RAFTELIS

Madera County GSAs – Rate Studies

Public Workshop

Final Rate Options

February 25, 2022

Agenda

1. **Introductions**
2. **Review of Agenda**
3. **What's Happening to Water in California?**
4. **Rate Study Presentation**
5. **Individual Project Discussion**
   - Recharge
   - Sites Reservoir
   - Domestic Well Mitigation
   - Land Repurposing
6. **Closing**

How to Participate Today

- Raise hand (in “Reactions” on bottom of screen) to be called on – if on phone press *9 to raise hand
- Can also put a question in CHAT
- Please keep questions short – we want to respond to as many as we can in the limited time
- Please keep yourself on mute when not speaking (if on phone, press *6 to mute and unmute)

What’s Happening With Groundwater in California?

Sustainable Groundwater Management

- The Sustainable Groundwater Management Act (SGMA) made critically overdrafted subbasins develop plans by January 2020 to become sustainable over a 20-year period
- Current Prop 26 exempt fee can pay for administration of GSP and planning, but not for projects
- Any additional fees levied need to go through a Proposition 218 process in order to fund projects

Since 2014 / GSAs Formation

- 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
- Awarded grants for land repurposing (SALC), recharge (Prop 68), water market strategy (WaterSMART), and Prop 1 and Prop 68 funds
- 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

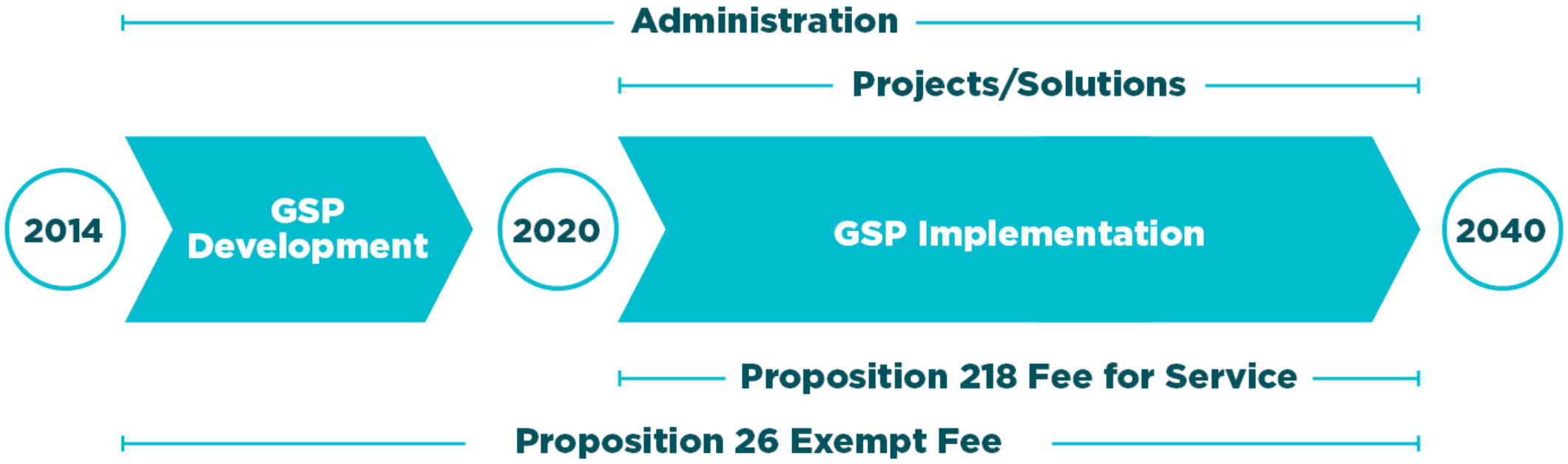
Grant Funding

- 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

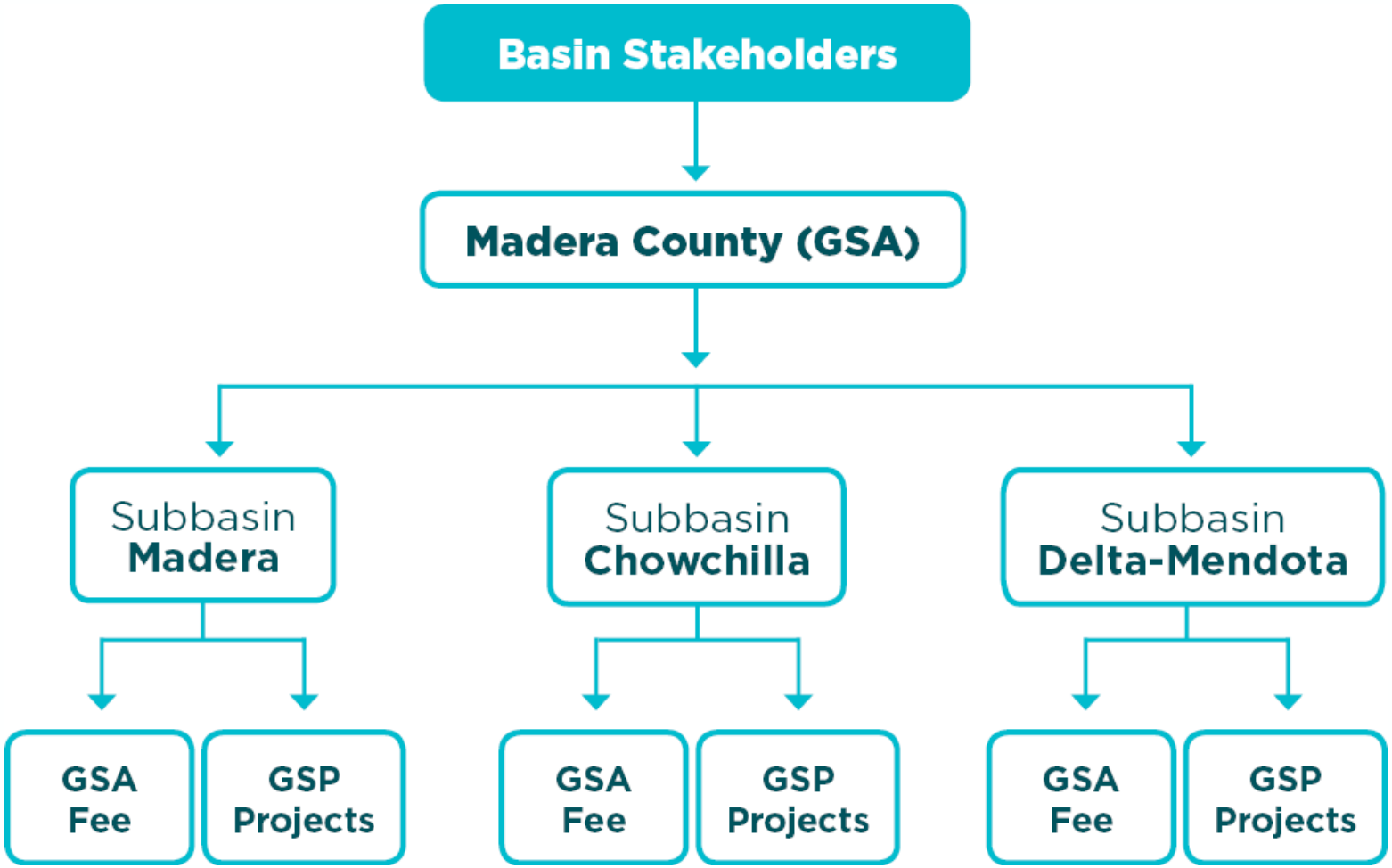
- A summary:
  - Prop 1 Stressed Basins - $500,000 for Madera and Chowchilla Subbasins
  - Prop 1 GSP Development - $5,000,000 for Madera and Chowchilla Subbasins
  - Prop 68 Planning - $900,000 for Madera and Chowchilla Subbasins
  - Prop 68 Implementation – $8,400,000 for Madera and Chowchilla Subbasins
  - SALC - $200,000 for Madera County
  - WaterSMART - $200,000 for Madera County
  - Another $6,000,000 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

SGMA Timeline



GSAs Organizational Structure



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	Sites Reservoir	Domestic Well Mitigation	Sustainable Agriculture Land Conservation
• Workshop – February 4, 2021 • Workshop – May 3, 2021 • Madera County GSAs Hybrid Workshop – June 16, 2021	• Presentation at GSA Update at Board of Supervisors – November 2, 2021	• Madera County GSAs Workshop – June 16, 2021 • Regional Water Management Group – June 28 and September 27, 2021	• 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 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

Rate Study

Proposition 218
Procedural Requirements

Identify parcels subject to the charge.

Calculate the amount of the charge to be imposed.

Provide written notice to all record owners including:

- The amount
- The basis upon which the amount was calculated
- The reason for the charge
- The date, time, and location of a public hearing on the charge

Hold a public hearing no less than 45 days from mailing the notice.

- Consider all protests to the charge.
- If a majority of owners protest the charge, the agency shall not adopt it.

Proposition 218
Substantive Requirements

Revenues cannot exceed the funds required to provide the service

Revenues cannot be used for any purpose other than to pay for the service for which it was charged.

