

PASO ROBLES GROUNDWATER BASIN

COST OF SERVICE STUDY PROGRESS UPDATE

JANUARY 22, 2025

AGENDA

1. Consumptive Groundwater Use Baseline
2. Preliminary Rate Scenarios
3. Other Considerations

CONSUMPTIVE GROUNDWATER USE BASELINE

HISTORICAL CROP ACREAGE AND ET OF APPLIED WATER (CONSUMPTIVE GW USE)

- Provided by LandIQ in order to calculate a historical baseline of consumptive groundwater use.
- Table includes **acreage** and **consumptive use** per acre by crop type.

Key
Irrigated Crops
Non-Irrigated Crops

Crop Type	Irrigated	Acreage Totals					Annual ET (Consumptive Use) AF/Acre
		WY 2023	WY 2022	WY 2021	WY 2020	WY 2019	
Grapes	Yes	34,655	32,393	32,925	33,666	35,310	1.10
Miscellaneous Grain and Hay	Yes	10,859	8,751	7,856	11,819	14,561	0.08
Unclassified Fallow	No	6,287	9,798	12,175	19,257	14,462	0.00
Mixed Pasture	Yes	1,060	899	1,333	1,622	1,854	3.60
Almonds	No	1,788	1,335	1,747	1,766	1,772	0.00
Alfalfa and Alfalfa Mixtures	Yes	1,555	1,443	1,334	1,252	1,553	3.38
Miscellaneous Truck Crops	Yes	225	112	90	127	705	1.67
Olives	Yes	444	432	392	369	385	2.02
Carrots	Yes	577	381	838	447	296	1.43
Walnuts	Yes	50	50	97	97	241	3.08
Young Perennials	Yes	22	28	281	228	238	1.67
Lettuce/Leafy Greens	Yes	0	0	0	0	221	1.67
Pistachios	Yes	1,207	934	620	492	185	3.08
Corn, Sorghum and Sudan	Yes	34	82	2	0	180	2.33
Safflower	Yes	96	100	97	114	166	0.08
Onions and Garlic	Yes	29	452	46	0	143	1.67
Miscellaneous Grasses	Yes	135	203	159	3	102	3.60
Cole Crops	Yes	0	0	0	0	56	1.67
Flowers, Nursery and Christmas Tree Farms	Yes	18	3	7	7	52	2.20
Miscellaneous Deciduous	Yes	77	58	58	67	51	3.08
Apples	Yes	49	49	35	35	40	3.08
Pomegranates	Yes	17	14	46	39	38	2.02
Miscellaneous Subtropical Fruits	Yes	8	19	41	28	32	2.02
Wheat	Yes	8	8	0	0	10	0.08
Citrus	Yes	0	3	3	2	2	2.02
Avocados	Yes	0	0	3	2	0	1.80
Beans (Dry)	Yes	23	0	0	144	0	1.90
Greenhouse	Yes	0	0	1	1	0	2.20
Idle - Long-Term	No	8,956	3,134	3,042	0	0	0.00
Idle - Short-Term	No	10,116	14,089	9,778	0	0	0.00
Melons, Squash and Cucumbers	Yes	6	6	30	0	0	1.67
Miscellaneous Field Crops	Yes	0	16	0	0	0	1.32
Peaches/Nectarines	Yes	7	7	0	0	0	3.08
Potatoes	Yes	0	0	120	0	0	2.90
Sunflowers	Yes	0	0	25	0	0	1.13
Turf	Yes	6	6	0	0	0	3.38
Total	NA	78,315	74,805	73,180	71,585	72,655	NA

HISTORICAL ET OF APPLIED WATER (CONSUMPTIVE GW USE)

- Crop acreage and consumptive use per acre multiplied to determine average consumptive GW use over a 5-year span.

