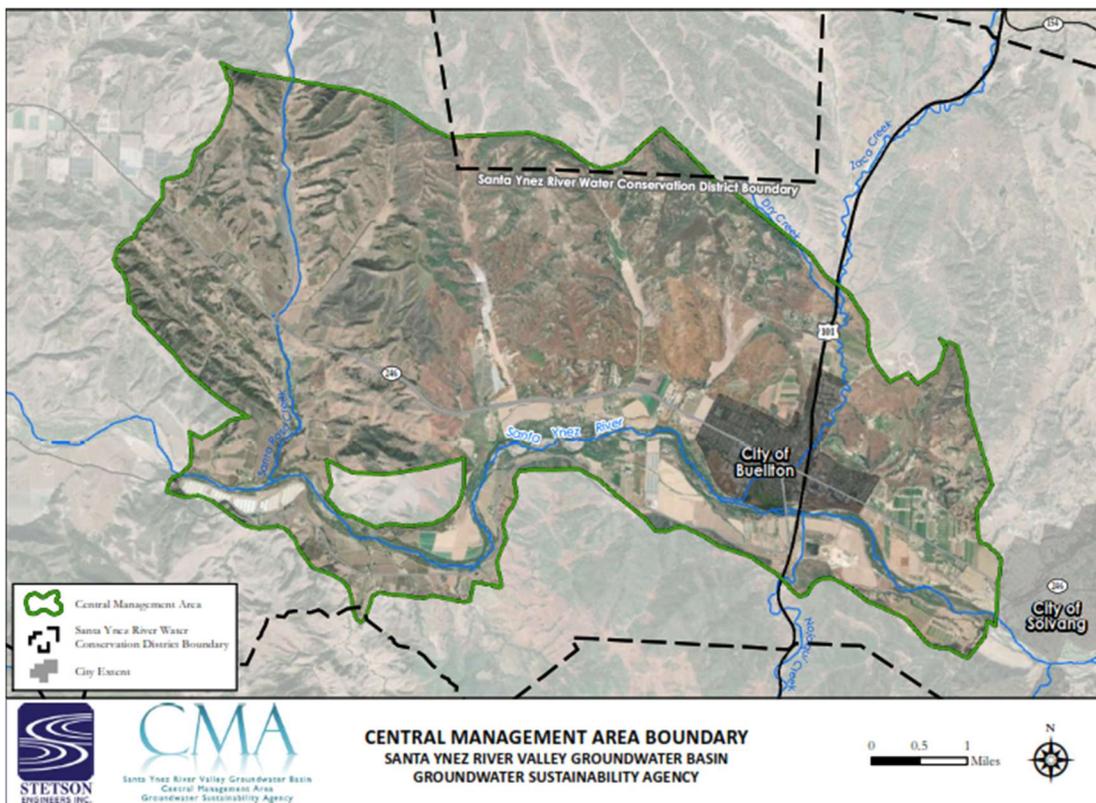


Figure 1-3: Central Management Area



1.6. Fee Setting Legal Mechanism

A critical component of the study is evaluating funding mechanisms to determine the most appropriate methodology for recovering the costs of the CMA. CMA staff and Raftelis discussed the benefits, challenges, policy considerations, legal considerations, and procedural requirements associated with each funding approach. A summary of Raftelis’ understanding of and assumption regarding the proposed fee is that both components (extraction and per-acre) are subject to Proposition 218 is summarized in Section 2.

