SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

Rate Study Report – FINAL DRAFT

June 5, 2025

RAFTELIS

RAFTELIS

June 5, 2025

Mr. William J. Buelow
General Manager
P.O. Box 719
Santa Ynez, CA 93460

Subject: Groundwater Charge Rate Study Report – FINAL DRAFT

Dear Mr. Buelow:

Raftelis is pleased to provide this Groundwater Charge Rate Study report for the Santa Ynez River Water Conservation District (District). This report includes a financial plan for fiscal year 2025-2026 (FYE 2026) through FYE 2030. From those plans and a cost-of-service analysis, groundwater rates for FYE 2026 have been developed.

The major objectives of the study include the following:

- Develop a financial plan to support financial sufficiency to meet operation and maintenance (O&M) costs and provide adequate reserves consistent with SYRWCD board policy.
- Conduct a cost-of-service study that is based on the District's costs.
- Calculate proposed, updated groundwater charge rates for FYE 2026.
- Conduct an analysis of the effects of the proposed rates on District groundwater producers; and
- Demonstrate that the amount raised by the proposed groundwater rates are necessary to reasonably cover the costs of the District's activities, and that proposed rates are allocated to District producers in a manner that bears a fair or reasonable relationship to the costs of serving them, consistent with Proposition 26 (Cal. Const., Art. 13C, § 1).

The report summarizes the key findings and recommendations related to the development of the financial plan and the development of the associated groundwater charge rates.

It has been a pleasure working with you, and we also appreciate your secretary's, Ms. Amber Thompson's, and the District engineer's and legal counsel's assistance during the course of the study.

Sincerely,

Sudhir Pardiwala, PE
Senior Principal

Theresa Jurotich, PE
Manager

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Abbreviations & Acronyms

Terms	Descriptions
AF	Acre foot /Acre feet, 1 AF = 325,851 gallons
DWR	California Department of Water Resources
FY	Fiscal Year (July 1st to June 30th)
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
O&M	Operations and Maintenance
Raftelis	Raftelis Financial Consultants, Inc.
SGMA	Sustainable Groundwater Management Act
SWRCB	State Water Resources Control Board

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1. Executive Summary

The Santa Ynez River Water Conservation District ("District") was formed in 1939. At the time of the District's formation, investigations were under way to build another reservoir that would divert Santa Ynez River water from the watershed of the Santa Ynez River to the South Coastal Area of Santa Barbara County.

The District was formed for the purpose of, among other things, making surveys and investigations of water supplies and resources, and protecting, conserving and augmenting water rights and supplies, within the District, including, but not limited to, Santa Ynez River and groundwater supplies. As proposed, the District's boundaries include "the entire watershed of the Santa Ynez River and its tributaries below Gibraltar drainage basin and excepting portions of the government land. … [The District] is limited to the watershed of the Santa Ynez River and its tributaries because [the] district represents a unit area in which the problems of control and conservation are intimately associated and must be considered and solved together." (See, FACTS About The Proposed Santa Ynez River Water Conservation District, Santa Ynez River Water Conservation District Organization Committee, (May 1939), p. 7).

The District's boundaries cover approximately 180,000 acres of land in two discontinuous areas within the watershed and Santa Ynez River Vally Groundwater Basin, extending from Lake Cachuma to the Pacific Ocean. The Santa Barbara County Local Agency Formation Commission ("LAFCO") recognizes the District's sphere of influence to be the entire Santa Ynez River Watershed and its tributaries (https://www.sblafco.org/santa-ynez-river-water-conservation-map).

The District is a California Water Conservation District formed pursuant to the Water Conservation District Law of 1931 (Wat. Code, §§ 74000 *et seq.*). Pursuant to Water Code sections 74508 and 75500, *et seq.*, the District is expressly authorized to impose groundwater charges within its boundaries, which the Legislature has declared to be in furtherance of District activities in the protection and augmentation of the water supplies for users within the District or a zone or zones thereof which are necessary for the public health, welfare, and safety of the people of this state. (Wat. Code, § 75521.) The District has, since 1979, levied groundwater charges on all public and private operators of groundwater-producing facilities registered within the District to help recover its costs, including the costs of protecting, augmenting, conserving, and enhancing water rights and water supplies within the District.

The Santa Ynez River, including associated younger alluvium riparian deposits, comprise one of the largest water supply sources within the District and Basin. Due to the geographic nexus that the Santa Ynez River provides through the entire District, the adjacent upland groundwater aquifers benefit from the District's activities including the augmentation of surface water of the Santa Ynez River, including the alluvium, and protection against water exports to the South Coast. Without the protection, conservation, and augmentation of the Santa Ynez River source by the District through various activities, including the District's continued advocacy for and making and coordination of releases of Santa Ynez River water downstream of Cachuma Project's Bradbury Dam for beneficial uses within the District, including as provided in SWRCB WRO 2019-0148 and the 2002 Settlement Agreement between the District, Improvement District No. 1 and the Cachuma Conservation Release Board ("CCRB"), and the absence of alternative supplies to meet water demands within the District, there would be additional pumping of groundwater from the upland groundwater zones adjacent to the Santa Ynez River zones (Zones A and B). The combined sustainable yield of the upland

groundwater Zones C through F (17,000 AFY) are a fraction of the average annual flow of the Santa Ynez River (100,000 AFY). This is because most of the rainfall in the Santa Ynez River watershed occurs upstream of Cachuma Lake at higher elevations.