Key
Irrigated Crops
Non-Irrigated Crops

Crop Type	ET of Applied Water (Consumptive Use)					
	WY 2023	WY 2022	WY 2021	WY 2020	WY 2019	Average
Grapes	38,120	35,632	36,217	37,033	38,841	37,169
Miscellaneous Grain and Hay	814	656	589	886	1,092	808
Unclassified Fallow	0	0	0	0	0	0
Mixed Pasture	3,815	3,236	4,798	5,840	6,675	4,873
Almonds	0	0	0	0	0	0
Alfalfa and Alfalfa Mixtures	5,248	4,869	4,503	4,226	5,242	4,818
Miscellaneous Truck Crops	376	187	150	212	1,179	421
Olives	899	875	794	746	778	819
Carrots	823	543	1,194	638	422	724
Walnuts	155	155	300	300	743	330
Young Perennials	37	48	469	381	398	267
Lettuce/Leafy Greens	0	0	0	0	369	74
Pistachios	3,719	2,878	1,909	1,515	568	2,118
Corn, Sorghum and Sudan	78	190	6	0	419	139
Safflower	7	8	7	9	12	9
Onions and Garlic	49	755	77	0	239	224
Miscellaneous Grasses	485	731	571	12	369	434
Cole Crops	0	0	0	0	93	19
Flowers, Nursery and Christmas Tree Farms	40	7	15	15	115	38
Miscellaneous Deciduous	236	178	180	206	158	191
Apples	151	151	107	107	122	127
Pomegranates	34	28	93	80	78	63
Miscellaneous Subtropical Fruits	16	38	83	57	64	51
Wheat	1	1	0	0	1	0
Citrus	0	6	6	4	4	4
Avocados	0	0	5	4	0	2
Beans (Dry)	44	0	0	274	0	64
Greenhouse	0	0	3	3	0	1
Idle - Long-Term	0	0	0	0	0	0
Idle - Short-Term	0	0	0	0	0	0
Melons, Squash and Cucumbers	10	10	51	0	0	14
Miscellaneous Field Crops	0	21	0	0	0	4
Peaches/Nectarines	21	21	0	0	0	8
Potatoes	0	0	348	0	0	70
Sunflowers	0	0	28	0	0	6
Turf	22	22	0	0	0	9
Total	55,202	51,244	52,502	52,545	57,981	53,895

CONSUMPTIVE GROUNDWATER USE FOR RATE CALCULATION

Projected Consumed Groundwater Use	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Based on Five-Year Average 2019-2023 (AF)	Year 1	Year 2	Year 3	Year 4	Year 5
Total Groundwater Use	56,991	54,296	51,602	48,907	46,212
Rural Domestic GW Use	1,846	1,846	1,846	1,846	1,846
Non-De Minimis GW Use	55,145	52,450	49,755	47,060	44,366
Water System GW Use	1,250	1,250	1,250	1,250	1,250
Agricultural / Commercial GW Use	53,895	51,200	48,505	45,811	43,116

- Agricultural/Commercial GW use:
 - Calculated from a 5-year average of consumptive use (from LandIQ baseline).
 - Projected reduction of 20% over 5 years (5% reduction each year).
- Water System GW use:
 - Calculated by taking an 8-year average of water system GW use and multiplying it by the agricultural consumptive use multiplier (consumptive Ag GW use is 74% of Applied Ag GW use).
- Rural Domestic GW use:
 - Calculated by multiplying an updated Rural Domestic GW use estimate (2,483 AFY) by the agricultural consumptive use multiplier (74%).
- Non-De Minimis GW use:
 - Sum of Agricultural/Commercial and Water System GW use.
- Total GW Use
 - Sum of Agricultural/Commercial, Water System GW use, and Rural Domestic GW use.

PRELIMINARY RATE SCENARIOS

BUDGET SCENARIOS

Full Implementation Budget

- Budget as presented to the PBCC in December – included for reference.

Budget Scenario 3

- Budget with both Alternative Water Supply Projects removed (SWP and Blended Water Supply Programs).

Budget Scenario 5

- Alternative Budget Approach.

Budget Scenario 3a Modified

- Alternative Water Supply Projects Removed;
- Additional Funding for MILR and Water Conservation Programs.

EXTRACTOR CATEGORIES

- Rural Domestic Extractors.
 - Property owners utilizing groundwater for residential purposes.
- Water System Extractors.
 - Water systems utilizing groundwater to serve water customers.
- Commercial Extractors.
 - Property owners utilizing groundwater for commercial purposes (small subset of Basin parcels).
- Agricultural Extractors.
 - Property owners utilizing groundwater for agricultural irrigation.

SCENARIO I: FULL IMPLEMENTATION BUDGET

- Budget as presented to the PBCC in December (included for reference).

