Rio Alto Water District

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Agenda for the Six Hundred and Eighty-First Regular Meeting of the Board of Directors of the Rio Alto Water District to be held on Wednesday, May 20th , 2026, at 6:30 p.m., in the District Board Room.

1.	Public Comment. This is the time set aside for citizens to address the Board on matters not on the agenda or that are on the consent agenda. Comments should be limited to matters within the jurisdiction of the Board. If your comments concern an item shown on the agenda, please address the Board after that item is open for public comment. By law, the Board cannot discuss or take action on matters that are not on the agenda. The chair reserves the right to limit the duration of each speaker to three minutes. Speakers may not cede their time. Speakers are asked to state, and spell their name for the record.	INFORMATION
2.	Approval of Excused Absences.	ACTION
3.	Manager's Report.	INFORMATION
4.	Approval of the Minutes of the Six Hundred and Eightieth Regular Board Meeting held on April 15th, 2026 at 6:30 p.m. in the District Board Room.	ACTION
5.	Approval of April Disbursement Reports.	ACTION
6.	Review and possible approval of outsourcing printing/mailing of future billings.	ACTION
7.	Income/Expense Reports period ending 3/31/26.	INFORMATION
8.	Distribution of the 2026/2027 Draft Budget.	INFORMATION

9. Communications: INFORMATION

Staff:
Directors:

Note: The Board of Directors, may, at any time throughout the meeting, open or close discussion or change the order of any Agenda item listed as necessary to facilitate the orderly transaction of District Business.

Note: Parties with a disability as provided by the American Disabilities Act who require special accommodations or aids in order to participate in a public hearing should make the request to the District Staff at least 48 hours prior to the meeting.

Addendum A
Manager's Report
May 15, 2026

Drought/Water Consumption/SGMA:
The new water year 2025/2026 began October 1, 2025. The new water year compares with the last two water years as follows:

Water Year	May 11th Precipitation Received	Average Precipitation to Date	Percent of Average	Shasta Lake feet from Crest
2025/2026	30.15	30.96	97.3%	14.58
2024/2025	36.04	30.91	116.5%	6.29
2023/2024	31.31	30.97	101.1%	5.26

Shasta Dam is currently releasing 6,188cfs. The statewide snowpack is only 11% of the average as of 5/14/26. This is not looking good for the summer months. Consumption for the period 3/3/26 – 05/4/26 is 10.6% lower than 2013 consumption for the same period and year to date consumption is 7% lower than the year-to-date totals for 2013.

Ground Water Commission Update: In accordance with SGMA law the Ground Water Sustainability Agency will be holding a Proposition 218 hearing on July 20th to present and approve, in the absence of a majority protest, a fee schedule that will fund the ongoing administration and project management actions to comply with sustainability in the high and medium priority basins within Tehama County. Our Basin, which is a low to medium priority basin, will participate in the administrative costs only. The end result would be a maximum of $4.72 charge included in your annual tax statements. All project management action costs will be charged to the basins in overdraft. Knowing that this revenue is a required part of the SGMA approved plans, the Ground Water Commission has worked very diligently to determine the most fair and equitable option that will stand up to court challenges and represent fair charges to all affected property owners. A letter will be sent to all the homeowners in June that provides an opportunity to protest and details of the public hearing.

Wetlands Key Card System. Scott is still trying to remedy the wetlands key card situation. Currently we have posted a sign stating that it is open until the matter is resolved. I was going to send out an alert but didn't want to publish that it was open in case of kids or nighttime use.

Connections: We are still 1 connection below our budget for both water and sewer. Hopefully we will get another connection before year end. Fiscal year to date is:

Connections to Date 2025/26	#
Water 1" Meter	6
Water 1" Duplex	0
Water 2" Meter	0
Water 1" Landscape Meter	0
Water ¾" Landscape Meter	0
Normal Sewer/LPSS	4
Commercial Sewer	0

2025/2026 Budgeted Water = 7, Budgeted Sewer = 5

Field Crew:

- Saw cut on Burney Place completed and meter installed.
- The auto switch has been installed at lift station #6. Still waiting on the wiring for the block heater on the large generator at Well#5.
- Our sewer camera is being returned from Deep Trekker this Friday. Cost to repair $5,541.34.
- We picked up the new pump for Lift Station #3 and it will be installed by our crew in the next couple of weeks and we might be able to do the wiring. If not, Bat Electric will have to do the wiring.
- The crew investigated leaks near Steelhead Landing and ended up replacing over 90 feet of 2" poly that was leaking in two places and inserted a ball valve so repairs could be done without shutting off streets.
- The new check valve was replaced on the effluent pump and is working good. If all goes well, we will order a second one to have on the shelf in July.
- Meter reads and rereads.
- Dean provided Chris Carr with a list of 168 higher risk properties to start the hazard assessment surveys. He will be doing 42 surveys each year for the next 4 years.
- Dean has completed the Consumer Confidence Report and has forwarded it to Sophie for printing and distribution. It is due July 1, 2026.
- When the sewer camera is returned, Billy needs to review the lateral on Starboard Place to determine if the lateral is still intact. We are providing an estimate to the new builder to replace the existing lateral with a new lateral because the old lateral is completely tangled with roots inside and outside. The cost to replace this will be made by the homeowner because the old owner of the property had been notified for years that it needed to be repaired and cleaned out and the new owner purchased the house "as is".

Pending Projects:

- LPSS and Hydrant Flushing.
- Slide repair at the WWTP
- Monthly sewer patches will resume after camera is returned.

Regulatory:

The April Water and Wastewater Reports are included in the board package.

Solar Updates:

Scenario with PG&E update:

I have in my possession, 6 different bills from PG&E for the billing period 1/10/26 through 2/10/26 billed (all with different amounts due). All of these statements do not agree with the amounts posted on the website. We sent a payment to PG&E based on the information I could derive from the period with a spreadsheet indicating where to apply the payment. Needless to say, I was extremely upset to receive yet another shutoff notice from PG&E on 5/14/26. I contacted PG&E again (the 7th time) and they said they are still working on it.

We are now 3 cycles behind on PG&E and I am unable to provide solar updates. This now has to do with the solar true ups for Well 6 and Well 5.

Admin:

- Preparation of the 3/3/26 through 5/4/26 billings.
- Budget
- Sophie is working on her portion of CCR due 7/1/26.
- Training, Training, Training!
- Working on training manuals.

2026 consumption compared to 2013 consumption

		Jan/Feb		March/April		May/June		July/August		Sept/Oct.		Nov/Dec
2026 (In Million Gallons)		Billed in		Billed in		Billed in		Billed in		Billed in		Billed in
	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec	January
Single Family Residence		12.731		20.199								
Commercial		0.369		0.568								
Industrial		0.757		0.791								
Hydrant												
2026 Bill Period Totals:		13.857		21.558								
Cummulative consump		13.857		35.415								
2013 Bill Period Totals:		**13.983**		**24.115**		**52.153**		**66.989**		**41.796**		**28.581**
2013 Cummulative consump		**13.983**		**38.098**		**90.251**		**157.24**		**199.04**		**227.617**
Incr./Decr. Billing Cycle:		Decr. .9%		Decr. 10.6%								

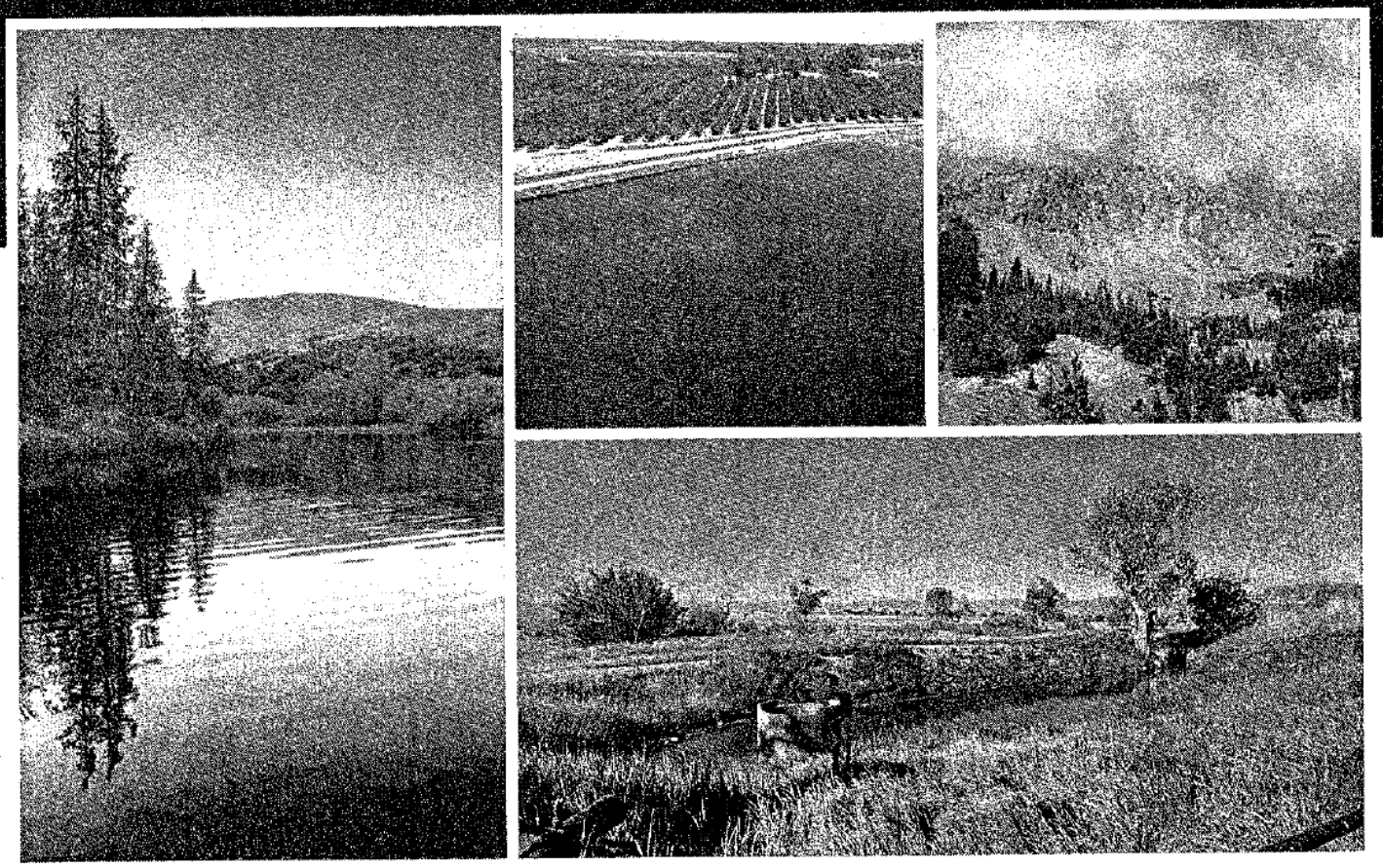
Ytd Inc./Decr %:		**Decr. .9%**		**Decr. 7%**								
Comparison to 2013												