The District's activities that are performed by its staff, consultants, and legal counsel include but are not limited to the following:

- Investigate, forecast and report on surface water and groundwater conditions within the District, including, estimates of surface water use, and imported water purchased by contract; estimated groundwater use and volume of groundwater overdraft; and estimates of groundwater in storage, as required by and pursuant to Water Code section 75560 *et seq*.
- Determine the volume of groundwater needed to replenish dewatered storage in alluvial aquifers below Cachuma Project's Bradbury Dam. Plan, schedule, and administer the release of water from and downstream of the Bradbury Dam for the satisfaction and benefit of downstream water rights and water quality, including the timing, location, volume, and rate of flows needed to recharge the river alluvium and the Lompoc Plain for the Above Narrows Account ("ANA") and Below Narrows Account ("BNA"), as provided in State Water Resources Control Board Order No. WRO 2019-0148 and the 2002 Settlement Agreement, which describes in detail, the District's role to protect and augment water supplies within the District.
- Coordinate and provide advance warning to District constituents downstream of Bradbury Dam regarding impending storm operations minimizing potential damage to downstream assets along the lower Santa Ynez River.
- Review and contribute to the preparation of, and compliance with applicable biological assessments and opinions, including associated consultations, revisions, and replacements, for the protection of endangered species in the Santa Ynez River, in a manner that assures that downstream water rights and water quality in the basin and downstream of Bradbury Dam are augmented, conserved, and protected.
- Require, collect, record, and maintain records of individual groundwater producer's production within the District (since 1979) as part of its groundwater production reporting program.
- Levy and collect charges on groundwater production within the District to fund the District's operations.
- Provide technical and legal expertise to District's constituents to protect downstream water rights.
- Participate in the Integrated Regional Water Management Plan process to promote regional water management strategies to ensure sustainable and reliable water supplies, including the protection of agriculture.
- Coordinate and support integrated watershed management within the Santa Ynez Basin, as a member agency of all three GSAs in the Basin, and as one of the largest and longest standing water-resource management agencies in the Santa Ynez River Valley Groundwater Basin.
- Support all three GSAs' implementation of their Groundwater Sustainability Plans (GSPs) to achieve their respective groundwater sustainability goals. This includes providing groundwater production and other data to support GSA activities, as requested by the GSAs, and data collected by the District as part of its groundwater production reporting program.
- Develop and submit grant applications and administer over $6.5M in grant funding as Grantee on behalf of the three GSAs to support SGMA activities in the Basin.

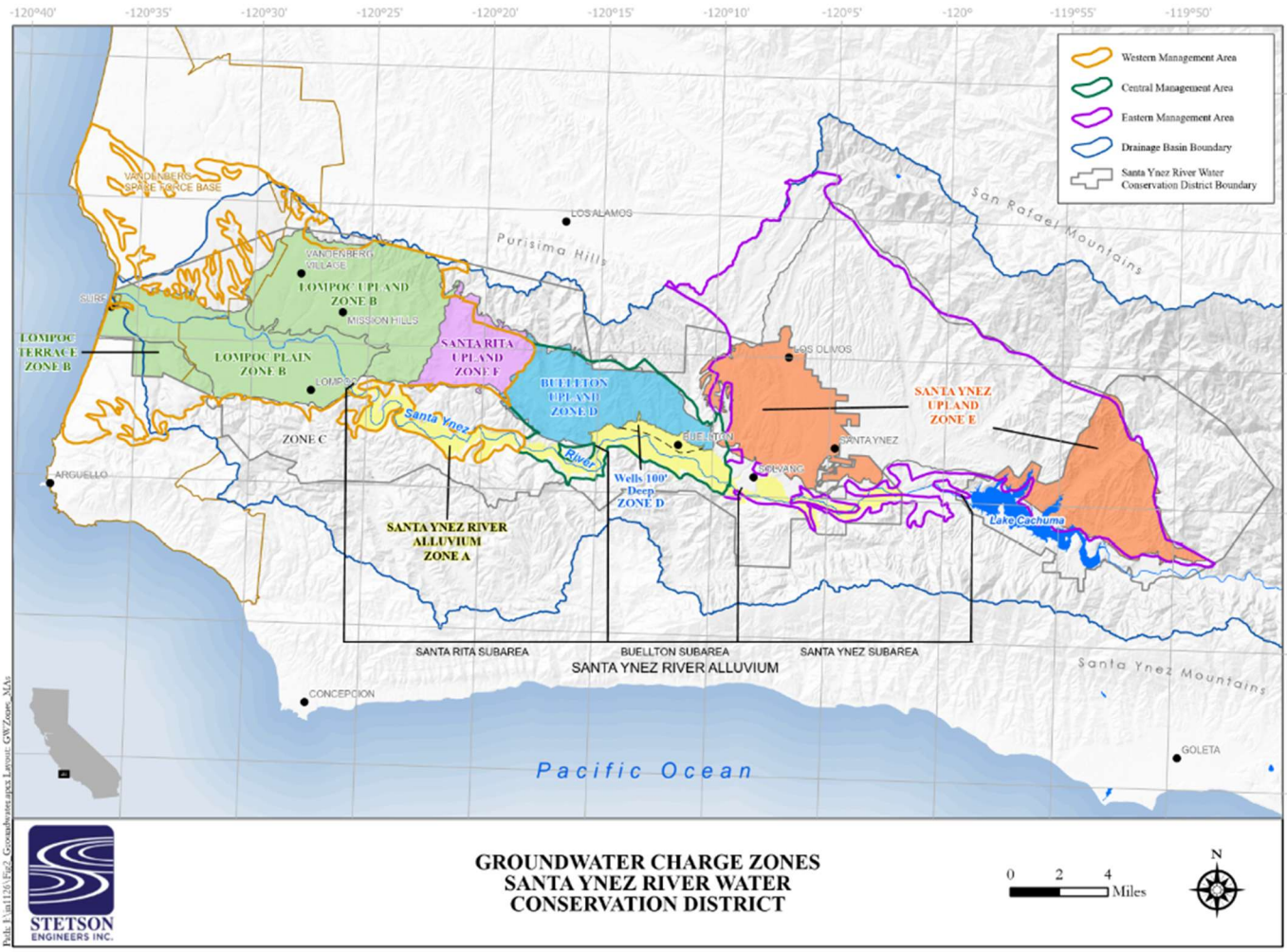
The District comprises two non-contiguous areas and encompasses approximately 180,000 acres that includes the cities of Lompoc, Solvang, and Buellton; the communities of Vandenberg Village, Mission Hills, Santa