Key
Base Costs (all extractor categories)
Supplemental Non-De Minimis Costs (water system, agricultural, commercial extractors)
Supplemental Agricultural / Commercial Costs (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Average Costs
	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average
Program Administration						
	% Increase					
SGMA-Required		2.5%	2.5%	2.5%	2.5%	
Annual Report WY 2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
Ongoing Basin Monitoring Operations & Maintenance	\$300,000	\$307,500	\$315,188	\$323,067	\$331,144	\$ 315,380
Data Management System (DMS)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
SGMA-Required Subtotal	\$635,000	\$700,875	\$717,147	\$933,826	\$1,250,921	\$ 847,554
Administrative						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Office Space (including utilities, janitorial, etc)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Technical Consultant(s) to support administrative services	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
Outreach Program	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Website Creation and Management	\$15,000	\$2,500	\$2,563	\$2,627	\$2,692	\$ 5,076
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$826,500	\$851,838	\$873,133	\$894,962	\$917,336	\$ 872,754
Program Administration Subtotal	\$1,461,500	\$1,552,713	\$1,590,280	\$1,828,787	\$2,168,257	\$ 1,720,307
Projects and Management Actions						
Regulatory Projects						
Domestic Well Impact Mitigation Program	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Address Additional GSP Data Gaps (Monitoring Network, etc.)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
Well Verification/Registration Program	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	\$ 26,282
Demand Reduction Projects						
MILR Program	\$500,000	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000	\$ 1,150,000
Demand Management Program	\$100,000	\$150,000	\$150,000	\$100,000	\$100,000	\$ 120,000
Water Conservation and Irrigation Efficiency Program	\$50,000	\$50,000	\$75,000	\$75,000	\$75,000	\$ 65,000
Alternative Water Supply Projects						
<i>Blended Irrigation Water Supply Infrastructure Costs</i>	\$5,631,000	\$5,631,000	\$5,631,000	\$5,631,000	\$5,631,000	\$ 5,631,000
<i>SWP Supply Program</i>	\$50,000	\$2,000,000	\$2,500,000	\$3,000,000	\$5,000,000	\$ 2,510,000
Groundwater Recharge Program	\$25,000	\$150,000	\$150,000	\$1,000,000	\$1,000,000	\$ 465,000
Project Feasibility Reserve	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
Subtotal	\$6,706,000	\$9,089,750	\$9,873,719	\$11,682,912	\$14,192,335	\$ 10,308,943
Total	\$8,167,500	\$10,642,463	\$11,463,999	\$13,511,699	\$16,360,592	\$ 12,029,250
Base Costs	\$ 1,511,500	\$ 1,603,963	\$ 1,642,812	\$ 1,882,632	\$ 2,223,448	\$ 1,772,871
Supplemental Non-De Minimis Costs	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689	\$ 110,381	\$ 105,127
Supplemental Agricultural / Commercial Costs	\$ 6,556,000	\$ 8,936,000	\$ 9,716,125	\$11,521,378	\$14,026,763	\$ 10,151,253

SCENARIO 3: REDUCED PROJECT COST BUDGET

- Both alternative water supply programs removed from budget (State Water Supply Program and Blended Water Supply Program).