	2026
Single Family Residence	32.93
Commercial	0.937
Industrial	1.548
Hydrant	
2026 Bill Period Totals:	21.558
Cummulative consump	35.415

Tehama
Groundwater Sustainability Agency

2026 FEE REPORT

APRIL 2026



Luhdorff & Scalmanini
Consulting Engineers

GREG CLUMPNER, FEE CONSULTANT

FINAL REPORT | APRIL 2026

FINAL 2026 GROUNDWATER FEE REPORT

PREPARED FOR

TEHAMA COUNTY GROUNDWATER SUSTAINABILITY AGENCY

TEHAMA COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT

GREG CLUMPNER, FEE CONSULTANT

Luhdorff & Scalmanini
Consulting Engineers

ACKNOWLEDGEMENTS

TEHAMA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

LIST OF DIRECTORS

Tom Walker
Director – Chairperson
Term Expiration: January 2029

Greg Jones
Director – Vice Chair
Term Expiration: January 2029

Matt Hansen
Director
Term Expiration: January 2027

Robert Burroughs
Director
Term Expiration: January 2029

Steven Zane
Director
Term Expiration: January 2027

Tehama GSA Staff: Justin Jenson, Deputy Director

Consultant Assistance: Greg Clumpner, Fee Consultant

Consultant Support: Luhdorff and Scalmanini Consulting Engineers (LSCE)

FEE REPORT PREFACE

The Tehama Groundwater Sustainability Agency commissioned this fee report to evaluate alternative fee methodologies to develop a fee that will support the ongoing annual operation costs of its regulatory program authorized by the Sustainable Groundwater Management Act (SGMA). The analyses, opinions, and findings contained within this report are based on primary data collected through interviews and research, as well as many sources of secondary data available as of the date of this report. While it is believed that the secondary sources of information are accurate, this is not guaranteed. Updates to the information used in this report could change or invalidate the findings contained herein.

Every reasonable effort has been made to ensure the data contained in this report reflects the most accurate and timely information available when this report was written. No responsibility is assumed for inaccuracies in reporting by Tehama GSA, its consultants and representatives, or any other data source used in the preparation of this report. No warranty or representation is made that any of the projected values or results contained in this report will be achieved. There typically are differences between forecasted or projected results and actual results due to changes in events and circumstances, and the collection of additional data after the fees are in place.

Changes in economic and social conditions due to events, including but not limited to major recessions, availability of water resources due to droughts, major environmental problems, or disasters that could negatively affect operations, expenses, and revenues, may affect the result of the findings in this report. In addition, other factors not considered in the report may influence actual results.

The fee report consultant team that prepared this report includes:

Greg Clumpner, Fee Consultant
Luhdorff and Scalmanini Consulting Engineers

Special thanks to the Tehama GSA staff, Groundwater Commission, landowners, and stakeholders who helped inform the development of the Tehama GSA 2026 Fee Report

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LIST OF ACRONYMS AND ABBREVIATIONS

Acronym	Meaning
AF	acre-feet (generally equivalent to 325,851 gallons)
APNs	Assessor's parcel numbers
Budget	Five-Year Annual Budget.
County	County of Tehama
CPI	Consumer Price Index
DACs	Disadvantaged Communities
DWR	California Department of Water Resources
CY	Calendar Year
FY	Fiscal Year
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
JPA	Joint Powers Agreement/Authority
LAFCO	Local Agency Formation Commission
MOU	Memorandum of Understanding
SGMA	Sustainable Groundwater Management Act (2014)
Subbasin	DWR delineated alluvial groundwater areas in Tehama GSA boundary
SWRCB	State Water Resources Control Board
Tehama GSA	Tehama Groundwater Sustainability Agency
TM	Technical Memorandum

1. EXECUTIVE SUMMARY

1.1. Introduction

The Tehama Groundwater Sustainability Agency (Tehama GSA or Agency) was created in 2017 by resolution to serve as the primary groundwater management agency that provides groundwater management in the Tehama Subbasins pursuant to the Sustainable Groundwater Management Act (SGMA) of 2014 (see **Appendix A**). The Tehama GSA oversees groundwater management for all subbasins located in Tehama County, including urban areas such as the cities of Corning, Tehama, and Red Bluff, surrounding agricultural and resource-based lands, with major waterways such as Elder and Thomes Creeks and Sacramento River, Proberta and Corning Water Districts, and Thomes Creek Water Users Association. The Tehama GSA is governed by the Tehama County Flood Control and Water Conservation District Board of Directors and supported by the Groundwater Commission. **Figure 1** on the following page illustrates the Tehama GSA's jurisdictional boundaries.

SGMA provides for the local management of groundwater by mandating that all groundwater basins in the State of California achieve sustainability. Bulletin 118 Final Update 2025, circulated by the California Department of Water Resources (DWR), identifies the groundwater basins and subbasins to be managed and designates their priority status. DWR designated the Corning and Antelope as high-priority basins, Red Bluff and Los Molinos as medium-priority basins, and Bowman, Bend, and South Battle Creek as low-priority basins. High- and medium-sized subbasins must be managed under a groundwater sustainability plan (GSP). Pursuant to this requirement and potential risks in Bowman, the Tehama GSA prepared and submitted five GSPs to DWR in 2022, with revised GSPs receiving DWR approval in April 2024.

SGMA defines sustainable groundwater management as the management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results[1]. The six undesirable results are:

1. Chronic lowering of groundwater levels,
2. Significant and unreasonable reduction of groundwater storage,
3. Significant and unreasonable seawater intrusion,
4. Significant and unreasonable degradation of water quality,
5. Significant and unreasonable land subsidence, and
6. Surface water depletions that have significant and unreasonable adverse impacts on beneficial uses of surface water.

The GSPs address each of these undesirable results as they pertain to the Tehama GSA Subbasins and provide a plan for the sustainability of groundwater in the Tehama GSA service area. Each year, the Tehama GSA submits its annual reports to DWR on or before April 1 to report on groundwater conditions and GSP implementation status over the prior water year[2]. The Tehama GSA works to ensure groundwater sustainability to support urban and rural communities, agricultural land uses, and environmental uses now and in the future.

[1] Water Code 10721
[2] The water year runs from October 1 through September 30

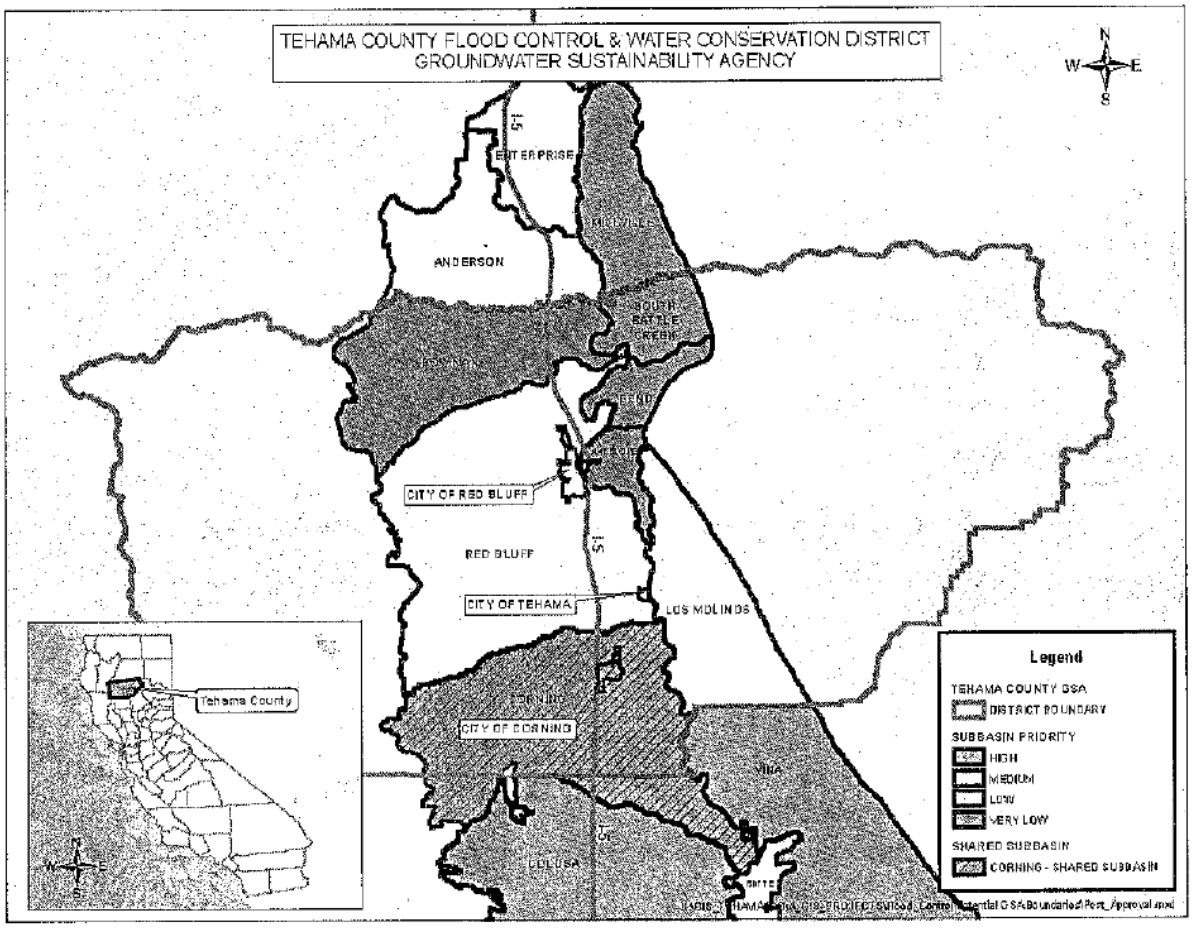


Figure 1. Map of the Tehama GSA Subbasins

1.2. Purpose of the Fee Study

The Tehama GSA has been utilizing grant funds from the California Department of Water Resources during the 2021-2026 period to support the development of the GSA, establish Groundwater Sustainability Plans, and evaluate the feasibility of water management programs and projects that could achieve groundwater sustainability by 2042 as required by SGMA. Local fees are now needed to support the GSA and GSP implementation activities during the 2027-2042 period. If a local GSA cannot achieve SGMA compliance locally, the State can intervene and impose fees approved by the State Water Resources Control Board (see **Appendix B**).