Ynez, and Los Olivos; two federal installations; and rural areas with agriculture and suburban development. Groundwater, as defined by Water Code section 75502, mostly occurs in the unconsolidated alluvial deposits of the Santa Ynez River and Lompoc Plain and in the older poorly consolidated deposits of the Santa Ynez Upland, Lompoc Upland, Buellton Upland, Santa Rita Upland, and Lompoc Terrace subareas. These subareas are defined as zones as follows:

- Zone A – District portion of the Santa Ynez River alluvial channel from San Lucas Bridge downstream to Lompoc Narrows
- Zone B – District portion of the Lompoc Plain, Lompoc Upland, and Lompoc Terrace groundwater subareas
- Zone C – All other portions of the District not included in Zones A, B, D, E, and F
- Zone D – District portion of the Buellton Upland subarea (including a portion of the groundwater aquifer extending under Zone A)
- Zone E – District portion of the Santa Ynez Upland subarea
- Zone F – District portion of the Santa Rita Upland subarea

The zones are shown in two dimensions in Figure 1-1, on the following page.

Figure 1-1: Groundwater Zones



The major objectives of this study include the following:

- Develop a financial plan to support financial sufficiency, meet operation and maintenance (O&M) costs, and provide adequate reserves.
- Conduct a water cost-of-service study that is based on the District's costs.
- Calculate proposed, updated water rates for Fiscal Year Ending (FYE) June 30, 2026 (FYE 2026).
- Conduct an analysis of the effects of the proposed rates on District groundwater producers; and
- Demonstrate that the amount raised by the proposed groundwater rates are necessary to cover the reasonable costs of the District's required activities, and that proposed rates are allocated to District producers in a manner that bears a fair or reasonable relationship to the payor's burdens on, or benefits received, from the District's activities, consistent with Proposition 26 (Cal. Const., Art. 13C, § 1).

This report summarizes the rate study's 5-year financial plan and FYE 2026 rate development. The District intends to update this 5-year plan every year with a new 5-year projection so that the Board can maintain a 5-year outlook. However, the District's rates are set on an annual basis under Water Code sections 75500-75642.

1.1. Methodology

Raftelis and the District developed the proposed groundwater rates using cost-of-service principles set forth by the American Water Works Association M1 Manual titled *Principles of Water Rates, Fees and Charges*, with modifications to align with the requirements of California's Proposition 26 and related California law.

Raftelis worked with District staff to develop a financial plan by preparing detailed projections of revenue sources and expenditure items. The operating revenues and O&M costs estimates are based on projected groundwater pumping from the findings of Stetson Engineers' *Forty-Seventh Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District* dated March 3, 2025, as adjusted based on receipt of any amended pumping reports received after the publication of the report, current rates, and District staff estimates of revenues and costs. The financial plan projection shows that revenue adjustments in FYE 2026 – FYE 2030 are not needed to meet annual obligations and maintain reserves at the recommended levels, because the District does not anticipate continuing to loan the GSA's funds to cover SGMA costs after FYE 2026. However, as groundwater production changes the cost allocations may change, resulting in updated rates for FYE 2026. Additionally, property tax revenue was used to adjust groundwater charge rates as described below.

Raftelis calculated the District's revenue requirements for FYE 2026 and the resulting rates and structure.

1.2. Proposed Financial Plan and Revenue Adjustments

The financial planning model enables the District to set rates to generate sufficient revenue to meet its short-term obligations. Table 1-1 shows the proposed groundwater charge revenue adjustments for FYE 2026. The projected adjustments for FYE 2026 - FYE 2029 are shown for planning purposes only. The reductions in revenue adjustments are a result of

- Increased revenue from ad-valorem property taxes
- Increased groundwater production
- Reduced SGMA expenses for District
- Reduced loans to GSAs and sunsetting after FYE 2026

- Higher starting fund balances

The resulting fund balances meet the District's targets.

Table 1-1: Proposed Revenue Adjustments

Date	Proposed/Projected Revenue Adjustment
July 1, 2025	-10.0%
July 1, 2026	*-7.0%*
July 1, 2027	*-7.0%*
July 1, 2028	*-7.0%*
July 1, 2029	*-7.0%*

Table 1-2 shows the projected financial plan based on the District's budgeted expenses, rate-based revenue under existing rates, and other non-rate revenue incorporating the proposed revenue reductions (Lines 2 - 6). Note that while rates go into effect at the beginning of the fiscal year, due to semi-annual billing and timing of payments, revenues under the adjustments are only realized for half of the fiscal year in the first year. Therefore, the Number of Months Effective, 'No. Mon. "Effective"' column shows 6 months instead of 12. Line 1 shows revenue from the current rates, assuming no change in rates. Line 7 shows the revenue adjustments each year. Other Revenues are shown in Lines 8 - 13. Line 8 shows projected property tax revenue. Line 9 shows a small amount of miscellaneous revenue. Line 10 shows revenue from the CMA for administrative support. Line 11 shows SGMA grant administration reimbursement. Interest revenues (Line 12) are based on budgeted numbers in FYE 2025 and FYE 2026 and then presumed to be 2.5 percent for the remaining fiscal years. Line 14 shows total projected revenues.