Key
Base Costs (all extractor categories)
Supplemental Non-De Minimis Costs (water system, agricultural, commercial extractors)
Supplemental Agricultural / Commercial Costs (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Average Costs
	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average 142
Program Administration	% Increase					
SGMA-Required	2.5%					
Annual Report WY 2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
Ongoing Basin Monitoring Operations & Maintenance	\$300,000	\$307,500	\$315,188	\$323,067	\$331,144	\$ 315,380
Data Management System (DMS)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
SGMA-Required Subtotal	\$635,000	\$700,875	\$717,147	\$933,826	\$1,250,921	\$ 847,554
Administrative						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Office Space (including utilities, janitorial, etc)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Technical Consultant(s) to support administrative services	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
Outreach Program	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Website Creation and Management	\$15,000	\$2,500	\$2,563	\$2,627	\$2,692	\$ 5,076
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$826,500	\$851,838	\$873,133	\$894,962	\$917,336	\$ 872,754
Program Administration Subtotal	\$1,461,500	\$1,552,713	\$1,590,280	\$1,828,787	\$2,168,257	\$ 1,720,307
Projects and Management Actions						
Regulatory Projects						
Domestic Well Impact Mitigation Program	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Address Additional GSP Data Gaps (Monitoring Network, etc.)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
Well Verification/Registration Program	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	\$ 26,282
Demand Reduction Projects						
MILR Program	\$500,000	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000	\$ 1,150,000
Demand Management Program	\$100,000	\$150,000	\$150,000	\$100,000	\$100,000	\$ 120,000
Water Conservation and Irrigation Efficiency Program	\$50,000	\$50,000	\$75,000	\$75,000	\$75,000	\$ 65,000
Alternative Water Supply Projects						
<i>Blended Irrigation Water Supply Infrastructure Costs</i>	\$0	\$0	\$0	\$0	\$0	\$ -
<i>SWP Supply Program</i>	\$0	\$0	\$0	\$0	\$0	\$ -
Groundwater Recharge Program	\$25,000	\$150,000	\$150,000	\$1,000,000	\$1,000,000	\$ 465,000
Project Feasibility Reserve	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
Subtotal	\$1,025,000	\$1,458,750	\$1,742,719	\$3,051,912	\$3,561,335	\$ 2,167,943
Total	\$2,486,500	\$3,011,463	\$3,332,999	\$4,880,699	\$5,729,592	\$ 3,888,250
Base Costs	\$ 1,511,500	\$ 1,603,963	\$ 1,642,812	\$ 1,882,632	\$ 2,223,448	\$ 1,772,871
Supplemental Non-De Minimis Costs	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689	\$ 110,381	\$ 105,127
Supplemental Agricultural / Commercial Costs	\$ 875,000	\$ 1,305,000	\$ 1,585,125	\$ 2,890,378	\$ 3,395,763	\$ 2,010,253

SCENARIO 3: REDUCED PROJECT COST BUDGET RATES

1. 10730.2 Funding All Costs		FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Year 1 Revenue	
Averaged Rate	Charge Basis	Year 1	Year 2	Year 3	Year 4	Year 5	Revenue by Category	Total - All Revenue
Domestic Rate	<i>Per AF</i>	\$31	\$33	\$34	\$36	\$38	\$57,439	\$3,888,250
Water System Rate	<i>Per AF</i>	\$33	\$35	\$36	\$38	\$41	\$41,263	
Agricultural / Commercial Rate	<i>Per AF</i>	\$70	\$74	\$78	\$82	\$87	\$3,789,549	

SCENARIO 5: ALTERNATIVE BUDGET APPROACH

- Budget reorganized based on an alternative approach.
- “Prudent Reserve” provides potential project funding during first 5 years of fee program.

Key
Base Costs (all extractor categories)
Supplemental Non-De Minimis Costs (water system, agricultural, commercial extractors)
Supplemental Agricultural / Commercial Costs (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Average Costs
	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average
Program Administration	% Increase					144
SGMA-Required & Reporting	2.5%					
Annual Report WY 2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
10% Contingency	\$89,400	\$97,395	\$99,705	\$122,072	\$154,499	\$ 112,614
SGMA-Required Subtotal	\$199,400	\$260,145	\$265,274	\$490,530	\$825,918	\$ 408,253
Administrative						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	\$ 26,282
Office Space (including utilities, janitorial, etc)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Consultant(s) to support Basin Management	\$100,000	\$102,500	\$105,063	\$107,689	\$110,381	\$ 105,127
Outreach Program	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Website Creation and Management	\$30,000	\$20,800	\$21,320	\$21,853	\$22,399	\$ 23,274
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$784,000	\$811,200	\$831,480	\$852,267	\$873,574	\$ 830,504
Program Administration Subtotal	\$983,400	\$1,071,345	\$1,096,754	\$1,342,797	\$1,699,492	\$ 1,238,758
Operations, Management Actions, & Programs						
Operations						
Ongoing Basin Monitoring Operations & Maintenance	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
Data Management System (DMS)	\$50,000	\$40,000	\$41,000	\$42,025	\$43,076	\$ 43,220
Technical Consultants Support	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
Regulatory Projects						
Domestic Well Impact Mitigation Program	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Address Additional GSP Data Gaps (Monitoring Network, etc.)	\$175,000	\$179,375	\$183,859	\$188,456	\$193,167	\$ 183,971
Demand Reduction Projects						
Extractor Management, Basin Performance	\$400,000	\$200,000	\$225,000	\$250,000	\$275,000	\$ 270,000
Other Programs						
"Prudent Reserve" for Future Projects and Programs	\$750,000	\$800,000	\$850,000	\$900,000	\$950,000	\$ 850,000
Recognized Programs & Projects for consideration:						
MILR/Fallowing						
MILR/Land Repurposing						
Well Verification/Registration Program						
Water Conservation and Irrigation Efficiency Program						
Groundwater Recharge Program						
Other Potential Programs						
Subtotal	\$1,975,000	\$1,834,375	\$1,930,234	\$2,026,615	\$2,123,531	\$ 1,977,951
Total	\$2,958,400	\$2,905,720	\$3,026,988	\$3,369,412	\$3,823,023	\$ 3,216,709
Base Costs	\$ 1,633,400	\$ 1,726,345	\$ 1,768,129	\$ 2,030,956	\$ 2,404,855	\$ 1,912,737
Supplemental Non-De Minimis Costs	\$ 575,000	\$ 379,375	\$ 408,859	\$ 438,456	\$ 468,167	\$ 453,971
Supplemental Agricultural / Commercial Costs	\$ 750,000	\$ 800,000	\$ 850,000	\$ 900,000	\$ 950,000	\$ 850,000