This fee study was commissioned to evaluate long-term GSA fee alternative methodologies to structure a fee that will fund the GSA's evolving operations in groundwater management and implementation activities. The fee study considers several factors in determining alternative fee structures, including land use, zoning, water use characteristics, and demographics.

The GSA needs sufficient revenues to cover essential operating expenses, staff support, fund feasibility and special studies, and address data gaps that improve its understanding of the Tehama GSA groundwater subbasins. Revenues also support monitoring activities, the preparation of annual reports, and periodic evaluations as required by SGMA. By funding these SGMA-required activities with a groundwater fee, the Tehama GSA ensures compliance with State law while maintaining local control over groundwater management. Keeping decision-making local while providing direct benefit for the Tehama GSA subbasins is the preferred SGMA compliance approach. Landowners in the Tehama GSA jurisdiction benefit from sustainable groundwater management activities funded by the proposed fees, which are essential for protecting the long-term health of the groundwater subbasins, a condition vital to the prosperity and security of all groundwater users who rely on it for urban, rural, agricultural, and environmental benefits.

The Tehama GSA has the authority to charge fees, conduct investigations, register wells, require reporting, and take other actions to sustainably manage groundwater resources for subbasins within the Tehama GSA service area. GSAs may be funded as provided in Chapter 8 of SGMA (commencing with section 10730 of the Water Code). Water Code Sections 10730, 10730.1, and 10730.2 set forth the authority for the Tehama GSA to establish and charge fees. The SGMA fee described in this report is being adopted pursuant to these authorities. The fee covers "reasonable costs" of the SGMA regulatory program. The fee is proportional and related to the benefits of the program. An example of a local annual fee is included herein (see **Appendix C**).

Goals of the fee study are:

1. Establish and secure a local fee that the Tehama GSA can adopt with confidence and support from interested parties and stakeholders.
2. Provide a fee structure that generates sufficient revenue to support the financial obligations and budget needs of the GSA to perform the duties required of it under SGMA and groundwater sustainability criteria.
3. Ensure the fee is based on current, reliable data and reflects only the reasonable costs of Tehama GSA's groundwater management services.
4. Notify customers in advance of considering fee approval (see **Appendix D**).
5. Adopt a fee structure that is economically and easily administered, charged, and collected.

A key tenet in developing the fee has been to maintain transparency throughout the project, informing the Tehama GSA fee payors about the fee study, opportunities for involvement, and how to provide input to the process. The Tehama GSA's proposed fee was developed using two key pillars of information that were constructed through the fee study process:

(1) Encouraging stakeholders and public input on who should be charged based on the most reasonable fee structure options, and (2) Using best available and reliable data upon which to estimate the benefits received by Tehama GSA services each year. Recent fee outreach information is included herein (see **Appendix E**).

This report documents the methodology, public outreach conducted, and Fiscal Year (FY) 26-27 Tehama GSA calculated and proposed fees.

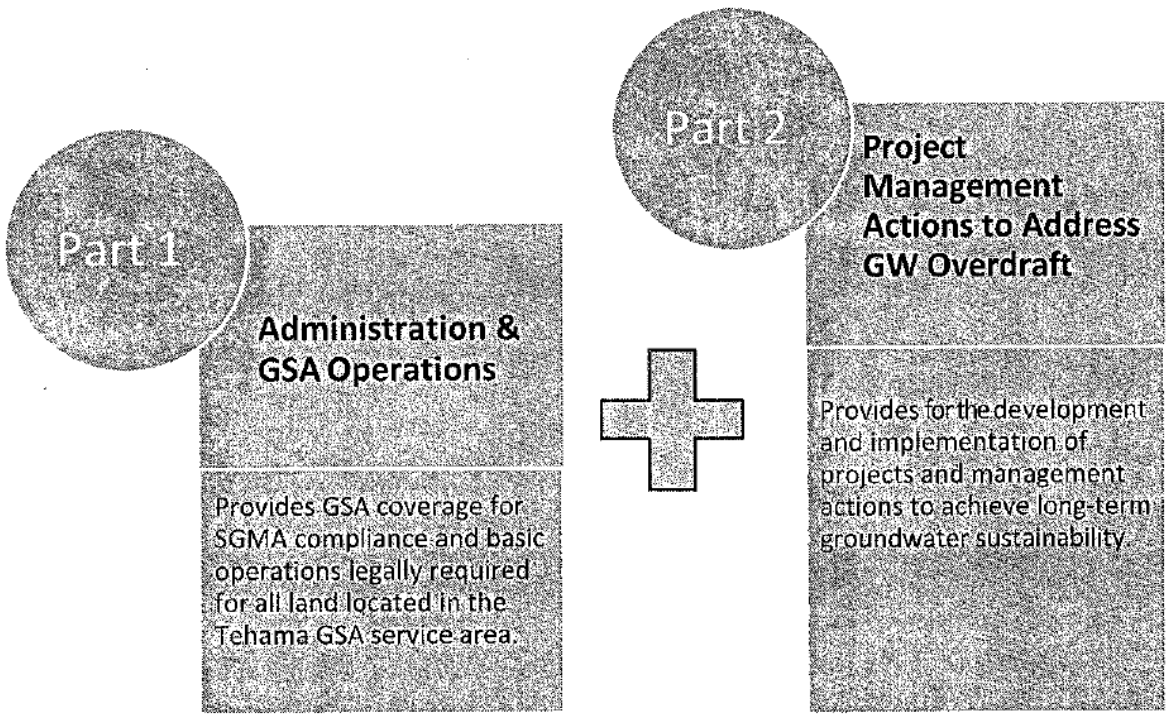
1.2.1. Tehama GSA Board of Directors Approval

The 2026 Fee Report was approved by the Board of Directors (Board) by resolution at the April 2026 Board Meeting with fee approval by resolution at the June 2026 Board Meeting. The Fee Report approval enables the Board to consider approving the fees by resolution at the June 2026 Board Meeting to adopt maximum fees and establish recommended FY26-27 fees. The Tehama GSA anticipates adopting a fee resolution each year, not exceeding maximum fees, to establish the applicable annual fees and place the fees calculated for each Assessor's parcel on the tax roll. The applicable fee will be adjusted each year as necessary to raise sufficient revenues by either applying the change in a price index (annual Consumer Price Index (up to 3% per year) as published by the Bureau of Labor Statistics is recommended), and/or applying an increase not to exceed the maximum fee amount required to fund the GSA's next fiscal year budget including prudent reserves. The Tehama GSA shall periodically review the fee structure and revise the fee study when changes are necessary.

1.3. Fee Structure

1.3.1. Fee Structure

The Tehama GSA fee structure is divided into two parts based on the different services the Tehama GSA provides and are needed to address long-term groundwater overdraft conditions.



Part 1 Fee: GSA Administration and Basic GSA Operations

The Part 1 fee funds represent the minimum cost of having a GSA in place, which is a legal requirement for managed subbasins under SGMA, including the Tehama GSA Corning, Red Bluff, Los Molinos, Antelope, and Bowman subbasins. These five (5) subbasin prepare annual reports submitted to DWR and prepare Groundwater sustainability Plans that are updated every five years.

Part 1 Fee Service Provided: Maintaining a functioning GSA, performing all the basic legal requirements that SGMA requires of a GSA in a high-priority basins.

The Part 1 Fee covers the following cost items:

GSA Administration – Staff, legal support, financial reporting, and operational costs necessary to run the agency.

Board of Directors Meetings & Public Oversight – Ensuring local governance, stakeholder engagement, and decision-making authority.

Minimum SGMA Compliance Requirements – Covering only what is required to keep the GSA in existence and recognized by the State of California.

Why the Part 2 PMA Fee Applies Only to Ag Users in Over drafted Subbasins:

- Ag uses most of the total groundwater use in over-drafted subbasins, meaning that Ag users are the primary cause of overdraft conditions to be mitigated, as it relates to understanding and management of how groundwater is used in Tehama GSA subbasins.
- Ag users would be responsible for funding PMA actions that support the long-term sustainability of groundwater as a resource, which directly benefits groundwater users and the ability to achieve long-term availability of a sustainable groundwater subbasin.
- Ag users would be responsible for funding PMA actions that support long term sustainability of groundwater based on estimated water use with lands requiring higher water amounts paying a more substantial cost share than those who do not benefit from PMA actions in the same way extractors do because their use of groundwater, if any, is minimal (e.g. stock watering for rangeland example).

Why This Two-Part Fee Structure is Necessary

- Ensures the GSA fees are reasonably related to services provided – Part 1 keeps all lands within the regulated subbasins SGMA compliant.
- Aligns cost with service – Part 2 ensures Ag pays for PMAs, resulting in sustainable groundwater management.

The Part 2 PMA fee is determined by subbasin condition and groundwater user type. Groundwater users subject to PMA fees have been grouped into three categories.

Water User Type: Agricultural users only who extract groundwater for crop irrigation. The fee is charged per cropped acre and use factor, where a cropped acre is identified using UC Extension and DWR published water use factors.

Subbasin: Subbasins with overdraft conditions. The PMA fee applies only to Ag users in the three (3) designated subbasins with overdraft conditions: Corning, Red Bluff, and Los Molinos. Urban residential, rural residential, and commercial water users located within these subbasins would not be subject to the PMA portion of the proposed fees. Each parcel subject to the PMA fee would pay based on its acreage and crop type, with a water use factor based on the approved PMA fee ($/acre-foot/year).

Low Water Users: Ag lands with minimal or no groundwater use, such as grazing land and vacant parcels, would have a $0 Part 2 fee as long as a well registration form is submitted to the GSA and approved as a registered parcel.