1.7. Proposed Fee

Several funding methods are available to the CMA for consideration. The chosen method is informed by basin characteristics, available data, and rationale for the allocation of costs as required by Proposition 218. Records of groundwater pumping, parcel information, and acreage data were obtained from SYRWCD for FYE 2023 and cross-referenced with parcel information from the County of Santa Barbara assessor Geographic Information System (GIS) data. The selected structure is a two-component fee, including both a volumetric Extraction Charge on groundwater extraction in the Buellton Aquifer and an Acreage Charge on all parcels within the CMA. The Extraction Charge component of the Fee is based on the amount of groundwater pumped from the groundwater basin within the Buellton Aquifer. CMA pumping data for FYE 2018 – FYE 2024 was reviewed for the fee calculation. To be conservative, the analysis is based on the lowest annual pumping reported during that period, which is for FYE 2022. Basing the fee on the lowest consumption during the last seven years results in the maximum fee that can be charged in any given year and ensures that the CMA will collect enough revenue to meet its expenses. It also means that if the groundwater extraction in any given year is higher than the number used to calculate the fee, the actual fee charged can be lower, with Board approval. The fee calculations and rationale for the fee structure are described in detail in Section 6. Table 1-2 shows the maximums for the two components of the proposed fee for FYE 2026 through FYE 2030. The calculated fee per acre-foot is rounded up to the nearest penny. In the first year, the fee will be based on the total AF of groundwater production in FYE 2024 for each parcel. In the second year, it will be the average of production in FYE 2024 and FYE 2025. This will continue until there is a 5-year running average. After that time, the fee will be calculated using a rolling 5-year running average. This will minimize the effect of variation in extraction due to climatic or other short-term changes. The calculated fee per acre is also rounded up to the nearest penny. The total acreage for each parcel is rounded up to the nearest whole acre. Therefore, the minimum charge for any parcel is the per acre charge.

Table 1-2: Proposed CMA GSA Fee Components

GSA Fee Components	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
Acreage (\$/Acre)	\$2.08	\$2.16	\$2.25	\$2.34	\$2.43

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

2.1. Funding Methods

A critical component of the study is selecting which funding mechanism to use and the legal requirements that govern the selected funding mechanism. CMA GSA staff, the Board of Directors, legal counsel, and Raftelis discussed the substantive requirements, procedural requirements, and policy considerations associated with several funding approaches⁵.

2.2. Selected Funding Mechanism – Proposition 218 Property-Related Fee

Proposition 218 was passed by the California voters in 1996 and 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 service and the criteria for such fees. The principal requirements, as they relate to public water service 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 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 CMA considers all written protests against the charge.

Procedurally, Proposition 218 requires noticing of all affected properties with each property allowed to protest the proposed rates, with one protest permitted per parcel. Absent a majority written 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]⁶.

The CMA has opted to pursue a property-related fee subject to the substantive and procedural requirements of Proposition 218.

⁵ Raftelis is not a law firm.

⁶ Water Code 10730.2(c)

3. CMA Groundwater Basin Overview

For purposes of SGMA, “groundwater” is defined as “water beneath the surface of the earth within the zone below the water table in which the soil is completely saturated with water but does not include water that flows in known and definite channels.” (Wat. Code, § 10721(g)). Using this definition, the CMA has one “groundwater” aquifer, the “Buellton Aquifer” (2022 CMA GSP). The Buellton Aquifer consists of the Paso Robles and Careaga Sand Formations. These two formations are located in a wide geologic syncline fold that covers a majority of the CMA. Figure 3-1 shows where this aquifer is located within the extent of the CMA. Figure 3-2 shows the locations and extents of the geographic subareas in the CMA. Figure 3-1 shows that the Buellton Aquifer includes all the Buellton Aquifer and extends underneath a part of the Santa Ynez River Alluvium subarea (Figure 3-2).

The CMA is unique within the Santa Ynez River Valley Groundwater Basin in that the Santa Ynez River Alluvium subarea represents roughly 32 percent of the total management area. For comparison, the Santa Ynez River alluvium in the other management areas (Western and Eastern) represents about 5 percent of their respective management areas. The SGMA “groundwater” aquifer lies beneath a portion of the Santa Ynez River Alluvium subarea near the City of Buellton, which is also unique among the management areas of the Santa Ynez River Valley Groundwater Basin. While the shallow alluvial deposits in the CMA occur in a known and definite channel and are not part of the SGMA “groundwater” aquifer, the alluvial subarea still needs to be addressed by the CMA to accurately characterize the extent of the “groundwater” in the area as defined by SGMA consistent with DWR’s corrective actions in its review of the GSP.

