Colusa Groundwater Authority Board of Directors

P.O. Box 475, Colusa, CA 95932 | www.colusagroundwater.org

SPECIAL BOARD WORKSHOP
MEETING AGENDA

June 3, 2025 | 1:00 p.m.

Colusa Industrial Properties, 100 Sunrise Blvd., Colusa, CA 95932
Alternative meeting location(s):
244 SE Piper Dr, Holt, MO 64048
344 E Laurel St, Willows, CA 95988

Members of the public may attend this meeting in person or through Zoom:
https://us06web.zoom.us/j/81132820979

Full Agenda Packet: https://colusagroundwater.org/agendas-and-meetings-2025/

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* *Indicates action item*

1. **Call To Order and Determination of Quorum**
   a. Roll Call of Directors and Alternates
   b. Introductions of others in attendance

2. **Period Of Public Comment**
   At this time, members of the public may address the CGA Board regarding items that are not on the agenda but are of relevance to the CGA. The Board may not act on items not on the agenda.

3. **WORKSHOP: Review of Proposed Fees and Fee Structure**
   a. SCI consultant team will provide a presentation on the CGA proposed fee structure.
   b. Receive comments on proposed fees and draft Engineer's Report.
   c. *Direction to Staff/Consultant Team
   d. *Set Special Meeting to Initiate Notification Process

4. **Adjourn**

The full agenda packet can be found on the CGA website: https://colusagroundwater.org. In compliance with the Americans with Disability Act, if you require special accommodation to participate in CGA Board or committee meetings, please contact the Colusa Groundwater Authority Program Manager at 650-587-7300, extension 17, prior to any meeting for accommodations.

Colusa Groundwater Authority Board of Directors Meeting

June 3, 2025 | 1:00 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 3: WORKSHOP: Review of Proposed Fees and Fee Structure

ACTION ITEM

CGA's Long Term Funding ad hoc committee has been working closely with consultants SCI and team, Thad Bettner, and CGA counsel to prepare a recommendation for a new fee structure to support implementation of Groundwater Sustainability Plan programs and activities, including a groundwater demand management program and a domestic well mitigation program. A draft Engineer's Report has been prepared, along with a proposed fee structure and amounts. Fees are proposed to be classified in three landowner categories: Non-irrigated, Groundwater Only, and Mixed Use. Additionally, an operating budget has been prepared identifying an initial budget of $1.991 million for Fiscal Year 2025-26 to support CGA's administration costs and the required GSP compliance and implementation activities.

3a. SCI Consultant team presentation on proposed fees and fee structure

The SCI Consultant team will provide a presentation reviewing the proposed fees and fee structure for CGA.

3b. Receive comments on proposed fees and draft Engineer's Report

The CGA Board should hear comments from the board and the public on the proposed fees and the draft Engineer's Report.

3c. *Direction to staff/consultant team

Based on comments received, the CGA Board should review the proposed schedule for fee implementation and provide direction to staff and the consultant team regarding the draft Engineer's Report, the proposed fees and any possible revisions.

3d. *Set Special Meeting to initiate notification process

The Board should set a Special Meeting in early/mid June 2025 to receive the Engineer's Report and authorize staff to initiate the public notification process for adoption of fees.

Colusa Groundwater Authority

SGMA Operational Assessment

DRAFT ENGINEER'S REPORT

June 2025

Pursuant to California Water Code § 10730 et seq., California Government Code § 6502, and Articles XIIIC and XIIID of the California Constitution.

SCI Consulting Group
Public Finance Consulting Services

LWA LARRY WALKER ASSOCIATES
science | policy | solutions

Colusa Groundwater Authority

District Board

Board Member	Alternate	Entity Name
Janice Bell	Jose Merced Corona	County of Colusa
Jeremy Cain	Jesse Cain	City of Colusa
Kate Dunlap	Alfred Sellers, Jr.	City of Williams
Kelly Ornbaun	Jeff Sutton	Glenn-Colusa Irrigation District
Frank A. Nobriga	Halbert Charter, Shelly Murphy	Colusa County Water District
Jim Campbell	Jered Shipley	PCG Irrigation District
Zachary Dennis	Mike Urkov	Westside Water District
Hilary Reinhard	Lewis Bair	Reclamation District 108
Derrick Strain	*Vacant*	Reclamation District 479
Jim Wallace	Lynell Pollock	Colusa Drain Mutual Water Company
Chris Dobson	Barbara J. Sachs	Maxwell Irrigation District
Jered Shipley	Jim Campbell	Provident Irrigation District
Deke Dormer	*Vacant*	Private Pumper
Jeff Moresco	*Vacant*	Private Pumper

Authority Counsel

Alan Doud, Young Wooldridge, LLP

Assessment Engineer of Work

John Bliss, P.E., SCI Consulting Group

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I. Introduction

Background

The California Legislature enacted the Sustainable Groundwater Management Act ("SGMA") in 2014, establishing the first comprehensive, statewide framework for managing groundwater resources. SGMA was designed to ensure the long-term sustainability of groundwater basins and is implemented locally through Groundwater Sustainability Agencies ("GSAs"). Each GSA is responsible for preparing and carrying out a Groundwater Sustainability Plan ("GSP") in its jurisdiction and for securing the funding needed to implement the Projects and Management Actions ("PMAs") identified in the GSP.

The Colusa Groundwater Authority ("CGA" or "Agency") was formed in 2017 to serve as the GSA for a portion of the Colusa Subbasin, in accordance with SGMA. CGA and the Glenn Groundwater Authority ("GGA") jointly developed the Colusa Subbasin GSP, which was submitted to the California Department of Water Resources ("DWR") in January 2022. Following DWR's issuance of an incomplete determination in October 2023, the GSAs revised and resubmitted the GSP on April 23, 2024. The revised GSP was approved by DWR on February 27, 2025.

To meet its obligations under SGMA and implement the GSP, CGA requires an ongoing, reliable funding source. In December 2024, CGA engaged a consultant team led by SCI Consulting Group ("SCI Team") to develop and assist with the implementation of a new funding mechanism to support implementation of the GSP. This effort involved financial analysis, review of land use and groundwater data, evaluation of alternative rate structures, development of supporting documents, and coordination with CGA staff, the Board of Directors, and local stakeholders.

This Engineer's Report ("Report") supports the implementation of a Proposition 218-compliant benefit assessment, referred to herein as the "SGMA Operational Assessment" or simply the "Assessment," beginning in Fiscal Year ("FY") 2025–26. The proposed Assessment would replace CGA's current fee, which has supported CGA operations since 2019. The new Assessment is intended to generate sufficient revenue to support long-term implementation of the Colusa Subbasin GSP. This Report sets forth the method for levying an assessment on parcels that receive a special benefit from CGA's groundwater sustainability services.

This Report and the proposed Assessment have been developed in accordance with California Water Code section 10730 et seq., the Proposition 218 Omnibus Implementation Act (California Government Code section 53750 et seq.), and Articles XIIIC and XIIID of the California Constitution (sometimes referred to as "Proposition 218").

This Report was prepared to:

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- Describe the groundwater sustainability services to be funded by the proposed Assessment ("the Services") (See page 14).
- Establish a budget for the Services beginning in FY 2025–26 and into future years.
- Determine the special benefits received by parcels within CGA from the Services.
- Quantify and separate the general benefits, if any, from the special benefits.
- Describe the method of apportionment to parcels that receive such benefit.

Only parcels that directly receive the benefit of the Services to be funded by the proposed Assessment, would be subject to the proposed Assessment.

Subbasin Characteristics

The Colusa Subbasin underlies approximately 723,823 acres (1,131 square miles) in the northern Sacramento Valley and is identified in DWR's Bulletin No. 118 as Groundwater Subbasin 5-021.52. It is bounded by the Corning Subbasin to the north, the Butte and Sutter Subbasins to the east, and the Yolo Subbasin to the south. The Subbasin's western boundary is defined by the eastern edge of the Coast Range foothills, while the Sacramento River forms much of its eastern margin.

The Colusa Subbasin spans portions of both Colusa and Glenn Counties and contains a mix of agricultural, municipal, and environmental water uses. The Subbasin includes incorporated cities such as Colusa, Williams, Orland, and Willows, as well as rural communities including Arbuckle, Maxwell, and Princeton.

In 2017, two exclusive Groundwater Sustainability Agencies (GSAs) were formed to manage the Subbasin: the Colusa Groundwater Authority overlying the Colusa County portion, and the Glenn Groundwater Authority ("GGA") overlying the Glenn County portion. Together, CGA and GGA collaboratively developed a single GSP for the entire Subbasin. The GSP outlines strategies and PMAs to achieve groundwater sustainability by 2042, as required under SGMA in light of DWR's designation of the Subbasin as a medium priority, non-critically overdraft basin. Each GSA is responsible for implementing the GSP within its jurisdiction and for coordinating with the other GSA on Subbasin-wide efforts, including monitoring, data sharing, and joint reporting.