The amount of the fee cannot exceed the **proportional cost of providing service** to that parcel

Task:

- **Set rates proportional to the cost** of providing the service
- **Reasonably allocate amongst grouped** feepayers, based on a cost-of-service
- **Use reliable data**

Rate Study Process

1 Rate Setting Framework

2 Financial Plan

3 Cost of Service & Rate Design

4 Final Rate Adoption

Multi-Year Rates

- Proposed five-year adoption, the maximum allowed by Proposition 218
  - Provides certainty to rate payers for planning
  - Allows County GSAs to accomplish projects on schedule
  - Provides greater certainty to bond holders for borrowing
- GSAs will need to update the Study to increase rates beyond five years
  - If there’s no updated cost of service study the year five rates would remain in effect
  - This would require the GSAs to forego certain activities to avoid costs and would deviate from the GSPs

Rate Study Cost Components

RATE STUDY

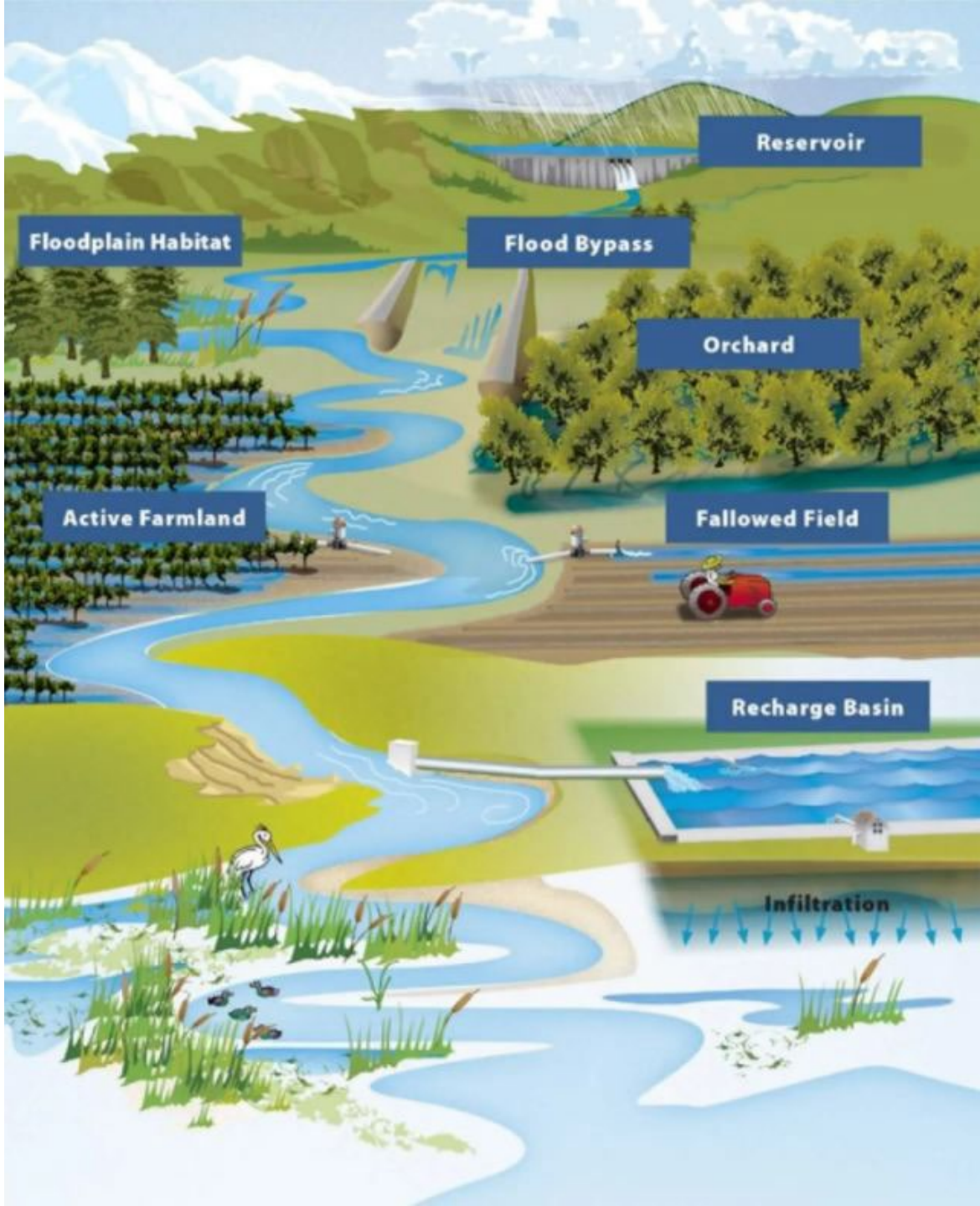
Groundwater Recharge Facilities	Water Supplies (Sites Reservoir)	Domestic Well Mitigation	Land Repurposing (SALC)
Capital Project Costs	Water Purchase Costs (Project Debt Service + O&M)	Capital Project Costs	Program Costs
O&M Costs	Management	Management	Management
Management			

DAVIDS ENGINEERING, INC | Sites | RAFTELIS | Luhdorff & Scalmanini Consulting Engineers | ERA Economics Environment • Resources • Agriculture

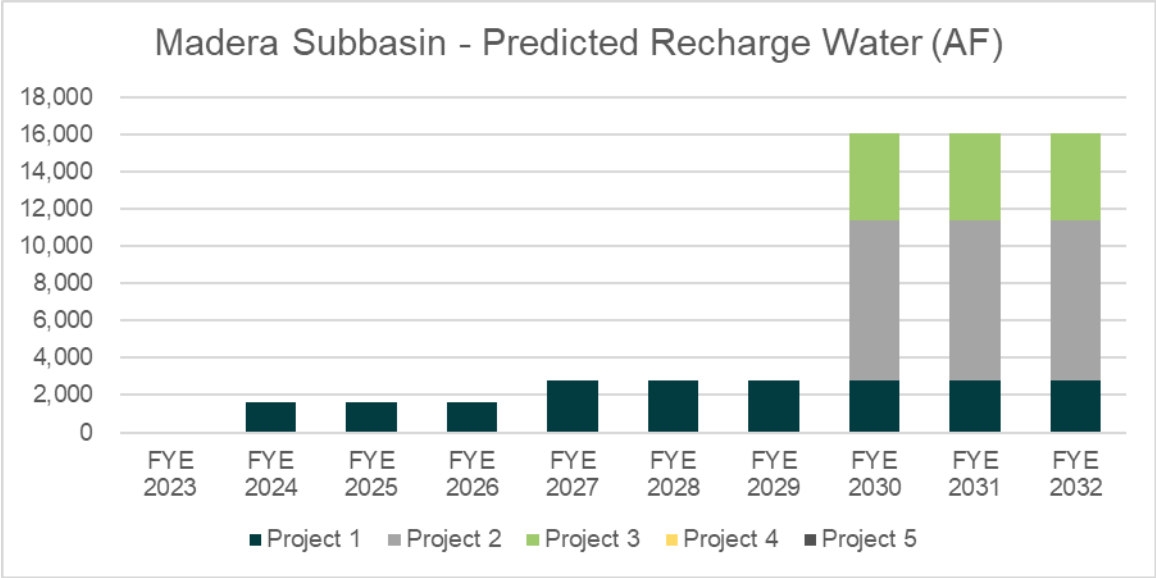
Projects and Costs

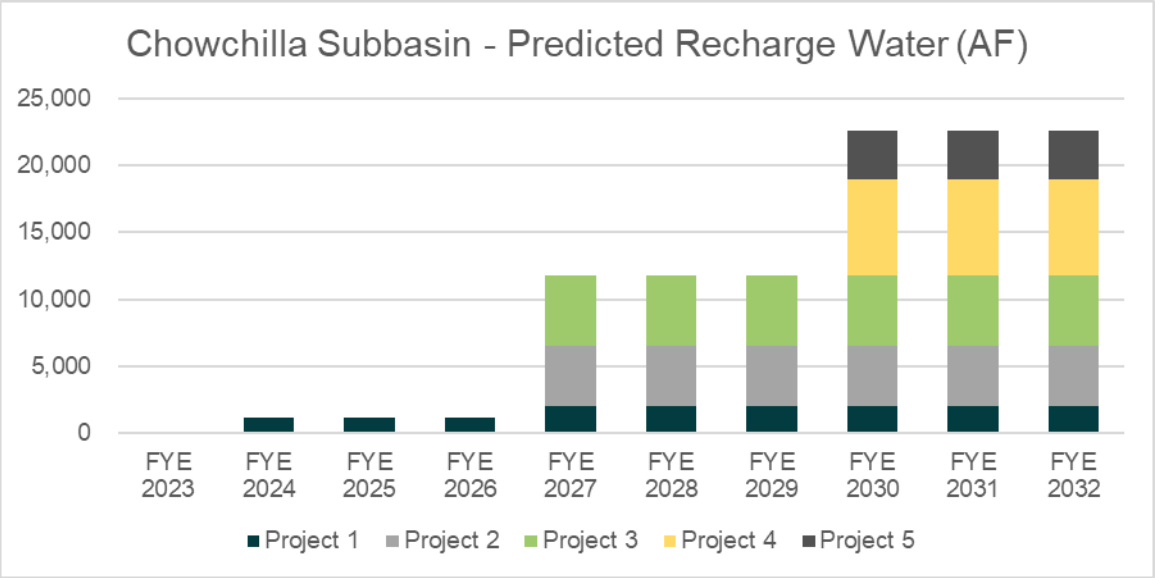
Recharge Facilities

- Recharge could be conducted on-farm or in dedicated basins
- Flood flows for recharge estimated at approx. three years on average (35% annual chance)
- Individual recharge projects schedule dependent on water rights acquisition and design timeline
- Financing assumptions for planning purposes from County's Municipal Advisors:
  - 5% interest rate, 30-year term, level payments, minimum coverage requirement of 1.50



