

A black and white photograph of an olive grove with a long, straight path leading into the distance, flanked by rows of trees. The path is dappled with shadows from the trees.

Madera County GSAs – Rate Studies

Board of Supervisors

Final Rate Options

March 1, 2022

Since 2014

- The County took responsibility for the land in the “white areas” and formed three groundwater sustainability agencies
- The County GSAs participated in three separate processes to write groundwater sustainability plans in three subbasins
- To pay for planning and management, the County GSAs adopted a Prop 26 exempt fee
- Accelerated planning for recharge, land repurposing, and domestic well mitigation to develop costs for rate study
- Project and programmatic details will be determined at a later date and each will require individual Board actions

Grant Funding

- To date the County GSAs have been very successful at grant awards on behalf of the Madera and Chowchilla Subbasins as well as the County GSAs
- A summary:
 - › Prop 1 Stressed Basins - \$500,000 for Madera and Chowchilla Subbasins
 - › Prop 1 GSP Development - \$5,000,000 for Madera and Chowchilla Subbasins
 - › Prop 68 Planning - \$900,000 for Madera and Chowchilla Subbasins
 - › Prop 68 Implementation – \$8,400,000 for Madera and Chowchilla Subbasins
 - › SALC - \$200,000 for Madera County
 - › WaterSMART - \$200,000 for Madera County
 - › Another \$5,000,000 for Prop 68 recharge potentially in process
- In the process of applying for \$10,000,000 from Department of Conservation for Multi-Benefit Land Repurposing

Overarching Challenges and Assumptions

Challenges

- New territory under SGMA
- Multiple GSAs and multiple GSPs
- To implement GSPs that are acceptable to the State, we must implement a fee for projects quickly to stay on project implementation schedule
 - Projects are currently in development
 - Programmatic details will be determined at a later date

Assumptions

- Follow the GSPs
- Only recharge projects are candidates for debt financing, all else cash-funded through fees
- Embrace uncertainty
 - conservative estimates
 - conservative timing
 - reserve funding
 - rate structures implementation

2021/2022 Workshops & Outreach

Groundwater Recharge Facilities Meetings

- Workshop – February 4, 2021
- Workshop – May 3, 2021
- Madera County GSAs Hybrid Workshop – June 16, 2021

Sites Reservoir

- Presentation at GSA Update at Board of Supervisors – November 2, 2021

Domestic Well Mitigation

- Madera County GSAs Workshop – June 16, 2021
- Regional Water Management Group – June 28 and September 27, 2021

Sustainable Agriculture Land Conservation

- Public Workshop – January 14, 2021
- Public Workshop – March 23, 2021
- Public Workshop – June 16, 2021

Rate Study

- Board of Supervisors Update – August 17, 2021
- Public Workshop – November 30, 2021
- Board of Supervisors Update – December 9, 2021
- Board of Supervisors Update – February 8, 2022
- Public Workshop – February 25, 2022

Rate Options



Rate Structure Options

- **Fixed Only**
 - › \$/Enrolled Acre (based on Farm Unit acreage)
- **Fixed + Volumetric (Project-based)**
 - › Fixed Component: \$/Enrolled Acre based on Farm Unit acreage
 - › Volumetric Component: \$/AF of water based on a Farm Unit's Transitional Water (TW) pool use
 - Recharge, Sites, and Well Mitigation projects in the volumetric component
- **Fixed + Volumetric (Policy-based)**
 - › Fixed Component: \$/Enrolled Acre based on Farm Unit acreage
 - › Volumetric Component: \$/AF of water based on a Farm Unit's Transitional Water (TW) pool use
 - 25% of total annual costs in the volumetric component

Fixed + Volumetric Considerations

Benefits

- Some flexibility in controlling Farm Unit charges
- Improved fairness by varying crop type and/or efficiency
- Directly relates applied water to costs

Challenges

- Potential variability in GSAs' revenue generation
- Grower acceptance of measurement
- Administration (water accounting, appeals, staffing levels)
- Increased GSAs costs

Rate Options - Madera Subbasin

Years 1-3

	FY 2022-23 (2022 Allocation)	FY 2023-24 (2023 Allocation)	FY 2024-25 (2024 Allocation)		
Madera	Fixed Only	Fixed Only	Fixed Only	Fixed + Volumetric (Project-based)	Fixed + Volumetric (Policy-based)
Fixed (\$/Enrolled Acre)	\$184	\$200	\$236	\$132	\$173
Volumetric (\$/AF)	N/A	N/A	N/A	\$97	\$56

