

June 20, 2025

VIA EMAIL AND U.S. MAIL

City of Lompoc, City Council
100 Civic Center Plaza
Lompoc, CA 93436-6969
j_mosby@ci.lompoc.ca.us
s_bridge@ci.lompoc.ca.us
v_vega@ci.lompoc.ca.us
d_starbuck@ci.lompoc.ca.us
j_ball@ci.lompoc.ca.us

RE: Written Response to June 9, 2025, Objection to WMA Proposed Groundwater Extraction Fee

Dear Mayor Mosby, City Council Members and Staff:

This office is legal counsel to Santa Ynez River Valley Groundwater Basin Western Management Area Groundwater Sustainability Agency (“WMA”), and we are writing this letter on the WMA’s behalf. This letter acknowledges receipt of your June 9, 2025, Objection and Protest Letter to the WMA’s proposed groundwater extraction fee (“Objection Letter”).

In accordance with Proposition 218 and Government Code sections 53755 et seq., WMA provided notice to affected parcel owners and/or groundwater extractors at least 45 days prior to the scheduled public hearing, setting forth the rationale for the fee, the method of calculation, and the proposed amount. This notice also informed recipients of their right to submit a written protest.

Your protest has been timely received and will be included in the official protest tabulation pursuant to Government Code section 53755(b). As required by law, if written protests are received from a majority of property owners subject to the proposed fee prior to the close of the public hearing, WMA will be precluded from imposing the fee.

We appreciate your participation in the Proposition 218 process and have carefully reviewed your objections. Government Code section 53759.1 requires local agencies to consider and respond in writing to any timely submitted written objections prior to the close of the protest hearing required under Proposition 218. In accordance with Cal. Government Code section 53759.1(c)(3), the following response to objections is made to you as owner of the parcels identified in Exhibit A, attached hereto.

The WMA’s response to the objections raised in the June 9, 2025 letter is as follows:

1. The Objection Letter requests confirmation that if the proposed groundwater extraction fee is adopted, “the WMA does not intend to make additional cash calls on Lompoc or other WMA JPA members”. The WMA is a Joint Powers Authority governed by its Board of Directors. As such, no commitment can be made as to future Board actions. That being said, the existing Board and staff do not anticipate a need for future cash calls once the groundwater extraction fee is implemented and collected. Further, the City of Lompoc is a voting member on the WMA’s Board of Directors and its representative currently serves as chair of the Board. Thus, the City will be able to participate in any future decisions regarding this matter.
2. The second issue raised by the Objection Letter questioned the procedures for adopting the groundwater extraction fee. The Objection Letter acknowledges that the WMA followed the procedures set forth in subdivisions (a) and (b) of the Cal. Constitution, Article XIII D, Section 6, but demanded that the vote procedure in subdivision (c) also be followed.

Generally speaking, courts have held that groundwater extraction fees are not “property-related” fees subject to Proposition 218 procedural requirements set forth in the Cal. Constitution, Article XIII D, Section 6. As the California Supreme Court held in *City of San Buenaventura v. United Water Conservation District* (2017) 3 Cal.5th 1191, groundwater extraction charges imposed to fund groundwater management efforts were not subject to Proposition 218 where they were not imposed “as an incident of property ownership,” but rather as part of a regulatory scheme tied to groundwater use. Here, the proposed groundwater extraction fee is imposed to implement and comply with state law and thus, would be analogous to the fee in the *San Buenaventura* case.

However, where a groundwater sustainability agency (“GSA”) has approved a groundwater sustainability plan (“GSP”), as the WMA has, Water Code section 10730.2 provides that subdivisions (a) and (b) should be complied with when enacting a fee on the extraction of groundwater. Water Code section 10730.2 specifically leaves out subdivision (c), the vote procedure requirement. This is consistent with *Griffith v. Pajaro Valley Water Management Agency*, 220 Cal.App.4th 586, where a similar per acre-foot water augmentation charge was held to be a charge for “water service” within the meaning of Cal. Constitution, Article XIII D, Section 6, and therefore expressly exempt from subdivision (c) and the fee/charge voting requirement (*Griffith* at 596).

In regards to the proposed groundwater extraction fee, the WMA treated this fee as a property related charged complying with the Water Code and Cal. Constitution, Article XIII D, Section 6, as directed by the courts. The WMA is not legally required to comply with the voting requirements in subdivision (c)

therefore recirculation of the notice and holding a majority vote is not necessary.

