



Madera County GSAs – Madera Subbasin Rate Alternatives

DRAFT

2022 Rate Study – Madera Subbasin

- Study calculated the annual costs of County GSA projects to 2040
- Projects identified help achieve:
 - › GSP compliance
 - › New water
 - › Mitigation of current and future impacts
 - › Improvement of long-term water allocations
- Rates adopted June 2022
- Rate of \$246 per Enrolled Acre
 - › Enrolled Acre = acreage within a Farm Unit which receives an allocation

2024 Possible Alternatives– Madera Subbasin

- Changes in conditions since 2022
 - › Madera Subbasin GSP deemed adequate
 - › Less interest in land repurposing than originally stated by growers
 - › State Water Resources Control Board requiring Domestic Well Mitigation plans
 - › Decrease in commodity prices for dominant crops
- Staff is recommending a survey of potential ratepayers to inform possible future GSP rates
 - › Three initial alternatives have been identified

Alternatives Summary

Rate Alternative	Domestic Well Mitigation	Land Repurposing ¹	Water Purchases ²	Recharge Projects Funding ³
Alternative A	✓			
Alternative B	✓	✓	✓	
Alternative C	✓	✓	✓	✓

¹ Significantly lower enrollment than 2022 rate study

² Water purchases allowance of \$500,000 per year

³ Recharge project costs remained the same from the previous study in 2022, but produces lower yields

Alternatives Assumptions

- Domestic Well Mitigation Program
 - › Annual replacements based on new tech memo
 - › Includes 10% administration/program management costs
 - › Assumes the average of two sequences (base and dry) year start hydrology
- Land Repurposing (formerly SALC)
 - › \$280k in operating costs
 - › Lower enrollment than the 2022 study
- Water Purchases
 - › \$500,000/year is static through the study period
- Recharge Projects
 - › All recharge is shifted one year from what was originally documented in the most recent Davids Engineering tech memo
 - › Alternatives A and B only include grant funded projects
 - › Alternative C maintains the same capital costs as the rate study, but produces lower yields
- Build cash reserves to necessary levels for future external borrowing
 - › Alternative C requires debt financing – Minimum 90 days of operating cash for credit rating
- All fee alternatives include legal expenses outside of project costs
- 88,118 total enrolled acres in County GSA's managed Madera subbasin
- Results assume maintaining averaged rates over the 5 years

Results – Alternative A

Rate Components	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Domestic Well Mitigation	\$4,377,173	\$4,517,242	\$4,661,794	\$4,810,971	\$4,964,922
Recharge Project Costs	\$0	\$0	\$0	\$0	\$0
Water Purchases	\$0	\$0	\$0	\$0	\$0
Land Repurposing	\$0	\$0	\$0	\$0	\$0
<i>Legal Costs</i>	<i>\$500,000</i>	<i>\$515,000</i>	<i>\$530,450</i>	<i>\$546,364</i>	<i>\$562,754</i>
<i>Reserve Funding</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Total Costs	\$4,877,173	\$5,032,242	\$5,192,244	\$5,357,335	\$5,527,676
Madera Subbasin Enrolled Acreage	88,118	88,118	88,118	88,118	88,118
\$/Enrolled Acreage	\$55	\$57	\$59	\$61	\$63

Results – Alternative B

Rate Components	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Domestic Well Mitigation	\$4,377,173	\$4,517,242	\$4,661,794	\$4,810,971	\$4,964,922
Recharge Project Costs	\$0	\$0	\$0	\$0	\$0
Water Purchases	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Land Repurposing	\$1,048,052	\$1,353,899	\$1,721,570	\$2,132,975	\$2,319,327
<i>Legal Costs</i>	<i>\$500,000</i>	<i>\$515,000</i>	<i>\$530,450</i>	<i>\$546,364</i>	<i>\$562,754</i>
<i>Reserve Funding</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Total Costs	\$6,425,225	\$6,886,142	\$7,413,814	\$7,990,310	\$8,347,004
Madera Subbasin Enrolled Acreage	88,118	88,118	88,118	88,118	88,118
\$/Enrolled Acreage	\$73	\$78	\$84	\$91	\$95

Results – Alternative C

Rate Components	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Domestic Well Mitigation	\$4,377,173	\$4,517,242	\$4,661,794	\$4,810,971	\$4,964,922
Recharge Cash Funded	\$326,631	\$1,691,562	\$1,140,918	\$1,595,063	\$1,630,917
Recharge Debt Service	\$0	\$0	\$1,685,718	\$1,685,718	\$3,411,611
Water Purchases	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Land Repurposing	\$1,048,052	\$1,353,899	\$1,721,570	\$2,132,975	\$2,319,327
<i>Legal Costs</i>	<i>\$500,000</i>	<i>\$515,000</i>	<i>\$530,450</i>	<i>\$546,364</i>	<i>\$562,754</i>
<i>Reserve Funding</i>	<i>\$4,000,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<i>Net Cash Flow</i>	<i>\$0</i>	<i>\$2,585,619</i>	<i>\$2,125,574</i>	<i>\$2,421,500</i>	<i>\$1,573,358</i>
Total Costs	\$10,751,856	\$11,163,323	\$12,366,025	\$13,692,592	\$14,962,890
Madera Subbasin Enrolled Acreage	88,118	88,118	88,118	88,118	88,118
\$/Enrolled Acreage	\$122	\$127	\$140	\$155	\$170

Rate Comparisons

Rate Alternative (rounded to the nearest \$5)	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Alternative A	\$55	\$60	\$60	\$60	\$65
Alternative B	\$75	\$80	\$85	\$90	\$95
Alternative C	\$125	\$125	\$140	\$155	\$170
2022 Rate Study ¹	\$184	\$200	\$236	\$279	\$329

Five-Year Averaged Rate Alternative	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Alternative A	\$55 – \$65				
Alternative B	\$75 – \$95				
Alternative C	\$125 – \$170				
2022 Rate Study ¹	\$246				

9 ¹ The start year of the previous rate study was FYE 2023