Figure 3-1: Extents of the Buellton Aquifer

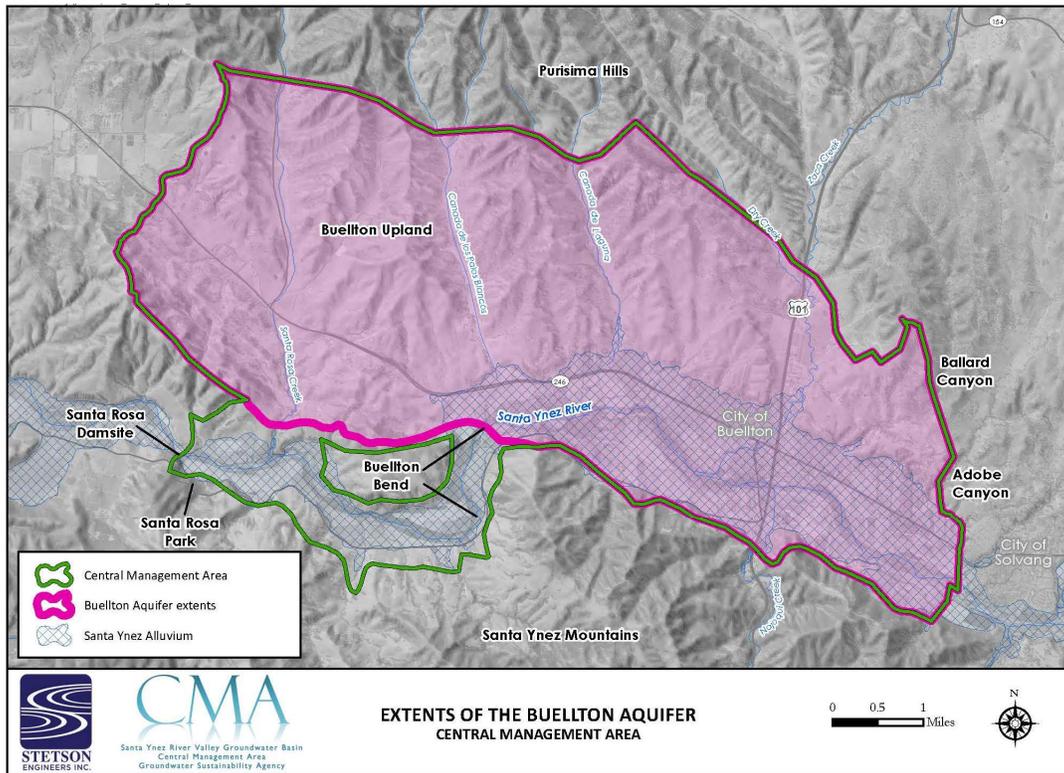
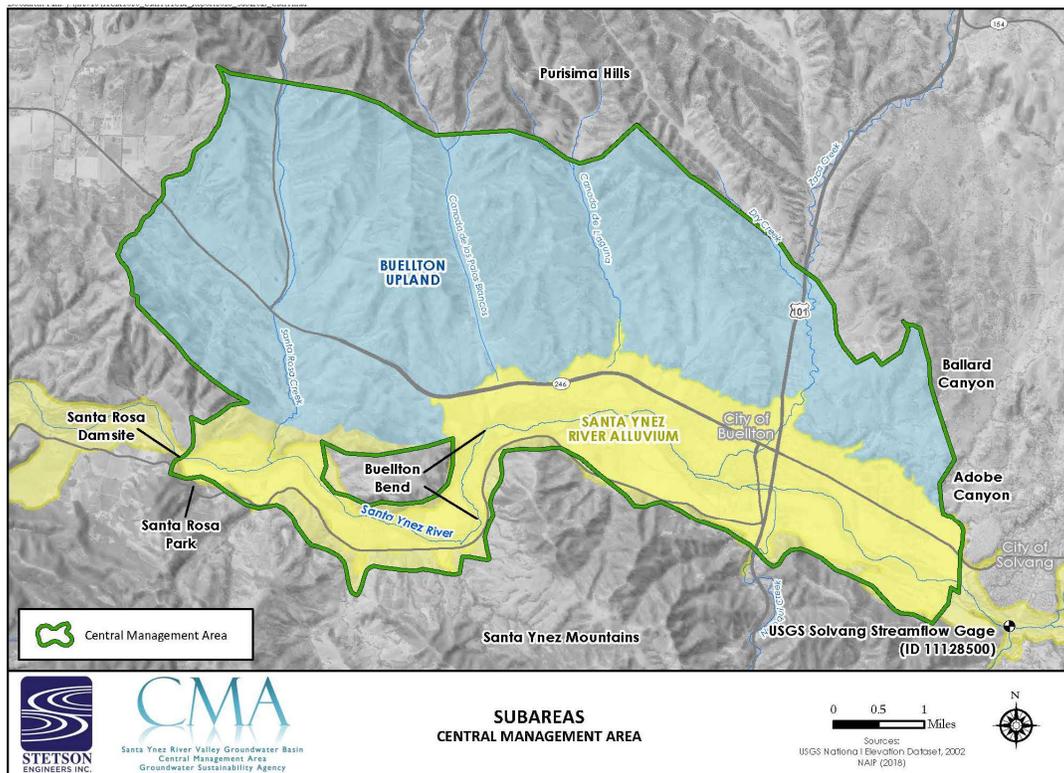