The Part 1 and Part 2 fees are added together to determine the total fee charged to each Assessor's parcel. The fees will be collected from every parcel through the property tax bill, unless the property owner does not receive a property tax bill, in which case the GSA will 'hand bill'[3]. The fee is directly to the landowner.

1.4. Calculated Fy 26-27 Fees

The proposed fee applies to all parcels of land in Tehama GSA's jurisdiction unless the parcel is:

- Exempt pursuant to SGMA. This includes federal properties and properties held in trust by the federal government for tribes, or
- Unusable as determined using Tehama County Assessor data. These parcels are not charged because the land can never be developed due to geographical features, such as a lake, or the parcel has insufficient data available upon which to charge the fee. These parcels are identified as having land use codes that have not been assigned a taxability code, per the Tehama County Assessor.
- Other Exemptions may apply, including a number of excluded land use zoning codes, such as timberland, water features, native, riparian, barren, and idle. Any other exemptions will be described in the June 2026 Board meeting packet documentation as part of the process to consider approval of the proposed fees.

Table 1 presents the proposed Part 1 and Part 2 fees for FY26-27. The Part 1 fee is for Ag, commercial, and residential water use in managed subbasins. The Part 2 fee is for Ag-only water use in subbasins with overdraft conditions. As noted in the table, a parcel may be subject to more than one type of fee. Only Ag users within subbasins with overdraft conditions would be subject to the Part 2 fees based on crop type

[3] 'Hand bill' is the term used for sending an invoice directly to the property owners. Examples include the Chico Unified School District, Butte College, California State University, the California Department of Fish and Wildlife properties, and the Union Pacific Railroad Company.

and acreage. Fees for non-registered well owners may be higher based on assumed fees. Well registration forms are due to the County by June 30, 2026, to calculate more accurate user fees.

Table 1. FY 26-27 Tehama GSA Proposed Fees
Calculation of Estimated GSP Operations and PMA Fees

Fee Alternative	Subbasins	Annual Cost	Basis of Fee	AF/Yr. or Parcels[4]	Estimated Annual Fee[5]
GSP Operations	All Managed[1]	$1,178,000	Water Use (AF/Yr)	440,366 AF/Yr	$2.70/Af/Yr
PMA Fee	Overdrafted[2]	$728,000	Water Use (AF/Yr)	375,899 AF/Yr	$2.00/AF/Yr
Combined Fee	Overdrafted[3]	$1,906,000	Water Use (AF/Yr)	375,899 AF/Yr	$4.70/AF/Yr

1. Managed Subbasins are Antelope, Bowman, Corning, Los Molinos, and Red Bluff. Urban water use (in AF/Acre) is based on County zoning/APN data for all managed subbasins (zoning codes R-1 – SCSP).
2. Overdraft Subbasins are Corning, Los Molinos, and Red Bluff. Only Ag Parces are included.
3. Overdrafted subbasins ag parcels pay the combined fee; Antelope and Bowman parcels only pay the GSP Operations Fee.
4. Estimated based on crop acreages from Tehama GSA Annual Reports and water use by crop type per LSCE Technical Memo dated Nov. 19, 2025
5. An additional fee of $1.99 per parcel will be added for the cost to the Assessor's Office of placing the combined charge on each parcel.

Definition of Acreage Subject to the GSA Fees. Land that is identified in Tehama County's Assessor's Parcel Number (APN) data with additional GIS information for subbasin identification (excludes floodplain, timber, natural resource, water, urban, native, and riparian land uses and unclassified parcels).

2. FEE STUDY PROCESS

2.1. Fee Authority

Tehama GSA's fee authority is derived from the SGMA-specific legislation codified in Water Code 10730 through 10731 "Financial Authority." This section of the Water Code allows the Agency to impose fees for regulated activities, including but not limited to permits to operate wells, the costs of a groundwater sustainability program, such as development and amendment of a GSP, investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.

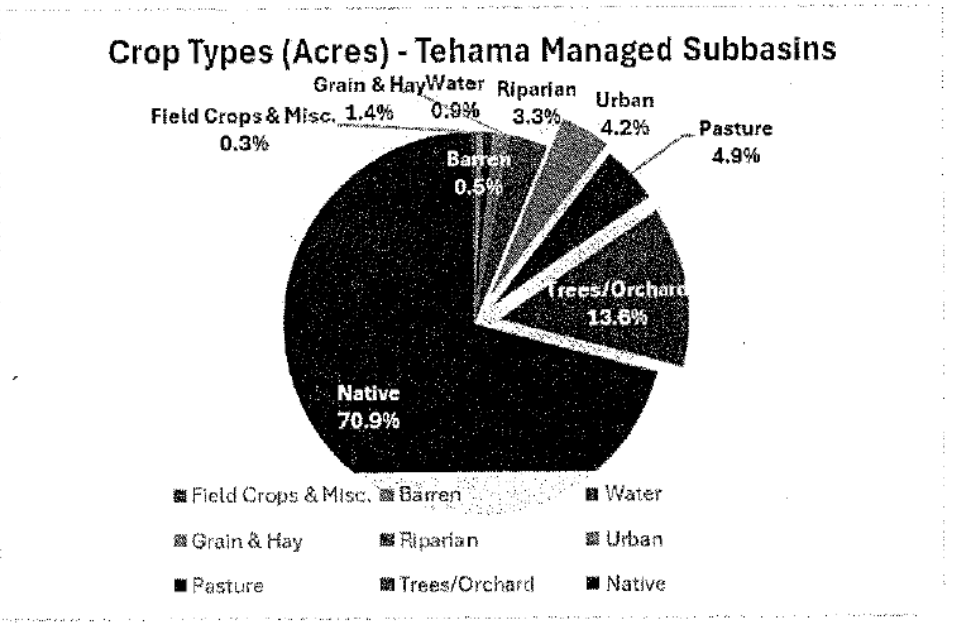
The SGMA fee must be no more than necessary to cover the reasonable costs of the governmental activity, and the manner by which the costs are allocated to a payor must bear a fair or reasonable relationship to the payor's burden on, or benefits received from, the governmental activity.

2.2. Tehama GSA Groundwater Stewardship

The Tehama GSA is responsible for sustainably managing the groundwater in the subbasins to the benefit of all beneficial uses and users. Beneficiaries include individuals, businesses, and government agencies, including the State of California. Beneficiaries may also include wildlife, riparian habitat, and other environmental users of groundwater and surface water sources, which are interconnected to groundwater. Landowners in the Tehama GSA service area are beneficiaries because these lands benefit from Tehama GSA's existence and groundwater management activities. Uses of land protected by Tehama GSA's stewardship of groundwater resources of the Tehama GSA service area are summarized in **Figure 2.**

The Tehama GSA is monitoring and evaluating groundwater resources, as required by SGMA, to continually improve its hydrological model as environmental conditions change. Groundwater resources need to be protected, monitored, and managed to ensure a stable supply of groundwater in the Tehama GSA service area. Properties may use groundwater supplied by a public water system, a domestic well, a commercial production well, or an irrigation well, or they may be passive users of groundwater. Residential, commercial, industrial, institutional, and other domestic users of water are 100% groundwater dependent in the Tehama GSA service area.

Agriculture predominantly uses groundwater; however, some surface water is utilized near the larger creeks that drain to the Sacramento River, as well as surface water used through the CVP Project Tehama Colusa Canal system. Grazing and dry farming generally depend on precipitation and springs for water resources; some of these lands use a minimal amount of groundwater for stock water. Ag parcels that have filed an approved well registration application to the County, verifying no groundwater use, would not be subject to the PMA fee.



Source: County Assessor APN Data

Figure 2. County Assessor's APN Data by Zoning Codes – Lands Benefiting from Tehama GSA Groundwater Management

Tehama Subbasin's land use characteristics indicate that most of the Tehama County subbasins are non-ag lands that, while benefiting generally from groundwater management, are not direct beneficiaries of sustainable groundwater management in the Tehama Subbasins. However, the PMA fee directly benefits ag parcels in the over-drafted subbasins, and data shows that about 20% of the County's land use is in active agricultural production that would benefit directly from the PMA (as well as the GSA Operations) fees. **Figure 3** shows the share of crops grown in the Tehama GSA's jurisdiction by crop category.

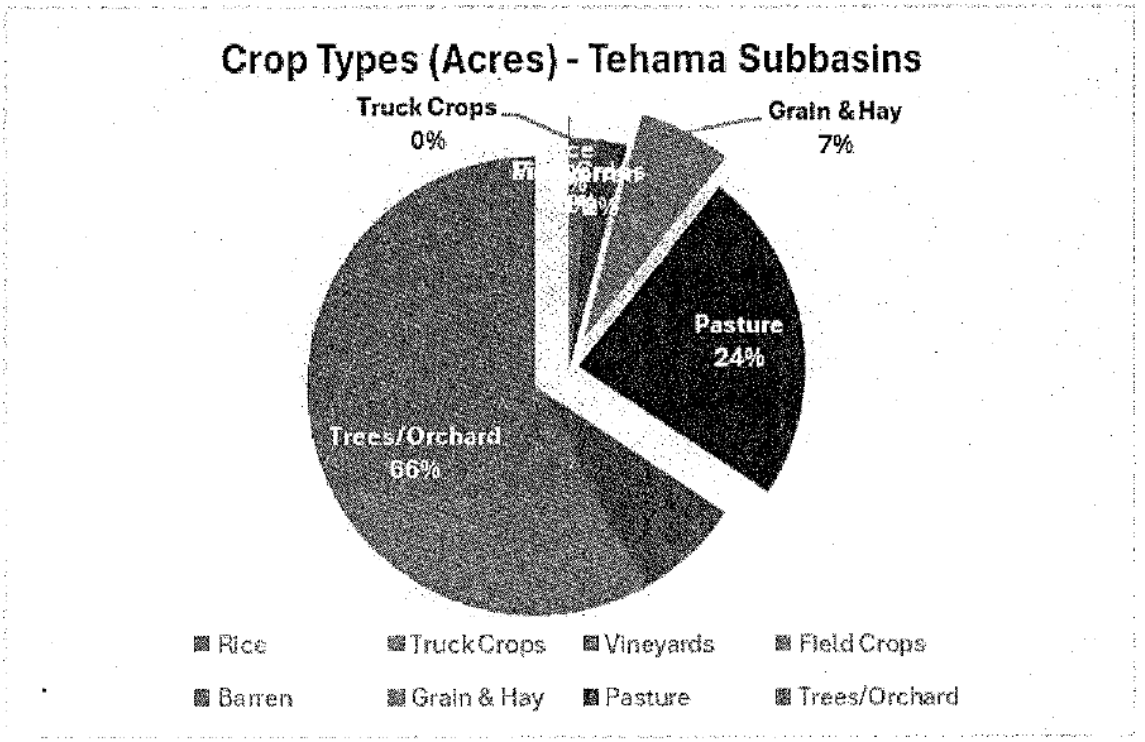


Figure 3. Tehama County GSA Crops Grown (Five Managed Subbasins)

2.3. Groundwater Use Estimates

The estimate of Tehama GSA groundwater use is based on the County's APN data, zoning codes, estimated acreage, and typical water use factors for crop types in the County. **Appendix F** provides a more detailed description of the data sources and fee calculation procedures used to estimate annual water use by parcel in the five managed and the three over-drafted subbasins addressed by the GSA Operations and PMA fees.

