



PETALUMA VALLEY GSA

ADVISORY COMMITTEE MEETING

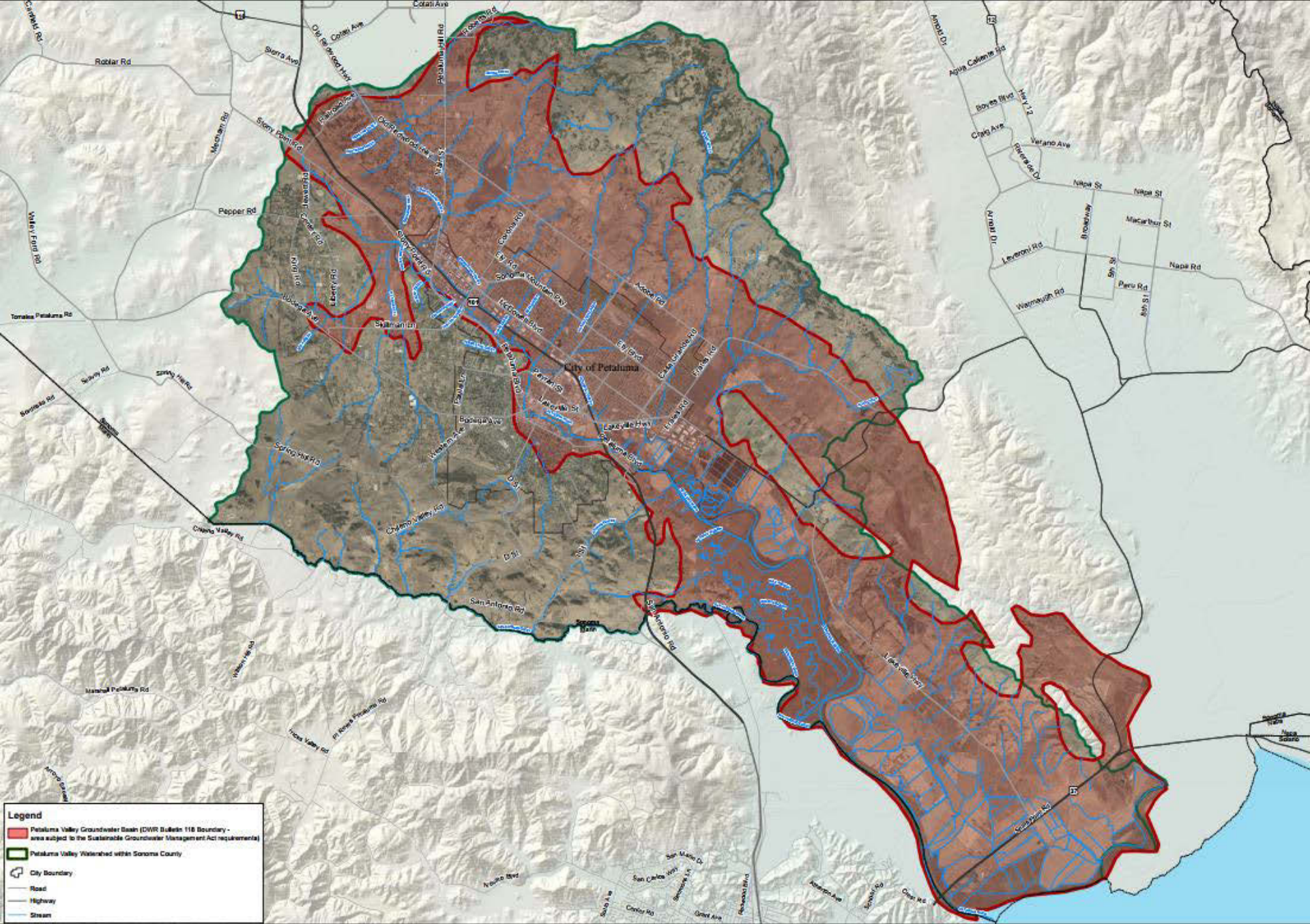
November 21, 2017



THE REED GROUP, INC.



RAFTELIS
FINANCIAL CONSULTANTS, INC.



Petaluma Valley Groundwater Basin



Agenda

1. Introduction
2. Review study scope, approach, and timeline
3. Regulatory fees (Prop. 26) requirements and process
4. Property related fees (Prop. 218) requirements and process
5. Public outreach and education
6. Issues to be addressed
7. Q&A

who We are



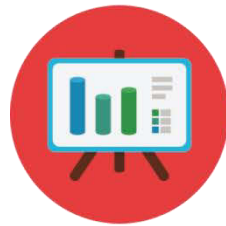
FOCUS: Solely focused on financial, rate, and management consulting for the water and wastewater industry



NATIONAL & REGIONAL EXPERIENCE: Unmatched in the industry with proven success for comparable utilities



DEPTH: With 70 utility financial and management consultants, largest firm in the U.S. focused on these services



COMMUNICATION: Effective presentations to stakeholders supporting successful implementation



THE REED GROUP, INC.

THE REED GROUP: Local utility rate consultant with extensive experience in Sonoma County

Introduction

- Sally Van Etten – Project Manager
 - 510.813.8704
 - svanetten@raftelis.com
- Bob Reed – Technical Review and Outreach Assistance
 - 916.444.9622
 - bob@thereedgroup.org

Scope and Approach

- Advisory Committee Meetings
- Financial Plan Model Development
 - Raftelis will design a financial plan model that projects revenues and expenses based on a variety of assumptions.
- Initial Fee/Charge Calculation
 - Based on input from Advisory Committee meetings and results from the Financial Plan Model, Raftelis will design fees that serve as the primary cost recovery mechanism for the GSA.
- Public Outreach
 - Our public outreach will include stakeholder meetings, development of an outreach strategy, and optionally the production and dissemination of voter education materials.
- Documentation and development of administrative record

Regulatory Fees

Proposition 26 (Water Code § 10730)

- The Agency may impose permitting, extraction or other fees both prior to adopting a sustainability management plan and after.
- These fees may be used to fund costs of a groundwater sustainability plan.
- These fees cannot exceed reasonable regulatory costs.
- Revenue from these fees is limited to paying for preparing the sustainability plan and conducting administrative and enforcement programs.

Property Related Fees

Proposition 218 (Water Code § 10730.2)

- There is precedent for charging groundwater related fees. These charges cannot exceed cost of service and must be tied specifically to revenue requirement model.
- Revenue requirements model: costs of chargeable activities, less other revenues, apportioned among users.
- May be implemented after plan adoption.
- There is currently a case before California Supreme Court that may change current options. (City of San Buenaventura)

Public Outreach and Education

- Advisory Committee Meetings
 - Bob Reed of The Reed Group
 - Sally Van Etten of Raftelis
- Public Outreach Strategy for Funding
 - TBWB Strategies – Barry Barnes

Data Needs

- Parcel Data
 - List of parcels, parcel numbers, size of parcels, land use by parcel, zoning designation
 - Production
 - Number and capacity of wells
 - Pumping data
 - Crop data, if available
- Financial Plan Data
 - Budget and costs by category
 - Any other funding sources
- Groundwater basin data

Questions, Answers & Feedback