3. The Objection Letter requested clarification as to who was provided notice and who will be impacted by the proposed groundwater extraction fee. The WMA exists to implement and comply with the Sustainable Groundwater Management Act ("SGMA"). The WMA is recognized by California Department of Water Resources ("DWR") as the exclusive groundwater management agency under SGMA. All lands within the WMA's jurisdiction are required by law to be covered by a groundwater sustainability plan demonstrating a plan for sustainability. Therefore, the WMA provides a benefit to all lands within its jurisdiction by providing legally required SGMA coverage. Further, SGMA implementation costs are directly related to the long-term sustainability of the groundwater and therefore specifically benefit those who extract groundwater. The proposed groundwater extraction fee is in proportion to the amount of groundwater extracted. Those costs, however, will be passed down to all users of groundwater. Therefore, the record owners of all parcels within the WMA's boundaries were provided notice, and the opportunity to protest. By providing such notice the WMA sought to ensure transparency and that all impacted parcels received due process and the right to protest the proposed fee.
4. The fourth objection opines that the Fee Study does not provide details regarding how the proposed groundwater extraction fee will be used. The Groundwater Sustainability Fee Study prepared by Raftelis, dated April 22, 2025 ("Fee Study"), clearly states that its purpose is to develop a five-year financial plan for WMA to identify fee revenue required to fund the WMA (Fee Study, Section 1.3). The Fee Study then provides a detailed 5-year budget showing the expected expenses necessary to fund the existence of the WMA. As with any projected 5-year budget, expenses are assumed based on the information available, and subject to change by the Board. However, the WMA's 5-year budget in Table 4-1 of the Fee Study clearly provides the expected expenses associated with the WMA's compliance with SGMA and implementation of the GSP.

Further, this budget was approved by the WMA Board, including the City of Lompoc's WMA representative, who chairs the Board. Relying on this budget, the Fee Study specifies the costs of providing the services (see Section 4 of the Fee Study). As previously stated, the WMA provides SGMA compliance to its entire jurisdiction and specifically benefits those parcels relying on groundwater. Therefore, the proposed groundwater extraction fee is based on a per acre-foot of water extracted charged, and in an amount sufficient to fund the WMA, but not more (see Fee Study. Sections 4-6). Proposition 218 does not

prescribe a particular method for apportioning fees. Courts have held that apportionment is not a determination that lends itself to precise calculation. (*White v. County of San Diego* (1980) 26 Cal.3d 897, 903), but have found that a per acre-foot charge to fund the costs of providing the service is in compliance with Proposition 218.

5. The final objection stated in the Objection Letter is regarding the perceived overlap of functions between the WMA and the Santa Ynez River Water Conservation District (“SYRWCD”). It appears that the majority of the concerns expressed relate to the functions of the SYRWCD. The WMA cannot speak to those concerns or questions; they should be directed to the SYRWCD. More importantly, the Fee Study is not required, nor should it address the functions, expenses, and liabilities of the SYRWCD. Water Code sections 10720 et seq., require GSAs to manage medium- and high-priority groundwater basins throughout the state through the adoption and implementation of GSPs. The WMA was formed to be the exclusive GSA for its jurisdictional boundary and is recognized by DWR as such. No other entity is authorized to provide SGMA compliance for the lands within the WMA (see the WMA JPA dated Nov. 28, 2023, as agreed upon by the City of Lompoc). The Groundwater Extraction Fee proposed by the WMA is necessary to fund the operation of the WMA, implementation of the GSP, and for compliance with SGMA. The WMA has no authority or control over the Santa Ynez River Water Conservation District and cannot speak to what they are legislatively mandated to provide. If you have any questions about the SYRWCD’s activities and function, please feel free to contact Bill Buelow, General Manager of the SYRWCD.

For purposes of the Fee Study, the WMA, in accordance with Proposition 218, set forth the expenses necessary to operate the WMA in compliance with SGMA. It then calculated the necessary fee to cover the benefit of the services provided by the WMA. As demonstrated in the Fee Study, all revenues derived from the groundwater extraction fee are going to provide the service benefiting the parcels within the WMA. As the fee is based on a charge per acre-foot of water extracted, it is in proportion to the benefit provided.