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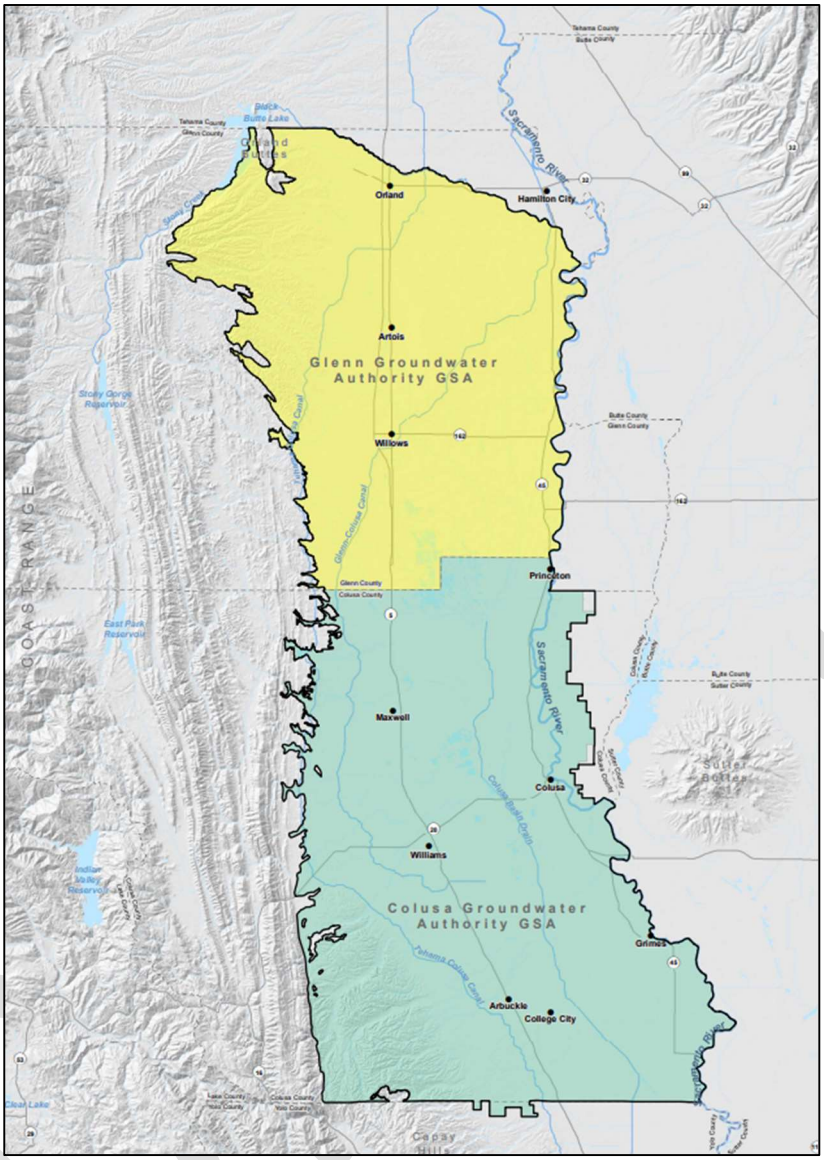
Figure 1 – Colusa Subbasin Boundary

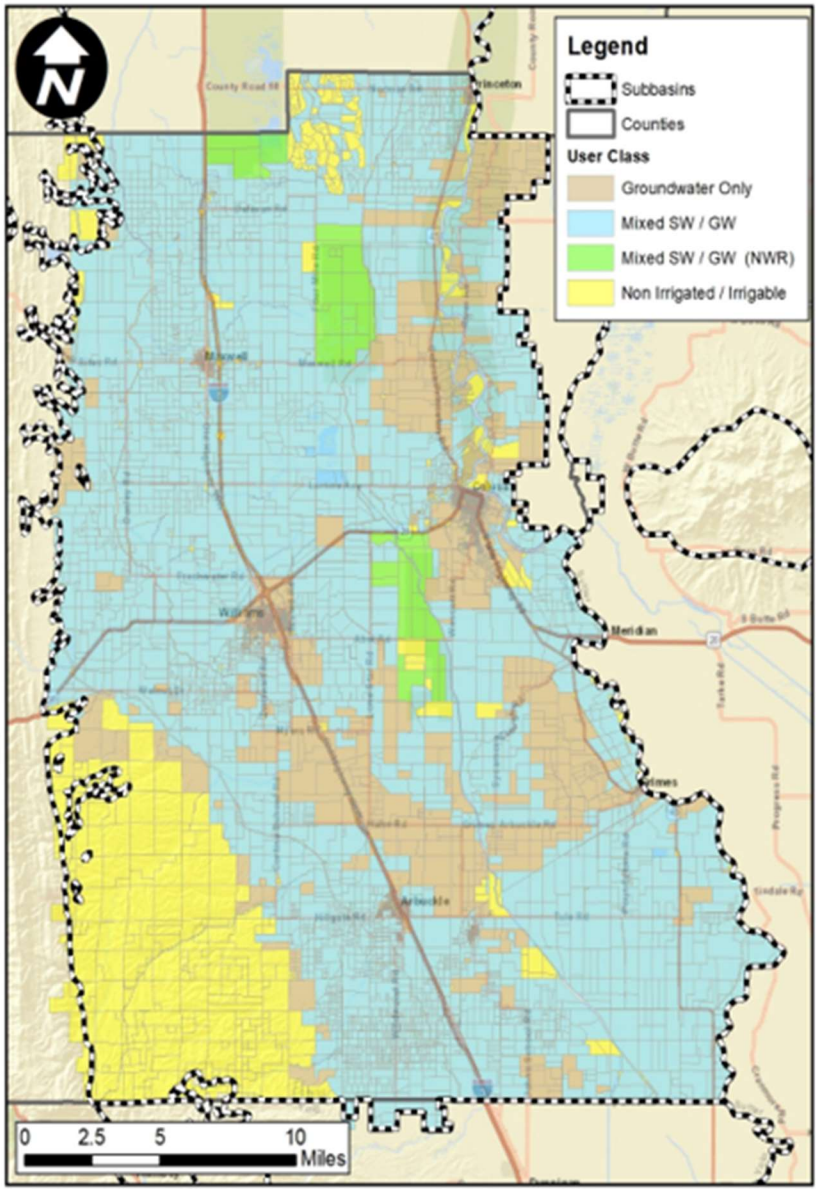


CGA Characteristics

The CGA is a Joint Powers Authority formed in 2017 to implement the SGMA within the Colusa County portion of the Colusa Subbasin. CGA's jurisdiction encompasses approximately 417,914 acres, representing just over 57 percent of the total Subbasin area.

CGA consists of ten member agencies, comprising reclamation districts, water districts, cities, and the County of Colusa, as well as two representatives of private groundwater pumpers. Governance is carried out by a twelve-member Board of Directors, with one Director appointed by each member agency and two private pumper representatives recommended by the Colusa County Groundwater Commission and appointed by the County Board of Supervisors.

Figure 2 -- Colusa Groundwater Authority Boundary



Financial Context

Just as SGMA envisions groundwater basins being locally governed, it also anticipates GSAs being locally funded. When the CGA was established in 2017, its member agencies agreed to fund CGA's operations during its initial years. To support the early development of the Colusa Subbasin GSP, CGA secured grant funding through Proposition 1 and Proposition 68. CGA implemented a fee in 2019 charged to each parcel within the Authority's jurisdictional boundary (known as the "Operations Fee"). Together, these funding sources have supported CGA's GSP development and administrative operations through the early compliance phase of SGMA.

Implementing the Colusa Subbasin GSP and ensuring compliance with SGMA requires additional resources and, therefore, additional revenue over the coming years. Although CGA has historically secured external grant funding and will continue to pursue these opportunities, a consistent, annual source of revenue is necessary to meet its SGMA compliance obligations, supporting CGA's ability to provide Services.

Subbasin Conditions and Approach

The conditions of the Colusa Subbasin are discussed in detail in the Colusa Subbasin GSP[1]. Land use in the Subbasin is primarily agricultural, with a significant portion of the land area used for irrigated crops. The primary agricultural commodities include rice, almonds, walnuts, and tomatoes, with other crops such as alfalfa and orchards also contributing to the region's agricultural output. While much of the irrigated land is concentrated in areas served by local water districts, groundwater is still a critical source of supply – particularly during dry years or when surface water allocations are curtailed. For a portion of irrigated lands, groundwater is the only available water source.

Groundwater in the Colusa Subbasin supports a range of beneficial uses, including agricultural irrigation, municipal and small water system supply, domestic wells, and critical habitat needs. Groundwater also sustains environmentally sensitive areas, such as managed wetlands and groundwater-dependent ecosystems within the Sacramento National Wildlife Refuge Complex. As described in the GSP, the majority of groundwater demand is tied to agriculture, while municipal and domestic groundwater use is concentrated near urban centers such as Colusa, Williams, Orland, and Willows.

[1] https://sgma.water.ca.gov/portal/gsp/preview/92

SGMA identifies six "undesirable results", which are the effects caused by groundwater conditions occurring throughout the Subbasin. These include: chronic lowering of groundwater levels, groundwater storage, land subsidence, water quality, depletion of interconnected surface water, and seawater intrusion. As detailed in the GSP, it was determined that five sustainability indicators (each pegged to an undesirable result) are potentially applicable to the Colusa Subbasin, with seawater intrusion being the exception because the Subbasin is land-locked and 30 to 60 miles from the Coast. (GSP, 5-2.) The GSP elaborates on the technical considerations associated with each applicable sustainability indicator in the Colusa Subbasin, and these considerations served as the foundation for establishing the criteria for sustainable management. Each sustainability indicator has associated undesirable results that impair beneficial uses of groundwater.

Within the CGA's jurisdiction, the three *primary* sustainability concerns out of the five sustainability indicators are chronic lowering of groundwater levels, reduction of groundwater storage, and inelastic land subsidence (GSP, ES-20).