Rates rounded up to the nearest whole dollar

Rate Options - Chowchilla Subbasin

Years 1-3

	FY 2022-23 (2022 Allocation)	FY 2023-24 (2023 Allocation)	FY 2024-25 (2024 Allocation)		
Madera	Fixed Only	Fixed Only	Fixed Only	Fixed + Volumetric (Project-based)	Fixed + Volumetric (Policy-based)
Fixed (\$/Enrolled Acre)	\$190	\$194	\$202	\$77	\$150
Volumetric (\$/AF)	N/A	N/A	N/A	\$91	\$37

Rates rounded up to the nearest whole dollar

Rate Options – Delta-Mendota Subbasin

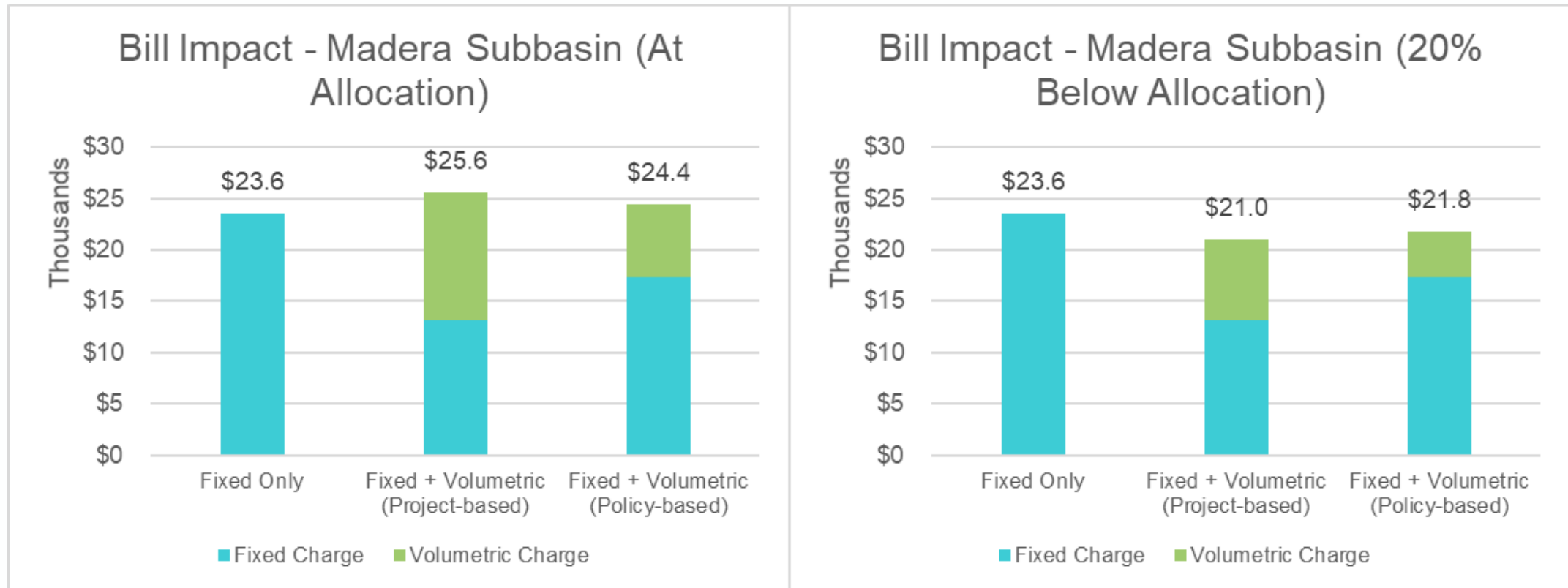
Years 1-3

	FY 2022-23 (2022 Allocation)	FY 2023-24 (2023 Allocation)	FY 2024-25 (2024 Allocation)		
Madera	Fixed Only	Fixed Only	Fixed Only	Fixed + Volumetric (Project-based)	Fixed + Volumetric (Policy-based)
Fixed (\$/Enrolled Acre)	\$92	\$104	\$129	\$129	\$100
Volumetric (\$/AF)	N/A	N/A	N/A	\$0	\$83