The City of Lompoc is a voting member of the WMA Board of Directors and well aware that all efforts are taken to ensure the most efficient and effective implementation of SMGA. To the extent the WMA can utilize services provided by SYRWCD, it does so for cost-saving purposes. However, the WMA, as the exclusive GSA, was established and operates for a very specific purpose. If the WMA is not funded, and is not able to manage the groundwater basin, the State of California would place the basin in probation and provide the legally required management.



Concerns regarding overlapping services are understood and every effort is being made to comply with SGMA in the most efficient manner allowed by law.

For the reasons stated above, staff and legal counsel are not recommending any changes to the Fee Study or proposed groundwater extraction fee. The legal requirements to implement such a fee have been complied with and this fee is necessary to implement SGMA.

Thank you for your concerns and participation in the WMA. The WMA looks forward to continued cooperation with the City of Lompoc as the WMA implements its GSP and complies with SGMA requirements. If you have any further questions, please do not hesitate to contact the undersigned.

Sincerely,



Isaac St. Lawrence

ILS:cn
Enclosure

cc: Santa Ynez WMA GSA

Nick Jacobs
Email: njacobs@somachlaw.com

Exhibit A: City of Lompoc Parcels

089-162-001	093-051-009	093-051-007	085-040-006	085-033-007	085-031-002
089-063-014	093-256-002	093-051-012	085-040-005	085-081-008	085-310-015
089-470-003	093-070-064	093-051-002	083-060-020	087-011-061	085-202-015
089-330-047	091-040-002	093-040-046	085-033-005	085-421-036	085-310-014
091-121-002	093-051-008	093-051-020	099-141-025	085-334-004	087-060-008
091-153-028	091-103-002	093-111-013	099-141-026	085-310-007	087-011-021
091-040-062	091-110-068	093-440-013	099-141-020	085-433-022	089-063-013
091-103-010	091-171-002	093-450-013	085-032-004	085-161-025	089-320-029
091-103-020	091-103-012	093-450-012	085-033-001	085-161-019	087-306-005
091-121-005	093-430-067	093-450-040	085-161-018	087-011-010	089-470-002
091-171-001	093-040-020	097-270-029	085-161-020	085-310-013	087-306-006
091-110-004	093-051-003	095-070-008	085-163-019	087-011-062	091-103-004
089-470-004	093-051-005	099-141-018	085-162-009	087-011-034	089-330-049
093-040-038	091-103-003	099-141-004	085-162-015	087-011-051	093-070-037
093-070-066	091-103-005	083-030-020	085-172-021	085-334-003	093-111-024
091-103-011	093-111-014	083-030-001	085-121-016	085-341-009	093-140-017
093-051-013	091-110-015	099-141-027	085-341-015	085-470-051	097-270-044
093-051-014	093-400-022	099-141-006	085-172-022	087-241-001	
091-103-008	093-051-019	099-141-030	085-163-018	087-011-047	
093-120-010	093-310-032	085-033-004	085-341-012	087-411-028	
091-103-009	093-400-023	083-080-005	085-333-012	089-110-006	
093-051-001	093-051-004	083-060-010	085-172-023	087-430-033	

June 20, 2025

VIA U.S. MAIL

Jason W. Knight
2685 Adobe Falls Road
Lompoc, CA 93436

Re: Western Management Area Groundwater Sustainability Agency
Written Objection to Proposed Groundwater Extraction Fee

Dear Mr. Knight:

This office is legal counsel to Santa Ynez River Valley Groundwater Basin Western Management Area Groundwater Sustainability Agency (hereinafter, "SYWMA"), and we are writing this letter on SYWMA's behalf. This letter acknowledges receipt of your written protest dated May 17, 2025, submitted in opposition to the proposed groundwater extraction fee noticed by SYWMA pursuant to the procedural requirements of Article XIII D, Section 6 of the California Constitution (commonly known as Proposition 218).

In accordance with Proposition 218 and Government Code sections 53755 et seq., SYWMA provided notice to affected parcel owners and/or groundwater extractors at least 45 days prior to the scheduled public hearing, setting forth the rationale for the fee, the method of calculation, and the proposed amount. This notice also informed recipients of their right to submit a written protest.

Your protest has been timely received and will be included in the official protest tabulation pursuant to Government Code section 53755(b). As required by law, if written protests are received from a majority of property owners subject to the proposed fee prior to the close of the public hearing, SYWMA will be precluded from imposing the fee.

