

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE UPPER SAN LUIS REY GROUNDWATER
SUSTAINABILITY AUTHORITY
ADOPTING FEES AND CHARGES
AND ADOPTING A GROUNDWATER EXTRACTION FEE POLICY**

WHEREAS, The Upper San Luis Rey Groundwater Management Authority (“Authority”) was established by a Joint Exercise of Powers Agreement (“JPA Agreement”) on May 1, 2022 as a fourth amendment to that certain Memorandum of Understanding for the Development of a Groundwater Sustainability Plan dated June 27, 2017 (“2017 MOU”) which created the Pauma Valley Groundwater Sustainability Agency (“PVGSA”); and

WHEREAS ,the JPA Agreement provides that the Authority, upon formation, shall serve as the successor to the PVGSA as the groundwater sustainability agency (“GSA”) for the Upper San Luis Rey Valley Subbasin (“Subbasin”) with the responsibility for implementing the Groundwater Sustainability Plan (“GSP”) submitted by PVGSA to the California Department of Water Resources (“DWR”); and

WHEREAS, it is necessary for the Authority, in order to function as a separate joint powers entity, to establish certain administrative policies for the operation of the Authority, in addition to rates for groundwater extraction in order to recover the costs of the services provided by the Authority; and

WHEREAS, the Authority mailed Notices to all property owners and customers within its boundaries, advertising a Public Hearing at the Board of Directors’ meeting on July 16, 2024, to consider an adoption of fees and charges, in accordance with the requirements of Water Code section 10730.2 and article XIII D, section 6(a) of the California Constitution; and

WHEREAS, the Board of Directors conducted a Public Hearing at a regular meeting on July 16, 2024, in accordance with the Notice to consider the rate increases described in the Notice; and

WHEREAS, the Board of Directors considered the Cost of Service Study and the Adopted 2024-25 Operating Budget and heard the comments of interested persons at the Public Hearing.

NOW, THEREFORE, BE IT HEREBY RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Upper San Luis Rey Groundwater Management Authority as follows:

1. The matters set forth in this Resolution are true and correct statements.
2. The Board of Directors of the Authority has been presented with data showing the estimated reasonable costs of carrying out the requirements of the Sustainable Groundwater Management Act (“SGMA”) and the goals of the Authority.
3. The Board of Directors authorized and directed the Administrator to give Notice of a Public Hearing, and Notice was given by mailing to all property owners and customers within the Authority boundaries, no less than 45 days prior to the Public Hearing and posted in a local paper. On July 16, 2024, at the time and place set for the Public Hearing, this Resolution was considered, and the Board heard and considered the comments of all persons appearing at the Hearing, and all written comments submitted prior to the close of the Hearing.
4. The Board of Directors finds that fees and charges (“Fees”) set forth in Authority Policy No. 2024-05 (“Policy”) attached hereto as Exhibit “A” and by this reference incorporated herein, will result in revenue to the Authority, taking into consideration the estimated reasonable cost of providing the services necessary to implement SGMA within the subbasin and the sources of revenue available to the Authority to cover the cost of such services, which will not exceed the estimated cost of the services for which the related fees are charged.
5. The Board of Directors finds that the Fees, taking into consideration the estimated reasonable cost of providing all services by the Authority and the sources of revenue therefore, will result in a fair and reasonable revenue program, reasonably allocating the cost of related services to those who benefit therefrom, without unfair subsidy to or by those who pay for the related services.
6. The Board of Directors find that the Fees are governed by Water Code § 10730 et.seq. Water Code section 10730.2 applies to well fees and extraction fees imposed for the purpose of USLRGMA administration, GSP implementation, and SGMA compliance. Water Code section 10730.2(c) requires that groundwater extraction fees be adopted in accordance with article XIII D, section 6(a) and (b) of the California Constitution (part of what is commonly known as Proposition 218). The Authority Board has reviewed the best options to fund the Authority and associated activities as explained and documented in the 2024 Cost-of-Service Study.
7. The Board of Directors find that the revenue derived from the Fees established by this Resolution does not exceed the funds required to provide the services for which they are imposed and shall not be used for any other purpose than that for which the charge was imposed. The Board of Directors

further finds that the rates for the Fees and Charges established by this Resolution do not exceed the proportional cost of the service attributable to each customer, are imposed for a service which is immediately available to the customer and are not imposed for general governmental services.

8. The Board of Directors hereby adopts the Fees as follows: the Authority shall impose an annual fee of \$300.00 per operating well plus \$24.59 per acre foot for extracted groundwater. For de minimis wells, the annual fee shall be \$100 per well plus \$12.30 per acre foot for extracted groundwater. The Fees are effective for the 2024-25 fiscal year, with the first payment due by December 15, 2024. The Board of Directors further adopts the Policy set forth in Exhibit "A" as the Authority's Policy for Fee Assessment, and the Administrator of the Authority is hereby authorized and directed to take all actions necessary to collect the Fees as set forth herein.
9. This Resolution shall take effect for all bills mailed on or after August 1, 2024.

PASSED AND ADOPTED at a regular adjourned meeting of the Board of Directors of UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY held Tuesday, July 16, 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Greg Kamin, Chair

ATTEST:

Michael Perricone, Secretary

**UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY
WELL EXTRACTION FEES AND CHARGES**

The purpose of this policy is to provide uniform guidelines for the calculation, determination and billing of well extraction fees for well owners in the Upper San Luis Rey Groundwater Subbasin.

The Board of Directors authorizes the Administrator to interpret and implement this policy as necessary to conduct the business of the Authority.

Fee Assessment Policy

The fees are governed by Water Code § 10730 et.seq. Water Code section 10730.2 applies to well fees and extraction fees imposed for the purpose of USLRGMA administration, GSP implementation, and SGMA compliance. Water Code section 10730.2(c) requires that groundwater extraction fees be adopted in accordance with article XIII D, section 6(a) and (b) of the California Constitution (part of what is commonly known as Proposition 218).

The fees will be assessed using the following methodology:

1. The Authority will charge individual well owners an **annual fee of \$300 per well**. For de minimis pumpers, the annual fee shall be **\$100 per well**.
2. The Authority will determine (using information from parcel owners and data collection used during the GSP Development and Cost-of-Service Study) to assess a **\$24.59 per acre foot** extraction charge for water extracted from wells within the Groundwater Basin. For de minimis pumpers, the extraction charge shall be **\$12.30 per acre foot**. This data includes, but is not limited to Well / Parcel Owner Self Certification, Crop type and corresponding acreage on individual parcels, and reported pumping data.
3. The Authority will issue bills once annually and all bills are due and payable upon receipt, but considered late after 60 days from bill issuance date.
4. If well extraction data is not provided to the authority by individual well / parcel owners through the self certification process, the Authority will use the data available to determine the best estimate of water extracted for the water year.

5. If a well/parcel owner disagrees with or contests the billed amount, it is the well / parcel owners responsibility to provide documentation as to the accurate amount of water extractions that should be billed. Well / parcel owners have 30 days from receipt of the bill to request the Authority reconsider the amount billed based on supportive evidence provided. Amounts billed are still due and payable during any process conducted to determine a more accurate extraction amount. If a lesser amount is determined to be accurate, a refund will be issued.