Table 2 summarizes the estimated water use by subbasin for both the over-drafted and managed subbasins, including results for ag-only parcels in over-drafted subbasins and combined ag and residential parcels. The average volume (in AF/Acre/Year) for the Ag Parcels Only is the weighted average of all crop types, excluding urban and non-ag land use types.

Table 2. Tehama County Estimated Annual Water Use by Subbasin (AF/Year)						
Managed Subbasin	Acreage by Subbasin			Average % Urban Land	Average Vol. (AF/Acre/Year[2])	AF/Year[3]
	2022[1]	2024[1]	Average			
Overdrafted Subbasins – Ag Parcels Only						
Corning	61,207	63,649	62,428	N/A	3.33	207,723
Los Molinos	15,987	16,406	16,196	N/A	3.71	60,097
Red Bluff	30,727	33,975	32,351	N/A	3.34	108,079
Subtotal – Overdrafted	107,921	114,029	110,975	N/A	3.39	375,899
Overdrafted & Managed Subbasins – Ag and Residential Parcels[4]						
Corning	70,405	70,273	70,339	11.2%	N/A	213,656
Los Molinos	19,130	18,094	18,612	13.0%	N/A	61,909
Red Bluff	46,374	44,088	45,231	28.5%	N/A	117,739
Subtotal – Overdrafted	135,909	132,455	134,182	17.3%	N/A	393,304
Antelope	10,591	9,914	10,252	21.9%	N/A	29,090
Bowman	9,781	7,362	8,571	55.0%	N/A	17,973
Subtotal – Other Managed	20,372	17,276	18,824	42.0%	N/A	47,062
Total – All Subbasins	156,280.5	149,730.7	153,005.6	19.7%	N/A	440,366

1. *Source: Tehama GSA Annual Reports.*
2. *Average water use per crop type is from Table 1, TM – Technical Foundations of Safe Yield, Sustainable Yield, and Groundwater Demand Management in Tehama County, Nov. 19, 2025. Excludes non-Ag parcels and those assumed to have no water use.*
3. *Urban AF/Acre based on County zoning/PN data for all managed subbasins (zoning codes R-1, SCSF).*
    a. *For overdraft subbasins, total water use (AF/Yr.) is 96% Ag, which is total Ag Only AF/Yr. divided by Ag & Residential AF/Yr.*
4. *Assumes Urban Residential (including commercial) water use is 0.75 AF/Acre/Year. Source: Table 1 of Nov. 19, 2025 TM.*

This table identifies several categories of subbasin water use and provides the basis for calculating the GSA fee alternatives:

- Ag-Only Parcels for Over-drafted subbasins
- Ag and Residential Parcels for Over-drafted subbasins
- Ag and Residential Parcels for combined Over-drafted and Managed Subbasins

This data indicates that the percentages of estimated water use compared to total water use in all the managed subbasins is as follows:

- Over-drafted Ag-Only subbasins = 85 percent of the total (375,899 AF ÷ by 440,366 AF).
- Over-drafted Ag and Residential = 89 percent of the total (393,304 AF ÷ by 440,366 AF).

Table 3 shows the estimated urban water use as a percentage of the total water use in the over-drafted subbasins. These data reflect only Ag parcels and those included in urban zoning designations and indicate that less than five percent of estimated water use in the over-drafted subbasins is attributed to urban users.

Table 3. Estimated Urban Water Use in Tehama Subbasins

Overdraft Subbasin	Average Acreage	Estimated Water Use (AF/Year)			Urban as % of Total AF
		Ag Only	Urban Only	Total AF	
Corning	62,428	207,723	5,933	213,656	2.8%
Los Molinos	16,196	60,097	1,812	61,909	2.9%
Red Bluff	32,351	108,079	9,660	117,739	8.2%
Subtotal - Overdrafted	*110,975*	*375,899*	*17,405*	*393,304*	*4.4%*

2.4. Fee Structure Development

The fee structure was developed using two key pillars of information that were constructed through the fee study process:

1. Stakeholders and public input on who should be charged, and the most reasonable fee structure, and
2. Available reliable data upon which to estimate the benefits received by Tehama GSA services each year.

2.4.1. Stakeholder and Public Input

Outreach to the general public and stakeholders served as one of the fundamental components of establishing a reasonable, equitable, and legally defensible fee structure. Key principles included transparency, inclusion, and recognition of the diversity of groundwater users in the Tehama GSA subbasins, as well as economic, environmental, and social considerations. Outreach goals, objectives, and considerations were identified through implementation of a comprehensive outreach and engagement plan, which was reviewed by GSA staff, Board, Groundwater Commission, ad-hoc committees, and placed on the Tehama GSA website.

Below is a summary of how the public was invited to be involved and provide input into the process. Additionally, the public had opportunities to participate and provide input at Tehama GSA Board

meetings, Groundwater Commission (GWC) meetings, and public workshops when the fee topic and options were on the agenda and discussed in a very detailed deliberate manner. Public Workshops were held in March and November of 2024, December 2025, and April 2026 with all supporting documentation available on the Tehama GSA website for easy access. The fee options were discussed at the March 2026 Board and GWC meeting agendas, the recommended fee options discussed at the April GWC meeting, and Fee Report approved at the April 2026 Board meeting. The Fee Report was made available on the Tehama GSA website along with all public meeting agendas, handouts, and presentations. The Tehama GSA also reminded well owners in the county to register their wells by June 30, 2026, so that the proposed fees could be applied to reflect the best available information for each parcel to ensure equitable billing during fee implementation. A fee notice was mailed to all water users subject to the fee in May 2026 to inform customers regarding the proposed fees and provide the date and location of the public hearing and Board meeting where fee approval would be considered. Customers are provided with the opportunity to provide a protest form to the Board for their review prior to the closing of the public hearing.

Stakeholder Survey

A survey was distributed in 2025 regarding demand management and related topics regarding fees to assess customer concerns and ideas for implementing programs with positive impacts, including:

- 110 Responses Received
- Customers were interested in reasonable fees
- Consider equity and how water is used
- Provide transparency on fee collection and spending
- Prefer annual budget and fee review process

Public Workshops

Public Workshops were held in March, November (2024), December (2025), and April (2026) as key GSP implementation, SGMA compliance, and fee issues were discussed. Agendas, handouts, surveys, and presentations were made available to stakeholders who attended through the GSA website. Information is included in **Appendix E** with examples of outreach materials used for these activities.

Online Information

The Tehama GSA provided information on the well registration program and the importance of registering wells before new proposed fees are implemented to ensure equitable billing based on updated information. The GSA also encouraged domestic well owners to participate in the Community Monitoring Program, where domestic well owners can install monitoring equipment and track their water levels during all water year types. The data would be available to well owners based on real-time data tracking and graphic visualization. The GSA will continue outreach to increase participation in both programs during the FY26-27 period and beyond. Social media and cross-listing on websites provided additional

avenues to encourage participation and postings on face book to broaden outreach activities and saturation.

GSA-Staff Led Meetings

The Tehama GSA Manager worked collaboratively with various stakeholders within Tehama County and with surrounding counties. There were monthly Board and Commission meetings, regular DWR coordination meetings, and meetings with landowners and RCD staff to expand outreach activities by providing GSP and SGMA project updates to a variety of groups and organizations such as:

- Meetings with stakeholders in all subbasins within Tehama GSA service area
- Meetings with Ad-hoc Committees
- Meetings with RCD and Farm Bureau
- Public Meetings
- Meetings with surrounding GSAs – Shasta, Glenn, Butte counties
- GSA Board
- Groundwater Commission
- Landowners
- DWR

GSA staff also attended Grower's Days and supported various RCD outreach activities for landowners and water users in the region. Fees were discussed at an RCD landowner workshop in March 2026.

2.4.2. Data Sources to Estimate Benefits Received

The process for fee evaluation and development should rely upon the best available data at the time the fee is developed. The fee proposal herein relies on the best available data sources as of the time of this fee study report. Data sources used to develop the fee include:

- Tehama County Assessor Parcel Database,
- The Tehama Subbasin GSPs (2022 and 2024),
- Tehama Subbasin Annual Reports (WY2021-2025),
- UC Extension estimates of average crop water use by crop type [4]
- LSCE estimates of commercial water use based on the City of Corning and City of Red Bluff annual water use for commercial accounts[5]
- DWR 2022 crop mapping (https://data.cnra.ca.gov/dataset/statewide-crop-mapping).

[4] Average water use per crop type is from Table 1, TM - Technical Foundations for Safe Yield, Sustainable Yield, and Groundwater Demand Management in Tehama County, Nov. 19, 2025, p. 10.
[5] Average water use, commercial accounts, from Table 3, TM - Technical Foundations for Safe Yield, Sustainable Yield, and Groundwater Demand Management in Tehama County, Nov. 19, 2025, p. 12.