Figure 3-2: Subareas of the CMA



4. Fee Structure Evaluation

4.1. Fee Structure Options

Several fee options considered for evaluation by the CMA are briefly discussed below. Table 4-1 shows the three options and their relative strength (shown by the number of asterisks) on four scores: Administration, equity, financial stability, and affordability. The selected fee structure uses data that is currently available and applied in a reasonable way, while recognizing that all data is subject to further refinement and that CMA GSA will develop additional data through its GSP implementation.

4.1.1. All Parcels – Flat Charge

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.

4.1.2. Per Parcel Fee – 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. Provides a mechanism to charge acreage, which benefits from the activities of the CMA.

Disadvantages: Not related to actual groundwater extraction.

Data requirements: County Assessor’s parcel database.

Other/Policy requirements: None identified.

4.1.3. Fee on Reported Groundwater Extraction (AF)

Advantages: Greater equity with fee based on actual extraction. Easy to understand. Pumping already reported to the SYRWCD.

Disadvantages: Need a means of sharing / reporting information to the CMA. May require direct metering to better record groundwater pumping. Those who currently do not pump, but have correlative rights in the groundwater basin, are not paying for the benefit received by having that water locally managed by a GSA.

Data requirements: Reported pumping or eventually validated metered data.

Other/Policy requirements: Requires adoption of metering plan or access to SYRWCD data.

4.1.4. Combined Fee on Reported Groundwater Extraction (AF) and Parcel Acreage

Advantages: Best equity with fee based on a combination of the volume of groundwater production and the total acreage of each parcel. Groundwater production data is already reported to the SYRWCD. The acreage of each parcel is readily available from the County Assessor and in GIS.

Disadvantages: Need a means of sharing / reporting information to the CMA. May require direct metering to accurately record groundwater pumping.

Data requirements: Self-reported or metered groundwater production data; County Assessor’s parcel database.

Other/Policy requirements: Requires adoption of metering plan or access to SYRWCD data.

