

**Sloughhouse Resource Conservation District  
Board of Directors Meeting**

Agenda Date: July 21, 2026  
Agenda Item #: 3  
Agenda Item Subject: Groundwater Sustainability Fee/Prop 26

To: SRCD Board of Directors  
From: SRCD Staff

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**Background**

Staff seeks the Board's approval of a Resolution Adopting Annual Adjustment to Groundwater Sustainability Fees in the Consumnes Groundwater Subbasin for Fiscal Year 2025-2026. The purpose of the Annual Adjustment is to apply an increase to the District's groundwater sustainability fees to account for inflation. The Board was authorized to adopt this Annual Adjustment when the Board adopted the groundwater sustainability fees on May 8, 2024.

**Discussion**

The District first imposed fees on the extraction of groundwater in July 2021 pursuant to Resolution No. 2021.07.14.01. This fee was based on the Consumnes Subbasin Fee Study prepared by a professional engineering consulting firm.

On April 3, 2024, the District adopted an updated fee study prepared by SCI Consulting Group, a recognized public finance and urban economic consulting firm ("Fee Study"). See Attachment B. The Fee Study was prepared to justify the District's adoption of updated groundwater sustainability fees. The Fee Study identified fees and rates that were consistent with the District's statutory authority to impose fees for the sustainable management of groundwater and demonstrated that the updated fees were not taxes and were no more than necessary to cover the reasonable costs of the District's groundwater management activities.

Among other things, the Fee Study implemented measures to address the potential for cost increases in subsequent years. One such measure was an inflationary mechanism that allows the District to make annual adjustments to keep pace with inflation ("Annual Adjustment").

Based on the Fee Study, the District adopted the updated groundwater sustainability fees on May 8, 2024, pursuant to Resolution 2024.05.08.02. See Attachment C. These updated fees established the District's groundwater sustainability fees that are in place today ("Basin Fees").

Prior to the Board adopting the Basin Fees, the District held a public meeting and provided proper notice as required by law.

As recommended in the Fee Study, the Basin Fees incorporated the Annual Adjustment, authorizing the Board to increase the Basin Fees each year based on the lesser of (1) the

Consumer Price Index for the San Francisco Bay Area (“CPI Rate”) or (2) the District’s actual cost of service increase.

Staff reviewed the budget for Fiscal Year 2025-2026 and concluded that the District’s costs for sustainably managing groundwater have increased due to inflation. Staff further concluded that the District’s actual cost of service increase due to inflation will likely be greater than the CPI Rate. The CPI Rate (Urban Consumers Index – West All Items) is 2.4 percent. Staff therefore proposes a 2.4 percent Annual Adjustment to the Basin Fees for Fiscal Year 2025-2026 because this is a lower amount than the projected actual cost of service increase. See Table 1.

| <b>Fee Type</b>         | <b>Fee Amount<br/>FY 2025-26</b> | <b>Annual Adjustment</b> | <b>Adjusted Fee<br/>FY 2026-27</b> |
|-------------------------|----------------------------------|--------------------------|------------------------------------|
| Base Fee Charge         | \$36.44/parcel                   | +3.5%                    | \$37.72 per parcel                 |
| Public Water System Fee | \$6.12/AF                        | +3.5%                    | \$6.33 per acre foot               |
| Irrigated Acreage Fee   | \$10.24/irrigated acre           | +3.5%                    | \$10.60 per irrigated acre         |

**Attachments**

- Resolution

**Recommendation:**

- Approve Resolution 2026.07.21.02: A Resolution Adopting Annual Adjustment to Groundwater Sustainability Fees in the Consumnes Groundwater Subbasin for Fiscal Year 2026-2027.