- Tehama County Well Registration Program (https://tehamacountywater.org/well-registration/)

A Geographic Information System (GIS) platform6 was used to create a web map application from which to conduct data queries and establish the necessary data for the fee database. The determination of fee-paying parcels and the acreage of those parcels is shown in **Table 4.**

Table 4. Tehama Subbasin Number of Parcels and Acres
Summary of Parcel Data and Estimated Annual Water Use – Overdrafted Subbasins Only

Zoning Codes	Description	APN Data (LSCE)			Estimated Annual Volume[2] (AF/Yr)
		APN Parcels[1]	LSCE Acres[2]	Average Ac/Parcel	
AG-1 – AG-4	Agricultural Parcels	6,761	413,774	61.2	1,428,565
C-1 – M-2-S-P	Commercial and Industrial Parcels	8,636	24,716	2.9	34,774
R-1 - SCSP	Residential Parcels	9,124	42,797	4.69	8,230
Totals or Average		24,521	481,286	19.6	1,471,569
Totals/Average (After Deducting Exemptions and Exclusions)		24,285	475,678	19.6	1,471,569

1. From LSCE file: Assesor_Roll_GIS$
2. Volume in AF/year based on total acres for non-residential and total parcels for residential

Combining Data, Outreach, and Legal Considerations to Develop a Fee Structure

Data limitations, including those caused by a lack of groundwater extraction measuring devices, influence which fee structures are feasible. Several fee structure options, including registered wells, per-parcel county-wide, and system connection-based fees, were considered but not selected due to either the lack of available data or preferences by the District Board for fees based on estimated annual water use for ag parcels. Although the over-drafted subbasins are designated as "high-priority" and "medium-priority" basins, respectively, the Tehama GSA has limited registered well data to date, does not meter agricultural wells, and has a currently limited well-pumping database.

- Wellhead and extraction fees were not supported due to data limitations, such as not having complete records of the number, characteristics of, and location of wells.
- A fee per water system connection was explored for domestic users (including those served by a water system and those with a private well), but this fee structure option was hampered by insufficient data from small water systems and private well users.

The fee structure options used estimated annual water use for subbasin parcels and a parcel-based fee structure. The water use-based fee alternatives relied on APN zoning types and acreages from the Assessor's Office and estimated annual water use in acre-feet per acre by crop type. The parcel-based fee structure used the Assessor's APN parcel data by subbasin.

Stakeholder Input

The Board directed staff and consultants at its December 2025 meeting to obtain input from the community and stakeholders in the fee structure development process, with a focus on reviewing four (4) priority fee options. Two to recover the costs for operating the GSA and achieving SGMA compliance. And two options to recover PMA costs required to address groundwater overdraft conditions.

Key conclusions and direction received from the Board included:

- The two-part fee structure fits the services provided to beneficiaries of Tehama GSA's activities.
- Four (4) specified fee options, two for GSA costs and two for PMA costs, will be evaluated and used as the basis for selecting a recommended fee.
- All parcels (unless Exempt or Unusable) must be charged because these parcels receive the same Part 1 services from the Tehama GSA. Additionally, if a Part 1 fee was based on a parcel, the Board supported a flat fee per parcel.
- Part 2 service costs should be allocated to Ag only water users of groundwater based on annual estimates of Ag groundwater pumping as described in the annual reports prepared for DWR.
- Cropped acres should be charged a crop fee based on estimated crop water use for fee options using water use as a factor.
- Cropped acreage should be identified using completed and submitted well registration reports submitted to the GSA by June 30, 2026. It will be cross-referenced with cropped acres from the GSA Annual Reports and the County Annual Crop Report. The SHAC acknowledged that data could be updated in the future should a better source become available for Tehama GSA's use.
- The Board and Groundwater Commission were presented with two options for charging Ag only users in over-drafted subbasins the Part 2 fee: (1) full recovery of the recommended PMA budget ($1.0M/year)[6] based on estimated annual water per crop, and (2) partial recovery of the recommended PMA budget ($0.728M) based on estimated annual water use per crop. Ag only users would pay 100% of the PMA option costs based on their estimated water use factors, best reflecting the benefit received for Part 2 PMA services.
- The Board recommendation was to include the partial PMA budget option for FY26-27 fees until final decisions have been made about demand management actions and corresponding costs. Future fees may be adjusted up to the maximum amount to fund PMA costs that improve groundwater sustainability in the over-drafted subbasin.

Appendix E of this report provides key public outreach materials and workshop summaries, and information supporting the Tehama GSA 2026 fee development process.

[6] The Groundwater Commission and subsequently the Tehama County Flood Control and Water Conservation District Board modified the original full-recovery budget from $1.395M/year to a maximum of $1.0M/year. This maximum is shown from here on in this report.

3. FEE CALCULATION

3.1. Cost Basis of Fee

The cost basis of the fee comprises the Tehama GSA's operations costs and a prudent reserve. Operating expenses include GSA staffing, legal counsel, general office expenses, audits, fee placement on the tax roll, annual reporting and monitoring to DWR, periodic evaluations of the GSP, and various other regulatory activities. The costs are described as Part 1 or Part 2 costs based on the different services that the Tehama GSA provides.

Part 1 Fee Service Provided: Maintaining a functioning GSA and performing all basic legal requirements that SGMA requires of a GSA in a high-priority basin.

Part 1 Fee: Governance & GSA Operations – Providing GSA coverage and basic operation of the GSA, which is legally required for all land located in the Tehama GSA subbasins. The Part 1 fee funds the minimum cost of having a GSA in place, which is a legal requirement for land included in high- and medium-priority subbasins under SGMA, including the subbasins in the Tehama GSA service area. This fee covers:

- **GSA Administration** – Staff, legal support, financial reporting, and operational costs necessary to run the GSA administration and operations.
- **Board of Directors Meetings & Public Oversight** – Ensuring local governance, stakeholder engagement, and decision-making authority and function.
- **Minimum SGMA Compliance Requirements** – Covering only what is required to keep the GSA in existence and recognized by the State of California as SGMA compliant.

Part 2 Fee Service Provided: Project Management Actions (PMA) that address overdraft conditions and sustainable groundwater management, ensuring long-term groundwater availability.

Part 2 Fee: PMAs & Sustainable Groundwater Management – Providing the development of projects, management actions, and implementation of projects and actions that achieve long-term groundwater sustainability. This fee covers:

- **Supply/Recharge Actions** – Planning, design, and implementation of supply-related actions that increase supply availability and improve groundwater sustainability in over-drafted subbasins.
- **Demand Management Actions** – Planning, design, and implementation of demand-related actions that improve groundwater conditions and sustainability trends.
- **GSP Implementation** – Activities identified in the Groundwater Sustainability Plan (GSP) to achieve long-term sustainability to address overdraft conditions.
- **Stakeholder Engagement & Outreach** – Working with groundwater users to ensure SGMA compliance and PMA implementation educate the public on sustainability efforts.

FY26 Cost Basis

Table 5 shows the cost basis for setting the FY26-27 fee. The recovery of the cost basis between Part 1 and Part 2 is based on the 5-year forecast of costs as further described in the next section of this report.

Table 5. FY26-27 Fee Setting Cost by Part

Fee Alternative	Funding ($/Year)	APN Data Alternative	Fee	Ag Only	Ag, Residential, Commercial
1. GSA Oper. Fee	$1.178 M	All Subbasins	$/AF/Yr		X
2. GSA Oper. Fee	$1.178 M	All Parcels	$/Parcel/Yr		X
3. PMA Fee	$1.395 M (reduced to $1M) (Maximum Funding Level)	Overdraft Subbasins .	$/AF/Yr	X	
4. PMA Fee	$0.728 M (Recommended FY26-27 Funding Level)	Overdraft Subbasins	$/AF/Yr	X	

Table 6 shows the five-year costs forecast in real (inflated) dollars with a FY26/27 starting budget of $1,178,000, escalating to $1,269,000 by FY30/31 using a 1.5% annual CPI adjustment example.

Table 6. Tehama County Groundwater Sustainability Agency Budget Forecast

Tehama County Groundwater Sustainability Agency Budget Forecast
EXHIBIT "A"
FIVE YEAR TEHAMA GSA BUDGET

Inflation Adjustment Factor - 3% Recommended		1.5% Assumed	1.5% Assumed	1.5% Assumed	1.5% Assumed
Category	Proposed	Proposed	Proposed	Proposed	Proposed
OPERATING EXPENSES	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31
Legal Services					
General Legal Support	$55,000	$55,000	$55,000	$55,000	$55,000
Total Legal Services	$55,000	$55,000	$55,000	$55,000	$55,000
Technical Services					
Fee Process	$7,000	$7,000	$7,000	$7,000	$7,000
Special Studies/Consultant Support	$30,000	$30,000	$30,000	$30,000	$30,000
Total Technical Services	$37,000	$37,000	$37,000	$37,000	$37,000
Administrative Services					
Administration and Management (0.75 FTE)	$160,000	$160,000	$160,000	$160,000	$160,000
Administrative Support (0.5 FTE)	$51,000	$51,000	$51,000	$51,000	$51,000
District Overhead	$32,000	$32,000	$32,000	$32,000	$32,000
Audits	$10,000	$10,000	$10,000	$10,000	$10,000
Outreach Materials/Printing & Copying	$15,000	$15,000	$15,000	$15,000	$15,000
Postage	$3,000	$3,000	$3,000	$3,000	$3,000
Website Development/Maintenance	$6,000	$6,000	$6,000	$6,000	$6,000
Financial Services/Banking/Bookkeeping	$12,000	$12,000	$12,000	$12,000	$12,000
Total Administrative Services	$289,000	$289,000	$289,000	$289,000	$289,000
OPERATING EXPENSES SUBTOTAL	$381,000	$381,000	$381,000	$381,000	$381,000
Operating Expenses Reserve (10%)	$38,000	$38,000	$38,000	$38,000	$38,000
TOTAL OPERATION EXPENSES	$419,000	$419,000	$419,000	$419,000	$419,000
SGMA COMPLIANCE EXPENSES					
GSP Annual Monitoring/Reporting	$225,000	$225,000	$225,000	$225,000	$225,000
GSA Sub-basin Coordination	$20,000	$20,000	$20,000	$20,000	$20,000
GSP Periodic Evaluation/Amendments (@5 Yrs.)	$400,000	$400,000	$400,000	$400,000	$400,000
Monitoring/Data Management	$25,000	$25,000	$25,000	$25,000	$25,000
GSP Implementation Grant Funding	$20,000	$20,000	$20,000	$20,000	$20,000
SGMA COMPLIANCE EXPENSES SUBTOTAL	$690,000	$690,000	$690,000	$690,000	$690,000
SGMA Compliance Expenses Reserve (10%)	$69,000	$69,000	$69,000	$69,000	$69,000
TOTAL SGMA COMPLIANCE EXPENSES	$759,000	$759,000	$759,000	$759,000	$759,000
TOTAL ANNUAL BUDGET	$1,178,000	$1,200,770	$1,223,540	$1,246,310	$1,269,080

Table 7 shows the projected project management activities budgets, with a beginning budget in FY26/27 of $1,000,000, escalating with annual CPI increases through FY30/31.

