

Dear landowner, you may recall receiving a notice like the one enclosed in this envelope in February. Due to errors discovered in the supporting study, the SGMA Administrative Fee had to be increased to afford the GSA its ability to meet its purpose. The land acreage within the GSA outside of the Eastside WD ended up being less than originally calculated requiring the Fee to be increased. This notice replaces the prior notice.

EAST TURLOCK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY

NOTICE OF HEARING ON PROPOSED FEE

In compliance with California State Law, notice is hereby given that the East Turlock Subbasin Groundwater Sustainability Agency (ETSGSA) will conduct a public hearing on June 10th, 2021 at 10:00 a.m. via Zoom (see information below) to consider the adoption of a new property related fee/charge on all properties within the Subbasin larger than one acre in the amount of \$0.95 per acre per year maximum as a Base Charge, plus \$4.55 per acre per year maximum Supplemental Fee for all irrigated properties for the 2021/2022 Fiscal Year and the subsequent fiscal years (unless another Proposition 218 compliant assessment, fee or charge is appropriately considered), to fund the development and administration of ETSGSA's Groundwater Sustainability Plan. This notice replaces the prior notice, including higher fees that result from correcting errors and methods of calculating areas subject to fees. Lands recently annexed into Eastside Water District were removed and portions of parcels outside of the subbasin boundary were also removed.

Join Zoom Meeting

<https://us02web.zoom.us/j/7878236977?pwd=S0FSZE1LVi92WEdFa0NQODJ2NU41QT09>

Meeting ID: 787 823 6977

Password: Recharge

One table mobile

+16699009128,,7878236977#,,,,,0#,,876867# US (San Jose)

Call in Audio: +1 669 900 9128 US (San Jose)

Meeting ID: 787 823 6977

Passcode: 876867

Background:

The ETSGSA is a Joint Powers Authority comprised of five member agencies and formed on March 31, 2017. The ETSGSA is the Groundwater Sustainability Agency (GSA) responsible for implementation and compliance with the Sustainable Groundwater Management Act (SGMA) in the eastern portion of the Turlock Groundwater Subbasin (California Department of Water Resources' Subbasin 5-022.03). The Board of Directors of the ETSGSA is composed of one representative of each of the following:

Stanislaus County, Merced County, Merced Irrigation District, Eastside Water District, and Ballico-Cortez Water District.

As a groundwater regulating agency, the ETSGSA is tasked with achieving and maintaining sustainable groundwater conditions within its boundaries within the Turlock Subbasin. Compliance with SGMA is achieved through the preparation and implementation of a Groundwater Sustainability Plan (GSP or Plan). Through a collaborative effort, the ETSGSA and the West Turlock Subbasin Groundwater Sustainability Agency (WTSGSA) are developing one GSP for the Turlock Subbasin. These GSAs will adopt a GSP by January 31, 2022.

If these local GSAs do not comply with SGMA, including the development of the Plan and the necessary activities required to implement the Plan, the State Water Resources Control Board may take over groundwater management responsibilities and impose fees and fines to cover its costs, without following Proposition 218.

Long-Term Funding:

In order to ensure initial SGMA compliance and to provide a mechanism to begin this long-range effort, the ETSGSA member agencies agreed to fund the agency operations for the first four years. ETSGSA operations include expenses for administration, coordination, office costs, insurance, miscellaneous (postage, bank fees, reproduction), professional services, legal services, bookkeeping, dues and subscriptions, depreciation of equipment, auditing services, travel, technical consulting services, compliance with Proposition 218, website, groundwater sustainability planning, well monitoring, annual reporting, and grant writing. The ETSGSA and WTSGSA have been working hard to limit SGMA related costs. The GSAs received Proposition 1 grant funding to cover some of the costs to develop a Plan and monitoring network; however, ETSGSA's share of costs for Plan preparation and implementation of required SGMA administration are in excess of available funding sources including: funds from the agencies' other sources, grant funding, and Eastside Water District's contribution from its Diffused Surface Waters Project Fee. Thus, a fee is needed to make up the shortfall.

To fund its activities and the development, plus implementation of an adequate Plan, the ETSGSA developed a budget for annual SGMA administrative expenses for a ten-year period spanning fiscal years 2021/2022 to 2030/2031. This budget includes projected costs for the SGMA administrative expenses listed in the previous paragraph. SGMA provides authority for ETSGSA to charge lands to support its operations. The ETSGSA has retained Provost & Pritchard Consulting Group to prepare a fee study to review the best options to fund ETSGSA's GSP preparation and administration over the next ten years, recognizing that projects required for SGMA compliance will need to be funded through a different funding mechanism later. A SGMA fee/charge analysis is included in the fee study. Parcels of one acre or less will be exempt from the fee.