Groundwater level declines have occurred in parts of the Subbasin, largely due to increased groundwater pumping during drought and reductions in surface water availability (GSP, 6-4). These declines have led to adverse impacts such as dry wells and localized land subsidence, which has raised concerns about future damage to infrastructure and water conveyance systems. As described by the GSP, declining groundwater levels create conditions that cause significant and unreasonable reduction in sustainable groundwater supplies needed to meet the needs of beneficial uses and users of groundwater over the GSP planning and implementation horizon (GSP, 5-5). Such conditions cause wells to fall below established thresholds, resulting in impaired access for drinking water and agriculture, or contributing to subsidence and environmental degradation. The risk of undesirable results is greatest during multi-year droughts or in areas with limited surface water access. To address these issues, the CGA and GGA have committed to implementing PMAs, including demand reduction programs, in-lieu recharge, and domestic well mitigation programs (GSP, 6-18). The GSP defines undesirable results for groundwater level declines as results that "would cause significant and unreasonable reduction in sustainable groundwater supplies needed to meet the needs of beneficial uses and users of groundwater over the GSP planning and implementation horizon" (GSP 5-6).

Reduction of groundwater storage relates closely to groundwater level declines, and had been identified within the Subbasin (GSP, ES-15). The GSP defines undesirable results for reduction in groundwater as results "that would cause significant and unreasonable reduction in the long-term viability of beneficial uses and users over the planning and implementation horizon of this GSP" (GSP 5-13).

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Though not widespread at present, land subsidence has been observed in parts of the Subbasin, particularly in the Arbuckle area, and has been linked to declining groundwater levels. The GSP defines undesirable results for subsidence as significant and unreasonable inelastic deformation that affects land use or infrastructure viability (GSP, 6-3).

Depletion of interconnected surface water is also monitored, as reductions in groundwater levels may lower baseflows to streams or impact wetland hydrology (GSP, 5-50). This can result in cascading effects that intensify demand for groundwater supplies and further complicate sustainability efforts.

Degraded water quality is currently limited in scope but remains a monitored issue, particularly with respect to nitrate concentrations and naturally occurring salinity in some areas. The GSP defines undesirable results for this indicator as degradation of water quality due to groundwater management actions that impair beneficial uses or impose increased treatment costs (GSP, 5-41).

Basin Prioritization

DWR assigned each of California's 515 groundwater basins a prioritization rating. The Basin Prioritization rating dictates whether a basin is designated very low, low, medium, or high priority as shown in Table 1.

Table 1 – SGMA Priority Ranking Criteria

Priority	Total Priority Point Ranges			
Very Low	*over*	zero	*up to*	7
Low	*over*	7	*up to*	14
Medium	*over*	14	*up to*	21
High	*over*	21	*up to*	42

Medium and high priority basins were required to establish a groundwater sustainability agency and develop a GSP. With a priority ranking score of 23.5, the Colusa Subbasin is classified by DWR as a high-priority basin, requiring full compliance with SGMA. The Subbasin's priority point allocation, based on population, well counts, irrigated acreage, groundwater reliance, and other factors, is illustrated in Table 2.

Table 2 – Colusa Subbasin Priority Points

	Criteria	Priority Points
1	Population	1
2	Population Growth	3
3	Public Supply Wells	1
4	Total Wells	3
5	Irrigated Acres	4
6	Groundwater Reliance	3.5
7	Impacts	4
8	Habitat and Other Information	4
	Total Priority Points	23.5

Colusa Subbasin Sustainability Goal

The Colusa Subbasin GSP sets forth a long-term sustainability goal that frames all groundwater management activities through 2042. This goal emphasizes a locally driven approach to managing groundwater in a manner that preserves beneficial uses, protects economic and environmental values, and avoids undesirable results.

The sustainability goal for the Subbasin is:

> *To maintain, through a cooperative and partnered approach, locally managed sustainable groundwater resources to preserve and enhance the economic viability, social well-being and culture of all Beneficial Uses and Users, without experiencing undesirable results (GSP, ES-18).*

To achieve this outcome, the GSP establishes specific minimum thresholds, measurable objectives, and interim milestones tied to basin conditions. These metrics are used to evaluate progress and determine whether additional management actions are needed.

The goal is supported by the following prioritized actions, which guide project planning and monitoring efforts across the Subbasin:

- Maintain groundwater levels within established thresholds to avoid significant impacts to drinking water wells, agriculture, and the regional economy (GSP, 5-6, 5-8).
- Manage groundwater and surface water interactions to sustain ecosystems and protect interconnected surface waters (GSP, 5-8).
- Prevent inelastic land subsidence that could damage infrastructure or reduce aquifer storage capacity (GSP, 5-7).
- Protect groundwater quality by monitoring for and managing contaminants that could impair beneficial uses (GSP 5-14).

- Promote efficient water use and conservation practices across all user types (GSP, 2-22, 5-8).
- Implement adaptive management to address changing hydrologic, regulatory, or land use conditions (GSP, 5-9).
- Coordinate with adjacent subbasins to support regional sustainability and minimize undesirable results along shared boundaries (GSP, 5-56).

This approach is rooted in adaptive management, allowing for responsive adjustments to projects and strategies as new data becomes available. It ensures that CGA can remain compliant with SGMA, respond to emerging challenges, and maintain local control over groundwater management. The Services to be funded through CGA's proposed Assessment are directly aligned with this objective and serve to maintain Subbasin stability and long-term groundwater reliability.

Assessment Approach

Since 2019, CGA has primarily funded its efforts through the Operations Fee. This Fee has supported basic GSA administration. However, two elements of this Fee render it insufficient to support GSP implementation going forward: (1) it was designed to support a smaller budget and revenue need, and (2) it included an annual rate increase based on the Consumer Price Index ("CPI") that expired in FY 2023-34. As of FY 2024–25, CGA no longer has the ability to increase this Fee. Recognizing the need for a reliable, long-term revenue source to support ongoing SGMA implementation, CGA is establishing a new benefit assessment through this Engineer's Report in accordance with Proposition 218, Gov. Code Sections 53750 et seq., and Water Code Sections 10730 et seq. If approved by landowners, this proposed Assessment will replace the Operations Fee program and serve as CGA's ongoing funding mechanism.

Hence, to meet the expanding revenue needs required by GSP implementation, CGA is proposing a new SGMA Operational Assessment beginning in FY 2025-26. The proposed Assessment will cover the entirety of CGA's jurisdiction, which includes approximately 412,420 total parcel acres. Due to their exempt status, approximately 10,734 acres, including federally and tribally owned lands and other exempt properties, will not be assessed. These lands are either exempt from SGMA's mandate or would not be subject to regulation in the event of State intervention under SGMA. For these reasons, these lands do not receive the special benefit provided by CGA's Services. This results in approximately 401,686 assessable acres across the CGA service area (GSP, 2-11).

While the proposed Assessment is intended to support CGA's operational funding needs, including administration and PMA implementation, further funding for PMAs may be necessary in the future. CGA is evaluating options for additional revenue generation in addition to the proposed Assessment, including voluntary self-funding models and extraction-based fees. The proposed Assessment is intended to support CGA's operational capacity and expand analysis of local groundwater use, which will help to better inform the potential need for additional PMA funding in the future.

A key component of developing the proposed Assessment is evaluating the degree of special benefit conferred by CGA's Services to different land use types. As described in the section below titled "Benefit Factors," the degree of special benefit conferred on parcels varies depending on several factors including whether they are irrigated, whether they have access only to groundwater, or whether they have access to both groundwater and surface water.

CGA's assessable acreage, grouped by "Land Use", includes approximately:

- 67,945 acres of "Non-Irrigated" land,
- 70,908 acres of land that relies exclusively on groundwater ("Groundwater Only")
- 262,833 acres of land classified as "Mixed-Use" (with access to both surface water and groundwater).

The proposed Assessment structure includes "per-acre" rates that vary depending on each parcel's classification across these three distinct Land Use Groups (or "rate categories"). These variable rates reflect the variable proportional special benefit provided to each Land Use Group. This Engineer's Report utilizes Benefit Factors, which are used to score the benefit of costs separated into three Service Categories:

- Professional Services costs, scored based on Basin Management and SGMA Compliance.
- Planning Services costs, scored based on Project Preparation and Data Management.
- Groundwater Sustainability Services costs, scored based on Data Management, Access to Groundwater, and Reliance on Groundwater.

These Service Categories, and the Benefit Factors that inform the proposed rate proportionality, are discussed in detail in Section IV., below.

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The proposed Assessment will fund CGA's operational budget, which supports a range of administrative, planning, and technical services required to implement the Colusa Subbasin GSP and comply with SGMA. These Services include GSA administration and oversight; legal and financial support; stakeholder coordination and inter-GSA collaboration; and technical functions such as annual reporting, groundwater level monitoring, and the five-year GSP update. The assessment also supports development and maintenance of a groundwater accounting system, management of well data, satellite imagery analysis, and program delivery for both the Demand Management and Domestic Well Mitigation Programs. Additional efforts include data management, long-term financial planning, and early-stage project evaluation and preparation. These Services are essential to CGA's ability to implement the GSP.

To meet its operational needs, CGA must generate approximately $1,991,000 in FY 2025-26. In future years, the budget will be evaluated and determined by the Board but is expected to remain relatively stable.

This Assessment will provide a reliable, locally controlled source of revenue to fund the Services described herein and ensure continued progress toward sustainable groundwater management within the Subbasin.

For FY 2025–26, the proposed CGA Assessment rates are:

- Non-Irrigated Parcels: $0.41 per acre
- Groundwater Only Parcels: $6.90 per acre
- Mixed Use Parcels (surface water and groundwater): $5.61 per acre

These proposed rates are reasonable and comply with the proportionality requirements of Article XIII D of the California Constitution because they do not exceed the reasonable cost of the proportional special benefit conferred on each parcel.