Table 7. Tehama County Groundwater Sustainability Budget Forecast – Five Year GSA Budget – PMA Program Costs

Tehama County Groundwater Sustainability Agency Budget Forcast

EXHIBIT "A"

Cost Avoidance Strategy-List — FIVE YEAR TEHAMA GSA BUDGET - PMA Program Costs

Category	Proposed	Proposed	Proposed	Proposed	Proposed
PMA EXPENSES	**FY26/27**	**FY27/28**	**FY28/29**	**FY29/30**	**FY30/31**
Demand Management Program					
Admin. Process	$35,000	$35,000	$35,000	$35,000	$35,000
Voluntary Incentive Program	$433,333	$433,333	$433,333	$433,333	$433,333
Total DM Program Costs	**$468,333**	**$468,333**	**$468,333**	**$468,333**	**$468,333**
Demand Management Cost Basis					
Total Annual Overdraft (C, RB, LM)	65,000	65,000	65,000	65,000	65,000
Incentive Cost/Ac-Ft	$200	$200	$200	$200	$200
Annual Adjustment Factor (2042)	7%	7%	7%	7%	7%
Annual Adjustment Factor (50%)	50%	50%	50%	50%	50%
Total Voluntary Incentive Costs	**$433,333**	**$433,333**	**$433,333**	**$433,333**	**$433,333**
Well Mitigation Program					
Admin. Process	$20,000	$20,000	$20,000	$20,000	$20,000
Well Replacement Costs	$40,000	$40,000	$40,000	$40,000	$40,000
Total WM Program Costs	**$60,000**	**$60,000**	**$60,000**	**$60,000**	**$60,000**
Well Mitigation Cost Basis					
Avg. Cost/Domestic Well Replaced	$40,000	$40,000	$40,000	$40,000	$40,000
# Wells Replaced/Year	1	1	1	1	1
Total Annual Well Mitigation Costs	**$40,000**	**$40,000**	**$40,000**	**$40,000**	**$40,000**
TOTAL PMA EXPENSES	**$528,333.33**	**$528,333.33**	**$528,333.33**	**$528,333.33**	**$528,333.33**
Total PMA Costs-Water Purchases	**FY26/27**	**FY27/28**	**FY28/29**	**FY29/30**	**FY30/31**
Total Annual Overdraft (C, RB, LM)	65,000	65,000	65,000	65,000	65,000
Project Cost/Ac-Ft	$400	$400	$400	$400	$400
Annual Adjustment Factor (2042)	4%	4%	4%	4%	4%
Annual Adjustment Factor (50%)	50%	50%	50%	50%	50%
Total PMA Costs-Water Purchases	**$471,666**	**$471,666**	**$471,666**	**$471,666**	**$471,666**
TOTAL PMA COSTS	**$1,000,000**	**$1,018,638**	**$1,037,276**	**$1,055,913**	**$1,074,552**

3.2. Fee Calculations

There are three steps to calculating the FY26 fee schedule.

Step 1: Determine the Part 1 and Part 2 costs (the fee calculation numerators)

- Update the fiscal year Part 1 and Part 2 cost basis using the estimated budget for the following year and the forecast of costs and revenues for the following four years.

Step 2: Determine the Part 1 and Part 2 fee units, which are the fee calculation denominators

- Calculate total estimated annual water use and number of parcels by subbasin for the Part 1 fee.
- Calculate the total number of acres in agricultural production for the Part 2 fee.
- Calculate the estimated annual water use by subbasin for Ag only parcels for the Part 2 fee.

Step 3: Perform the fee calculations.

- Divide the Step 1 numerators for each part by the Step 2 denominators for each part.

The fee calculation steps are described in detail below.

Step 1: Determine the Part 1 and Part 2 Costs

Every year the Tehama GSA will update the 5-year financial forecast using the adopted budget and the estimate of costs for the following four years (i.e., the projected costs previously shown in **Tables 6 and 7**).

Step 2: Determine the Part 1 and Part 2 Fee Units

Part 1 fees will be charged to all parcels except Exempt and Unusable parcels based on the number of fee-paying parcels in the Tehama GSA's boundaries. Part 2 fees will be charged based on the number of acres in agricultural production, excluding urban and exempt or excluded parcels. **Table 8** describes the fee units in greater detail.

Table 8. Calculation of GSA Operations and PMA Fees by Alternative

Fee Alternative	Area or Subbasins	Annual Cost	Basis of Fee	AF/YR or Parcels[2]	Estimated Annual Fee
GSA Operations	All Managed[1]	$1,178,000	Water Use (AF/Yr.)	440,366 AF/Yr.	$2.70 /AF/Yr.
GSA Operations	District-Wide	$1,178,000	Managed Subbasin2	38,673 Parcels	$30.50/Parcel/Yr.
PMA Fee	Overdrafted[5]	$1,000,000	Water Use (AF/Yr.)	375,899 AF/Yr.	$2.70 /AF/Yr.
PMA Fee	Overdrafted[5]	$728,000	Water Use (AF/Yr.)	375,899 AF/Yr.	$2.00 /AF/Yr.

1. Managed subbasins are Antelope, Bowman, Corning, Los Molinos, and Red Bluff.
2. Exclusions include Zoning designations of Natural Resource (NR), Floodplain (FP), and Timber (TPZ).
3. Estimated based on crop acreages from Tehama GSA Annual Reports and water use by crop type per LSCE Technical Memo dated Nov. 19, 2025.
   For the 2. GSP Oper. Alt., urban water use (in AF/Acre) is based on County zoning/APN data for zoning codes R-1 - SCSP.
4. Reflects the Ag total AF/Yr. divided by Total AF/Yr. for all parcels and the total Ag parcels (10,588) divided by the total of all parcels (38,673).
5. Overdraft subbasins are Corning, Los Molinos, and Red Bluff. Only Ag parcels are included.

For the first fee alternative, the estimated water use in the five managed subbasins is 440,366 AF/year, as shown in **Table 8**. For the second fee alternative, there are a total of 38,673 Assessor parcels in the Tehama GSA boundaries that would be subject to the parcel fee. For the third and fourth PMA fee alternatives, the 375,899 AF/year shown in **Table 8** is for Ag-only parcels for the three over-drafted subbasins.

The selected fee alternatives are alternatives 1 and 4, which are based on estimated annual water use for both ag and residential parcels in the five managed subbasins (Alternative 1) and for the Ag-only parcels in the three over-drafted subbasins.

There is also an administrative fee of $1.99 per parcel per year that would be added to the annual fees to cover the cost of adding the fee to the annual tax bill. **Table 9** summarizes the total GSA fees and shows the Assessor's fee.

Table 9. Proposed FY26-27 GSP Operations and PMA Fees
Collection of GSA Operations and PMA Fees

GSA Fee	Subbasins	Fee $/AF/Yr.	Annual Water Use (AF/Yr)	Estimated Annual Revenue	Billing Fee[3] ($/Parcel/Yr)
1. GSA Operations	All Managed[1]	$2.70	440,366	$1,178,000	$1.99
4.PMA Fee	Overdrafted[2]	$2.00	375,899	$728,000	$0.00
Combined Fee	--	*$4.70*	--	$1,906,000	*$1.99*

1. Includes the five managed subbasins: Antelope, Bowman, Corning, Los Molinos, and Red Bluff. Applies to agricultural, residential, and commercial parcels.
2. Overdraft subbasins are Corning, Los Molinos, and Red Bluff. Only Ag parcels are included.
3. The billing fee only applies to parcels once, when the GSP Operations fee is placed on the Assessor's tax role, not a second time for the PMA fee.

3.3. Fee Collection

The Tehama SGMA fee will be collected by placing it on the property tax roll by the Tehama County Auditor-Controller and collected by the Tehama County Treasurer-Tax Collector10. Tehama County adopted the Teeter Plan, which guarantees payment of the full amount of the fees that are charged, with the County pursuing any unpaid fees. Fee revenues will be disbursed generally to the Tehama GSA in December (55%), April (40%), and June or July (5%).

Properties not assessed on the property tax roll include parcels zoned as timber, floodplain, natural resource, native vegetation, riparian vegetation, barren, idle, and water parcels. There have been no 'hand-billed' arrangements between third parties subject to the fees that would result in direct payment from the parcel owner(s) and GSA, versus collecting fees on the property tax bill. Under such arrangements, an agreement would be required between the parties specifying the terms of payment (including amount and timing) whereby the Tehama GSA would directly "hand bill" these properties. Before any such arrangements could be implemented, an agreement would need to be prepared and approved by the GSA Board. At this time, 100% of total revenue will be collected via property tax assessment, as demonstrated in **Table 10**.

Table 10. Fee Collection by Part Summary of GSA Operations and PMA Fees				
Fee Alternative	Subbasins	Annual Cost	Fee $/AF/Yr.	Billing Fee[3] ($/Parcel/yr)
1. GSA Operations	All Managed[1]	$1,178,000	$2.70	$1.99
4. PMA Fee	Overdrafted[2]	$728,000	$2.00	N.A.
Combined Fee	*Overdrafted*	*$1,906,000*	*$4.70*	--

1. Includes the five managed subbasins: Antelope, Bowman, Corning, Los Molinos and Red Bluff. Applies to ag, residential and commercial parcels.
2. Overdraft subbasins are Corning, Los Molinos and Red Bluff. Only Ag parcels are included.
3. The billing fee only applies to parcels once, when the GSP Operations fee is placed on the Assessor's tax role, not a second time for the PMA fee.

Parcels in the Antelope and Bowman subbasins will pay only the Part 1 GSP Operations fee, while the Corning, Los Molinos, and Red Bluff subbasins will pay both the Part 1 GSP Operations Fee and the Part 2 PMA fee. **Table 11** shows the fee collection by subbasin.