Table 1-2: Projected Financial Plan Cashflow

No.	Cashflow			FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
1	Groundwater Rate Revenue Under Existing Rates			$685,168	$719,489	$719,489	$719,489	$719,489	$719,489
	Revenue Adjustments	% Adj.	No. Mon. "Effective"						
2	FY 2026	-10.0%	6		($35,974)	($71,949)	($71,949)	($71,949)	($71,949)
3	FY 2027	-7.0%	6			($22,664)	($45,328)	($45,328)	($45,328)
4	FY 2028	-7.0%	6				($21,077)	($42,155)	($42,155)
5	FY 2029	-7.0%	6					($19,602)	($39,204)
6	FY 2030	-7.0%	6						($18,230)
7	Total Revenue Adjustments			$0	($35,974)	($94,613)	($138,354)	($179,033)	($216,865)
	Other Revenue								
8	SB County Property Taxes			$400,000	$412,000	$424,360	$437,091	$450,204	$463,710
9	Misc. Income			$242	$250	$250	$250	$250	$250
10	Administrative Support to GSA(s)			$90,000	$40,000	$40,000	$40,000	$40,000	$40,000
11	SGMA Grant Administration/Reimbursement			$36,000	$104,276	$0	$0	$0	$0
12	Interest Income			$90,000	$75,000	$67,091	$74,401	$78,294	$77,608
13	Total Other Revenue			$616,242	$631,526	$531,701	$551,741	$568,747	$581,567
14	Total Revenue			$1,301,410	$1,315,040	$1,156,577	$1,132,876	$1,109,202	$1,084,191
	Operation & Maintenance								
15	Routine Operation			$778,000	$800,313	$824,738	$849,908	$875,846	$902,576
16	Special Studies			$47,000	$40,000	$41,200	$42,436	$43,709	$45,020
17	SGMA			$35,000	$35,000	$10,000	$10,000	$10,000	$10,000
18	Legal & Engineering								
19	General and Misc.			$46,500	$44,500	$45,835	$47,210	$48,626	$50,085
20	Annual G.W. Report			$25,000	$25,000	$25,750	$26,523	$27,318	$28,138
21	WR Decision (2019-0148)			$6,000	$42,000	$43,260	$44,558	$45,895	$47,271
22	Downstream Releases / Upper SYR Operations			$16,000	$74,500	$76,735	$79,037	$81,408	$83,850
23	Fisheries Issues/Hydrology			$15,000	$20,000	$20,600	$21,218	$21,855	$22,510
24	Contingency			$30,000	$50,000	$50,000	$50,000	$50,000	$50,000
25	Total Operation & Maintenance			$998,500	$1,131,313	$1,138,118	$1,170,889	$1,204,657	$1,239,451
26	GSA Loan & Repayment			($281,124)	($325,000)	$302,173	$302,173	$142,735	$53,110
27	Refund of Overpayment Due to Incorrect Reporting			$59,902					
28	Net Income (Annual Surplus/(Deficit))			($38,116)	($141,273)	$320,631	$264,159	$47,280	($102,151)
29	Beginning Balance			$2,702,706	$2,664,590	$2,523,317	$2,843,948	$3,108,107	$3,155,388
30	Ending Balance			$2,664,590	$2,523,317	$2,843,948	$3,108,107	$3,155,388	$3,053,237
31	Target Reserve (1)			$2,390,000	$2,485,907	$2,500,541	$2,515,622	$2,531,161	$2,547,173
32	Minimum Reserve			$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000

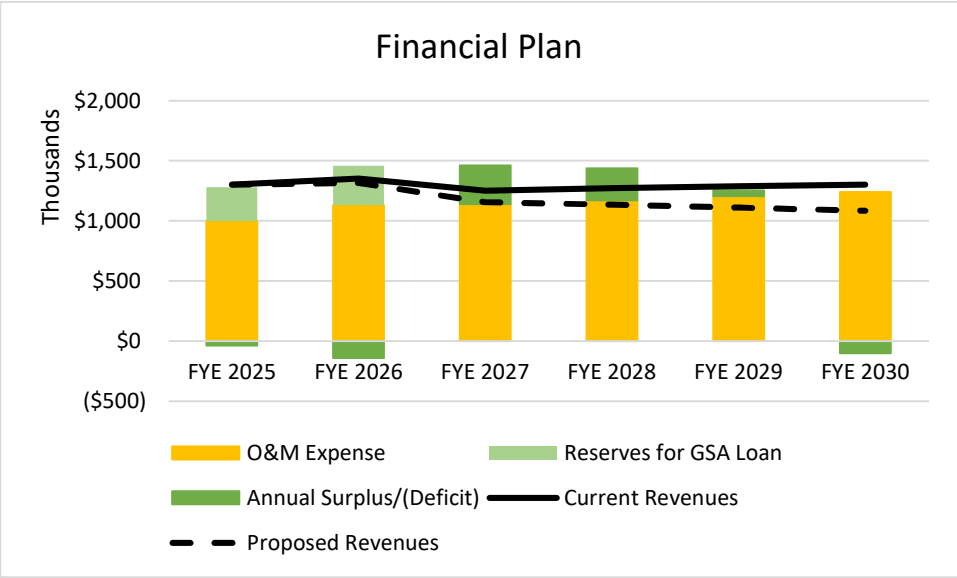
(1) Target Reserve = Min + 50% Operating Expenses excluding SGA-related costs.

Lines 15 – 25 summarize the O&M expense projections. Line 26 shows the projected GSA loan to the GSA's for their operational budgets and then the GSA's anticipated repayment of the loans. Lines 29 and 30 show the projected beginning and ending Investment Reserves fund balance, respectively. Line 31 shows the target reserve, which is the minimum reserve of $2 million plus 50 percent of annual operating expenses excluding SGMA-related costs (Table 3-7). The minimum reserve is established by Board policy to cover emergencies and unexpected events, including potential litigation. The remainder of the reserve is recommended by Raftelis to provide working capital for the District's expenses, given the required semiannual billing. Revenue adjustments proposed in this financial plan are calculated to draw upon this reserve while still staying at or above target by the end of FYE 2030. Comparing Line 30 to Line 31 and Line 32 shows that the financial

plan is expected to maintain reserves at or above the target reserve requirements. The proposed financial plan supports financial sufficiency and solvency for the District to meet projected expenditures.

Figure 1-2 graphically illustrates the proposed operating Financial Plan – it compares the existing (current) and proposed revenues with projected expenses. The stacked bars show O&M expenses. The green bars above the X-axis show the net cash used to build up the reserves and the bars below the X-axis show the withdrawals from reserves to fund costs. The annual deficit shown in FYE 2025 and FYE 2026 is due mostly to the GSA loans, and the annual surplus in FYE 2027 through FYE 2029 is mostly due to the GSAs' repayment of the loans provided by the District. Then reserves are draw upon again in FYE 2030. Total revenues at existing and proposed rates are shown by horizontal black solid and dashed lines, respectively.