We appreciate your participation in the Proposition 218 process and have carefully reviewed your objections. Government Code section 53759.1 requires local agencies to consider and respond in writing to any timely submitted written objections prior to the close of the protest hearing required under Proposition 218. In accordance with such requirement, below, we respond to each of the substantive issues raised in your protest letter.

Objection 1: The Proposed Fee Constitutes a Property-Related Charge Subject to Proposition 218

Response:

Whether a groundwater extraction fee constitutes a “property-related fee” under Proposition 218 depends on the nature and legal basis of the charge. The California Supreme Court in *City of San Buenaventura v. United Water Conservation District* (2017) 3 Cal.5th 1191 held that groundwater extraction charges imposed to fund groundwater management efforts were not subject to Proposition 218 where they were not imposed “as an incident of property ownership,” but rather as part of a regulatory scheme tied to groundwater use. Here, the proposed groundwater extraction fee is imposed to implement and comply with state law and thus would be analogous to the fee in the *San Buenaventura* case.

The Sustainable Groundwater Management Act (Wat. Code, §§ 10720 et seq.) authorizes Groundwater Sustainability Agencies (“GSAs”) to manage groundwater within designated basins and provides them with statutory authority to impose fees to fund regulatory activities. Notably, Water Code section 10730 authorizes GSAs to impose fees on the extraction of groundwater from within the agency’s jurisdiction. Water Code section 10730.2 further provides for the imposition of groundwater extraction fees in accordance with limited provisions of Proposition 218, specifically Article XIII D, Section 6, subdivisions (a) and (b) of the California Constitution. (Wat. Code, § 10730.2(c).)

Therefore, notwithstanding this ruling in *San Buenaventura*, the proposed fee has been treated as a property-related fee and complies with the required portions of Proposition 218.

Objection 2: Lack of Individualized Determination of Benefit or Cost Proportionality (Art. XIII D, § 6(b)(1))

Response:

The proposed fee complies with the requirements of Article XIII D, Section 6(b), including the requirement that:

“Revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service” (Cal. Const., art. XIII D, § 6(b)(1)).

Pursuant to SGMA and Proposition 218, SYWMA has conducted a cost-of-service study that:

1. Identifies the total cost to implement the Groundwater Sustainability Plan (GSP);
2. Allocates those costs to groundwater extractors based on their actual or estimated volume of extraction (i.e., per acre-foot); and
3. Establishes a fee rate that is proportional to the cost imposed on SYWMA by each user's groundwater use.

The fee is not a flat charge per parcel or per landowner. Instead, it is based directly on the amount of groundwater extracted by each user. This method reasonably reflects the proportional burden placed on SYWMA by each groundwater extractor, consistent with SGMA's requirements and accepted cost-of-service principles.

In this case, SYWMA has satisfied the proportionality requirement by linking the fee directly to the volume of groundwater extracted — a method that represents a clear and individualized determination of cost responsibility. Moreover, SYWMA's rate study — which is available for review on SYWMA's website at www.wma-santaynezwater.org/ — documents the fee methodology, cost allocation basis, and projected revenues. SYWMA has ensured that total revenues from the fee will not exceed the cost of the services provided, and no class of users will pay more than their proportionate share of those costs, as demonstrated in the rate study.

As the exclusive GSA for its area, SYWMA is required by law to manage groundwater and implement its Groundwater Sustainability Plan ("GSP") to effectuate a sustainable groundwater supply. These SGMA costs are directly related to the long-term sustainability of the groundwater basin and specifically benefit those who extract groundwater. The groundwater extraction fee is proposed to be imposed on those who extract groundwater and as stated above, is charged in proportion to the amount extracted.

Therefore, the proposed fee reflects an individualized and proportionate allocation of costs in compliance with Article XIII D, Section 6(b)(1). Therefore, this objection does not provide legal grounds to invalidate the proposed fee under Proposition 218.

Objection 3: Fee Applies Regardless of Actual Extraction; No Demonstrated Service or Benefit

Response:

The proposed groundwater extraction fee does not apply indiscriminately to all property owners or parcels within the jurisdiction. Rather, the fee is imposed only on those who extract groundwater from the basin, and it is calculated based on the amount of groundwater extracted by each extractor.

Pursuant to Article XIII D, Section 6(b) of the California Constitution, property-related fees must meet the following standard:

“The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.”

The proposed fee meets this standard because:

- It is not charged to parcels that do not extract groundwater.
- The amount of the fee is directly tied to the amount of groundwater used, measured in acre-feet extracted.
- The service funded by the fee—including basin monitoring, GSP implementation, enforcement, and sustainability projects—is provided in direct relation to the impact imposed by the extractor’s groundwater use.