SCENARIO 5: ALTERNATIVE BUDGET APPROACH RATES

1. 10730.2 Funding All Costs		FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Year 1 Revenue	
Averaged Rate	Charge Basis	Year 1	Year 2	Year 3	Year 4	Year 5	Revenue by Category	Total - All Revenue
Domestic Rate	<i>Per AF</i>	\$34	\$35	\$37	\$39	\$41	\$61,970	\$3,216,709
Water System Rate	<i>Per AF</i>	\$42	\$44	\$46	\$49	\$52	\$52,236	
Agricultural / Commercial Rate	<i>Per AF</i>	\$58	\$60	\$64	\$67	\$71	\$3,102,502	

SCENARIO 3A: REDUCED PROJECT COST BUDGET MODIFIED

GSA STAFF RECOMMENDATION

- Both alternative water supply programs removed from budget (State Water Supply Program and Blended Water Supply Program).
- Additional funding provided for:
 - MILR Program (additional \$2,000,000 over 5 years).
 - Water Conservation and Irrigation Efficiency Program (additional \$375,000 over 5 years).

Key
Base Costs (all extractor categories)
Supplemental Non-De Minimis Costs (water system, agricultural, commercial extractors)
Supplemental Agricultural / Commercial Costs (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Average Costs
	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average 146
Program Administration	% Increase					
SGMA-Required	2.5%					
Annual Report WY 2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
Ongoing Basin Monitoring Operations & Maintenance	\$300,000	\$307,500	\$315,188	\$323,067	\$331,144	\$ 315,380
Data Management System (DMS)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
SGMA-Required Subtotal	\$635,000	\$700,875	\$717,147	\$933,826	\$1,250,921	\$ 847,554
Administrative						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Office Space (including utilities, janitorial, etc)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Technical Consultant(s) to support administrative services	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
Outreach Program	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Website Creation and Management	\$15,000	\$2,500	\$2,563	\$2,627	\$2,692	\$ 5,076
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$826,500	\$851,838	\$873,133	\$894,962	\$917,336	\$ 872,754
Program Administration Subtotal	\$1,461,500	\$1,552,713	\$1,590,280	\$1,828,787	\$2,168,257	\$ 1,720,307
Projects and Management Actions						
Regulatory Projects						
Domestic Well Impact Mitigation Program	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Address Additional GSP Data Gaps (Monitoring Network, etc.)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
Well Verification/Registration Program	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	\$ 26,282
Demand Reduction Projects						
MILR Program	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000	\$ 1,550,000
Demand Management Program	\$100,000	\$150,000	\$150,000	\$100,000	\$100,000	\$ 120,000
Water Conservation and Irrigation Efficiency Program	\$100,000	\$100,000	\$150,000	\$150,000	\$200,000	\$ 140,000
Alternative Water Supply Projects						
Blended Irrigation Water Supply Infrastructure Costs	\$0	\$0	\$0	\$0	\$0	\$ -
SWP Supply Program	\$0	\$0	\$0	\$0	\$0	\$ -
Groundwater Recharge Program	\$25,000	\$150,000	\$150,000	\$1,000,000	\$1,000,000	\$ 465,000
Project Feasibility Reserve	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
Subtotal	\$1,325,000	\$1,758,750	\$2,317,719	\$3,626,912	\$4,186,335	\$ 2,642,943
Total	\$2,786,500	\$3,311,463	\$3,907,999	\$5,455,699	\$6,354,592	\$ 4,363,250
Base Costs	\$ 1,511,500	\$ 1,603,963	\$ 1,642,812	\$ 1,882,632	\$ 2,223,448	\$ 1,772,871
Supplemental Non-De Minimis Costs	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689	\$ 110,381	\$ 105,127
Supplemental Agricultural / Commercial Costs	\$ 1,175,000	\$ 1,605,000	\$ 2,160,125	\$ 3,465,378	\$ 4,020,763	\$ 2,485,253