Recharge Facilities – Predicted Annual Water Yields





Recharge Facilities
Capital Costs and Annual Cash Needs

Recharge Project Costs	Design and Construction	Grants	Landowner Contribution	Net Cost
Madera Subbasin				
Project 1	$6,570,000	($4,197,600)	($1,665,600)	**$706,800**
Project 2	$26,550,000	($4,000,000)	($2,139,789)	**$20,410,211**
Project 3	$26,580,000	($4,000,000)	($2,139,789)	**$20,440,211**
Project 4	$25,620,000	($4,000,000)	($2,139,789)	**$19,480,211**
Project 5	$24,910,000	($4,000,000)	($2,057,490)	**$18,852,510**
Total	**$110,230,000**	**($20,197,600)**	**($10,142,457)**	**$79,889,943**
Chowchilla Subbasin				
Project 1	$6,900,000	($4,197,600)	($1,912,581)	**$789,819**
Project 2	$17,300,000	($4,000,000)	($720,000)	**$12,580,000**
Project 3	$14,090,000	($4,000,000)	($360,000)	**$9,730,000**
Project 4	$22,930,000	($4,000,000)	($360,000)	**$18,570,000**
Project 5	$14,260,000	($4,000,000)	($600,000)	**$9,660,000**
Total	**$75,480,000**	**($20,197,600)**	**($3,952,581)**	**$51,329,819**

Recharge Costs	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032
Madera Subbasin	$730,140	$1,388,365	$1,158,147	$1,002,067	$1,034,566	$3,413,902	$3,761,116	$7,298,056	$7,779,376	$7,853,778
Chowchilla Subbasin	$844,672	$662,126	$1,979,184	$2,382,472	$2,417,006	$4,162,669	$4,222,598	$5,195,208	$5,159,573	$5,214,504
Delta Mendota Subbasin	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$1,574,812**	**$2,050,491**	**$3,137,331**	**$3,384,539**	**$3,451,572**	**$7,576,570**	**$7,983,714**	**$12,493,264**	**$12,938,949**	**$13,068,282**

Water Supplies (Sites Reservoir) Assumptions

- Participation and Annual Water Yield at 10,000-acre feet per year (AFY)
- Construction from 2024-2030 with first deliveries estimated in 2032-33
- Cash needs include buy-in to participation, annual future debt service, and annual future operations costs
- County GSAs cost share based on annual average yield participation: 6% of total costs
  - Costs then allocated between Madera and Chowchilla subbasins

Sites Reservoir
Financing Scenarios for Identifying Cash Needs

- Sites Reservoir internally modeled five financing scenarios for funding design and construction from best case to worst case
- Raftelis' cash flow models the second most conservative scenario, consistent with recharge facilities financing assumptions
- Estimated annual cash requirement when operations begin: $9.6M

Sites Costs	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032
Madera Subbasin	$2,131,911	$967,480	$1,105,691	$112,654	$1,480,654	$3,499,787	$5,321,762	$5,502,993	$6,150,591	$6,649,374
Chowchilla Subbasin	$953,089	$432,520	$494,309	$50,363	$661,940	$1,564,611	$2,379,141	$2,460,161	$2,749,676	$2,972,661
Delta Mendota Subbasin	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$3,085,000**	**$1,400,000**	**$1,600,000**	**$163,017**	**$2,142,594**	**$5,064,398**	**$7,700,902**	**$7,963,154**	**$8,900,267**	**$9,622,035**

Domestic Well Mitigation
Cost Assumptions

- Joint GSP in Madera Subbasin and GSP in Chowchilla Subbasins funding would pay for deeper replacement wells for homeowners
- Estimated dry wells based on hydrologic modeling
- Local cost estimates of well replacement: $30k per well
- Equal number of wells each year
- Assumes Domestic Well Mitigation programs are cash funded from rates, not debt financed

Domestic Well Mitigation
Total Cash Needs

Domestic Wells Costs	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032
Dry Wells (MC GSA)										
Madera Subbasin	104	104	104	149	149	149	149	149	20	20
Chowchilla Subbasin	17	17	17	7	7	7	7	7	0	0
Delta Mendota Subbasin	0	0	0	0	0	0	0	0	0	0
Total	**121**	**121**	**121**	**156**	**156**	**156**	**156**	**156**	**20**	**20**
Cost to Replace a Well	**$30,960**	**$31,951**	**$32,973**	**$34,028**	**$35,117**	**$36,241**	**$37,401**	**$38,597**	**$39,833**	**$41,107**
Replacement Costs										
Madera Subbasin	$3,229,074	$3,332,405	$3,439,042	$5,071,792	$5,234,089	$5,401,580	$5,574,431	$5,752,813	$782,247	$807,279
Chowchilla Subbasin	$532,507	$549,547	$567,132	$250,834	$258,861	$267,145	$275,693	$284,516	$4,195	$4,329
Delta Mendota Subbasin	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$3,761,581**	**$3,881,951**	**$4,006,174**	**$5,322,627**	**$5,492,951**	**$5,668,725**	**$5,850,124**	**$6,037,328**	**$786,441**	**$811,607**
Program Management Costs										
Madera Subbasin	$322,907	$333,240	$343,904	$507,179	$523,409	$540,158	$557,443	$575,281	$78,225	$80,728
Chowchilla Subbasin	$53,251	$54,955	$56,713	$25,083	$25,886	$26,714	$27,569	$28,452	$419	$433
Delta Mendota Subbasin	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$376,158**	**$388,195**	**$400,617**	**$532,263**	**$549,295**	**$566,873**	**$585,012**	**$603,733**	**$78,644**	**$81,161**

Land Repurposing (SALC) Program and Assumptions

- SALC would achieve approximately 50% of the total demand management target, over time
- Voluntary program to:
  - Reduce demand from participating irrigated lands
    - Initial incentive payment of $600 - $760 per acre
- Annual term for enrollment and participation
- Program is cash funded from rates, not debt financed
- Staff costs split between % share of enrolled acreage within each subbasin
-

SALC reduces demand (+ other benefits) from participating lands

Landowner charges to pay for the SALC program

Land Repurposing (SALC)
Total Cost Detail (Program continues to at least 2040)

SALC Costs	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032
Operating Costs										
Madera Subbasin	$393,257	$413,479	$437,475	$459,463	$477,226	$476,608	$488,022	$508,865	$535,323	$562,880
Chowchilla Subbasin	$100,424	$102,691	$104,154	$107,789	$118,133	$143,768	$164,723	$176,661	$186,376	$195,203
Delta Mendota Subbasin	$9,519	$12,190	$13,149	$15,265	$16,284	$21,849	$21,592	$22,527	$21,756	$22,545
Total	**$503,200**	**$528,360**	**$554,778**	**$582,517**	**$611,643**	**$642,225**	**$674,336**	**$708,053**	**$743,456**	**$780,628**
Irrigated Lands Costs										
Madera Subbasin	$4,411,586	$5,175,588	$6,004,443	$6,858,845	$7,729,479	$7,039,022	$7,293,523	$8,092,584	$8,984,382	$9,943,605
Chowchilla Subbasin	$1,126,567	$1,285,402	$1,429,532	$1,609,069	$1,913,355	$2,123,305	$2,461,793	$2,809,470	$3,127,965	$3,448,380
Delta Mendota Subbasin	$106,785	$152,585	$180,475	$227,871	$263,746	$322,690	$322,690	$358,251	$365,141	$398,276
Total	**$5,644,938**	**$6,613,575**	**$7,614,450**	**$8,695,785**	**$9,906,580**	**$9,485,017**	**$10,078,006**	**$11,260,305**	**$12,477,488**	**$13,790,261**
Estimated Participating Acreage										
Madera Subbasin	6,724	8,079	9,444	10,863	12,595	14,482	15,625	16,837	18,180	19,615
Chowchilla Subbasin	1,869	2,176	2,492	2,794	3,235	3,723	4,210	4,784	5,398	6,128
Delta Mendota Subbasin	154	217	251	318	363	446	464	521	544	610
Total	**8,746**	**10,472**	**12,187**	**13,976**	**16,193**	**18,651**	**20,299**	**22,142**	**24,122**	**26,354**

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**

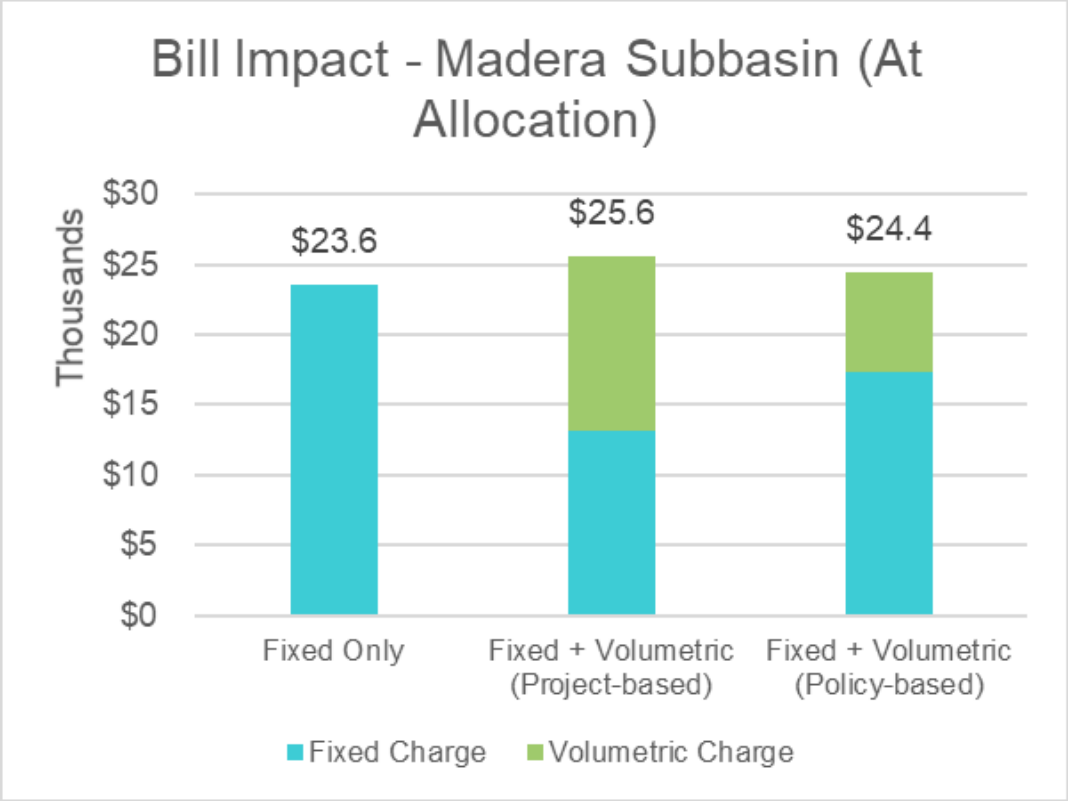
Rates rounded up to the nearest whole dollar