This approach reflects a well-established cost-of-service principle: those who use (and thereby deplete or impact) the resource bear the cost of managing it. This allocation of cost is not only lawful under Proposition 218, but consistent with the policy goals of SGMA. Further, it is specifically authorized by Water Code section 10730.2.

The proposed fee does not apply broadly to all parcels regardless of use, as the protest claims. It is imposed only on groundwater extractors, and the amount of the fee is tied to the quantity of groundwater extracted. This structure ensures that the fee reflects the cost of the service attributable to each user, consistent with the requirements of Article XIII D, Section 6(b).

Accordingly, the objection does not establish a legal basis for invalidating the proposed fee under Proposition 218.

Objection 4: Insufficient Notice and Disclosure of Long-Term Financial Impacts, Methodology, and Spending

Response:

Proposition 218 requires that the notice to property owners include:

- The amount of the proposed fee;
- The basis upon which the fee was calculated;
- The reason for the fee; and
- The date, time, and location of the public hearing.

The mailed notice issued by SYWMA satisfied all these requirements. Specifically:

- It clearly stated the proposed per-acre-foot charge and how it applies (see “Proposed Groundwater Extraction Fee; Table 1 Proposed Five-Year Schedule of an Annual Groundwater Extraction Fee by Acre Feet”);
- It described the reason for the fee, including compliance with SGMA and implementation of SYWMA’s GSP (see “Reasons for Proposed Groundwater Extraction Fee”);
- It provided a summary of the rate methodology, and directed recipients to the full Rate Study and GSP implementation budget, which were made publicly available online and in hard copy at SYWMA’s office (see “Reasons for Proposed Groundwater Extraction Fee”); and
- It identified the hearing date and explained the procedures for submitting written protests (see “How to Submit a Protest or Objection”).

Further, to ensure transparency, SYWMA commissioned and made publicly available the rate study, detailing the financial impacts, methodology, and provided a multi-year budget forecast illustrating how funds will be used.



Objection 5: Potential Duplication of Existing Regulatory Fees (Double Payment Concern)

Response:

The proposed fee is specifically designed to recover the **actual and proportionate cost** of services provided by SYWMA in the implementation of its obligations under SGMA. These services are not only distinct from those funded by other governmental entities, but more importantly, under SGMA, SYWMA is the “exclusive” GSA for its area, and therefore the only entity that can provide the groundwater management services required by law.

Under **Article XIII D, Section 6(b)(2)** of the California Constitution, revenues derived from a property-related fee:

“shall not be used for any purpose other than that for which the fee or charge was imposed.”

As demonstrated in Section 4 of the Rate Study, SYWMA’s analysis ensures that no portion of the fee revenue will be used for unrelated governmental services, nor does it fund activities already paid for by other state or local entities. The revenue required to fund SYWMA is for SGMA implementation purposes only, and SYWMA is the only entity able to provide that service under SGMA.

SYWMA’s services are not duplicative but rather fulfill specific statutory obligations under SGMA that are not carried out by any other entity.

CONCLUSION

For the reasons stated above, SYWMA staff and consultants are not recommending that the Board make any changes to the proposed groundwater extraction fee based on your objections. Your written protest has been recorded and will be counted toward the final protest tabulation at the public hearing, scheduled for June 25, 2025.

Jason W. Knight
June 20, 2025
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Again, thank you for your participation in this process.

Sincerely,

McMURTREY, HARTSOCK, WORTH &
ST. LAWRENCE

By: _____



Isaac L. St. Lawrence

ILS:gg



June 20, 2025

VIA U.S. MAIL & EMAIL

Michael Smith & Jennifer Smith
3320 Via Elba
Lompoc, CA 93436
Email: Jenn444smith@gmail.com

Re: Western Management Area Groundwater Sustainability Agency
Written Objection to Proposed Groundwater Extraction Fee

Dear Mr. and Mrs. Smith:

This office is legal counsel to Santa Ynez River Valley Groundwater Basin Western Management Area Groundwater Sustainability Agency (hereinafter, "SYWMA"), and we are writing this letter on SYWMA's behalf. This letter acknowledges receipt of your written protest dated June 16, 2025, submitted in opposition to the proposed groundwater extraction fee noticed by SYWMA pursuant to the procedural requirements of Article XIII D, Section 6 of the California Constitution (commonly known as Proposition 218).

