

MADERA

ESTABLISHED 1893



HEART OF CALIFORNIA

COUNTY



# Observations about Penalties

- Staying within allocations is reinforced with appropriate penalties
- Penalties need to be structured to be fair but also serve their purpose
- Initially, County GSA could provide some tolerance for determination of going over an allocation based on scientific studies on precision
- The GSA can modify the penalty structure over time if necessary to assure GSP goals are being met



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## California Water Code § 10732

(a)(1) A person who extracts groundwater in excess of the amount that person is authorized to extract under a rule, regulation, ordinance, or resolution adopted pursuant to Section 10725.2 , shall be subject to a civil penalty **not to exceed five hundred dollars (\$500) per acre-foot** extracted in excess of the amount that person is authorized to extract. Liability under this subdivision is in addition to any liability imposed under paragraph (2) and **any fee imposed for the extraction.**

(2) A person who violates any rule, regulation, ordinance, or resolution adopted pursuant to Section 10725.2 shall be liable for a civil penalty **not to exceed one thousand dollars (\$1,000) plus one hundred dollars (\$100) for each additional day on which the violation continues if the person fails to comply within 30 days** after the local agency has notified the person of the violation.



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# Analysis of Water Code

1. A penalty NTE \$500 can be established by ordinance
2. Fee for extraction over an allocation would need a Prop 218 process
3. A penalty of \$1000 plus \$100/day after a notice period can be established by ordinance

We can potentially start with basic penalties and modify as needed based on success of the allocation



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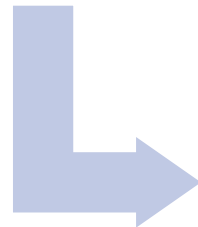




# Fee and Penalty Scenario

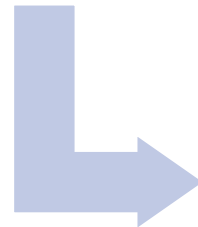
Successful rate study and penalty of \$500/AF over allocation

\$ Penalty



Penalty of \$500/AF over the allocation + fee for replacement water

\$\$ Penalty



Penalty of \$500/AF over the allocation + fee for replacement water + \$1000 + \$100/day after notice period

\$\$\$ Penalty



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## Penalties could be used for....

The County GSAs do not want to collect penalties

The County GSAs want people to stay within allocations

If penalties were collected and a rate structure was in place, penalties stay within the County GSA accounts and could be used for SGMA-related purposes including:

- Additional domestic well mitigation
- Accelerating land retirement
- Water purchases



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