Table 4-1: Fee Structure Options

Policy Objective	All Parcels	Total Acreage	Reported Pumping	Reported Pumping & Total Acreage
Administration	****	****	**	***
Equity	*	**	****	***
Financial Stability	****	****	***	***
Affordability	*	***	***	***

4.2. Selected Approach

The CMA has decided to develop a fee based on two components: an Extraction Charge based on extractions in AF within the Buellton Aquifer and an Acreage Charge for each parcel in the CMA. The CMA may request the semi-annual groundwater pumping data from the SYRWCD, and the parcel/acreage data from the County Assessor and GIS. The Extraction Charge per AF will be based on a five-year rolling average of pumping data to smooth out customer bills as well as revenues received by the GSA. The first-year quantity will be the FYE 2024 extractions, and future years will be added to the rolling average until there is a five-year average. The rolling average will help stabilize revenues as groundwater extraction may vary from year-to-year based on several variables including climate change, short term drought or excessive rainfall, and changes in cropping. The Acreage Charge will be based on the total acreage of each parcel, rounded up to the nearest whole acre

5. Required Revenue and Six-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 the member agencies, and to maintain adequate cash reserves. The following subsections include estimates and projections of annual expenses. Revenues and expenses are projected over the six-year planning period from FYE 2025 through FYE 2030.

Raftelis worked with CMA GSA staff to create a multi-year financial plan for the CMA. The first step in determining the GSA fee is determining how much revenue the CMA will require to recover its costs over six years (the current fiscal year plus five additional years). The six-year forecast for the CMA is shown in Table 5-1. The CMA provided a forecast of costs and non-rate revenue for FYE 2025 to FYE 2029. Raftelis projected the FYE 2030 budget based on three percent inflation. Revenues comprise member CMA contributions, SGMA grant reimbursement, and estimated interest earnings. Expenses rely on best available estimates of costs and inflationary assumptions, among other factors. The budget also includes paying back the member agencies' loans. Reserves are used to help minimize the GSA fee revenue and draws on reserves are projected to reduce the reserve level over the study period to be near the recommended FYE 2030 target

Table 5-1: CMA GSA Six-Year Revenue and Expense Projection

Revenue	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Member Agency Contributions	\$100,000	\$100,000	\$0	\$0	\$0	\$0
SGMA Grant Reimbursement	\$124,000	\$991,168	\$0	\$0	\$0	\$0
Interest Income	\$850	\$1,000	\$1,150	\$1,250	\$1,500	\$1,500
Total Revenue Before GSA Fees	\$224,850	\$1,092,168	\$1,150	\$1,250	\$1,500	\$1,500
Expenses	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Internal Operations						
Executive Director Services	\$42,000	\$43,260	\$40,314	\$41,524	\$42,769	\$44,052
Outside Services	\$1,600	\$1,648	\$1,697	\$1,748	\$1,801	\$1,855
Travel & Training	\$500	\$500	\$500	\$500	\$500	\$515
Annual Audit	\$0	\$0	\$10,000	\$10,300	\$10,609	\$10,927
Insurance & Worker's Comp	\$5,500	\$5,665	\$5,835	\$6,010	\$6,190	\$6,376
Dues (ACWA, CSDA etc)	\$0	\$0	\$0	\$0	\$0	\$0
Fees Collection	\$0	\$4,000	\$2,120	\$2,184	\$2,249	\$2,317
Payback Agencies	\$0	\$0	\$116,000	\$117,000	\$117,000	\$0
Miscellaneous (internet, webpage, postage etc)	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159
Legal						
General & Misc.	\$27,000	\$27,810	\$28,644	\$29,504	\$30,389	\$31,300
Employment/HR	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159
Fees Development	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593
Engineering & Environmental						
General & Misc.	\$1,000	\$5,000	\$10,000	\$10,000	\$10,000	\$10,300
Annual DWR Report	\$0	\$0	\$35,000	\$36,050	\$37,132	\$38,245
Grant Components 2-8 Jul 24-Jun 25	\$124,000	\$0	\$0	\$0	\$0	\$0
Grant Components 2-8 Jul 25-Jun 26		\$991,373	\$0	\$0	\$0	\$0
Subtotal Expenses	\$213,600	\$1,091,616	\$262,842	\$267,932	\$272,145	\$159,799
Contingency	\$0	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Reserve Contribution/Draws*	\$0	-\$13,900	-\$13,900	-\$13,900	-\$13,900	-\$13,900
Net Revenue Requirement	-\$11,250	\$10,548	\$272,792	\$277,782	\$281,745	\$169,399

* Targeting 6 months of O&M by FYE 2030.