In accordance with Proposition 218 and Government Code sections 53755 et seq., SYWMA provided notice to affected parcel owners and/or groundwater extractors at least 45 days prior to the scheduled public hearing, setting forth the rationale for the fee, the method of calculation, and the proposed amount. This notice also informed recipients of their right to submit a written protest.

Your protest has been timely received and will be included in the official protest tabulation pursuant to Government Code section 53755(b). As required by law, if written protests are received from a majority of property owners subject to the proposed fee prior to the close of the public hearing, SYWMA will be precluded from imposing the fee.

We appreciate your participation in the Proposition 218 process and have carefully reviewed your objections. Government Code section 53759.1 requires local agencies to consider and respond in writing to any timely submitted written objections prior to the close of the protest hearing required under Proposition 218. In accordance with such requirement, below, we respond to each of the substantive issues raised in your protest letter.

Objection 1: Failure to Demonstrate Proportionally

Response:

The proposed fee complies with the requirements of Article XIII D, Section 6(b), including the requirement that:

“Revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service” (Cal. Const., art. XIII D, § 6(b)(1)).

Pursuant to SGMA and Proposition 218, SYWMA has conducted a cost-of-service study that:

1. Identifies the total cost to implement the Groundwater Sustainability Plan (GSP);
2. Allocates those costs to groundwater extractors based on their actual or estimated volume of extraction (i.e., per acre-foot); and
3. Establishes a fee rate that is proportional to the cost imposed on SYWMA by each user’s groundwater use.

Compliance with the Sustainable Groundwater Management Act (SGMA) is required by California law for all parcels within SYWMA’s jurisdiction. As SGMA’s goal is to sustainably manage the groundwater basin, those who utilize extracted groundwater from the basin receive a unique benefit. Therefore, the proposed fee is not a flat charge per parcel or per landowner. Instead, it is based directly on the amount of groundwater extracted by each user. This method reasonably reflects the proportional benefit received, namely a sustainably managed groundwater basin and compliance with SGMA.

In this case, SYWMA has satisfied the proportionality requirement by linking the fee directly to the volume of groundwater extracted — a method that represents a clear and individualized determination of cost responsibility. Moreover, SYWMA’s fee study — which is available for review on SYWMA’s website at www.wma-santaynezwater.org/ — documents the fee methodology, cost allocation basis, and projected revenues. SYWMA has ensured that total revenues from the fee will not exceed the cost of the services provided, and no class of users will pay more than their proportionate share of those costs, as demonstrated in the fee study.

As the exclusive groundwater sustainability agency (“GSA”) for its area, SYWMA is required by law to manage groundwater and implement its Groundwater Sustainability Plan (“GSP”) to effectuate a sustainable groundwater supply. These SGMA costs are directly related to the long-term sustainability of the groundwater basin and specifically benefit those who extract groundwater. The groundwater extraction fee is proposed to be imposed on those who extract groundwater and as stated above, is charged in proportion to the amount extracted. Furthermore, SGMA specifically authorizes groundwater extraction fees for the funding of groundwater sustainability agencies, such as SYWMA (see, Water Code 10730.2).

Therefore, the proposed fee reflects an individualized and proportionate allocation of costs in compliance with Article XIII D. Therefore, this objection does not provide legal grounds to invalidate the proposed fee under Proposition 218.

Objection 2: Insufficient Benefit to the Parcel

Response:

Please see the response to Objection 1. SYWMA is the exclusive GSA for the lands within its jurisdiction, and is legally obligated under SGMA to implement a GSP that strives to obtain the long-term availability of groundwater. This includes implementation of policies, projects, and management actions to further sustainability goals, all of which benefit property owners relying on groundwater.

The services funded by this groundwater extraction fee are not general or regional administrative costs, but rather specific activities that directly support and sustain the ability of each parcel to benefit from groundwater use and importantly comply with SGMA requirements.

These activities include:

- **Monitoring and assessment of groundwater levels and quality** to detect conditions that may threaten future water availability;
- **Modeling and data management** to plan and allocate sustainable pumping levels for future use;
- **Technical studies and enforcement** that ensure all extractors comply with sustainable practices, protecting the resource for all users;

- **Projects and management actions** that restore or enhance groundwater levels, which are critical for continued well functionality on individual parcels.