Each parcel of land within the ETSGSA's boundary is receiving SGMA management services from the ETSGSA. The fee was developed by allocating ETSGSA's budget for SGMA administrative costs in proportion to the size in acres of that part of the parcel that is within the subbasin boundary and larger than one acre, after Eastside Water District has paid its share. By law, the ETSGSA may not collect more revenue from property related fees/charges than is necessary to provide the cost of the water related service. One of the ETSGSA's foundational Guiding Principles is to protect its service area from extremely expensive and intrusive State groundwater intervention actions.

If the State Water Resources Control Board intervenes in the Turlock Subbasin, it may impose annual fees ranging from \$100 per de minimis well and \$300 for other wells, plus up to \$55 per acre-foot pumped, with no guarantee of assistance in bearing costs to address any groundwater issues that prompt its intervention. For more complete information see:

https://www.waterboards.ca.gov/water_issues/programs/gmp/docs/intervention/intervention_fs.pdf. By collecting the SGMA Administrative Fee, ETSGSA will provide landowners with local groundwater management with a tailored, more affordable approach for managing the Turlock Subbasin.

Notice:

In addition to this notice, the ETSGSA has also posted the notice on the Turlock Groundwater website at <https://www.turlockgroundwater.org>. These notices are in accordance with Government Code section 6066 and Water Code section 10730.

Proposed Property Related Fee:

This notice is for the ETSGSA's proposal to implement a per-acre charge to fund the development of the GSP and SGMA implementation. With the exception of lands in Eastside Water District, federally owned lands, and parcels one acre or less in size, the ETSGSA is considering the adoption of a property related fee/charge in the following amounts (in 2021 dollars):

- **A Base Fee of \$0.95 per acre per year maximum on all lands**
- **A Supplemental Fee of \$4.55 per acre per year maximum on irrigated lands (includes poultry operations), (\$5.50 including the Base Fee).**
- The Administrative Fee, if approved, will become effective for the 2021/2022 ETSGSA fiscal year, with the first payment due by December 10, 2021. The ETSGSA Board of Directors will have discretion to annually review its budgetary needs and set the Administrative Fee at amounts not to exceed these maximum rates.

For more information, including the rate study summarizing the findings, please visit the Turlock Subbasin GSA's website at <https://turlockgroundwater.org/> or call Provost & Pritchard (ETSGSA's Consultant) at (209) 809-2300. The rate study is also available for review during normal business hours on the 2nd floor of the Stanislaus Building at 3800 Cornucopia Way, Suite C, Modesto, CA 95358 and Dept. of Community and Economic Development 2222 M Street, 2nd Floor, Merced, CA 95340.

Public Hearing and Majority Protest:

The proposed ETSGSA SGMA Administrative Fee is a property related fee/charge governed by Proposition 218. Under the California Constitution, owners of land subject to the proposed ETSGSA SGMA Administrative Fee have the right to protest its adoption. If you have received this notice, parcel(s) under your ownership will be subject to the ETSGSA SGMA Administrative Fee if adopted. If written protests are submitted accounting for a majority of the total assessed parcels, ETSGSA will not adopt the SGMA Administrative Fee. Absent a majority written protest, ETSGSA is authorized to adopt the proposed SGMA Administrative Fee at the public adoption hearing.

Prior to the Public Hearing, Landowners desiring to protest the proposed ETSGSA SGMA Administrative Fee should send their written protest to:

**East Turlock Subbasin Groundwater Sustainability Agency
c/o Provost & Pritchard Consulting Group
4701 Sisk Road, Ste 102
Modesto, CA 95356**

Protests may also be hand delivered to the above address after 8:00 am on June 10th, 2021. **All protests must be received by the close of the Public Hearing on June 10th, 2021 to be counted.** The hearing is scheduled to begin at 10:00 a.m. If you submitted a protest in response to the previous notice, you will need to do that again for it to be counted. ETSGSA apologizes for the inconvenience.

Information Availability:

- Call Provost & Pritchard (ETSGSA's Consultant) at (209) 809-2300 ext. 702
- View more information on-line at <https://turlockgroundwater.org/>

- The Fee Study is available for review during normal business hours on the 2nd floor of the Stanislaus Building at 3800 Cornucopia Way, Suite C, Modesto, CA 95358 and Dept. of Community and Economic Development 2222 M Street, 2nd Floor, Merced, CA 95340.
- For more information about SGMA, see the California Department of Water Resources website: <https://water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management>

If you do not wish to protest the proposed ETSGSA SGMA Administrative Fee, you need not take any action.

To Protest:

All protests must include the following, in writing, submitted to the ETSGSA:

- Landowners printed name(s)
- County
- Parcel number(s) or street address for each property affected by the ETSGSA SGMA Program Charge
- Statement of opposition or protest
- Valid signature(s)

Each parcel is entitled to one protest. The protest may be mailed in or hand delivered the day of the hearing but must be received by the close of the hearing to count toward the protest vote.