

FREQUENTLY ASKED QUESTIONS

East Turlock Subbasin Groundwater Sustainability Agency (ETSGSA)

The East Turlock Subbasin Groundwater Sustainability Agency is seeking to establish a funding mechanism to support implementation of the Turlock Subbasin Groundwater Sustainability Plan (GSP) in compliance with the Sustainable Groundwater Management Act (SGMA).

Who is the East Turlock Subbasin Groundwater Sustainability Agency?

ETSGSA is a joint powers authority formed by the following public entities: Eastside Water District, Ballico-Cortez Water District, and portions of Merced Irrigation District, Merced County and Stanislaus County. It was formed to comply with State requirements under SGMA to develop and implement a GSP, and manage our groundwater resources in a sustainable fashion that avoids potential harm to groundwater resources and users, surface water uses, infrastructure and the environment. Our objective is to operate in an open, fair and inclusive manner to maintain local control of our groundwater resources and avoid State intervention by the State Water Resources Control Board.

Why is there a need for funding?

Our GSP was submitted to the Department of Water Resources in January 2022 and is currently being implemented. The funding mechanisms currently in place in ETSGSA were intended to fund GSP development and do not adequately support our GSA's efforts to implement the GSP. Revenue generated by a new assessment would be used to support the GSA's efforts to ensure protection of groundwater resources in the eastern Turlock Subbasin and maintain reliable access to groundwater. These efforts include agency operations, monitoring and reporting required by the State, etc. Future funding is needed to plan and implement appropriate response actions and undertaking projects and management actions detailed in the GSP that increase groundwater recharge or decrease groundwater demand.

How do benefit assessments work?

Benefit assessments are one of the funding mechanisms described by Proposition 218, which was passed by

California voters in 1996. First, an Engineer's Report is prepared, which provides the legal and methodological basis for a benefit assessment. After adopting the Engineer's Report notices and ballots are mailed to all affected property owners at least 45 days before a public hearing. Property owners must submit their ballots by the close of the public hearing. The balloting is weighted by assessment amount, meaning that parcels with a larger assessment have more voting power (it can be thought of as \$1 = 1 vote). Once the balloting closes, the Board can reconvene to tabulate the results. An assessment balloting requires a simple majority (50% + 1) to be successful. The assessment can only be implemented if majority support from property owners is achieved.

What will happen if the assessment is not successful?

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.

What would happen in the event of a State takeover?

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 implemented. The state could restrict pumping and assess



Continued: What would happen in the event of a State takeover?

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.

What will be the basis of charges for the assessment, and who will pay?

The proposed assessment is comprised of land-based charges, including a charge per irrigated land acre and a lower charge per non-irrigated land acre. Like the current ETSGSA and Eastside Water District (EWD) funding mechanisms, the bulk of the assessment would be paid by agricultural irrigators, who stand to benefit the most from ETSGSA's sustainable groundwater management efforts through continued reliable access to groundwater. This assessment would cover the projected costs associated with operating the GSA, implementing the GSP, and meeting SGMA compliance requirements.

Projects that increase recharge or make new water sources available, and management actions targeted at managing and decreasing groundwater demand are planned under the GSP and would not be funded under the proposed land-based assessment. In the near term, some of the expenses associated with these activities would be met by grant funding, but in order to secure a long-term source of funding, a second funding mechanism based on a groundwater extraction fee is being planned and would be proposed for property owner consideration later in 2024.

When will all of this take effect?

The ETSGSA Board will review the proposed assessment options in a public workshop at the December Board meeting. At this meeting, the Board may call for preparation of a final Engineer's Report for the land-based benefit assessment to cover the GSA's operational costs. If this report is adopted, the Board may direct a Proposition 218 balloting to begin in January of 2024. The Board will then reconvene at least 45 days after ballots are mailed to tabulate the results and consider adopting the assessment. If the balloting is successful, ETSGSA may begin sending bills to property owners in spring of 2024. Later in the spring of 2024, the GSA plans to begin the process to adopt a proposed groundwater extraction fee to cover the additional costs of projects and management actions. If adopted, the extraction fee would be implemented during the 2025 irrigation season.

How can I comment or get involved?

There are several ways interested parties can learn more or get involved. Additional information can be obtained by visiting www.turlockgroundwater.org or sending a letter to 731 E. Yosemite Ave. Suite B #318 Merced, CA 95340.

What if I use water sources other than groundwater?

The assessment currently being proposed is intended to fund ETSGSA's operational costs. These are considered a base cost, which will provide a benefit to all parcels within ETSGSA through SGMA compliance and improved regional water supply management. Projects and management actions that promote increased groundwater recharge and decreased groundwater demand are presumed to provide benefits primarily to groundwater users and are proposed to be supported through the proposed groundwater extraction fee. This fee will be charged proportionally to groundwater use, which will take into account those property owners who use other water sources instead of groundwater and decrease their proportional share in supporting projects and management actions.

As a property owner within Eastside Water District, I am already charged with an assessment. Will I be charged twice?

No, parcels within Eastside Water District (EWD) will not be charged concurrently for both the current EWD assessment and the upcoming ETSGSA assessment. EWD landowners will continue to be assessed under their current EWD assessment. The EWD assessment expires in 2026, and EWD property owners will switch over to the new ETSGSA assessment at that time. They will not pay the new assessment directly until their current assessment is retired.

Will EWD property owners be included in the assessment balloting?

Yes, EWD property owners will be included in the assessment balloting along with all ETSGSA property owners. If the new assessment is successful, property owners in EWD will not be assessed under the new ETSGSA assessment until after the expiration of the EWD assessment in 2026. Because EWD property owners will pay the ETSGSA assessment once the EWD assessment expires in 2026, they will be included in the balloting along with all property owners within ETSGSA.

What if I believe I am being charged incorrectly?

ETSGSA is developing an appeals process by which property owners can submit evidence that they are being charged incorrectly. Details of this process will be made available to the public once they are finalized.