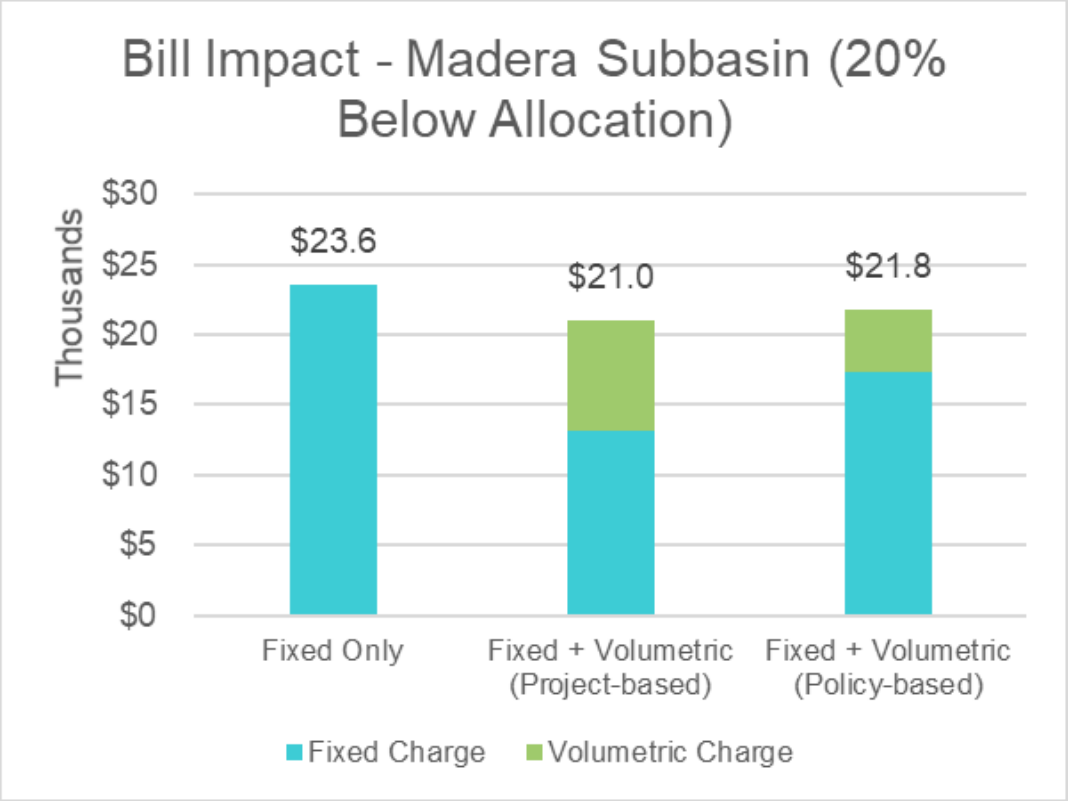
Rate Options – Delta-Mendota Subbasin Years 1-3

	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

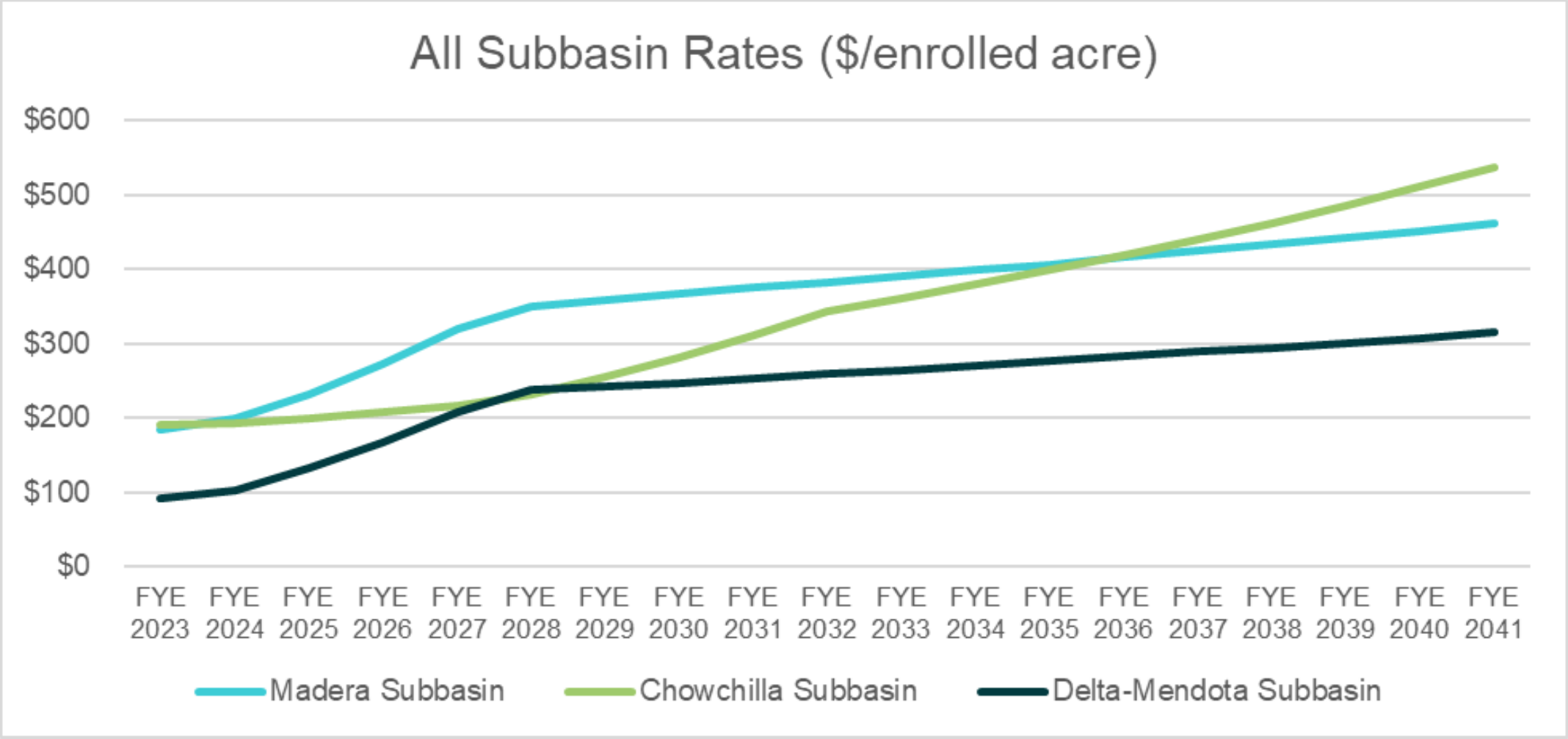
Rate Options Comparison – Madera Subbasin FY 2024-2025, 100-acre Farm Unit





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

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

Rate Study Questions

Recharge

Recharge Facilities – What is the goal?

- The County of Madera Groundwater Sustainability Agency (GSA) is implementing a phased flood water recharge program to divert and recharge flood flows available as Section 215 water from the Bureau of Reclamation Friant Division and flood flows from the Chowchilla Bypass to provide an estimated 190,000 acre-feet (AF) of groundwater recharge in years when flood water and Section 215 water are available.
- Key goals of the recharge program are to mitigate and prevent undesirable results associated with:
  - Chronic lowering of groundwater levels
  - Depletion in groundwater storage
  - Land subsidence

Recharge Facilities FAQ's

- Are designs completed for all projects?
  - No, designs for the first two projects are underway now and future designs will be initiated once funding is available
- Are water rights in place?
  - The County is currently working with the State Water Board and the Bureau of Reclamation to secure water rights
- What kind of facilities are being contemplated?
  - FloodMAR
  - Dedicated recharge basins
  - Other?
- Are any of these projects under way now?
  - Yes, the County has received two Prop 68 grants ($4.6M) and is proceeding with the first project in both the Madera and Chowchilla Subbasin