Figure 1-2: Projected Financial Plan



1.3. Proposed FY 2025-2026 Rates

1.3.1. Proposed Groundwater Charge Rates

Table 1-3 presents the current water rate and the proposed FYE 2026 water rate. While the overall revenue is projected to be sufficient for FYE 2026, changes in groundwater production as well as discretionary use of property tax revenues result in updated rates for each zone. The proposed rate is rounded up to the nearest ten cents to ensure adequate cost recovery.

Table 1-3: Current and Proposed Usage Rates, $/AF

Rate	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
Current	$22.60	$15.70	$13.70	$13.70	$13.70	$13.70
Proposed, FYE 2026	$22.00	$14.80	$9.20	$9.20	$9.20	$9.20

1.3.2. Average Producer Statement Impact

The average usage varies by zone, and therefore Table 1-4 through Table 1-6 illustrates the groundwater producer's statement impact for an average agricultural producer, an average special irrigation producer, and an average Other (non-agricultural) producer within each zone on the January 2025 statement. Average groundwater extraction per statement is based on FYE 2024 data from Stetson Engineers' *Forty-Seventh Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District* dated March 3, 2025, as adjusted based on receipt of any amended pumping reports received after the publication of the report.

Table 1-4: Average Agricultural Producer by Zone, FYE 2026 Statement Impact

Agricultural	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
Average AF/Statement	35.2	49.1	0.3	11.9	6.5	15.8
Current Statement	$795.52	$770.48	$3.67	$162.98	$89.18	$216.69
Proposed Statement	$774.40	$726.31	$2.47	$109.45	$59.89	$145.51
Statement Change, $	-$21.12	-$44.17	-$1.21	-$53.53	-$29.29	-$71.17

Table 1-5: Average Special Irrigation Producer by Zone, FYE 2026 Statement Impact

Special Irrigation	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
Average AF/Statement	2.5	3.2	0.1	0.3	0.1	0.0
Current Statement	$56.45	$50.62	$1.79	$4.10	$0.70	$0.00
Proposed Statement	$54.95	$47.71	$1.20	$2.75	$0.47	$0.00
Statement Change, $	-$1.50	-$2.90	-$0.59	-$1.35	-$0.23	$0.00

Table 1-6: Average Other (Non-Agricultural) Producer by Zone, FYE 2026 Statement Impact

Non-Agricultural	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
Average AF/Statement	8.2	17.9	11.7	5.4	5.1	1.6
Current Statement	$184.90	$281.23	$159.88	$74.60	$70.30	$21.27
Proposed Statement	$180.00	$265.11	$107.37	$50.10	$47.21	$14.28
Statement Change, $	-$4.91	-$16.12	-$52.52	-$24.51	-$23.09	-$6.99

2. Legal Framework

Proposition 26, codified in the California Constitution as Article XIII C, was approved by voters in 2010 to require a supermajority vote to pass new taxes. Furthermore, Proposition 26 expanded the definition of "tax." Under the new definition, a tax is any levy, charge, or action of any kind imposed by a local government. Any fees or charges that are not exempted in the language of Proposition 26 are considered taxes and subject to voter approval.

Under Proposition 26, local water agencies must demonstrate their fees and charges are not taxes by showing that they fall within one of the exceptions in Proposition 26, which include, among others, the following:

> *(e) As used in this article, "tax" means any levy, charge, or exaction of any kind imposed by a local government, except the following:*
>
> > *(1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the government of conferring the benefit or granting the privilege.*
> >
> > *(2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.*

In order not to be considered a tax, Prop 26 requires that local agencies must demonstrate "that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity."

The calculation of the rates and charges, proportional to the service received, in this study are not considered taxes under Proposition 26 because the costs bear a fair and reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

3. Financial Plan

Determining a district's revenue requirement is a key first step in the rate study process. Raftelis analyzed annual operating revenue under the status quo, operation and maintenance (O&M) expenses, and prudent reserve funding practices. This section of the report provides a discussion of the projected revenues, O&M expenses, reserve funding requirements, and the revenue adjustments needed to support fiscal sustainability and solvency.

3.1. Key Information Used in this Report

This report utilizes the following key information provided by the District:

- FYE 2025 estimated end of year operating costs and FYE 2026 operating budget
- Historical and forecast volume of groundwater production
- Historical groundwater charge rates
- Beginning reserve-fund balances as of FYE 2025
- Forecast SGMA costs and grant reimbursements FYE 2025 – FYE 2030. These cost projections assume that the GSAs will start loan repayments in FYE 2027and finish repayment in FYE 2030.

3.2. Revenue from Current Groundwater Charge Rates

3.2.1. Current Groundwater Charge Rates

The current groundwater charge rates are on a volumetric basis per acre-foot (AF) and are shown in Table 3-1.

Table 3-1: Current rates ($/AF)

Rate	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
Current	$22.60	$15.70	$13.70	$13.70	$13.70	$13.70

3.2.2. Groundwater Production and Growth Assumptions

Table 3-2 shows the financial plan assumptions for groundwater production for FYE 2025 – FYE 2030, which is forecast to stay the same over the study period. The historical production for the five previous years is also shown. The historical and projected groundwater use comes from Stetson Engineers' *Forty-Seventh Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District* dated March 3, 2025, as adjusted based on receipt of any amended pumping reports received after the publication of the report.

Table 3-2: Historical and Projected Groundwater Production Per Year (AF)

Producer Class	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	Projected*
Agriculture	35,148	33,258	31,673	29,985	29,127	29,125
Special Irrigation	11,004	12,834	13,286	11,836	11,294	11,290
Other	1,734	1,876	2,570	1,518	1,650	1,650
Total	47,886	47,968	47,528	43,339	42,071	42,065

* Projected for FYE 2025 - FYE 2030

3.2.3. Revenue Projections

The projected groundwater charge rate-based revenue for FYE 2025 is $685,168 using a blended rate reflecting that the first statement of FYE 2025 is for production in the second half of FYE 2024 and is based on those rates and the second statement is for pumping during the first half of FYE 2025 and is based on the unit rates in effect in FYE 2025. For FYE 2026 – FYE 2030, the projected status quo annual rate-based revenue is $719,489, using the current FYE 2025 rates by zone and the projected annual usage by zone (Table 3-2). With the proposed overall percent change in rate-based revenue (Table 1-1), the projected rate-based revenue decreases each year as shown in Table 3-3.