The Assessment will be subject to an annual adjustment tied to the change in the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index ("CPI") for the Western Region, not to exceed 3% per year, for each of the four (4) years following its adoption. Thereafter, the Assessment cannot be increased without approval from property owners in another assessment ballot proceeding. The December to December CPI will be used to calculate the CPI. In the case of a negative December to December CPI, a 0.0% CPI will be used. The increase in the Assessment under this framework is not automatic; rather, it will be subject to Board determination and must be justified by an increase in costs.

Legal Authority

Water Code § 10730 provides as follows:

> *A groundwater sustainability agency may impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, including, but not limited to, preparation, adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.*

The Services funded by the Assessment comport with the "groundwater sustainability program" described in Section 10730 and is the statutory basis on which the CGA plans to adopt and levy the Assessment.

Additionally, Water Code Section 10730.8 explicitly states, "nothing in this chapter shall affect or interfere with the authority of a groundwater sustainability agency to levy and collect taxes, assessments, charges, and tolls as otherwise provided by law." This code section provides a further statutory basis for the Assessment.

All special benefit assessments must comply with Article XIIID of the California Constitution. Proposition 218 allows for special benefit assessments to be levied to fund the cost of providing services and improvements, as well as maintenance and operational expenses of a public improvement that provides a special benefit to the assessed property.

Proposition 218 imposes a number of procedural and substantive requirements to implement a special benefit assessment, including property-owner balloting, and the assessment ballot proceeding pursuant to which CGA is developing and proposing these assessments complies with those requirements. The assessment ballot proceeding also conforms to the substantive and procedural requirements of Water Code Section 10730.

Assessment Process and Future Continuation of Assessment

Following submittal of this Report to CGA for preliminary acceptance, the Board may call for an assessment ballot proceeding and public hearing on the proposed establishment of a SGMA Operational Assessment.

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If the Board approves such action, a notice of assessment and assessment ballot shall be mailed to the owner of each parcel that will be subject to the proposed Assessment. Such notice will include a description of CGA Administration and GSP Implementation efforts to be funded by the proposed Assessment, the total amount of the proposed Assessment chargeable to the parcels within CGA, the amount chargeable to the specific parcel, the reasons for the proposed Assessment, the basis upon which the Assessment was calculated, and an explanation of the process for submitting a ballot. Each notice will include a postage prepaid return envelope and a ballot on which the parcel owner may mark their approval or disapproval of the proposed Assessment as well as affix their signature.

After the ballots are mailed to parcel owners subject to the Assessment, a minimum 45-day time period must be provided for the return of the Assessment ballots and before the hearing on the Assessment may be held. Following this balloting time period, a public hearing must be held for the purpose of allowing public testimony regarding the proposed Assessment. At the public hearing, the public will have the opportunity to speak on the issue. The public hearing will be held on a date to be determined by the CGA Board.

At that public hearing, all ballots returned (and not withdrawn) will be tabulated in accordance with the requirements of Proposition 218 and the Proposition 218 Omnibus Implementation Act and will not be opened or tabulated before the close of the public input portion of the hearing. At the conclusion of the public hearing, an impartial person designated by CGA who does not have a vested interest in the outcome of the proceeding shall tabulate the assessment ballots. Ballots will be unsealed and tabulated in public view. If it is determined that the Assessment ballots submitted in opposition to the proposed Assessment do not exceed the Assessment ballots submitted in favor of the Assessment (weighted by the proportional financial obligation of the parcel for which ballots are submitted), the Board may take action to approve the imposition of the Assessment for FY 2025-26 and each fiscal year thereafter. The levy and collection of the Assessment would continue year-to-year until terminated by the Board.

As outlined in Government Code Section 53739, the Board may levy the Assessment in future years without conducting a new proceeding, as long as the Assessment is less than or equal to the Assessment rates authorized in the original proceeding. The Board will not levy the full authorized amount of the Assessment unless it is necessary to do so.

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II. Description of Improvements

CGA's Services support the continued implementation of the Colusa Subbasin GSP and are essential to achieving and maintaining compliance with SGMA.

The operational budget to be funded by this proposed Assessment includes expenses associated with CGA's ongoing administrative, technical, and compliance responsibilities under SGMA. These expenses fall into three primary Service Categories: Professional Services, Planning Services, and Groundwater Sustainability Services.

The formula below describes the relationship between the final level of service, the baseline level of service if the Assessment is not instituted, and the enhanced level of service funded by the Assessment:

Final Level of Service	=	**Baseline Level of Service**	+	**Enhanced Level of Service**

CGA's Services to be funded by the proposed Assessment include all operational Services necessary to maintain sustainable groundwater management within CGA's jurisdiction.

Specifically, these Services include:

Professional Services

The Professional Services Category includes core functions that support the day-to-day operation of CGA and ensure continued compliance with SGMA. Altogether, the total cost for all Professional Services Costs is $706,000 per year.

- Administration covers essential functions such as coordination, agency management, Board support, scheduling, auditing, and general office operations. These administrative activities are foundational to CGA's functionality.
- Office Expenses account for routine costs including insurance, printing and mailing for outreach, website maintenance, and basic office supplies. These expenses are necessary to support the Authority's operations and communications with stakeholders.
- Compliance with SGMA relates to specific State-mandated requirements evaluated by DWR and, if found deficient, referred to the SWRCB for enforcement. CGA must adhere to SGMA requirements regarding mandated monitoring and reporting. The risk of State intervention is real and significant. The loss of local control in the Subbasin would represent a shift away from locally designed solutions and governance.

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- Administrative Components consist of additional administrative services that support compliance with SGMA and PMA implementation. This includes public engagement, grant procurement, PMA planning, and an administrative contingency reserve (10% of administrative costs) set aside to address unforeseen costs.
- Finally, Services and Contingency includes support for legal reserves, long-term financial planning, tax roll coordination, and a SGMA compliance contingency reserve (10% of operational costs) that may be required to address future regulatory needs or unexpected developments.

Planning Services

The Planning Services Costs Category includes technical and financial planning efforts necessary to support long-term groundwater sustainability in the Colusa Subbasin. The total cost for all Planning Services Costs is $185,000 per year.

- Long Term Funding Planning covers activities such as updating revenue requirements, funding-focused public engagement, and budget management. These functions help ensure the financial stability of CGA's programs over time.
- Project Implementation includes the planning and advancement of PMAs identified in the GSP. This includes tasks such as preparing environmental impact reports and refining project scopes to support efficacy and implementation readiness.
- Study Implementation funds technical studies that support GSP goals and address key data gaps. These activities include refining or developing studies to improve CGA's understanding of groundwater use, implementing efforts to fill data deficiencies, and expanding the subsidence monitoring network with real-time data collection tools.

Groundwater Sustainability Services

The Groundwater Sustainability Services Category includes focused efforts to ensure that the basin remains sustainable. The Domestic Well Mitigation Program and the Demand Management/Groundwater Accounting System Program are key groundwater management programs identified in the revised GSP (GSP, 2). Both programs are identified in the GSP and required by DWR's GSP Determination Letter. The total cost for all Groundwater Sustainability Services Costs is $1,100,000 per year.

- The Domestic Well Mitigation Program will mitigate the effects of undesirable results on domestic groundwater wells. The GSAs agree to implement the Program no later than January 2026 with the goal of mitigating drinking water well impacts resulting from declining groundwater levels and subsidence (GSP 6-61). Between April 2024 and January 2026, the GSAs will work in close partnership to develop Program measures and an effective implementation strategy that will avoid undesirable results for beneficial uses and users of groundwater.

- The Demand Management/Groundwater Accounting System Program funds the design and operation of a comprehensive groundwater accounting system. This includes the setup and ongoing operations of the accounting platform, interpretation of satellite imagery to monitor land and water use, collection and quality control of groundwater well data, and the implementation of board-approved demand management policies when necessary to prevent or respond to minimum threshold exceedances. These measures help CGA maintain reliable data and responsive tools to actively manage demand and reduce risks of overdraft.

The Services to be funded by the proposed Assessment provide a special benefit to parcels within CGA by ensuring that SGMA compliance is achieved efficiently, GSP implementation activities can be carried out with local control and regional coordination, and groundwater availability is protected. Table 3 below summarizes costs related to the Services to be provided. A detailed budget table, including costs related to all budget line items within the Service Categories, is provided in Appendix A.

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III. Cost and Budget Estimate

The annual operational revenue need of $1,991,000 is shown below in the proposed budget. Table 3, below provides a proposed budget for 2025-26:

Table 3 – Fiscal Year 2025-26 Proposed Budget

Costs		Total Amount
Beginning Unrestricted Net Assets		$0
Professional Services		
	Administrative	$349,250
	SGMA Compliance	$72,500
	Admin Components	$284,250
	Subtotal (a)	$706,000
Planning Services		
	Long Term Funding Planning	$50,000
	Project Implementation	$40,000
	Study Implementation	$95,000
	Subtotal (b)	$185,000
Groundwater Sustainability Services		
	Domestic Well Mitigation	$250,000
	Demand Management Mitigation	$850,000
	Subtotal (c)	$1,100,000
Annual Operations and Maintenance Costs (a+b+c=d)		$1,991,000
Contributions from other sources (e)		$0
Total Annual Costs (d+e)		**$1,991,000**

Assessment Calculator			
Total Annual Costs			$1,991,000
Balance to Assessment			**$1,991,000**
	Acres (f)	Rate(g)	Total (f*g)
Non-Irrigated	67,945	$0.41	$27,622
Groundwater Only	70,908	$6.90	$489,197
Mixed Use	262,833	$5.61	$1,474,181
		Total Assessment Amount =	**$1,991,000**

IV. Method of Apportionment

This section includes an explanation of the special benefits to be derived from the Services, the criteria for the expenditure of Assessment funds, and the methodology used to apportion the total Assessment across all properties subject to the Assessment.