Rates rounded up to the nearest whole dollar

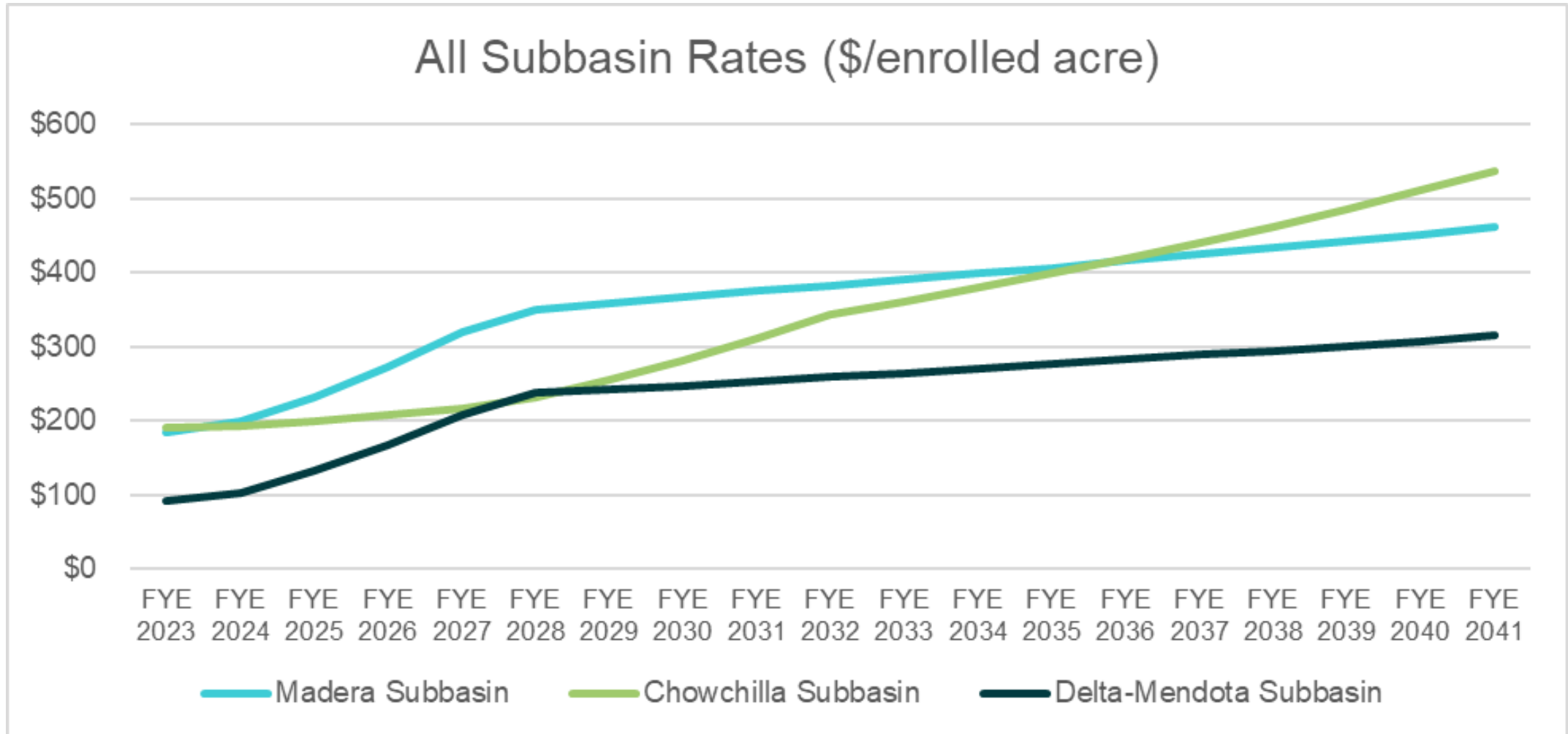
Rate Options Comparison – Madera Subbasin

FY 2024-2025, 100-acre Farm Unit



Rates Projections to 2040

Average Cost per Enrolled Acre, at Allocation



Penalties (Exceeding Allocation)

- Charges for a Farm Unit exceeding the annual allocation are penalties, not rates
- The penalties are a separate policy decision of the GSAs Board
- Currently considering two distinct charges to be levied:
 - › Replacement Water Charge:
 - Current estimate of \$600-650 per acre foot
 - › Penalty per SGMA statute:
 - Maximum of \$500 per acre foot
- Total charge = Penalty + Replacement Water Rate

Rate Study Schedule

Rate Study Implementation Process	Date
Board of Supervisors Presentation – Preliminary Rates	December 7, 2021
Water Allocations in Effect	January 1, 2022
Board of Supervisors Presentation – Rate Study Update	February 8, 2022
Virtual Public Workshop	February 25, 2022
Board of Supervisors Presentation – Revised Rates	March 1, 2022
Board of Supervisors Presentation – Final Rate Authorization	April 5, 2022
Public Notice to Affected Parcels	Around April 15
Protest Period	45 days from public noticing
Public Hearing for Rate Adoption	June 7, 2022
Proposed Fees Implemented for Fiscal Year 2022-2023	July 1, 2022

Outreach

Study Recommendation to the Board of Directors

- Fixed rate structure for first two years
- No recommendation on rate structure beyond year two
- Five-year rate adoption
- Do not smooth rates
- Proceed with finalizing the Rate Study and drafting the Public Notice to affected parcels, in compliance with Proposition 218