SCENARIO 3A: REDUCED PROJECT COST BUDGET *MODIFIED* RATES

1. 10730.2 Funding All Costs		FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Year 1 Revenue	
Averaged Rate	Charge Basis	Year 1	Year 2	Year 3	Year 4	Year 5	Revenue by Category	Total - All Revenue
Domestic Rate	<i>Per AF</i>	\$31	\$33	\$34	\$36	\$38	\$57,439	\$4,363,250
Water System Rate	<i>Per AF</i>	\$33	\$35	\$36	\$38	\$41	\$41,263	
Agricultural / Commercial Rate	<i>Per AF</i>	\$79	\$83	\$88	\$93	\$98	\$4,264,549	

RATE COMPARISON

Budget Scenarios		Scenario 1	Scenario 3	Scenario 5	Scenario 3 - Modified
		Full Implementation Budget (For Reference)	Alternative Water Supply Projects Removed	Alternative Approach	Alternative Water Supply Projects Removed; Additional Funding for MILR and Water Conservation Programs
Total Budget		\$12,029,250	\$3,888,250	\$3,216,709	\$4,363,250
Extractor Category	Charge Basis	Rate	Rate	Rate	Rate
Domestic Rate	<i>Per AF</i>	\$34	\$34	\$37	\$34
Water System Rate	<i>Per AF</i>	\$36	\$36	\$46	\$36
Agricultural / Commercial Rate	<i>Per AF</i>	\$246	\$78	\$64	\$88

Notes:

- Year 3 rates are shown for simplicity.
- The fee study will establish the *maximum* budget amount and rates that can be charged each year. The PBCC / Successor Agency will determine the annual budget and rates each year, which may be lower than the maximum.

OTHER CONSIDERATIONS

FEE IMPLEMENTATION TIMING & POTENTIAL FUNDING GAP

- Fee implementation will likely be completed in time for placement on the 2025-26 tax bills (August 2025).
- Tax roll revenue is typically distributed in two installments – around January and around May.
- Should the successor agency to the PBCC elect to utilize this method of collection (this is recommended), funds will not begin to be distributed by the County until around January 2026.
 - ***This would bring about a 6-month funding gap in FY 2025-26.***

Potential solution:

- GSAs could contribute funding based on their apportioned costs determined by the fee study.
 - Funds could be a continued contribution to the PBCC or successor agency.
 - Funds could be repaid to member agencies once tax bill revenue is distributed by the County – although this could produce further cash flow issues in Q1 of 2025.

NOTE ON DE MINIMIS (DOMESTIC) EXTRACTORS:

- Per Proposition 218 requirements, cost apportionment must relate to the benefit or service being provided to those being charged (groundwater extractors).
- Today's preliminary cost apportionment attempts to account for the relatively minimal service / benefit provided to domestic extractors. However, some costs (such as Program Administration and Domestic Well Impact Mitigation) likely provide a service / benefit to these extractors.
- Although GSA staff initially expressed a desire that de minimis users not be required to pay a fee, this approach would likely require the GSAs to absorb the costs allocated to these users in the rate study.
- Due to challenges associated with the GSAs covering these costs, staff is now considering the possibility of charging these extractors.
- Depending on the final estimate of groundwater use per residence, this charge will likely be minimal.