Pursuant to Proposition 218, the method used for apportioning the Assessment is based upon the proportional special benefits conferred to the parcels over and above the general benefits conferred upon property in CGA, or to the public at large. Special benefits are calculated for each parcel subject to the Assessment using the following process:

1.) Identification of all benefit factors derived from the Services.
2.) Calculation of the proportion of these benefits that are general.
3.) Determination of the relative special benefit conferred upon each parcel type.
4.) Calculation of the specific Assessment for each individual parcel based upon land use, size and potentially other factors.

Discussion of Benefit

The Professional, Planning and Groundwater Sustainability Services identified in this Report support SGMA compliance, reduce the risk of State intervention, and support continued local control, which preserves the long-term functionality, utility, and value of assessed property.

The Services are over and above the baseline level of activity and are structured to ensure that the cost to each parcel does not exceed the reasonable cost of the proportional special benefit received. The following sections provide further detail on how special and general benefits are identified and apportioned.

Proposition 218 prohibits any assessment "imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel" (Cal. Const., art. XIIIC). Accordingly, the proposed Assessment is based solely on the special benefit conferred to assessed parcels; i.e., benefits that exceed any general benefit provided to the public at large or to parcels outside CGA.

All parcels subject to the proposed Assessment benefit, though the degree of benefit varies. Groundwater-only parcels receive the most direct benefit due to their full reliance on groundwater. Mixed use parcels benefit from preserving groundwater as a supplemental source. Non-irrigated parcels, such as rangeland or dryland, benefit through the protection of future groundwater access. These differences are reflected in the proposed variable assessment rates.

Sustainable Groundwater Management Is a Special Benefit

Sustainable groundwater management Services confer special benefits to assessed parcels within the CGA service area. As defined by Article XIII D, Section 2(i) of the California Constitution, a special benefit is a particular and distinct advantage conferred directly to real property, above and beyond any general benefits provided to the public at large or to properties outside the assessment area.

The Services are designed to protect assessed parcels from undesirable results identified under SGMA and in the GSP. If left unaddressed, these conditions would diminish the utility, productivity, and long-term value of real property. Avoiding undesirable results and maintaining SGMA compliance represents a special benefit that is measurable and directly related to a parcel's use and dependence on sustainable groundwater conditions.

The Assessment Engineer has determined that CGA's services provide an enhanced level of management above baseline conditions and confer special benefits by preserving groundwater resources, supporting future land use options, and ensuring sustainable water availability. These benefits are specific to the parcels subject to the Assessment and are not shared equally by the public or by properties located outside CGA.

Through ongoing SGMA compliance activities such as monitoring, reporting, Subbasin coordination, stakeholder engagement, and local implementation, CGA supports groundwater reliability and protects landowners from potential State intervention. These activities result in special benefits that preserve the viability of assessed parcels for continued agricultural production, domestic use, or future development.

A detailed explanation of the benefit factors used to apportion costs among parcels is provided in the following section. These benefit factors demonstrate how and why the services being funded deliver distinct, proportional special benefits to each parcel assessed.

General Versus Special Benefits

A special benefit is a particular and distinct benefit over and above the general benefits conferred on real property located outside but proximate to an assessment area, within an assessment area, or to the public at large. The total cost of the Services must be apportioned among the properties being assessed, based on the proportionate special benefit the properties will receive. Proposition 218 requires any local agency proposing a new special assessment to "separate the general benefits from the special benefits conferred on a parcel." (Cal. Const. art. XIIID §4.)

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The basis for separating special and general benefits is to ensure that certain parcel owners are not charged for CGA Administration and GSP Implementation Services provided to the general public or to property outside the assessed area. (*See Silicon Valley Taxpayers' Assn., Inc. v. Santa Clara County Open Space Authority* (2008) 44 Cal. 4th 431, 450.) All property that is specially benefited by the Services will be assessed.

The Assessment Engineer has developed an approach described below, which is now the industry standard. Below is a description of the calculations used to separate the general benefit from special benefit, and to quantify the general benefit. In each step of this analysis, more liberal assumptions and determinations have been used in order to protect property owners against over-assessment consistent with the goals of Proposition 218, by ensuring that the total calculated general benefit is maximized and not understated.

Hence:

Total Benefit	=	Special Benefit	+	General Benefit

A well-established formula to estimate the general benefit is listed below which relies on a three-component analysis of potential general benefit:

General Benefit	=	Benefit to Real Property Outside of Assessment District	+	Benefit to Real Property Inside of Assessment District	+	Benefit to Public at Large

Benefit to Parcels that are Outside, But Proximate to CGA

To determine the benefit to parcels outside, but proximate to the proposed assessed acres in CGA, the Assessment Engineer has analyzed parcels adjacent to CGA's jurisdiction.

The area north, south and east of CGA, contains parcels within the Colusa and other subbasins. While these proximate parcels may receive some degree of benefit from the Services funded by this proposed Assessment, the efforts of neighboring GSAs also provide some degree of benefit to parcels within CGA. For this reason, the benefit provided to parcels to the north, south, and east is offset by and reciprocal to the benefit provided to CGA parcel owners through similar sustainable groundwater management efforts in adjacent GSA jurisdictions.

Parcels to the West of CGA lie within the Coastal mountains. These properties are largely non-irrigated rangeland parcels at higher elevations outside the Subbasin, where groundwater use is more limited. Additionally, these parcels do not benefit from compliance with SGMA, as they are not within a Bulletin 118 basin designated and high or medium priority and subject to SGMA. For these reasons, the special benefit, if any, to parcels to the east of CGA is negligible.

Total General Benefit to Parcels Outside, but Proximate, To CGA = ~ 0%

Benefit to Parcels within CGA

The Engineer has determined that all benefits provided to parcels within CGA can be considered special benefits, and that general benefits, if any, are negligible. As such, all parcels subject to SGMA within CGA will be included in the proposed assessment and charged according to the relative special benefit they receive.

Total General Benefit to Parcels Within CGA = ~ 0%

Benefit to the Public at Large

This Report uses any benefit to the "public at large" as the third component of the overall general benefit quantification. In *Beutz v. County of Riverside* (2010) 184 Cal.App.4th 1516, the Court opined that general benefits from parks and recreation facilities could be quantified by measuring the use of parks and recreation facilities by people who do not live within the assessment boundaries. Therefore, the general benefit to the public at large can be estimated by the proportionate amount of time that the Services are used and enjoyed by individuals who are not residents, employees, customers, or parcel owners in CGA.

Here, any general benefit to the public at large within the Authority's boundaries would primarily be made up of non-resident visitors who are not associated with any parcel owners – (e.g., sightseers, etc.) of which there are very few. Most of CGA is not readily accessible or desirable to the "touring" public. The need for access (and water use) by those who are not subject to the Assessment in any way (e.g., visitors to CGA who are not residents, employees, customers, or parcel owners) in CGA is very limited. This small component of general benefits within CGA, if any, is negligible.

Total General Benefit to Public at Large = ~ 0%

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Special Note on General Benefits

In *Dahms v. Downtown Pomona Property* (2009) 174 Cal.App.4th 708, the court upheld an assessment that was 100% special benefit on the rationale that the services and improvements funded by the assessments were directly provided to property in that district. Similar to the assessments in Pomona that were validated by *Dahms*, the Assessment described in this Engineer's Report fund groundwater sustainability Services that are directly provided to property in the Assessment area. Therefore, *Dahms* establishes a basis for minimal or zero general benefits from the assessments. However, in this report, the general benefit is more liberally estimated and described, and then budgeted so that it is funded by sources other than the assessment.

Total General Benefits

Using a sum of these three measures of general benefit, we find that none of the benefits conferred by the Services are general in nature, and no offsetting general benefit reimbursement is required.

General Benefit =

~ 0 % (Outside CGA)

+ ~ 0 % (Property within CGA)

+ ~ 0 % (Public at Large)

=0.0% (Total General Benefit)

Method of Assessment

The next step in apportioning assessments is to determine the relative special benefit for each parcel. This process involves determining the special benefit received by each parcel in relation to a "benchmark" acre.

The relative special benefit to parcels from the GSA Administration and GSP Implementation Services provided by CGA is best illustrated with several fundamental formulas as shown below:

Equation 1

The special benefit to a parcel is a function of factors such as land use and size:

$$\text{Special Benefit}_{\text{parcel}} = f \text{ (land use and size)}$$

Equation 2

The base dollar rate to be assessed to each parcel is the quotient of the sum of the costs divided by the sum of the special benefit units.

$$\$ \text{ Rate} = \sum \text{Costs} / \sum \text{Special Benefit Units}$$

Equation 3
The specific dollar assessment on a parcel is the product of the area (acres) and the rate.

$$\text{Assessment}_{parcel} = \$ \text{ Rate} \times \text{Area}$$

Land Use Groups

Benefit-receiving parcels within CGA's jurisdiction are categorized into three Land Use Groups, as introduced above, based on water use characteristics. Each group receives a different degree of special benefit from CGA's services under SGMA:

- Non-Irrigated
- Groundwater Only
- Mixed Use

Non-Irrigated

The Non-Irrigated Land Use Group includes lands that are not irrigated with groundwater or surface water. This Group includes vacant and open space lands. Non-irrigated parcels receive a relatively low special benefit from CGA's Services. Since these parcels do not actively use groundwater or surface water, they do not directly benefit from programs like demand management or well mitigation. However, they do receive benefit from broader Subbasin outcomes, such as protection of underlying water resources and avoiding State intervention. As such, they are assigned a lower share of the cost to reflect their more limited benefit.