A contingency of \$25,000 per year is recommended since the CMA is beginning operations and costs are more uncertain. This will help to ensure adequate revenue recovery due to changes in the cost estimates as well as changes in groundwater extraction.

Reasonable and achievable reserves are a financial tool to aid in cash flow timing and secure against 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 with the GSA receiving bulk of the revenues only twice per year in December and April. To ensure adequate cash reserves are available to fund operations, we recommend a reserve equivalent to six months of expenses, which should help cover the period from July to receipts of revenues in December when most customers pay their tax bills.

6. CMA Groundwater Basin Extractions and Acreage

Section 4.2 discussed the selected approach of reported pumping (AF) and acreage. This section describes groundwater production in the CMA, as well as the acreage within the CMA.

6.1. Extractions

The following is based on the extractions reported in FYE 2020 – FYE 2024. The SYRWCD provided billed AF for FYE 2023. Additionally, the CMA’s engineer, Stetson, provided historical groundwater pumping for FYE 2020-FYE 2024 to determine the lowest amount of annual extractions. Using the lowest amount of extractions should provide a conservative estimate for a volumetric charge for the CMA. It also means that if the reported extraction is higher, the fee per AF could be lowered by the CMA Board.

De minimis domestic use less than or equal to 2 AF per year is exempted from this Extraction Charge. However, if a pumper uses more than 2 AF/year, then the de minimum exemption does not apply. Table 6-1 shows the net groundwater extractions (AF) used to calculate the unit rates. The FYE 2023 data from SYRWCD was used to estimate the percent of usage that is de minimis. That percentage was applied to the total FYE 2022 production to determine the net volume of groundwater extracted (AF).

Table 6-1: CMA FYE 2023 and FYE 2022 SGMA-Related Groundwater Pumped (AF)

	FYE 2023	FYE 2022
Total Use	2,823	2,232
De minimis	30	24
Net Use	2,792	2,208
% De minimis	1.1%	1.1%

6.2. Acreage

The County Assessor and overlaying GIS data for the CMA were analyzed to calculate the total acreage for each parcel in the CMA. Acre size for each parcel was rounded up to the nearest whole acre. The total acreage is calculated to be 21,687 acres.

7. Fee Calculation & Impacts

7.1. Smoothed Revenue Requirement

Net revenue requirements vary significantly from year to year, which would cause the rates to be variable. This is due to the tax payment schedule cash flow, the schedule of grant reimbursements, and the payback of member agency loans. To reduce fee variability, the CMA will adopt a “smoothed” revenue requirement approach. The result is a fee that increases slightly from year-to-year and is easier to explain and for extractors to understand and plan their operations. The smoothed revenue requirement builds in a four percent increase per year instead of remaining flat for five years. The smoothed revenue required from the GSA fee is presented in Table 7-1. The total of the “Net Revenue Requirement” line and the “Smoothed Net Rev. Req.” line for the six years both equal \$1,001,016.

Table 7-1: Smoothed Revenue Requirement

	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Revenues						
Member Agency Contributions	\$100,000	\$100,000	\$0	\$0	\$0	\$0
SGMA Grant Reimbursement	\$124,000	\$991,168	\$0	\$0	\$0	\$0
Interest Income	\$850	\$1,000	\$1,150	\$1,250	\$1,500	\$1,500
Subtotal Revenues	\$224,850	\$1,092,168	\$1,150	\$1,250	\$1,500	\$1,500
Expenses, Contingency, Reserve	\$213,600	\$1,102,716	\$273,942	\$279,032	\$283,245	\$170,899
Net Revenue Requirement	-\$11,250	\$10,548	\$272,792	\$277,782	\$281,745	\$169,399
Smoothed Net Rev. Req.	\$0	\$184,815	\$192,207	\$199,896	\$207,891	\$216,207

The projected cash flow for the GSA and the reserve target is shown in Table 7-2.