Table 3-3: Projected Groundwater Charge Rate-Based Revenue

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Rate Rev.	$683,514	$624,876	$581,134	$540,455	$502,623

Table 3-4 shows the projection of other revenues, which includes property taxes, reimbursement for GSA administrative support, reimbursement for SGMA Grant administration, and estimated interest income. Property taxes are estimated to increase at 3 percent per year from the FYE 2025 budget. Interest income is estimated at 2.5 percent.

Table 3-4: Budgeted and Projected Other (Non-Rate Based) Revenue

Line Item	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
SB County Property Taxes	$400,000	$412,000	$424,360	$437,091	$450,204	$463,710
Administrative Support to GSA(s)	$90,000	$40,000	$40,000	$40,000	$40,000	$40,000
Misc. Income	$242	$250	$250	$250	$250	$250
SGMA Grant Administration/Reimbursement	$36,000	$104,276	$0	$0	$0	$0
Interest Income	$90,000	$75,000	$67,091	$74,401	$78,294	$77,608
Total	$616,242	$631,526	$531,701	$551,741	$568,747	$581,567

3.3. Operating and Maintenance Expenses

3.3.1. Operating Expense

Table 3-5 shows the estimated end of year (FYE 2025), budgeted (FYE 2026), and projected operating and maintenance expenses, which includes routine operations, legal, engineering, and contingency. Salaries and benefits are escalated at approximately three (3) percent per year from budget. General costs are escalated at three (3) percent per year from budget. The detailed O&M is included in Appendix A.

Table 3-5: Budgeted and Projected O&M Expenses

Line Item	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Routine Operation	$778,000	$800,313	$824,738	$849,908	$875,846	$902,576
Special Studies	$47,000	$40,000	$41,200	$42,436	$43,709	$45,020
SGM	$35,000	$35,000	$10,000	$10,000	$10,000	$10,000
Legal & Engineering						
General and Misc.	$46,500	$44,500	$45,835	$47,210	$48,626	$50,085
Annual G.W. Report	$25,000	$25,000	$25,750	$26,523	$27,318	$28,138
WR Decision (2019-0148)	$6,000	$42,000	$43,260	$44,558	$45,895	$47,271
Downstream Releases / Upper SYR Operations	$16,000	$74,500	$76,735	$79,037	$81,408	$83,850
Fisheries Issues/Hydrology	$15,000	$20,000	$20,600	$21,218	$21,855	$22,510
Contingency	$30,000	$50,000	$50,000	$50,000	$50,000	$50,000
Total Operation & Maintenance	$998,500	$1,131,313	$1,138,118	$1,170,889	$1,204,657	$1,239,451

3.3.2. Net Operating Expense

The District's plans to first use property tax revenues, SGMA grant administration revenue, and revenue from the District's GSA administrative support to cover SGMA-related costs and a portion of other general costs, as shown in Table 3-6. The remaining property tax revenue is used to offset the District's remaining operating costs as described below.

Table 3-6: Property Tax Revenue Use

Line Item	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Property Tax Revenue	$400,000	$412,000	$424,360	$437,091	$450,204	$463,710
SGM Grant Administration/Reimbursement	$36,000	$104,276	$0	$0	$0	$0
Administrative Support to GSA(s)	$90,000	$40,000	$40,000	$40,000	$40,000	$40,000
Salary & Benefits for SGM-time	($90,000)	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)
SGM Expenses	($35,000)	($35,000)	($10,000)	($10,000)	($10,000)	($10,000)
General & Misc.	($46,500)	($44,500)	($45,835)	($47,210)	($48,626)	($50,085)
Special Studies	($47,000)	($40,000)	($41,200)	($42,436)	($43,709)	($45,020)
Remaining Property Tax Revenue	$307,500	$396,776	$327,325	$337,445	$347,868	$358,604

Table 3-7 shows the net O&M expense projection after offsetting the costs shown in Table 3-6.

Table 3-7: Net O&M Expense Projection

Line Item	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Routine Operation (Net Offset)	$688,000	$760,313	$784,738	$809,908	$835,846	$862,576
Special Studies (Net Offset)	$0	$0	$0	$0	$0	$0
SGM (Net Offset)	$0	$0	$0	$0	$0	$0
Legal & Engineering						
General and Misc. (Net Offset)	$0	$0	$0	$0	$0	$0
Annual G.W. Report	$25,000	$25,000	$25,750	$26,523	$27,318	$28,138
WR Decision (2019-0148)	$6,000	$42,000	$43,260	$44,558	$45,895	$47,271
Downstream Releases / Upper SYR Operations	$16,000	$74,500	$76,735	$79,037	$81,408	$83,850
Fisheries Issues/Hydrology	$15,000	$20,000	$20,600	$21,218	$21,855	$22,510
Contingency	$30,000	$50,000	$50,000	$50,000	$50,000	$50,000
Net Operation & Maintenance	$780,000	$971,813	$1,001,083	$1,031,243	$1,062,321	$1,094,346

3.4. Proposed Financial Plan and Revenue Adjustments

The proposed financial plan enables the District to set groundwater charge rates to generate sufficient revenues to meet its annual obligations. The plan shows the revenues that will be used to maintain an appropriate level of reserves, as set by the Board.

Table 3-8, on the following page, shows the proposed financial plan, based on the District's budgeted expenses and projected non-rate revenues. Note that while rates go into effect at the beginning of the fiscal year, due to semi-annual billing and timing of payments, revenues under the adjustments are only realized for half of the fiscal year in the first year. Therefore, the Number of Months Effective, 'No. Mon. "Effective"' column shows 6 months instead of 12. Line 1 shows revenue from the current rates. Line 7 shows the total revenue adjustments each year. Other Revenues are shown in Lines 8 - 13. Line 8 shows projected property tax revenue. Line 9 shows a small amount of miscellaneous revenue. Line 10 shows reimbursement of administrative support to GSA(s). Line 11 shows SGMA grant administration reimbursement. Interest revenues (Line 12) are based on budgeted numbers in FYE 2025 and FYE 2026 and then presumed to be 2.5 percent for the remaining fiscal years. Line 14 shows total projected revenues.