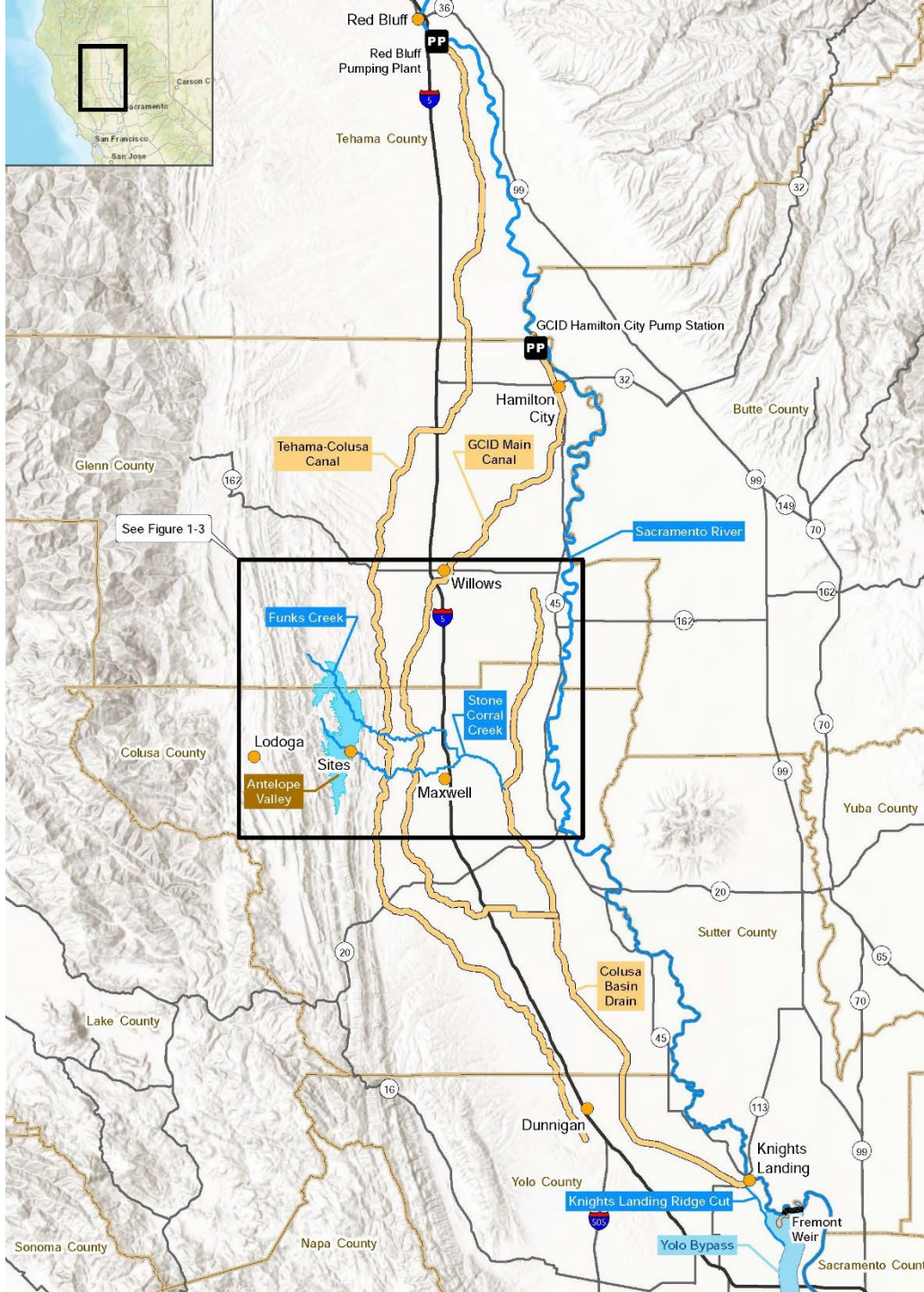
Recharge Facilities FAQ's (Continued)

- How can I participate?
  - Submit a Recharge Interest Form
  - Talk to the County
- Is participation voluntary?
  - Yes, participation is voluntary.
- How many projects are contemplated?
  - Currently, there are 10 Madera County recharge projects contemplated – 5 in the Madera Subbasin and 5 Chowchilla Subbasin.

Sites Reservoir

Sites Reservoir

- Proposed off-stream reservoir west of Maxwell, CA (North of the Delta)
- Divert “excess” water from the Sacramento River in higher flow conditions
- Store water in the new Sites Reservoir for later use by farms, cities, and the environment
- Locally led – includes public water agencies, State, Federal governments
- A tool to help the state restore flexibility, reliability, and resilience to our statewide water supply



Frequently Asked Questions

- **What does the County get for its buy-in to the project?**
  - As a Sites participant, the County would receive i) a proportionate share of any water diverted to storage ii) a proportionate share of the storage space. The County would have the ability manage its account to use, save, or lease/sell its share of the water or space to other participants in the project or others outside of the project.
- **How can member agencies be assured that there will be water in Sites Reservoir if they are paying for storage?**
  - Sites Reservoir is a beneficiary pays project, which means that the benefits of the project go to those paying. Each participant (including environmental uses) has control over their portion of the storage space and a proportionate share of the water diverted into Sites Reservoir. There is flexibility in the timing and uses of the water, including for the environment. The assurance of water being in the reservoir is largely the result of the individual participant decisions in their operations of their portion of the facility. This way, each member is assured to receive what they pay for in a way that works within and complements that member's water supply portfolio.
- **How would water get from Sites to Madera County?**
  - As a north of Delta facility, Sites water would be exported as transfer water through the State or Federal pumps. Once south of delta, the County would purchase rights to use existing conveyance capacity to wheel Sites water to the County's place of use for direct use or recharge of the groundwater basin.
- **Is Sites Reservoir compliant with Proposition 1?**
  - Even with the Project changes that have occurred since the original award in 2018, the Sites Reservoir Project continues to provide the public benefits the California Water Commission conditionally approved for the Project in State Proposition 1 funding in 2018. The Project meets the Proposition 1 conditions and continues to meet all the feasibility requirements for investment by the State. In December 2021, the California Water Commission deemed the Project feasible.

Frequently Asked Questions (Continued)

- **How does the cost of water from Sites compare to other sources during dry years?**
  - The Sites Reservoir compares favorably to other dry year water supply alternatives due to economy of scale. With water being one of California's most scarce and valuable resources, it is essential to develop a diverse portfolio of sustainable water supply solutions. But it is equally important for decision-makers and stakeholders to evaluate the most cost-effective options available to maximize the value of these investments. The Project has been designed to put the state's limited water resources to the best use in an affordable, flexible, and sustainable way.
- **Why has it taken so much time to get Sites to the finish line?**
  - Sites has been around for decades with efforts originally being led by the California Department of Water Resources and the Bureau of Reclamation. The Project had starts and stops, as is typically seen in large projects led by the state or federal government. The Sites Project Authority was formed in 2010 to move the Project more expeditiously. The Authority has made great strides over the last two years to "right-size" the Project for affordability and permitability, two critical success factors. This represents a huge milestone for Project advancement and sets a turning point that makes the Project more feasible and more likely to be built than ever before.
- **How much would have been diverted in 2021 had Sites been in place?**
  - Zero diversions into the reservoir in 2021 would have occurred if Sites Reservoir would have been in place. This is in accordance with the highly protective operating conditions that are currently being proposed for the Project. However, the one million acre-feet estimate that would have already been stored as result of the wetter years in 2017 and 2019 is the water that would be available. And if 2022 is another dry year it is estimated there could be approximately 400,000 acre-feet of that left in Sites.

Domestic Well Mitigation

Domestic Well Mitigation Program – What is it?

- The GSPs recognized the likely significant and unreasonable impacts to domestic well beneficial users during the implementation period.
- To avoid significant and unreasonable impacts on domestic well users, the GSPs included plans to develop a Domestic Well Mitigation Program.
- The proposed program will assist domestic well users with obtaining a water supply when wells go dry during the implementation period.
- Based on initial consultations with DWR, it will be necessary to either avoid adverse domestic well impacts or implement a program to mitigate for these impacts.

Domestic Well Mitigation Program FAQs

- How were the numbers of dry wells estimated?
  - The estimated numbers, locations, and depths of domestic wells (based on Prop 68 Well Inventory Study) were compared to projected future groundwater level conditions from hydrologic modeling.
- Why are we paying/mitigating for dry domestic wells?
  - This program balances the economic benefits/consequences (across all groundwater beneficial users) of continued (but gradually declining) groundwater overdraft prior to achieving sustainability by 2040.
- Where can I find out more about the well inventory?
  - Technical Memoranda are being prepared (for Chowchilla and Madera Subbasins) and will be made available.

Domestic Well Mitigation Program FAQs (Continued)

- How is the program being funded?
  - The County GSA is funding a portion of the program through this rate study; funding from other GSAs is being discussed.
- How can I participate or be eligible for assistance under this program?
  - Details of the program are still being developed and will be forthcoming.
- What kind of assistance is included?
  - While the program is still under development, it is anticipated assistance would focus on well replacement (or alternative solutions) for wells that go dry as a result of lowered groundwater levels during the implementation period. Wells that stop producing due to pump or well structure failure (unrelated to lowering groundwater levels) will not be included.

Land Repurposing (SALC)

Land Repurposing– What is the goal?

- The County of Madera GSA is implementing a phased land repurposing program to achieve approximately 50 percent of the planned demand management (groundwater pumping reduction) specified in its GSP for each subbasin.
  - The land repurposing program offer growers incentive payments to participate, forgo irrigation, and repurpose lands to other uses.
  - Initial program development was funded under a Sustainable Agricultural Lands Conservation (SALC) program grant; the short-hand name for the program is SALC.
- The land repurposing program would:
  - Be a voluntary program
  - Initially offer annual enrollment, with potential longer-term enrollment options
  - Achieve demand management equal to Sustainable Yield (SY) + Transitional Water (TW) for lands entered into the program

Land Repurposing FAQ's

- What are the incentive payments for the SALC program?
  - SALC program incentive payments are initially between $650 and $750 per acre.
    - SALC program incentive payments vary due to crop returns, the scale of the program, and the annual allocation of groundwater (SY and TW).
    - SALC program incentive payments are funded by GSA landowner assessments.
- Why are initial incentive payments less than my current net returns?
  - Incentive payments account for groundwater allocation (SY + TW), not the full irrigation demand of the existing crop.
  - To keep program costs low, the program would initially focus on the lower-profit farming activities in the GSA.
- Will lands entered in SALC be required to pay other GSA fees?
  - Yes. As a matter of fairness, all Enrolled Acres must pay GSA fees.