**BEFORE THE BOARD OF DIRECTORS OF THE SLOUGHHOUSE RESOURCE  
CONSERVATION DISTRICT**

**RESOLUTION No. 2026.07.21.01**

**Resolution Adopting Annual Adjustment to Groundwater Sustainability Fees in the  
Cosumnes Groundwater Subbasin for Fiscal Year 2026-2027**

**RECITALS**

**WHEREAS**, the State of California enacted the Sustainable Groundwater Management Act (“SGMA”) in 2014, inter alia, to provide for the sustainable management of groundwater basins, to enhance local management of groundwater consistent with rights to use or store groundwater, to provide local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater, and to manage groundwater basins through the actions of local governmental agencies to the greatest extent feasible. (Water Code, § 10720.1 et seq.); and

**WHEREAS**, the Sloughhouse Resource Conservation District is the exclusive Groundwater Sustainability Agency (“GSA”) for a portion of the Cosumnes River Subbasin (“Basin”) under the provisions of SGMA, and the Board of Directors (“Board”) of the Sloughhouse Resource Conservation District also functions as the Board of the Sloughhouse Resource Conservation District Groundwater Sustainability Agency (“Agency”); and

**WHEREAS**, SGMA authorizes a GSA to impose a fee on the extraction of groundwater or other regulated activity to fund the costs of a groundwater sustainability program (Water Code, § 10730). The levy of a fee on groundwater extraction for the purpose of managing the sustainability of a groundwater subbasin constitutes (1) a charge imposed for a specific benefit conferred directly to the payor that is not provided to those not charged, and (2) a charge imposed for a specific government service provided directly to the payor that is not provided to those not charged; and

**WHEREAS**, the Cosumnes Groundwater Authority (“CGA”), of which the Agency is a member agency, prepared an updated rate and fee study by SCI Consulting Group, a recognized public finance and urban economics consulting firm for public, nonprofit, and private sector organizations (“Fee Study”). The CGA approved the Fee Study on April 3, 2024, for use by its member agencies, including the Agency, to justify the adoption of groundwater sustainability fees; and

**WHEREAS**, in May 2024, the Agency approved and adopted updated groundwater sustainability fees based on the Fee Study, which provided that all groundwater extractors in the Basin would be charged for groundwater extraction proportional to their use and at rates set by the Board pursuant to RESOLUTION No. 2024.05.08.02, thereby establishing the Agency’s groundwater sustainability fees for the Basin (“Basin Fees”); and

**WHEREAS**, the Basin Fees include a provision authorizing the Board to make annual adjustments to the Basin Fees in order to keep pace with inflationary increases in the costs of service in carrying out the Agency's purposes for which the Basin Fees are collected ("Annual Adjustment"). These Annual Adjustments may be implemented for 5 years following the Agency's adoption of the Basin Fees, and are limited to the lower of the Agency's actual costs of service increase or the Consumer Price Index for All Urban Consumers: All Items in West (Series ID: CUUR0400SA0) for June through May of each respective year ("CPI Rate"); and

**WHEREAS**, the CPI Rate is 3.5%; and

**WHEREAS**, the Board has reviewed the Agency's budget for Fiscal Year 2026-2027 and has concluded that the Agency's projected costs for its groundwater sustainability program are reasonably projected to increase by 3.5% or more due to inflation; and

**WHEREAS**, the Agency seeks to adopt an Annual Adjustment to the Basin Fees for Fiscal Year 2026-2027 as supported by the Fee Study and authorized in the existing Basin Fees in order to keep pace with inflationary costs of service in carrying out the Agency's purpose of sustainably managing groundwater within the Basin; and

**WHEREAS**, the Agency proposes the Annual Adjustment reflect a 3.5% increase to the Basin Fees, which is an amount lower than the Agency's projected actual cost of service increase for Fiscal Year 2026-2027.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Sloughhouse Resource Conservation District as follows:

1. The Agency finds that all of the RECITALS above are correct and are hereby incorporated into this Resolution.
2. The Agency finds that all prerequisites required before adopting the Annual Adjustment to the Basin Fees have been met.
3. The Agency finds that the Fee Study is the proper basis on which to adopt the Annual Adjustment, that the Annual Adjustment adopted herein has been authorized by the Agency when it adopted the Basin Fees pursuant to RESOLUTION 2024.05.08.02, that the Annual Adjustment adopted herein is not a tax, that the amount is no more than necessary to cover the reasonable increased costs of the Agency's activities due to inflation, and that the manner in which those costs are allocated to a payor bears a fair and reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.
4. The Agency hereby adopts the Annual Adjustment for Fiscal Year 2026-2027 for residential, commercial, irrigated agriculture, and public water system users in the form of a 3.5% inflationary increase to the Base Fee Charge, Public Water System Fee, and Irrigated Acreage Fee, as set forth in Attachment A hereto and incorporated herein by reference ("Adjusted Basin Fees").

5. The Adjusted Basin Fees for Fiscal Year 2026-2027 shall remain in effect no longer than 5 years after the Basin Fees were adopted pursuant to RESOLUTION 2024.05.08.02, or May 8, 2029, unless extended by the Board in the future.

6. The Agency reserves the authority to adopt Annual Adjustments for subsequent fiscal years to continue keeping pace with inflationary costs of service in carrying out the Agency's purpose of sustainably managing groundwater within the Basin, subject to the same terms and restrictions outlined in RESOLUTION 2024.05.08.02.

7. Except for the Adjusted Basin Fees adopted herein, all other terms and conditions of RESOLUTION 2024.05.08.02 shall remain in full force and effect.

8. The Agency Administrator is hereby authorized and directed to work with the County of Sacramento Department of Finance Auditor-Controller Division to add the Annual Adjustment to the Basin Fees for Fiscal Year 2026-2027 as more fully set forth in Attachment A to the County's annual secured tax roll.

9. The Agency Administrator and Agency Counsel are hereby authorized and directed to take such other and further steps as may be necessary or appropriate to implement the intent and purpose of this resolution.

PASSED AND ADOPTED on this 21st day of July, 2026, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

I, the undersigned, hereby certify that I am the duly appointed and acting Secretary of the Sloughhouse Resources Conservation District, and that at a meeting of the Board of Directors of the District held on July 21, 2026, this RESOLUTION No. 2026.07.21.01 was adopted and has not been rescinded or amended since the date of its adoption and that it is now in full force and effect.

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Lindsey Carter, Acting Secretary

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Date

**SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT  
GROUNDWATER SUSTAINABILITY AGENCY**

**ATTACHMENT A**

**ADJUSTED GROUNDWATER SUSTAINABILITY FEES  
ADOPTED FOR FISCAL YEAR 2026-2027**

| <b>FEE TYPE</b>            | <b>FEE AMOUNT<br/><i>FY 2025-26</i></b> | <b>ANNUAL<br/>ADJUSTMENT</b> | <b>ADJUSTED FEE<br/><i>FY 2026-27</i></b> |
|----------------------------|-----------------------------------------|------------------------------|-------------------------------------------|
| BASE FEE CHARGE            | \$36.44/parcel                          | +3.5%                        | <b>\$37.72</b>                            |
| PUBLIC WATER<br>SYSTEM FEE | \$6.12/AF                               | +3.5%                        | <b>\$6.33</b>                             |
| IRRIGATED ACREAGE<br>FEE   | \$10.24/irrigated<br>acre               | +3.5%                        | <b>\$10.60</b>                            |

*FISCAL YEAR 2025-2026*

| <b>FEE TYPE</b>            | <b>FEE AMOUNT<br/>FY 2024-25</b> | <b>ANNUAL<br/>ADJUSTMENT</b> | <b>ADJUSTED FEE<br/>FY 2025-26</b> |
|----------------------------|----------------------------------|------------------------------|------------------------------------|
| BASE FEE CHARGE            | \$35.59/parcel                   | +2.4%                        | \$36.44/parcel                     |
| PUBLIC WATER<br>SYSTEM FEE | \$5.98/AF                        | +2.4%                        | \$6.12/AF                          |
| IRRIGATED ACREAGE<br>FEE   | \$10/irrigated acre              | +2.4%                        | \$10.24/irrigated acre             |