Lines 15 – 25 summarize the O&M expense projections. Line 26 shows the District's projected loan to the GSAs and the GSAs repayment of the loan. Line 27 shows a refund for overpayment due to incorrect reporting. Line 28 shows the net income, which are revenues less O&M expenses less capital plus the District's GSA loans and repayment. Lines 29 and 30 show the projected beginning and ending Investment Reserves fund balance, respectively. Line 31 shows the target reserve, which is the minimum reserve of $2 million, as set by the Board, plus 50 percent of annual operating expenses excluding SGMA-related costs (Table 3-7). The minimum reserve is established by Board policy to cover emergencies and unexpected events, including potential litigation. The remainder of the reserve is recommended by Raftelis to provide working capital for the District's expenses, given the required semiannual billing. Comparing Line 30 to Line 31 and Line 32 shows that the proposed financial plan provides funds adequate to meet or exceed the target reserve requirements. The proposed financial plan supports financial sufficiency and solvency for the District to meet projected expenditures.

Table 3-8: Proposed Financial Plan Cashflow

No.	Cashflow			FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
1	Groundwater Rate Revenue Under Existing Rates			$685,168	$719,489	$719,489	$719,489	$719,489	$719,489
	Revenue Adjustments	% Adj.	No. Mon. "Effective"						
2	FY 2026	-10.0%	6		($35,974)	($71,949)	($71,949)	($71,949)	($71,949)
3	FY 2027	-7.0%	6			($22,664)	($45,328)	($45,328)	($45,328)
4	FY 2028	-7.0%	6				($21,077)	($42,155)	($42,155)
5	FY 2029	-7.0%	6					($19,602)	($39,204)
6	FY 2030	-7.0%	6						($18,230)
7	Total Revenue Adjustments			$0	($35,974)	($94,613)	($138,354)	($179,033)	($216,865)
	Other Revenue								
8	SB County Property Taxes			$400,000	$412,000	$424,360	$437,091	$450,204	$463,710
9	Misc. Income			$242	$250	$250	$250	$250	$250
10	Administrative Support to GSA(s)			$90,000	$40,000	$40,000	$40,000	$40,000	$40,000
11	SGMA Grant Administration/Reimbursement			$36,000	$104,276	$0	$0	$0	$0
12	Interest Income			$90,000	$75,000	$67,091	$74,401	$78,294	$77,608
13	Total Other Revenue			$616,242	$631,526	$531,701	$551,741	$568,747	$581,567
14	Total Revenue			$1,301,410	$1,315,040	$1,156,577	$1,132,876	$1,109,202	$1,084,191
	Operation & Maintenance								
15	Routine Operation			$778,000	$800,313	$824,738	$849,908	$875,846	$902,576
16	Special Studies			$47,000	$40,000	$41,200	$42,436	$43,709	$45,020
17	SGMA			$35,000	$35,000	$10,000	$10,000	$10,000	$10,000
18	Legal & Engineering								
19	General and Misc.			$46,500	$44,500	$45,835	$47,210	$48,626	$50,085
20	Annual G.W. Report			$25,000	$25,000	$25,750	$26,523	$27,318	$28,138
21	WR Decision (2019-0148)			$6,000	$42,000	$43,260	$44,558	$45,895	$47,271
22	Downstream Releases / Upper SYR Operations			$16,000	$74,500	$76,735	$79,037	$81,408	$83,850
23	Fisheries Issues/Hydrology			$15,000	$20,000	$20,600	$21,218	$21,855	$22,510
24	Contingency			$30,000	$50,000	$50,000	$50,000	$50,000	$50,000
25	Total Operation & Maintenance			$998,500	$1,131,313	$1,138,118	$1,170,889	$1,204,657	$1,239,451
26	GSA Loan & Repayment			($281,124)	($325,000)	$302,173	$302,173	$142,735	$53,110
27	Refund of Overpayment Due to Incorrect Reporting			$59,902					
28	Net Income (Annual Surplus/(Deficit))			($38,116)	($141,273)	$320,631	$264,159	$47,280	($102,151)
29	Beginning Balance			$2,702,706	$2,664,590	$2,523,317	$2,843,948	$3,108,107	$3,155,388
30	Ending Balance			$2,664,590	$2,523,317	$2,843,948	$3,108,107	$3,155,388	$3,053,237
31	Target Reserve (1)			$2,390,000	$2,485,907	$2,500,541	$2,515,622	$2,531,161	$2,547,173
32	Minimum Reserve			$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000

(1) Target Reserve = Min + 50% Operating Expenses excluding SGA-related costs.

Figure 3-1 graphically illustrates the proposed Financial Plan, which compares the existing (current) and proposed revenues with projected expenses. The stacked bars show O&M expenses. The green bars above the X-axis ($0 line) show the net cash used to build up the reserves and the bars below the X-axis show the withdrawals from reserves to fund costs. The annual deficit shown in FYE 2025 and FYE 2026 is due in part to the District's loans to the GSAs. The annual surplus in FYE 2027 through FYE 2029 is due to repayment of the loans by the GSAs. Then reserves are draw upon again in FYE 2030. Total revenues at existing and proposed rates are shown by horizontal black solid and dashed lines, respectively. Current revenue from existing rates exceeds projected total expenses, which is the reason for the proposed revenue adjustment downwards.