Groundwater Only

The Groundwater Only Land Use Group includes irrigated lands that have no access to surface water and are reliant exclusively on groundwater. Both agricultural and municipal lands are included in this Group Parcels that use groundwater exclusively for irrigation or municipal needs receive substantial benefit from CGA's Services. They rely entirely on groundwater and directly benefit from monitoring, Subbasin management, and protection programs that help ensure continued access to groundwater resources. Their higher special benefit level is reflected in a higher proposed Assessment rate per acre.

Mixed Use

Parcels with access to both surface and groundwater are irrigated lands that typically rely on surface water under normal conditions but often use groundwater during dry years or periods of curtailed surface supply. These parcels receive significant benefit from CGA Services that support sustainable groundwater availability. Their occasional need for reliable access to groundwater means they receive a similar yet slightly reduced benefit from CGA's Services than the Groundwater Only Land Use Group.

Special Benefit Service Categories

The CGA's Services are organized into three distinct operational categories that reflect the nature, purpose, and intensity of Services provided to different parcel types. These categories, referred to as Special Benefit Service Categories, form the structure for evaluating and allocating Assessment rates. Each group is associated with specific budget line items (as discussed above) and evaluated through one or more benefit factors that measure the relative value delivered to groundwater-reliant parcels. The three Service categories are:

- Professional Services
- Planning Services
- Groundwater Sustainability Services

Each category provides varying levels of benefit to parcel groups based on their groundwater reliance and participation in CGA-managed activities. The distribution of costs is directly linked to these benefit levels, which are quantified and validated in the supporting tables.

Background on Benefit Factors

Each of the three Special Benefit Service Categories—Professional Services, Planning Services, and Groundwater Sustainability Services—relies on two or more benefit factors to apportion costs. The selected factors are tailored to the nature of the Services in each category and are weighted to reflect the level of direct benefit provided to each land use class. This structure ensures that only parcels receiving a distinct special benefit from CGA's Services contribute proportionally to the cost of those Services.

The benefit factors used for each Service category are listed below.

- Professional Services.
    - Basin Management.
    - SGMA Compliance.
- Planning Services.
    - Project Preparation.

    - Data Management.
- Groundwater Sustainability Services.
    - Data Management.
    - Access to Groundwater.
    - Reliance on Groundwater.

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Methodology Approach

The CGA's approach to determining special benefit and the corresponding per-acre assessment rate is structured, quantitative, and grounded in the principle of proportionality. For every parcel, the special benefit is determined by summing the benefits received from CGA's three core operational service groups:

Equation 4

- Special Benefit$_{parcel}$ =
- Special Benefit from **Professional Services** +
- Special Benefit from **Planning Services** +
- Special Benefit from **Groundwater Sustainability Services**

This directly informs the proposed assessment rate per parcel:

Equation 5

- Proposed Assessment $ Rate$_{parcel}$ =
- Rate from **Professional Services** (Table 4) +
- Rate from **Planning Services** (Table 5) +
- Rate from **Groundwater Sustainability Services** (Table 6)

…as summarized in Table 8.

To quantify these values, CGA evaluated the three Land Use Groups: Non-Irrigated, Groundwater Only, and Mixed Use, against each of the three special benefit Service groups: Professional Services, Planning Services, and Groundwater Sustainability Services. Each land use group was scored on a scale from 1 to 10 for each benefit factor within each Service category, using criteria relevant to the specific benefit provided. The scoring included weights based on the relative importance of each criterion and was developed through input from CGA staff, Board members, consulting engineers, and other stakeholders. Scores were supported by measurable data and sound engineering judgment.

This collaborative, evidence-based process ensures that each parcel is assigned a cost that reflects the actual level of benefit it receives from CGA Services. The scoring and weighting system provides a consistent and transparent method for translating Service demand into proportional cost responsibility.

Tables 4, 5, and 6 present the results of this analysis for each Service group. Each table includes the scoring criteria, weightings, percentage allocations, and calculated per-acre rates for each Land Use Group. These tables serve as a verification tool, showing that cost allocations are tied directly to documented special benefits.

Professional Services

Costs in this category are allocated using two benefit factors: Basin Management and SGMA Compliance. These factors account for the varying level of benefit different land use types receive from CGA's foundational Services. These Services benefit all parcels within CGA's jurisdiction, with elevated benefit to those that actively use groundwater and are most affected by regulatory outcomes.

Table 4 – Professional Services Percentage Allocation and Rate/Acre

Land Use	1. Basin Management	2. SGMA Compliance	Subtotal	**Percentage Allocation (a)**
Relative Weight (%)	*50%*	*50%*	*100%*	***100.0%***
	(Scored 1 to 10)	*(Scored 1 to 10)*		
Non-Irrigated	2	2	2	**9.1%**
Groundwater Only	10	10	10	**45.5%**
Mixed Use	10	10	10	**45.5%**

Costs	
Professional Services Total Annual Costs	**$706,000**

Land Use	% Allocation (a)	Total Acres (b)	Benefit Units (a*b)	Rate/Acre ('c)
Non-Irrigated	9.1%	67,945	6,176.82	**$0.41**
Groundwater Only	45.5%	70,908	32,230.91	**$2.03**
Mixed Use	45.5%	262,833	119,469.55	**$2.03**

Notes:

- The Subtotal is calculated as the sum of the score * the weighting of each special benefit.
- The Percentage Allocation (a) is calculated as Subtotal for a land use divided by the sum of all Subtotals.
- The Rate/Acre (c) is calculated as the total costs divided by the sum of the benefit units multiplied by the allocation for that land use. Hence $ Rate/Acre = Allocation*(Total Costs/∑Benefit Units).

As shown in Table 4, Land Use Groups were evaluated using two equally weighted criteria: Basin Management and SGMA Compliance.

Basin Management refers to general management of the Subbasin, including landowner communications, holding public meetings, inter-agency coordination, and similar aspects of CGA's governance. While all parcels within CGA's boundaries benefit from a stable and open governance structure, parcels that actively use groundwater receive a greater degree of benefit, as their water access and regulatory exposure are more directly affected by CGA's actions. Accordingly, Non-Irrigated parcels are assigned a lower benefit weight of 2, while Groundwater Only and Mixed Use parcels are assigned a full benefit of 10.

SGMA Compliance reflects the ongoing effort to meet State requirements such as monitoring and reporting and five-year GSP updates. These Services protect properties within the Subbasin by ensuring continued local control and preventing State intervention. Groundwater Only and Mixed Use parcels derive an elevated benefit from these Services, as their current use of groundwater resources would be negatively affected by SGMA non-compliance. Non-Irrigated parcels benefit from these services in that groundwater resources are protected for future use. Similar to Basin Management above, Groundwater Only and Mixed Use parcels are assigned a maximum score of 10 for SGMA Compliance. Non-Irrigated parcels are assigned a lower benefit weight of 2, acknowledging their lesser, albeit distinct, special benefit.

The scoring and allocation structure clearly aligns cost responsibility with the degree of special benefit received. For reasons already stated, Non-Irrigated parcels are assigned 9.1% of the Professional Services allocation and Groundwater Only and Mixed Use parcels are assigned an equal weighting of 45.5%.

Planning Services

Planning Services encompass Subbasin-scale coordination, project development, and long-term financial planning activities. These Services support the ongoing preparation and readiness of the Subbasin to meet SGMA milestones, adapt to emerging demands, and secure future funding opportunities.

Table 5 – Planning Services Percentage Allocation and Rate/Acre

Land Use	1. Project Preparation	2. Data Management	Subtotal	Percentage Allocation
Relative Weight (%)	50%	50%	100%	**100.0%**
	(Scored 1 to 10)	*(Scored 1 to 10)*		
Non-Irrigated	0	0	0	**0.0%**
Groundwater Only	10	10	10	**50.0%**
Mixed Use	10	10	10	**50.0%**

Costs	
Planning Budget Total Annual Costs	$185,000

Land Use	% Allocation (a)	Total Acres (b)	Benefit Units (a*b)	Rate/Acre ('c)
Non-Irrigated	0.0%	67,945	0.00	**$0.00**
Groundwater Only	50.0%	70,908	35,454.00	**$0.55**
Mixed Use	50.0%	262,833	131,416.50	**$0.55**

Notes:

- The Subtotal is calculated as the sum of the score * the weighting of each special benefit
- The Percentage Allocation (a) is calculated as Subtotal for a land use divided by the sum of all Subtotals.

- The Rate/Acre (c) is calculated as the total costs divided by the sum of the benefit units multiplied by the allocation for that land use. Hence $ Rate/Acre = Allocation*(Total Costs/∑Benefit Units).

As shown in Table 5, the two benefit factors used to allocate Planning Services costs across Land Use Groups are equally weighted Project Preparation (50%) and Data Management (50%). These benefit factors reflect the relative degree to which each Land Use Group benefits from CGA's Services.

Project Preparation refers to the technical, administrative, and planning efforts required to move groundwater sustainability projects from concept to implementation. This includes early-stage feasibility studies, scoping and prioritization of management actions, coordination with local partners, regulatory review, funding application support, and preliminary design work. Non-Irrigated parcels are assigned 0 allocation for this benefit factor, as their lack of direct groundwater use precludes them from near-term planning input and benefit. Direct users of groundwater have a stake in the planning of PMAs described in the GSP, and their input and perspective will help to shape project outcomes. As such, both Groundwater Only and Mixed Use parcels are assigned equal scores of 10.