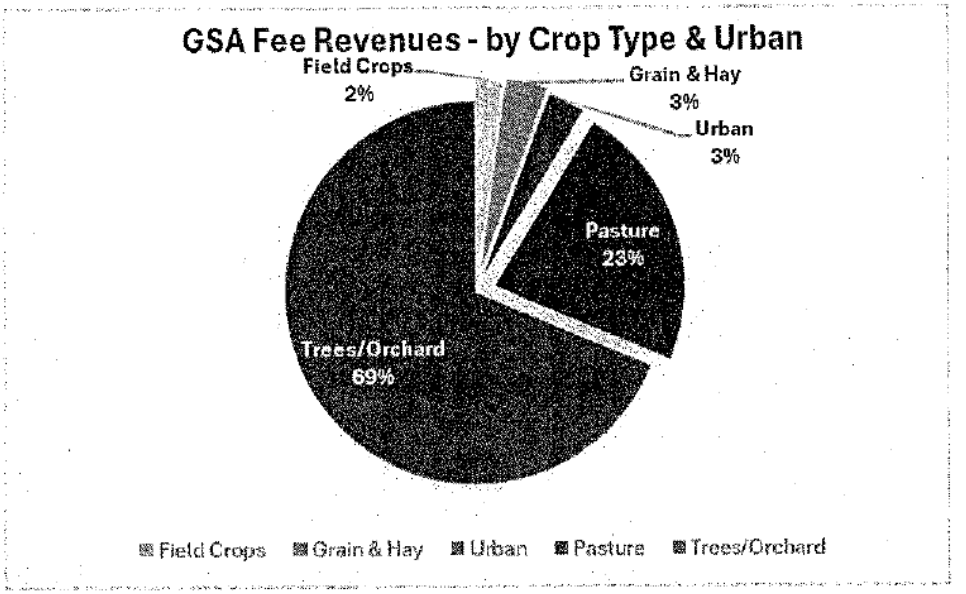
Note: Fee totals in **Table 11** do not show the additional $1.99/parcel for the Billing Fee, as this is a small charge added to only the GSP Operations fee. That is, the over-drafted subbasins paying the PMA fee will have already paid the Billing Fee when their GSP Operations fee is placed on their tax bill.

The fee calculations and data sources are summarized in **Appendix F**.

Table 11. Fee Collection by Subbasin Collection of GSA Operations and PMA Fees by Subbasin					
GSA Fee	Subbasins				
	Antelope	Bowman	Corning	Los Molinos	Red Bluff
1. GSA Operations[1]	$2.70	$2.70	$2.70	$2.70	$2.70
4. PMA Fee	--	--	$2.00	$2.00	$2.00
Combined Fee	$2.70	$2.70	$4.70	$4.70	$4.70

1. The Billing fee of $1.99/parcel/year is charged only once, when the GSP Operations fee is placed on the Assessor's tax role, not a second time for the PMA fee

Figure 4 shows the percentage of revenue collected by crop type plus urban zoned parcels. As shown here, Trees/Orchard and Pasture together account for over 90% of the total GSA fee revenue. Note that the urban parcels are only subject to the GSP Operations fee, not the PMA Fee which is only applied to Ag parcels in the over-drafted subbasins.



Source: Revenues based on Tehama County APN database and water use estimates shown in previous tables.

Figure 4. GSA Revenue Collection by Crop Type plus Urban Parcels – Tehama County

3.4. Fee Examples

The FY26-27 SGMA fees were calculated for several different types of properties for demonstrable purposes only. **Table 12** shows the annual charges calculated for Ag, commercial, and residential parcels for the GSA Operations Fee and provides estimated typical annual bills. This Table assumes that residential properties would be charged the typical water use per connection (i.e., the AF/Parcel is capped and not based on the number of acres of each residential property), as shown in **Table 12**. In contrast, commercial and Ag properties assume that fees are calculated using the typical water use per acre times the actual acreage times the GSP fee of $2.70/AF/Acre. The Small and Large Ag examples shown use the typical water use per parcel of 140 and 688 AF/Parcel, respectively.

Table 13 shows similar calculations for the PMA Fee along with typical fees, which apply only to Ag parcels. The typical customers used as examples in these tables are based on APN data and estimated annual water use and represent typical parcel sizes for each customer type. **Appendix F** provides more details on the data sources and calculation methodology used to calculate these fees.

Table 12. Typical Customer GSA Operations Fees: Estimated Annual GSA Operations Fee - Typical Fees Based on Annual Water Use					
Typical Customer Type	Typical Acreage Per Parcel[1]	Typical Water Use (AF/Conn., AF/Ac or AF/Parcel)[2]	Managed Basins - Ag, Resid., Comm.		
			GSA Fee[3]	Billing Fee[4]	Total $/Parcel
Estimated Annual GSP Operations Fee - Recommended Funding Level ($1.178 M)					
Typical Urban Residential - Managed Subbasins	*0.6*	*0.75 AF/Conn.*	**$2.03**	$1.99	$4.02
Typical Rural Residential - Managed Subbasins	*2.3*	*1.25 AF/Conn.*	**$3.38**	$1.99	$5.37
Commercial - Managed Subbasins	*3.3*	*3.65 AF/Acre*	**$32.52**	$1.99	$34.51
Typical Small Ag (AG-2) - Managed Subbasins	*40.0*	*140 AF/Parcel*	**$378.00**	$1.99	$379.99
Typical Large Ag (AG-1) - Managed Subbasins	*200.0*	*688 AF/Parcel*	**$1,857.60**	$1.99	$1,859.59
GSA Operations Fee Based on Water Use ($/AF/Yr)			*$2.70*		

1. Typical parcel size based on APN data for the five managed basins. Urban Residential are all parcels zoned R-1; Rural Residential are zoned RE(xx) and SCSP; Commercial are zones C-1 - M2SP; Small Ag are zoned AG-1; and Large Ag are zoned AG-2.
2. Typical water use estimated by water use (AF/Yr.) divided by total parcels in each typical customer type. Based on the County's APN data.
3. GSP Operations Fee for Residential is Typical Water Use (AF/Connection) times the GSA Fee ($/AF/Acre). For Commercial and Ag, the fee is the typical water use (AF/Ac) times the acreage times the GSA Fee ($/AF/Yr.). Commercial/Ag examples use the Typical Water Use shown here.
4. Estimated cost to add a new fee to each parcel's tax bill.

Table 13. Typical Customer PMA Fees Estimated Annual PMA Fee - Typical Fees Based on Annual Water Use					
Typical Customer Type	Typical Acreage Per Parcel[1]	Typical Water Use (AF/Parcel/Yr.)[2]	Overdrafted Basins - Ag, Resid., Comm.		
			PMA Fee[3]	Billing Fee[4]	Total $/Parcel
Estimated Annual PMA Fee - Minimum Recovery Level ($0.728 M)					
Typical Small Ag (AG-2) - Overdraft Subbasins	*40.0*	*140.0*	**$280.00**	$0.00	$280.00
Typical Large Ag (AG-1) - Overdraft Subbasins	*200.0*	*688.0*	**$1,376.00**	$0.00	$1,376.00
PMA Fee Based on Water Use ($/AF/Yr)			*$2.00*		

1. Typical parcel size based on APN data for the five managed basins. Urban Residential are all parcels zoned R-1; Rural Residential are zoned RE(xx) and SCSP; Commercial are zones C-1 - M2SP; Small Ag are zoned AG-1; and Large Ag are zoned AG-2.
2. Typical water use estimated by water use (AF/Yr.) divided by total parcels in each typical customer type. Based on the County's APN data.
3. PMA Fee Based on Water Use (AF/Parcel/Yr) times the Fee ($/AF/Yr)
4. Estimated cost to add a new fee to each parcel's tax bill. Only charged once (on the GSA Operations Fee).

4. FEE IMPLEMENTATION

4.1. Fee Adoption

To adopt the proposed fees, the Tehama GSA Board must hold at least one public meeting. Prior to the public meeting to adopt the proposed fees, notice will be provided as follows:

(1) Publicize at least 45 days ahead of the meeting, (2) post notice on the Tehama GSA's website, and (3) send a fee notice by mail to those subject to the fee, which would include a form to comment or protest regarding the Tehama GSA's proposed fees to be implemented in FY26-27.

(2) The notice will include time and place of meeting, general explanation of the item, and a statement that the data upon which the proposed fee is based is available (this must be made available to the public at least 45 days prior to the meeting).

The specific fee must be set each year to place the fees on the tax roll, regardless of whether the fee amounts change or not. The fee should be adjusted each year as necessary to raise sufficient revenues by one of the following methods:

(1) Applying the change in a price index (up to a 3% change in the Consumer Price Index published by the Bureau of Labor Statistics is recommended), or

(2) Applying a (maximum, up to) set percentage increase (e.g., 4%), or

(3) Estimating costs required to fund the GSA's next fiscal year budget, plus an amount for prudent reserves. The GSA is committed to annual budget and fee reviews as reflected in the fee resolution.

The SGMA legislation provides GSAs with the authority to establish fees to support local management and control of their groundwater resources, and the District has the authority to levy groundwater fees as a special district to ensure that groundwater resources are sustainable in the long term for all water users within the Tehama GSA service area. After adopting the fee, the Tehama GSA must continue with the following actions to implement the fees for FY26-27, and each fiscal year thereafter:

(1) Per Water Code 10730, the Tehama GSA shall implement groundwater fees that are reasonable and support beneficial use of groundwater resources in the Tehama GSA service while achieving SGMA compliance for landowners within subbasins within the GSA service area that file annual reports and GSPs with the California Department of Water Resources.

(2) The Tehama GSA shall maintain updated groundwater ordinances and policies (see **Appendix G**) that support implementation of approved Tehama GSA fees and provide the Tehama County Auditor-Controller all required documentation authorizing placement of the fees on the property tax roll by August 10, 2026 and shall provide the list of Assessor Parcel Numbers and fee amounts to be placed on the FY26-27 roll no later than the date specified by the Tehama County Auditor-Controller (usually around August 10th).

4.2. Corrections

The Tehama GSA will develop a policy for landowners to provide corrected information if any of the fees are based on incorrect data or data that has changed since the fees were implemented.

The Tehama GSA will work with property owners to correct any incorrect data. The process of correcting information will require communication with both landowners and the County assessor. During the correction process, property owners must pay the fee on the property tax bill during the current FY. Corrections reviewed and accepted by the Tehama GSA will be implemented on the upcoming FY property tax bill. Corrections that reduce or increase the amount of the fee due will be credited or debited on the subsequent year's tax roll. If the Tehama GSA observes that particular parcel fees should be adjusted, a letter will be sent to the landowner about the proposed fee change before it is implemented on the upcoming FY property tax bill. The Tehama GSA will develop a policy that includes the methods by which annual groundwater fee adjustments will be implemented and the timing for such corrections.