Table 7-2: Cashflow Including Projected GSA Revenue

	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Beginning Balance	\$135,368	\$146,618	\$311,714	\$222,760	\$134,185	\$47,199
Revenue						
Other	\$224,000	\$1,091,168	\$0	\$0	\$0	\$0
Interest	\$850	\$5,729	\$6,681	\$4,462	\$2,267	\$1,592
GSA	\$0	\$184,815	\$192,207	\$199,896	\$207,891	\$216,207
Total Rev	\$224,850	\$1,281,712	\$198,888	\$204,357	\$210,159	\$217,799
Expenses & Contingency	\$213,600	\$1,116,616	\$287,842	\$292,932	\$297,145	\$184,799
End Balance	\$146,618	\$311,714	\$222,760	\$134,185	\$47,199	\$80,199
Reserve Target *	\$0	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900
Above/Below Target	Above	Above	Above	Above	Below	Above

* Annual reserve target is based on 6 months of operating costs in FYE 2030.

7.2. Allocation of Net Revenue Requirements

To estimate the line-item allocations, Raftelis worked with CMA staff to allocate non-rate revenues and costs between groundwater extraction, acreage, and/or general, as shown in the appendix. These allocations were then summed over the 6-year period to determine an overall allocation between groundwater extraction and acreage that could be applied to the smoothed net revenue requirement. The resulting allocations are shown in Table 7-3.

Table 7-3: Allocation of Total Costs to AF and Acres

Component	6-Yr Total	Allocation
AF	\$757,127	76%
Acreage	\$243,888	24%
Total	\$1,001,016	100%

7.3. Fee Calculation

The fee is comprised of two components: extraction (AF) and acreage.

7.3.1. Extraction Charge

To develop the Extraction Charge, the smoothed net revenue requirement allocated to the Extraction Charge, shown in Table 7-4, is divided by the net pumping in the CMA portion of the Basin from Table 6-1. The fee per acre-foot is rounded up to the nearest penny. The fee per acre-foot is the same fee for all Buellton Aquifer extraction, regardless of the nature of the use.

Table 7-4: Derivation of Proposed Extraction Charge

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Smoothed AF Net Rev. Req.	\$139,786	\$145,378	\$151,193	\$157,240	\$163,530
Acre-Feet (AF)	2,208	2,208	2,208	2,208	2,208
Extraction Charge (\$/AF)	\$63.32	\$65.85	\$68.48	\$71.22	\$74.07

In the first year, the total extraction (AF) will be based on the FYE 2024 production data provided by SYRWCD. In the second year, it will be the average of FYE 2024 and the FYE 2025. This will continue until there is a 5-year average. Individual parcel charges will be calculated based on production from a rolling 5-year average.

Table 7-5 shows an example of how the 5-year rolling average will be built up over the first five years. In the Year 1, the total volume (AF) for billing is based on FYE 2024 reported groundwater extractions (Column C, Line 1). In Year 2, the total volume (AF) for billing is the average of the prior two years (Column C, Lines 1 and 2). In Year 5, the total volume (AF) for billing is the average of the prior five years (Column C, Lines 1 through 5). In Year 6, the total volume (AF) for billing is the average of Years 1 through 5 pumping (Column B, Lines 2 through 6).