Land Repurposing FAQ's (Continued)

- What is the anticipated scale of the SALC program?
  - It will be phased in to achieve approximately 45,000 AFY, 13,500 AFY, and 1,000 AFY in the Madera, Chowchilla, and Delta Mendota subbasins portions of the GSA
- Is participation voluntary?
  - Yes, participation is voluntary.
- How can I participate?
  - Program details will be developed as funds are secured, but the GSA initially expects to offer enrollment based on a fixed annual incentive payment that will be adjusted over time as conditions change.

Next Opportunity for Participation

- March 1, 2022 – Board of Supervisors Meeting at 10:30

Backup Slides – Additional Rate Details

Rate Options – Madera Subbasin

Fixed Only	FY 2022-23 (2022 Allocation)	FY 2023-24 (2023 Allocation)	FY 2024-25 (2024 Allocation)	FY 2025-26 (2025 Allocation)	FY 2026-27 (2026 Allocation)
Fixed ($/enrolled acre)	$184	$200	$236	$279	$329
Volumetric ($/AF)	N/A	N/A	N/A	N/A	N/A

Fixed + Volumetric (Project-based)	FY 2022-23 (2022 Allocation)	FY 2023-24 (2023 Allocation)	FY 2024-25 (2024 Allocation)	FY 2025-26 (2025 Allocation)	FY 2026-27 (2026 Allocation)
Fixed ($/enrolled acre)	$179	$196	$132	$156	$175
Volumetric ($/AF)	N/A	N/A	$97	$116	$157

Fixed + Volumetric (Policy-Based)	FY 2022-23 (2022 Allocation)	FY 2023-24 (2023 Allocation)	FY 2024-25 (2024 Allocation)	FY 2025-26 (2025 Allocation)	FY 2026-27 (2026 Allocation)
Fixed ($/enrolled acre)	$179	$196	$173	$204	$241
Volumetric ($/AF)	N/A	N/A	$56	$68	$86

Rate Options – Chowchilla Subbasin

Fixed Only	FY 2022-23 (2022 Allocation)	FY 2023-24 (2023 Allocation)	FY 2024-25 (2024 Allocation)	FY 2025-26 (2025 Allocation)	FY 2026-27 (2026 Allocation)
Fixed ($/enrolled acre)	$190	$194	$202	$210	$218
Volumetric ($/AF)	N/A	N/A	N/A	N/A	N/A

Fixed + Volumetric (Project-based)	FY 2022-23 (2022 Allocation)	FY 2023-24 (2023 Allocation)	FY 2024-25 (2024 Allocation)	FY 2025-26 (2025 Allocation)	FY 2026-27 (2026 Allocation)
Fixed ($/enrolled acre)	$189	$193	$77	$92	$92
Volumetric ($/AF)	N/A	N/A	$91	$88	$101

Fixed + Volumetric (Policy-Based)	FY 2022-23 (2022 Allocation)	FY 2023-24 (2023 Allocation)	FY 2024-25 (2024 Allocation)	FY 2025-26 (2025 Allocation)	FY 2026-27 (2026 Allocation)
Fixed ($/enrolled acre)	$189	$193	$150	$156	$163
Volumetric ($/AF)	N/A	N/A	$37	$40	$44

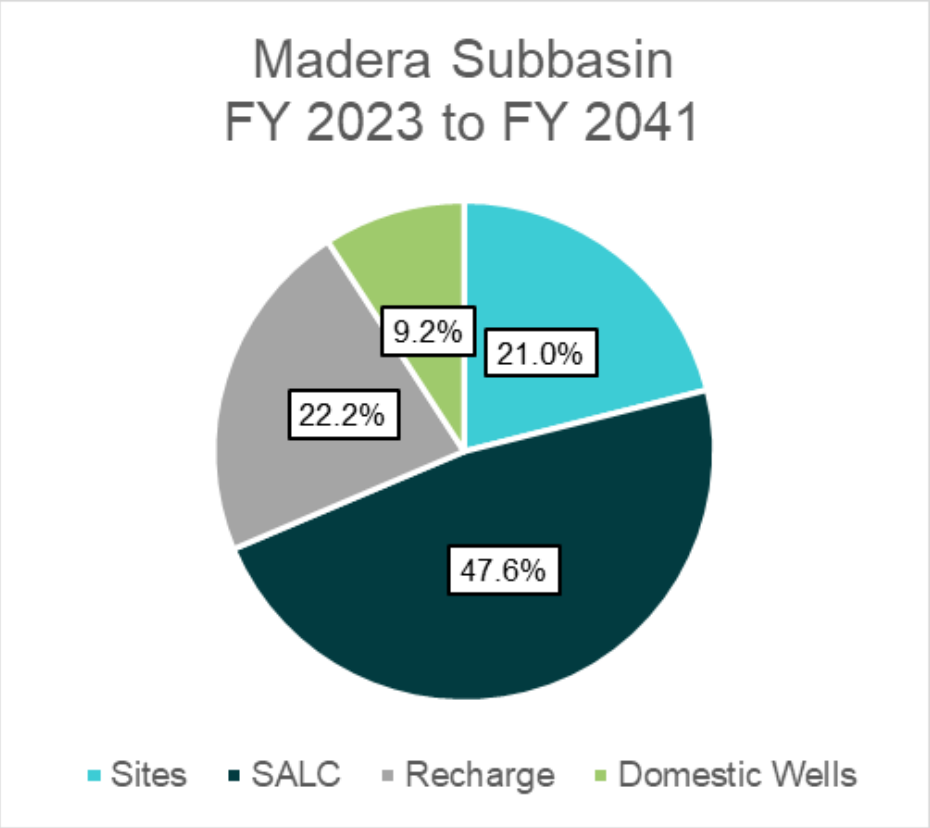
Rate Options – Delta-Mendota Subbasin

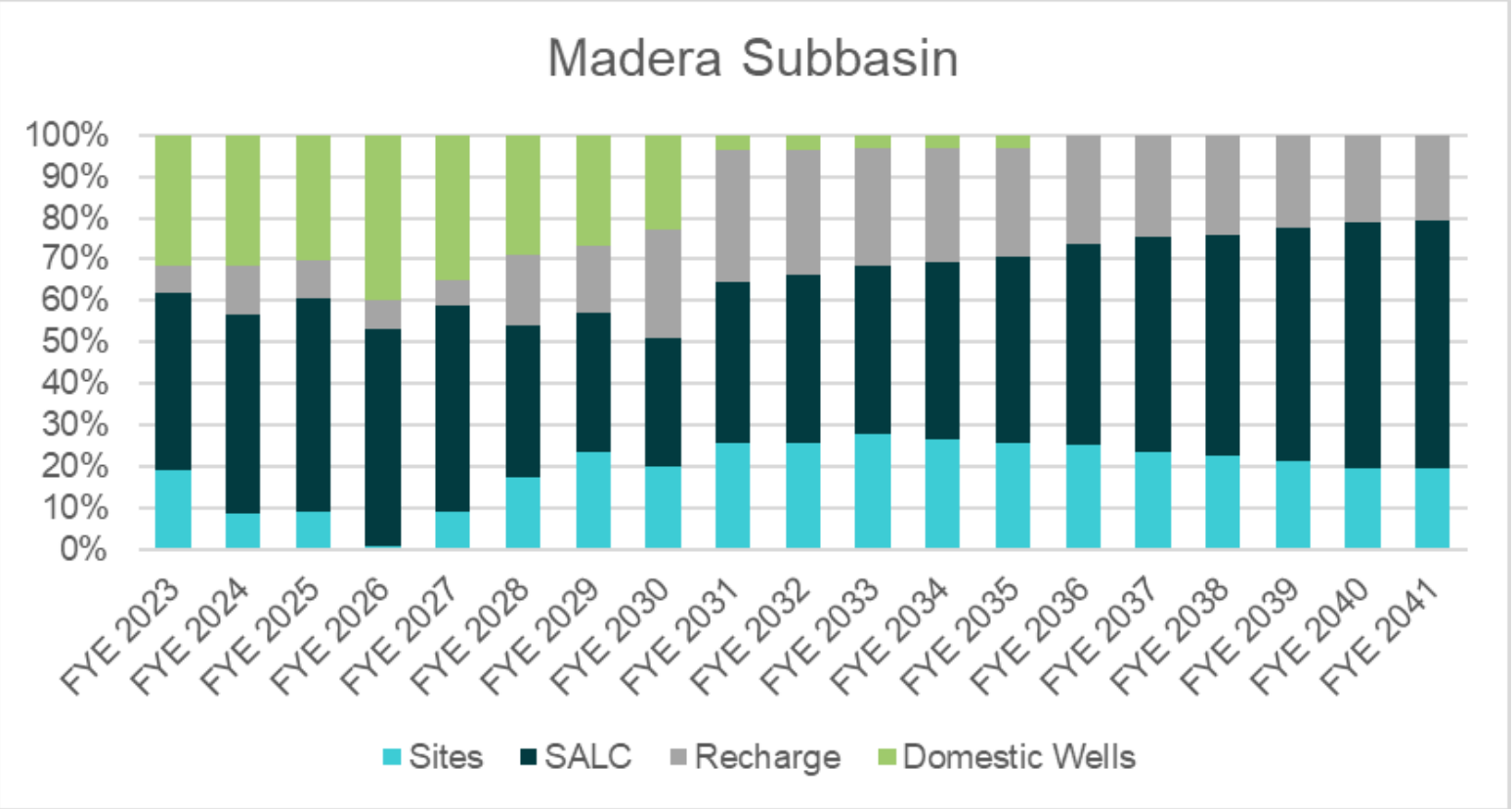
Fixed Only	FY 2022-23 (2022 Allocation)	FY 2023-24 (2023 Allocation)	FY 2024-25 (2024 Allocation)	FY 2025-26 (2025 Allocation)	FY 2026-27 (2026 Allocation)
Fixed ($/enrolled acre)	$92	$104	$129	$162	$202
Volumetric ($/AF)	N/A	N/A	N/A	N/A	N/A