Without these ongoing activities, there is a risk that groundwater levels would decline, or quality would deteriorate—both of which would reduce or eliminate a parcel’s ability to access groundwater through its well and lower property values. Thus, the benefit to the parcel is immediate and measurable: it retains the right and ability to access and extract groundwater from a basin that is actively managed to remain sustainable.

The fee is imposed only on parcels that actually extract groundwater, and it is charged in proportion to the volume extracted. This ensures that the cost of maintaining access to groundwater is borne by those who directly benefit from it. In addition, Water Code section 10730 specifically authorizes GSAs to impose fees for the extraction of groundwater,

In conclusion, the fee is directly tied to the services provided to the parcel: the continued availability, access, and reliability of groundwater through a legally mandated, technically supported, and locally managed system.

Objection 3: Lack of Transparency and Notice

Response:

Proposition 218 requires that the notice to property owners include:

- The amount of the proposed fee;
- The basis upon which the fee was calculated;
- The reason for the fee; and
- The date, time, and location of the public hearing.

The mailed notice issued by SYWMA satisfied all these requirements. Specifically:

- It clearly stated the proposed per-acre-foot charge and how it applies (see “Proposed Groundwater Extraction Fee; Table 1 Proposed Five-Year Schedule of an Annual Groundwater Extraction Fee by Acre Feet”);
 - It described the reason for the fee, including compliance with SGMA and implementation of SYWMA’s GSP (see “Reasons for Proposed Groundwater Extraction Fee”);
-
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- It provided a summary of the rate methodology, and directed recipients to the full Fee Study and GSP implementation budget, which were made publicly available online and in hard copy at SYWMA's office (see "Reasons for Proposed Groundwater Extraction Fee"); and
- It identified the hearing date and explained the procedures for submitting written protests (see "How to Submit a Protest or Objection").

Further, to ensure transparency, SYWMA commissioned and made publicly available the fee study, detailing the financial impacts, methodology, and provided a multi-year budget forecast illustrating how funds will be used.

Objection 4: Improper Use of Revenue

Response:

The proposed fee is specifically designed to recover the **actual and proportionate cost** of services provided by SYWMA in the implementation of its obligations under SGMA. These services are not only distinct from those funded by other governmental entities, but more importantly, under SGMA, SYWMA is the "exclusive" GSA for its area, and therefore the only entity that can provide the groundwater management services required by law.

As detailed in the Fee Study prepared by Raftelis, dated April 22, 2025, the purpose of the proposed fee is to provide the revenue source required to fund SYWMA, and entity required to exist by SGMA (Fee Study, Section 1.3). The Fee Study further provides a detailed 5-year budget showing the expected expenses necessary to fund the operation of SYWMA. The Fee Study clearly shows the costs necessary to provide the legally required services and then proposes a rate sufficient to cover those costs, and not more. Obviously, funding a service that is required by law is not an improper use of revenue. The extraction fee has been structured to strictly comply with the requirements of Proposition 218 and specific statutory obligations under SGMA.

Objection 5: Constitutional Classification Error

Response:

SGMA authorizes GSAs to manage groundwater within designated basins and provides them with statutory authority to impose fees to fund regulatory activities. Notably, Water Code section 10730 authorizes GSAs to impose fees on

the extraction of groundwater from within the agency's jurisdiction. Water Code section 10730.2 further provides for the imposition of groundwater extraction fees to fund a GSA after a GSP has been adopted. The proposed fee funds a special service provided by SYWMA to those lands within its jurisdiction and specifically, those that extract groundwater. Given the incredible importance of water and its relation to property use and value, the State of California has implemented laws requiring the sustainable management of groundwater. The statutory scheme implementing SGMA, and court decisions relating to groundwater extraction fees for groundwater management, have made it clear that complying with limited provisions of Proposition 218, specifically, Article XIII D, Section 6, subdivisions (a) and (b) of the California Constitution, is appropriate (see Wat. Code, § 10730.2(c)).

CONCLUSION

For the reasons stated above, SYWMA staff and consultants are not recommending that the Board make any changes to the proposed groundwater extraction fee based on your objections. Your written protest has been recorded and will be counted toward the final protest tabulation at the public hearing, scheduled for June 25, 2025.

Again, thank you for your participation in this process.

Sincerely,

McMURTREY, HARTSOCK, WORTH &
ST. LAWRENCE

By: _____



Isaac L. St. Lawrence

ILS:cn