RURAL DOMESTIC GROUNDWATER RATES

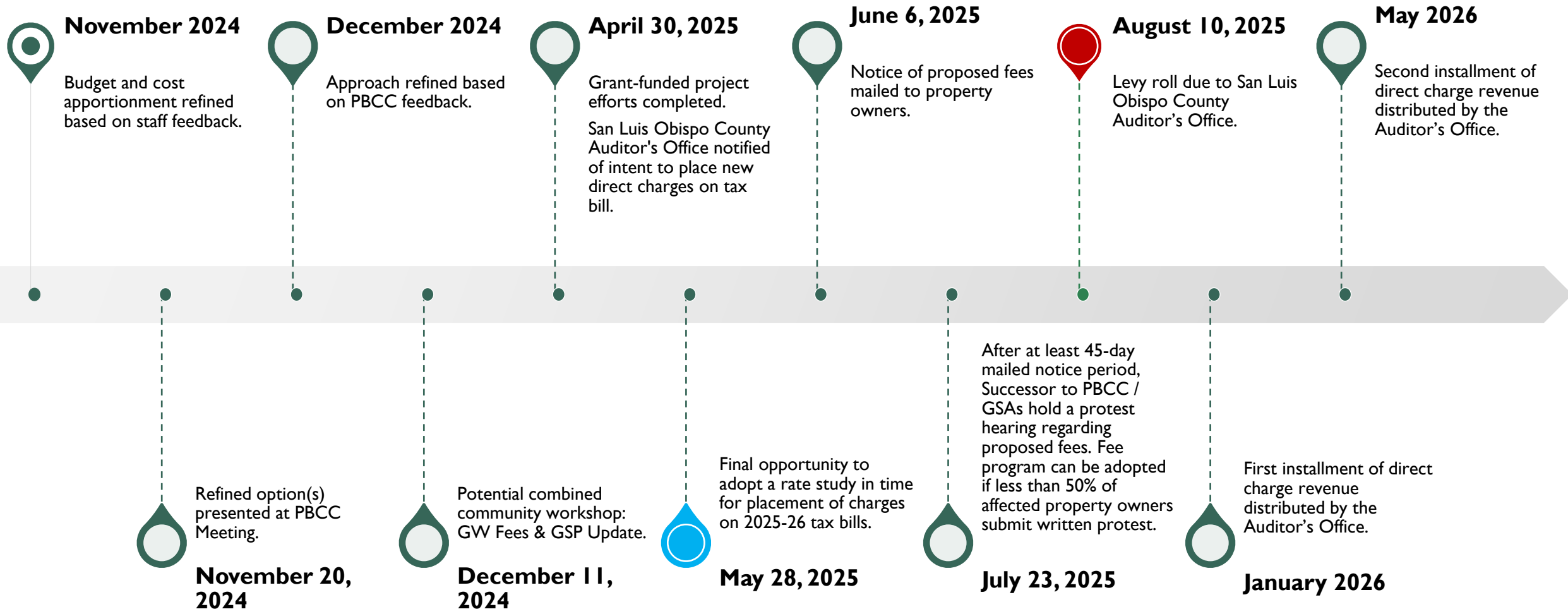
- The updated estimate of rural domestic groundwater use produces an applied water amount of 0.62 AFY.
- A preliminary consumptive use calculation reduces this amount by 26% to 0.46 AFY.
- Multiplying this preliminary consumptive use estimate by a rate of \$35 produces an annual charge of about **\$16 per rural domestic parcel**.
- This amount would then be either charged to domestic extractors directly or paid for by PBCC members.

Potential Domestic Rate Per AF	\$35.00
Domestic Applied GW Use Estimate	0.62 AFY
Domestic Consumptive GW Use Estimate	0.46 AFY
Potential Annual Domestic Fee Amount	\$16.14

REVENUE FLUCTUATION

- Volumetric fee programs can present challenges related to revenue fluctuation.
 - (If GW use is reduced, revenue is also reduced).
- Several measure can be taken to address this:
 1. Project a reduction in GW use (already incorporated in rate calculations – 20% Ag reduction over 5 years).
 2. Inclusion of a reserve fund in the budget.
 3. Inclusion of a contingency allowance in GW use estimates (can be a percentage of total consumptive use).

WATER CODE 10730.2 (PROP 218) FEE IMPLEMENTATION TIMELINE



QUESTIONS / DISCUSSION

COST OF SERVICE STUDY PROGRESS UPDATE

JANUARY 22, 2025