Fixed + Volumetric (Project-based)	FY 2022-23 (2022 Allocation)	FY 2023-24 (2023 Allocation)	FY 2024-25 (2024 Allocation)	FY 2025-26 (2025 Allocation)	FY 2026-27 (2026 Allocation)
Fixed ($/enrolled acre)	$92	$104	$129	$162	$202
Volumetric ($/AF)	N/A	N/A	$0	$0	$0

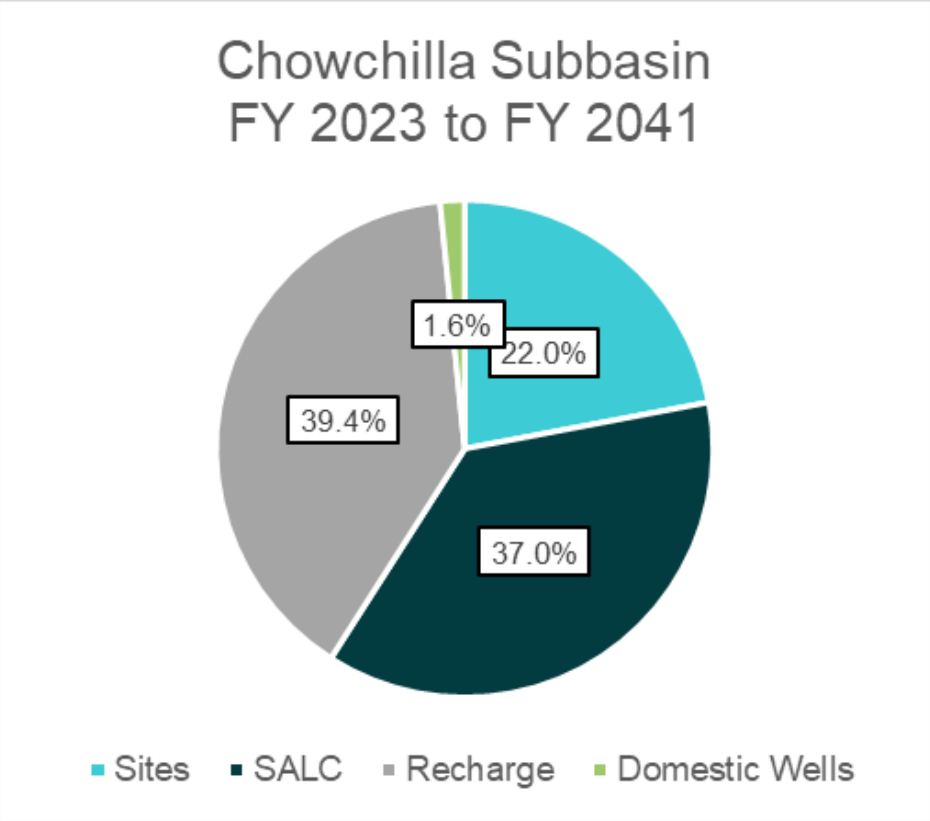
Fixed + Volumetric (Policy-Based)	FY 2022-23 (2022 Allocation)	FY 2023-24 (2023 Allocation)	FY 2024-25 (2024 Allocation)	FY 2025-26 (2025 Allocation)	FY 2026-27 (2026 Allocation)
Fixed ($/enrolled acre)	$95	$107	$100	$125	$157
Volumetric ($/AF)	N/A	N/A	$83	$104	$147