Data management refers to the collection, maintenance, and analysis of technical data that informs CGA's groundwater planning and reporting. This includes compiling data used to support long-term funding strategies, evaluating project performance or feasibility, and producing documentation for SGMA reporting and stakeholder transparency. These activities ensure that decisions about groundwater management policies are based on accurate, current information for the means of supporting sound project implementation and funding efforts. Similar to Project Preparation, Non-Irrigated parcels do not benefit from these activities, as management of groundwater data does not relate to parcels without any such data. This is reflected in their score of 0 under this factor. Both Groundwater Only and Mixed Use parcels, however, benefit from the management of water use data that will inform planning efforts.

The sum of this scoring exercise produces a 0% allocation of Planning Services costs to Non-Irrigated parcels. Groundwater Only and Mixed Use parcels are assigned an equal weighting of 50% percent, as both Land Use Groups benefit equally from Project Preparation and Data Management related to planning efforts.

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Groundwater Sustainability Services

The Groundwater Sustainability Services category supports CGA's responsibility to ensure that groundwater use remains within sustainable limits throughout the CGA area of the Colusa subbasin. These Services include planning for and implementing programs that produce groundwater demand reduction, as well establishing the ability to evaluate groundwater trends in order to inform policy. This work allows CGA to fulfill GSP commitments that require action if groundwater levels fall below minimum thresholds or if certain user groups are at risk. The costs in this category are allocated using three benefit factors: Data Management, Access to Groundwater, and Reliance on Groundwater.

Table 6 – Groundwater Sustainability Services Percentage Allocation and Rate/Acre

Land Use	1. Data Management	2. Access to Groundwater	3. Reliance on Groundwater	Subtotal	**Percentage Allocation**
Relative Weight (%)	*25%*	*25%*	*50%*	*100%*	***100.0%***
	(Scored 1 to 10)	*(Scored 1 to 10)*	*(Scored 1 to 10)*		
Non-Irrigated	0	0	0.00	0.00	**0.0%**
Groundwater Only	10	10	7.64	8.82	**58.8%**
Mixed Use	10	10	2.36	6.18	**41.2%**

Costs	
Groundwater Sustainability Total Annual Costs	$1,100,000

Use	% Allocation (a)	Total Acres (b)	Benefit Units (a*b)	Rate/Acre ('c)
Non-Irrigated	0.0%	67,945	0.00	**$0.00**
Groundwater Only	58.8%	70,908	41,691.28	**$4.31**
Mixed Use	41.2%	262,833	108,296.93	**$3.02**

Notes:

- The Subtotal is calculated as the sum of the score * the weighting of each special benefit.
- The Percentage Allocation (a) is calculated as Subtotal for a land use divided by the sum of all Subtotals.
- The Rate/Acre (c) is calculated as the total costs divided by the sum of the benefit units multiplied by the allocation for that land use. Hence $ Rate/Acre = Allocation*(Total Costs/∑Benefit Units).

As shown in Table 6, benefit allocation for Groundwater Sustainability Services is based on three weighted factors: Data Management (25%), Access to Groundwater (25%), and Reliance on Groundwater (50%). This weighting reflects the technical and operational focus of these services on monitoring, modeling, and sustaining groundwater supply.

Data Management reflects the operational value of compiling and analyzing real-time groundwater data to evaluate current Subbasin conditions. This includes tracking water use across all irrigated parcels. These Services enable responsive policy actions to prevent or address overdraft. All irrigated parcels benefit from this form of data management because it protects ongoing access to groundwater by ensuring that usage remains within sustainable limits. For these reasons, Non-Irrigated parcels are assigned a score of 0 under this Factor, while both Groundwater Only and Mixed Use parcels are assigned a score of 10.

Access to Groundwater reflects the value parcels receive from CGA's efforts to protect irrigated parcels' ability to use groundwater without State intervention. Groundwater Sustainability Services ensure that local control will be maintained, which reduces the likelihood of State-mandated pumping restrictions or outside influence on groundwater management policy. Because these Services provide a distinct benefit to all parcels that actively use groundwater, Groundwater Only and Mixed Use parcels are both assigned a score of 10 for this Benefit Factor. Due to their lack of groundwater use, Non-Irrigated parcels are assigned a score of 0.

Reliance on Groundwater accounts for how heavily different land use types depend on groundwater for their water supply. Irrigated parcels that lack surface water access receive the highest level of benefit under this factor because they are most vulnerable to changes in groundwater availability. CGA's Groundwater Sustainability Services help safeguard these users by supporting monitoring efforts that will help to maintain groundwater levels and inform strategies for Subbasin resilience. The reliance on groundwater factor is used to apportion costs in a way that reflects the level of dependency, assigning a greater share of costs to parcels with the highest need for sustained and secure groundwater access. The scoring for Reliance on Groundwater was calculated based upon the estimated demand, and the associated inferred special benefit, of groundwater reliance for each group. Because Non-Irrigated parcels have no groundwater demand, they are excluded from this calculation and assigned a score of 0. Table 7 below illustrates how measured groundwater demand, as stated for each Land Use Group within the GSP, is used to calculate a ratio of measured groundwater demand.

Table 7 - Reliance on Groundwater Calculation

User Class	AF per Acre (a)	% of GW Use (b)	Scoring Factor (c)
GW only	1.65	76.4%	7.64
Mixed Use	0.51	23.6%	2.36
Total	NA	100%	10.00

Notes:

- AF per acre (a) is derived form the GSP, which estimates the groundwater demand for both Groundwater Only and Mixed Use Groups.
- Percentage of groundwater use (b) is calculated by dividing each Group's estimated demand, in acre feet per acre (a) by the sum of demand.

- Scoring factor (c) is calculated by multiplying (b) by 10 (in order to generate a score out of 10 possible points).

Non-Irrigated parcels scored 0 across all factors, reflecting their status of having no groundwater use data, current groundwater access, or current groundwater reliance. As a result, they receive 0% of the costs, consistent with their lack of special benefit from these services. Groundwater Only parcels, which depend entirely on groundwater for irrigation needs, are scored the highest with a benefit score of 8.82. Their full reliance on the aquifer and the direct support they receive from CGA's management and protection efforts justify their 58.8% cost allocation. Mixed Use parcels, while not fully dependent on groundwater, still rely on it during dry years or when surface water is unavailable. With a total score of 6.18, they receive a 41.2% allocation. This reflects their partial but significant benefit from Groundwater Sustainability Services.

The distribution in Table 6 reinforces a core principle of this methodology: special benefit increases with dependency on groundwater. Those who use and rely on the resource most, Groundwater Only and Mixed Use parcels, receive the greatest benefit from sustainable management of the Subbasin's groundwater resources and are appropriately assigned a larger share of the cost. This approach ensures that the cost burden is shared equitably and tied directly to the special benefit provided.

Table 8, below, presents the total proposed rate per acre for each land use group, combining the allocations from CGA's three core service categories: Professional Services, Planning Services, and Groundwater Sustainability Services.

Table 8 – Summary of Rate per Acre

Land Use	Professional Services	Planning Services	Groundwater Sustainability Services	**Total Rate per Acre**
Non-Irrigated	$0.41	$0.00	$0.00	**$0.41**
Groundwater Only	$2.03	$0.55	$4.31	**$6.90**
Mixed Use	$2.03	$0.55	$3.02	**$5.61**

These rates represent the cumulative outcome of the allocation methodology detailed in Tables 4 through 6. As the final step in the process, Table 8 confirms that the assessment structure is equitable, data-driven, and grounded in clearly defined special benefit. It reflects CGA's commitment to a transparent and legally defensible funding approach.

Non-Irrigated parcels are assigned a total rate of $0.41 per acre. This cost is derived solely from Professional Services, as these parcels receive no direct benefit from Planning or Groundwater Sustainability Services. Their lack of groundwater use results in the lowest rate of any group.

Groundwater Only parcels bear the highest total rate, $6.90 per acre, reflecting their full dependence on the Subbasin's groundwater. They receive substantial benefit from all service categories, governance, strategic planning, and groundwater protection, and are appropriately assigned the largest cost share.

Mixed Use parcels are assessed at $5.61 per acre. While they supplement surface water with groundwater, their need for reliable supplies during dry years makes them participants in CGA's planning and overdraft mitigation programs. Furthermore, the health of the Subbasin contributes to a resilient local water supply, which provides a benefit to all agricultural irrigators. Their rate reflects a significant, though slightly lesser, level of benefit compared to Groundwater Only parcels.

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V. Assessment Implementation

Criteria and Policies

Parcel Changes

The signatory Assessment Engineer is responsible for a parcel-by-parcel analysis, to determine the special benefit and assessment amount for each parcel in CGA. Each year, CGA will re-analyze and re-calculate individual benefits and corresponding assessments for each assessed parcel in accordance with the methodology described in this Report, incorporating parcel splits and combinations, land use changes, etc. The Assessment Engineer shall use the lien date roll obtained from the Counties of Colusa and Yolo, or a third-party distributor of this data as the basis for the Assessment roll. Review of aerial photos and other data including real estate data, and site visits may be necessary.

Appeals of Assessments Levied to Property

Any parcel owner who feels that the Assessment levied on their parcel(s) is the result of incorrect information being used to apply the foregoing method of Assessment may notify the CGA in writing during the pendency of the Assessment Ballot proceeding and request the Assessment as to that landowners parcel(s) be reevaluated. In subsequent years, a landowner may file a written appeal in accordance with the appeal process to be developed and adopted by the CGA Board of Directors.

Duration of the Assessment

If approved by parcel owners in an assessment ballot proceeding conducted pursuant to Proposition 218 and Government Code Section 53750 et seq., the Assessment can be levied annually commencing with FY 2025-26 and continuing each year at the discretion of the CGA Board.