Table 7-5: Example of Build-up to 5-Year Rolling Average

Year	Year (A)	Reporting Year (B)	Reported Total Pumpage, AF (C)	AF for Billing (D)	Basis for Rate (E)
1	FYE 2026	FYE 2024	4,750	4,750	FYE 2024
2	FYE 2027	FYE 2025	3,250	4,000	FYE 2024 - FYE 2025
3	FYE 2028	FYE 2026	3,100	3,700	FYE 2024 - FYE 2026
4	FYE 2029	FYE 2027	3,300	3,600	FYE 2024 - FYE 2027
5	FYE 2030	FYE 2028	3,275	3,535	FYE 2024 - FYE 2028
6	FYE 2031	FYE 2029	3,250	3,235	FYE 2025 - FYE 2029
7	FYE 2032	FYE 2030	3,150	3,215	FYE 2026 - FYE 2030

7.3.2. Acreage Charge

To develop the acreage charge, the smoothed net revenue requirement allocated to the Acreage Charge, shown in Table 7-6, is divided by the total acres within the CMA as discussed in Section 6.2. The fee per acre is rounded up to the nearest penny.

Table 7-6: Derivation of Proposed Acreage Charge

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Smoothed Acre Net Rev. Req.	\$45,028	\$46,830	\$48,703	\$50,651	\$52,677
Billed Acres	21,687	21,687	21,687	21,687	21,687
Acreage Charge, \$/AF	\$2.08	\$2.16	\$2.25	\$2.34	\$2.43

7.4. Fee Impacts

Table 7-7 shows sample charges for different amounts of reported pumping using proposed FYE 2026 rates.

Table 7-7: Sample Groundwater Management Fee Charge

Reported AF	Billed Acres	FYE 2026
0	1	\$2.08
5	4	\$324.92
53	35	\$3,428.76
80	100	\$5,273.60
250	55	\$15,944.40
300	100	\$19,204.00
300	7000	\$33,556.00

APPENDIX:

Line-Item Allocation



Table A-1 Line-Item Allocation

Category	6-Year Total	AF	Acre	General
Revenues				
Member Agency Contributions	\$200,000	95%	5%	0%
SGMA Grant Reimbursement	\$1,115,168	95%	5%	0%
Interest Income	\$7,250	95%	5%	0%
Revenue Allocation	\$1,322,418	\$1,256,297	\$66,121	\$0
Expense				
Internal Operations	\$0	0%	0%	0%
Executive Director	\$126,960	95%	5%	0%
Administrative Support	\$126,960	95%	5%	0%
Outside Services	\$10,349	95%	5%	0%
Travel & Training	\$3,015	95%	5%	0%
Annual Audit	\$41,836	95%	5%	0%
Insurance & Worker's Comp	\$35,576	95%	5%	0%
Dues (ACWA, CSDA etc)	\$0	95%	5%	0%
Fees Collection	\$12,869	95%	5%	0%
Payback Agencies	\$350,000	95%	5%	0%
Miscellaneous (internet, webpage, postage etc)	\$6,468	95%	5%	0%
Legal	\$0	0%	0%	0%
General & Misc.	\$174,647	95%	5%	0%
Employment/HR	\$6,468	95%	5%	0%
Fees Development	\$64,684	95%	5%	0%
Engineering & Environmental	\$0	0%	0%	0%
General & Misc.	\$46,300	0%	100%	0%
Annual DWR Report	\$146,427	0%	100%	0%
Grant Components 2-8 Jul 24-Jun 25	\$124,000	95%	5%	0%
Grant Components 2-8 Jul 25-Jun 26	\$991,373	95%	5%	0%
Subtotal Expenses				
Contingency	\$125,000	0%	0%	100%
Reserve Contribution/Draws*	-\$69,500	0%	0%	100%
Expenses Allocation	\$2,323,434	\$1,971,446	\$296,487	\$55,500
Net Allocation (Exp. less Rev.)	\$1,001,016	\$715,149	\$230,366	\$55,500
Reallocate General	\$0	\$41,978	\$13,522	-\$55,500
Reallocated Net Costs	\$1,001,016	\$757,127	\$243,888	\$0
Percent Allocation	100%	76%	24%	0%