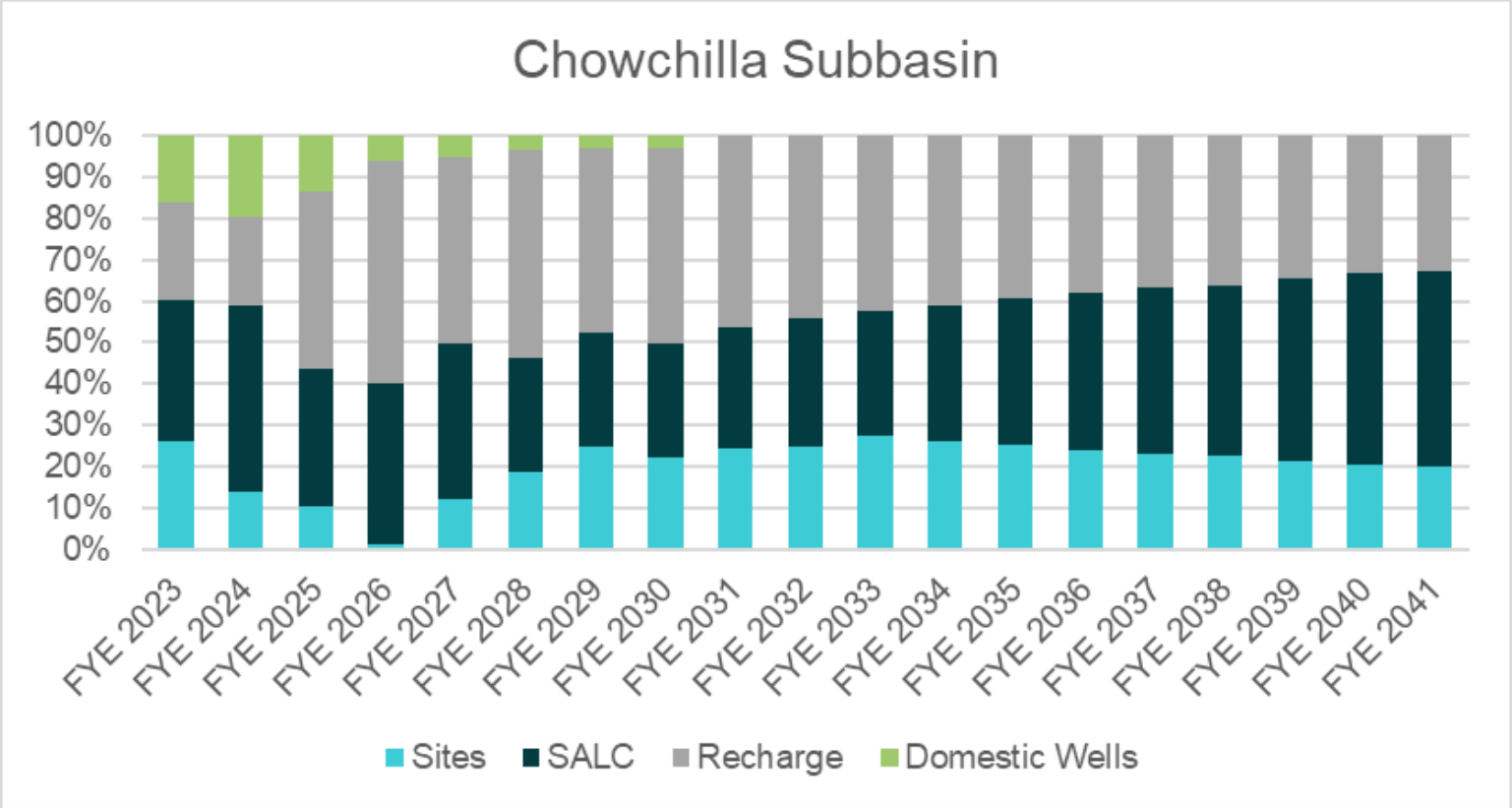
Project Cost Shares – Madera Subbasin



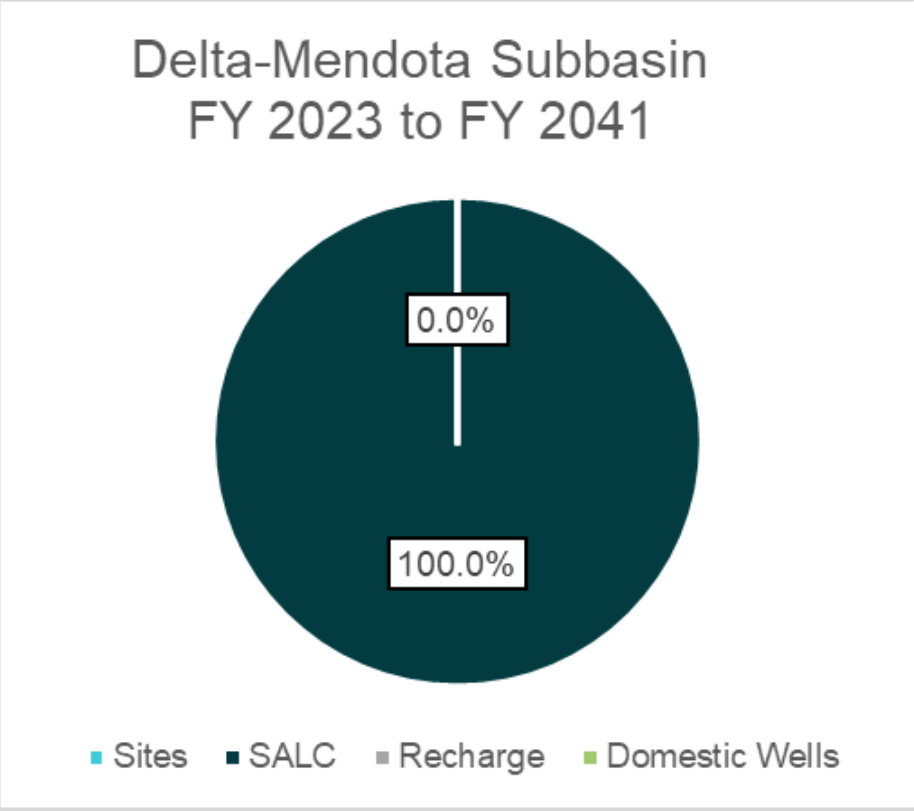


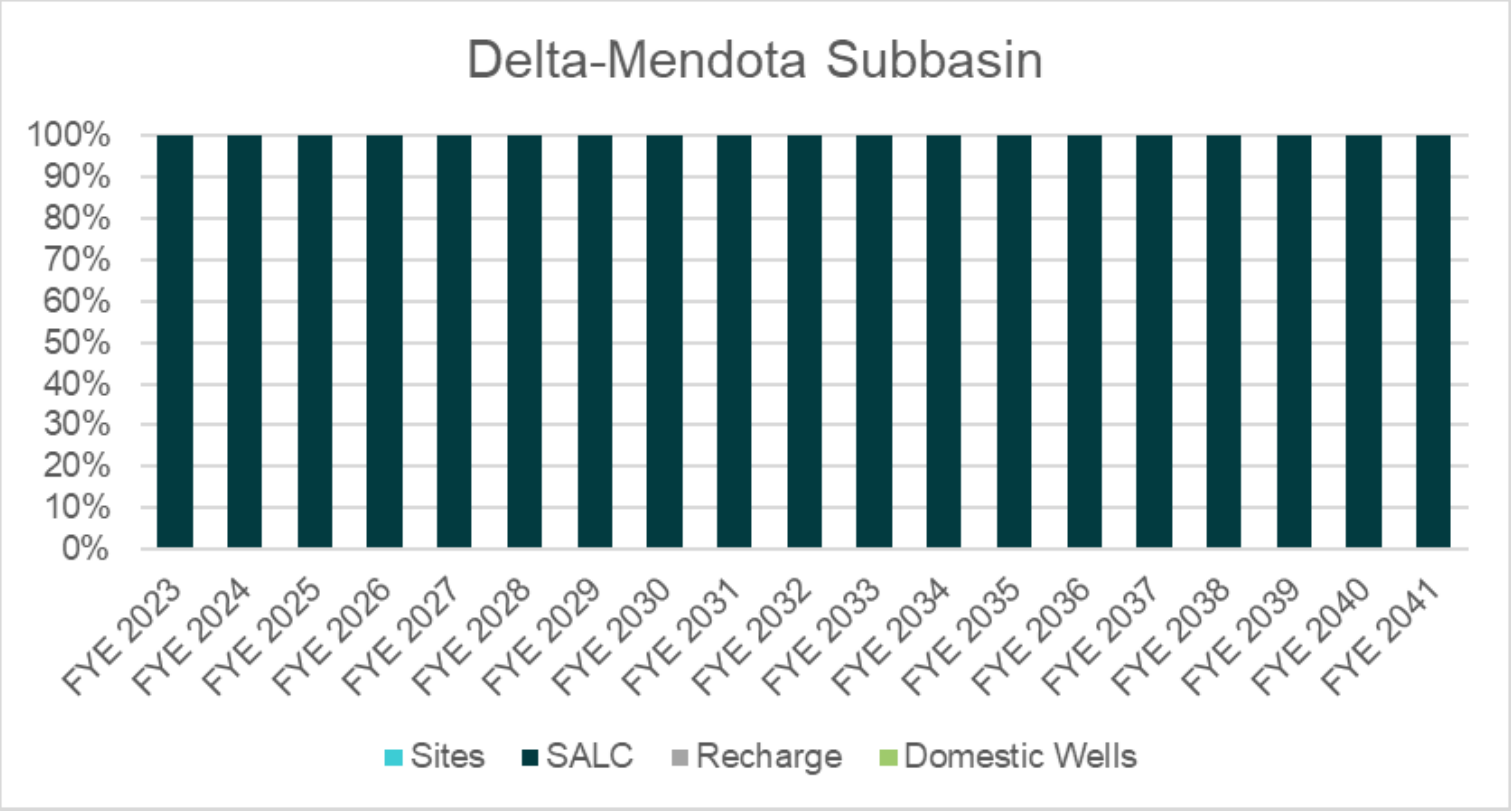
Project Cost Shares –
Chowchilla Subbasin



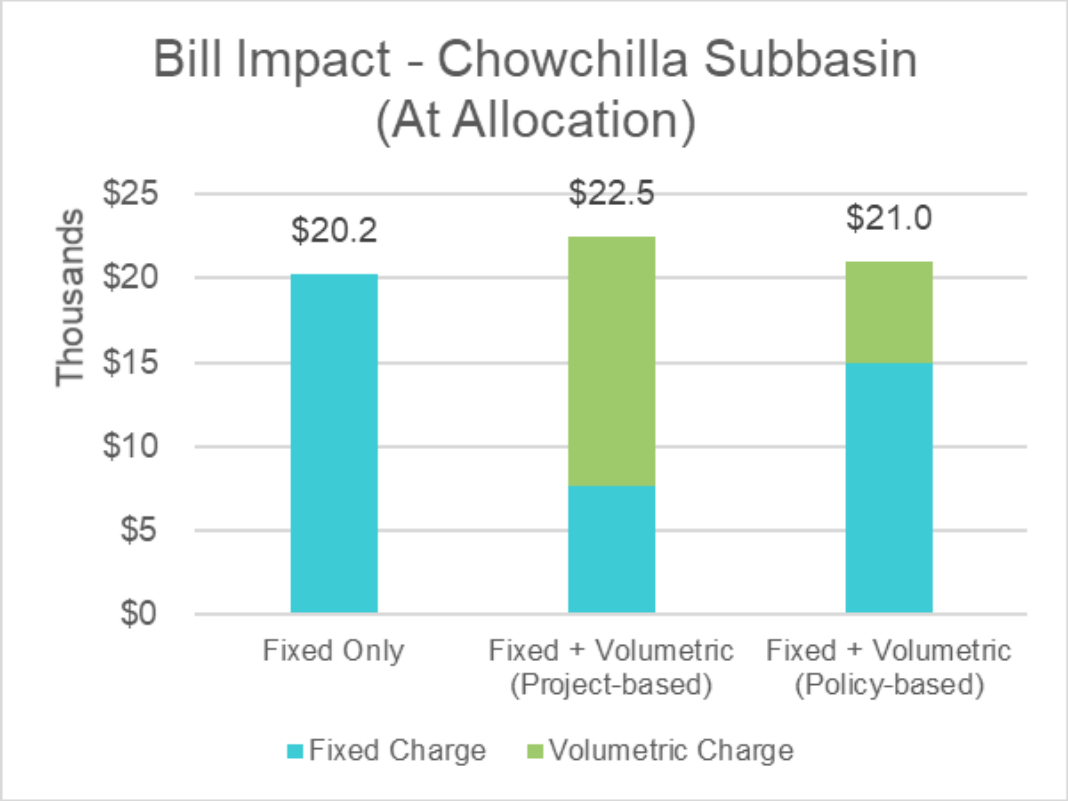


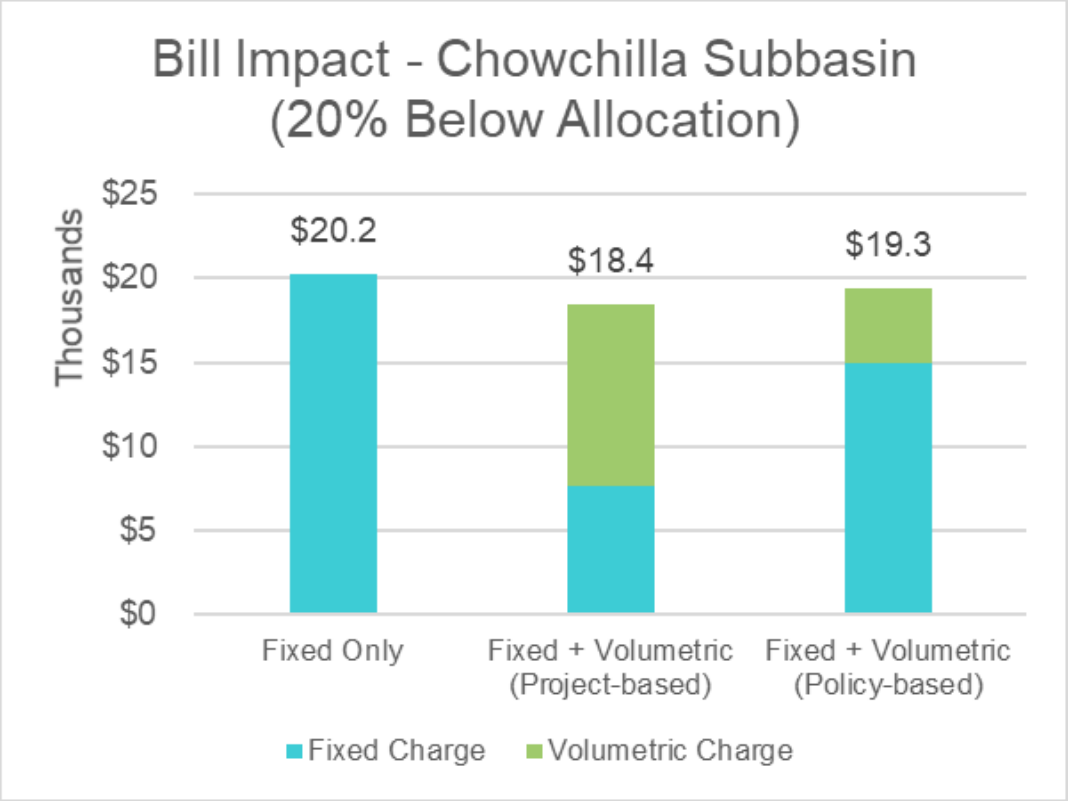
Project Cost Shares –
Delta-Mendota Subbasin





Rate Options Comparison – Chowchilla Subbasin FY 2024-2025, 100-acre Farm Unit





Rate Options Comparison – Delta-Mendota Subbasin FY 2024-2025, 100-acre Farm Unit