

Proposition 218 Groundwater Use Fee - Quick Reference Guide

1. How is the fee calculated?

For irrigated fields, consumed groundwater is measured from evapotranspiration (ET) data (note that this is not the same as applied water). ET measurements are gathered using satellite data and on-field stations to determine the amount of groundwater consumed by crops. For non-agricultural users like dairy, poultry, or food processing operations, fee calculations will rely on self-reporting. Property owners can appeal the use of ET data and use metered extraction data if it is an option, which would be converted to consumed groundwater use for the purpose of fee calculation.

There are four categories for use of groundwater:

- Category 0 – Groundwater use within the estimated native yield, which is the minimum amount of groundwater assumed to be recharged on any parcel in a given year. There is no fee for this use.
- Category 1 - Groundwater use within the estimated long-term sustainable yield once thresholds are met. The amount of long-term annual groundwater use that complies with our GSP and SGMA requirements.
- Category 2 - Groundwater use above the estimated sustainable yield and below a use reduction target that is lowered from 10% to 20% over time.
- Category 3 - Groundwater use above the use reduction targets.

The Groundwater Accounting Platform is an internet portal where landowners can log in to see their historical groundwater use for 2023 and 2024, and to calculate fees under scenarios. All irrigated landowners should have received a PIN and login information to the portal. If you did not receive it or have any questions, please contact us at etsgsa-support@formationenv.com.

For additional information, please see the following:

- FAQ: <https://turlockgroundwater.org/s/Prop218FAQv4.pdf>
- Final Fee Study: https://turlockgroundwater.org/s/ETSGSA-Cost-of-Service-Study_FINAL.pdf
- Recording of January 15, 2025 Workshop: <https://turlockgroundwater.org/events/workshop-of-the-east-turlock-subbasin-groundwater-sustainability-agency-1>

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- Presentation from January 15, 2025 Workshop:
https://turlockgroundwater.org/s/R2025-01-15_ETSGSA_Prop-218-GW-Use-Fee-Workshop.pdf
- Groundwater Accounting Platform: <https://groundwateraccounting.org/etsgsa>

2. What am I getting for it?

The fee provides funding for the water supply and recharge projects and the demand reduction actions that are needed for us to meet the objectives of our GSP and comply with state requirements under SGMA. Specific projects and management action programs include the following:

Program Costs to be Funded	Description
Replenishment Water	Around 25,000 AF per year (long-term average) of surface water made available to be used instead of groundwater. Increase from 5,000 AF per year with buildout under GSP Projects.
Transitional Water (Funds GSP Projects)	Payments to TID that will be used to increase surface water supply capacity and recharge in the Subbasin.
Multi-Benefit Land Repurposing Program (MLRP)	Owners are given incentive payments to take irrigated land out of production and/or adopt practices that reduce groundwater demand <u>and provide additional benefits</u> to the GSA, the environment, and communities.
Rotational Land Fallowing	Owners are given incentive payments to take irrigated land out of production <u>temporarily on a rotational basis</u> to reduce groundwater consumption.
Well Mitigation	Implement protective measures to avoid significant adverse impacts to domestic wells from declining water levels.

3. What happens if the fee does not pass?

If a new assessment is not successful, this could have repercussions for ETSGSA's ability to meet its obligations under SGMA. Alternatives to the planned GSP implementation approach that achieve compliance with SGMA requirements at lower cost to the GSA would need to be considered, such as blanket requirements for metering and pumping reductions. If ETSGSA is unable to meet the requirements of SGMA, the State may determine that it must temporarily take control of managing the Subbasin.

If the State were to take control of managing the Subbasin, local input into the management of groundwater resources would be severely limited. Groundwater users would be required to register all wells, install meters, and submit reports to the State regarding their groundwater use. Annual charges of \$300 per well and pumping fees of \$40 - \$55 per AF would be

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implemented. The state could restrict pumping and assess penalties for overdraft. All of these costs would be in addition to the continued costs incurred by the GSA to implement the GSP and correct any deficiencies.

4. What is the timeline for adoption and implementation of the fee?

Notices were mailed to landowners in February 2025 with an opportunity to submit written objection to protest the fee. The protest hearing is on April 8, 2025. Absent a majority protest (50% + 1 of all parcels), the Board may vote to adopt the proposed fee program at the Board Meeting on April 27, 2025. If the fee is adopted, initial invoices to cover a deposit for Category 0 and Category 1 groundwater use are expected to be mailed in June or July 2025.