Assessment Funds Must Be Expended Within CGA

The net available Assessment funds, after incidental, administrative and other costs, shall be expended exclusively for the CGA Administration and GSP Implementation Services provided to parcels within the boundaries of CGA.

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Exhaustion of Remedies

AB 2257, effective January 1, 2025, codifies Government Code §§ 53759.1 and 53759.2. Government Code § 53759.1 authorizes public agencies to implement an exhaustion of administrative remedies requirement in the context of Proposition 218 proceedings. If the local agency complies with certain specified requirements, any party wishing to preserve their right to legally challenge the Assessment after its adoption is required to submit a written objection regarding a proposed assessment during the assessment ballot proceeding and by a specified deadline not less than 45 days after mailing of the ballot and notice pursuant to Proposition 218. Failure to do so with preclude a party from filling a legal challenge to the assessment. To implement this requirement, the local agency is required, among other things, to prepare written responses to the timely submitted objections and present them to the local agency governing body, which will make certain specified determinations prior to the close of the Proposition 218 proceeding. This process is intended to run concurrently with the Proposition 218 timeline and does not impact a property owner's ability to submit a protest pursuant to Proposition 218.

Government Code § 53759.2 specifies the scope of a Court's review of the administrative record of the underlying ratemaking proceeding, if the local agency complied with Government Code § 53759.1 in adopting the property related fee or assessment being challenged.

CGA intends to comply with and implement Government Code § 53759.1 with respect to the proposed Assessment. Property owners will be informed of the deadline and process to submit a written objection, and other dates related to CGA's compliance with this provision.

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Assessment

The amount to be paid for said CGA Administration and GSP Implementation Services and the expense incidental thereto, to be paid by the parcels in CGA for the FY 2025-26 is generally as follows:

Costs	
Beginning Unrestricted Net Assets	$0
Total Annual Costs	$1,991,000
Less Contribution from other Sources	$0
	$1,991,000
Net Amount to Assessment	$1,991,000

The Assessment is subject to an annual adjustment tied to the annual change in the Consumer Price Index for the Western Region as of January of each succeeding year, with the maximum annual adjustment not to exceed 3% for each of the four (4) years following its adoption. Thereafter, the Assessment cannot be increased without approval from property owners in another assessment ballot proceeding. In the event that the actual assessment rate for any given year is not increased by an amount equal to the maximum of 3% or the yearly CPI change plus any CPI change in previous years that was in excess of 3%, the maximum authorized assessment shall increase by this amount. In such an event, the maximum authorized assessment shall be equal to the base year assessment as adjusted by the increase to the CPI, plus any and all CPI adjustments deferred in any and all prior years. The CPI change above 3% can be used in a future year when the CPI adjustment is below 3%.

The Assessment Diagram attached hereto and incorporated by reference herein shows the exterior boundaries of CGA. The distinctive number of each parcel or lot of land in CGA is its County Assessor's Parcel Number appearing on the Assessment Roll.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the Counties of Colusa and Yolo for the fiscal year 2025-26. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorders of Colusa and Yolo County.

Engineer of Work

By _____

John Bliss, License No. C052019

VI. Assessment Diagram

The assessed acres include all parcels within the boundaries of CGA. The boundaries of CGA are displayed on the following Assessment Diagram. The lines and dimensions of each lot or parcel within CGA are those lines and dimensions as shown on the maps of the Assessor of the Counties of Colusa and Yolo, for FY 2025-26, and are incorporated herein by reference, and made a part of this Diagram and this Report.

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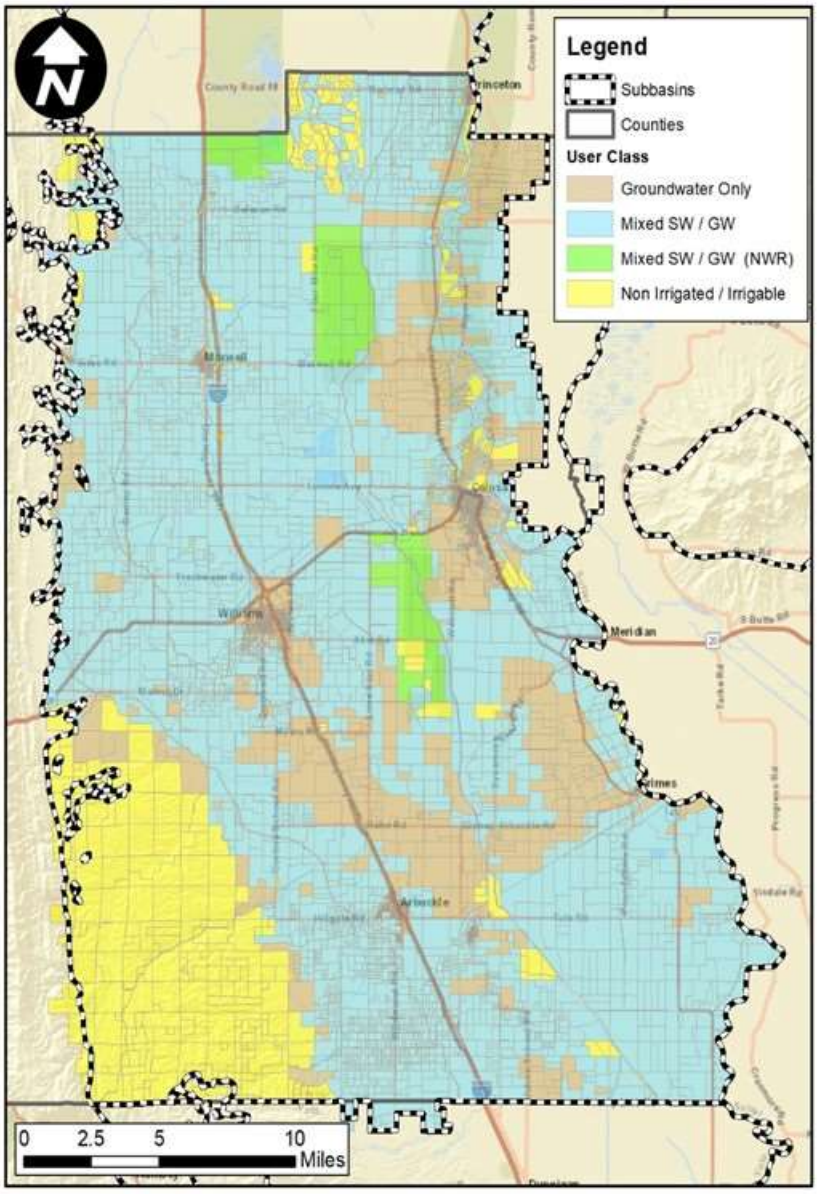
Figure 3 – GSA Assessment Diagram FY 2025-26



VII. Appendices

Appendix A – Detailed Budget Table

Table 9 - Detailed Budget Table

Professional Services Budget	
Administrative	
Auditor	$10,500
Financial Services	$5,000
Legal Services	$55,000
Program Manager	$175,000
Prop. 218 Parcel Update	$0
Administrative Subtotal	**$245,500**
Office Expenses	
JPA Insurance	$2,000
Outreach (mailings/copying/printing)	$5,500
Website	$1,500
Supplies	$500
Admin Contribution -Butte Sub Basin GSP	$12,500
Office Expenses Subtotal	**$22,000**
SGMA Compliance	
GSP Annual Reports	$35,000
GSP Periodic Evaluation and Updates (5 Year Update)	$37,500
SGMA Compliance Subtotal	**$72,500**
Additional Administrative Components	
Public Engagement & Outreach	$30,000
GSP Implementation Manager	$75,000
Grant Procurement	$30,000
Contingency (10%)	$149,250
Admin Components Subtotal	**$284,250**
Services and Contingency	
Professional Services - GSP Implementation	$15,000
Professional Services - Long Term Financial Planning	$20,000
Legal Defense Reserve	$10,000
County Tax Roll Fee Support	$5,000
Contingency (10%)	$31,750
Services and Contingency Subtotal	**$81,750**
Professional Services Subtotal	**$706,000**
Planning Services Budget	
Long Term Funding Planning	
Update Revenue Requirements	$20,000
Implement New Rates (PR + Challenges)	$30,000
Long Term Funding Planning Subtotal	**$50,000**
Project Implementation	
Obtain Programmatic EIR for Projects	$20,000
Refine/Develop Projects	$20,000
Project Implementation Subtotal	**$40,000**
Study Implementation	
Refine/Develop Studies	$20,000
Implement Studies to Fill Data Gaps	$25,000
Subsidence Monitoring Network; Realtime Monitoring	$50,000
Study Implementation Subtotal	**$95,000**
Proffesional Services Subtotal	**$185,000**
Groundwater Sustainability Services Budget	
Domestic Well Mitigation	
Administer Domestic Well Mitigation Program	$25,000
Implement Domestic Well Mitigation Program (Dedicated Fund)	$225,000
Domestic Well Mitigation Subtotal	**$250,000**
Demand Management Mitigation	
Groundwater Accounting Program Setup	$200,000
Groundwater Accounting Program Annual Ops	$300,000
Satellite Imagery Input	$250,000
Groundwater Well Measurements/Data QA/QC	$50,000
Demand Management Actions/Board Policy	$50,000
Demand Management Mitigation Subtotal	**$850,000**
Groundwater Sustainability Services Subtotal	**$1,100,000**
Total Budget:	$1,991,000

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Appendix B – Assessment Roll, FY 2025-26

Reference is hereby made to the Assessment Roll in and for CGA on file in the office of the General Manager of CGA, as the Assessment Roll is too voluminous to be bound with this Report.

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