Figure 3-1: Proposed Financial Plan

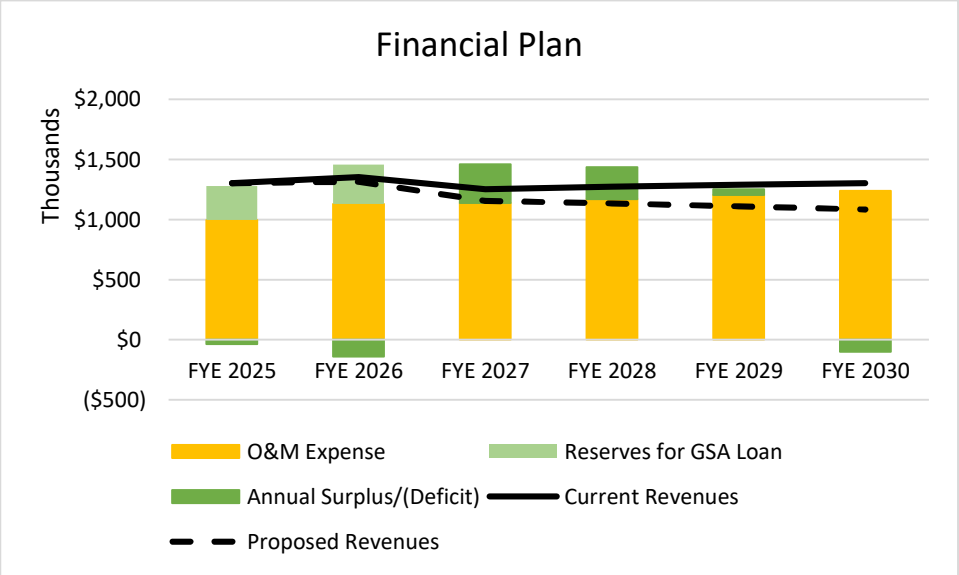
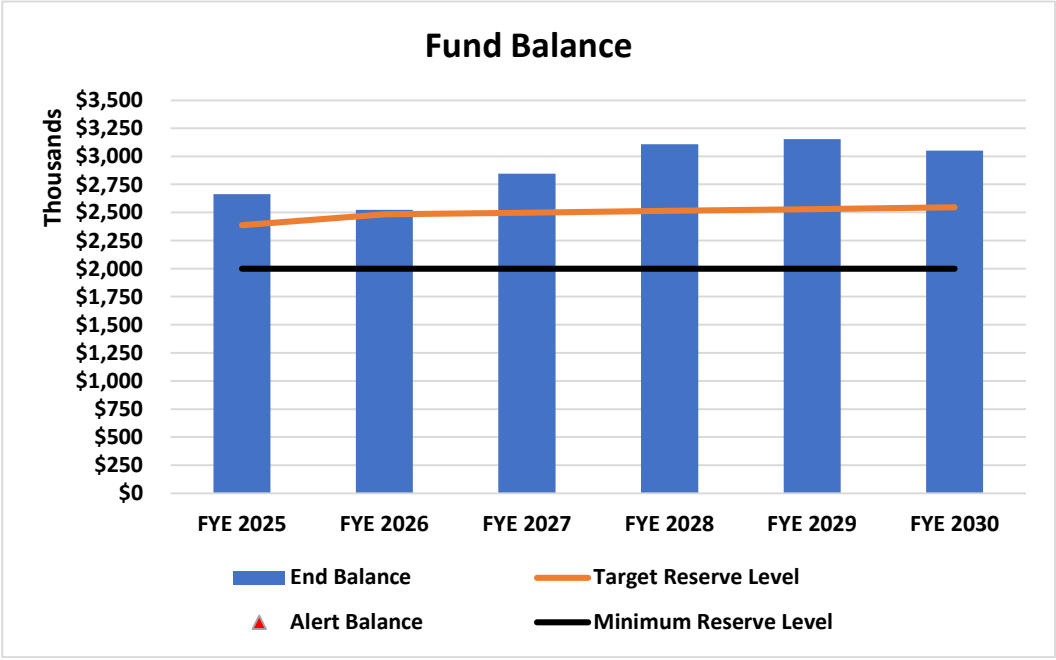


Figure 3-2 shows the projected investments fund balance. The black line shows the minimum reserve, and the orange line shows the target reserve. The blue bars show the projected ending cash balance. The fund balances are projected to be at or above the target reserve.

Figure 3-2: Projected Investments Fund Balance



4. Proposed Groundwater Charge Rates

4.1. Net Revenue Requirements

The costs to be allocated to the groundwater producers consist of the total revenue requirement less income received from other sources (net revenue requirements). Table 4-1 shows the development of the costs that must be recovered through the rate for FYE 2026. Raftelis calculated the revenue requirement using the FYE 2026 projections of O&M and capital expenses (which are $0), shown in Lines 1 and 2. Note that Line 1 is net SGMA-related costs and matches the total in Table 3-7. Lines 4 – 7 show the other operating revenues available to offset some of the revenue requirement. The adjustments in Line 10 ensure the cost-of-service accounts for the annual cash balances. Note that these adjustments exclude the draw on reserves for the GSA loans as the GSAs will be repaying those loans. Line 11 shows the total revenue required from groundwater charge rates, calculated by adding Lines 3, 7, and 10.

Table 4-1: Net Revenue Requirements, FYE 2026

No.	Net Revenue Requirement, Test Year Line Item	Operating	Capital	Total
	Revenue Requirement			
1	Operations (Net SGM-related Costs)	$971,813		$971,813
2	Capital		$0	$0
3	Total Revenue Requirement	$971,813	$0	$971,813
	Revenue Offsets			
4	Miscellaneous	($250)		($250)
5	Remaining Property Taxes	($396,776)		($396,776)
6	Interest Income	($75,000)		($75,000)
7	Subtotal Revenue Offsets	($472,026)		($472,026)
	Other Adjustments			
8	Transfer to Fund Balance	$183,727		$183,727
9	Annualized Rate Adjustment	($35,974)		($35,974)
10	Total Adjustments	$147,752	$0	$147,752
11	Net Revenue Requirement	$647,540	$0	$647,540

4.2. Rate Structure Analysis

Under the proposed allocation, only Zones A and B are charged for work related to water rights releases, including the work on biological and fisheries issues and work involved with all upstream reservoirs on the Santa Ynez River: Cachuma, Gibraltar, and Jameson Reservoirs.

The proportion of the charge for the work related to water rights releases between Zones A and B is based on the average annual delivery of water rights releases since the SWRCB Water Rights Order 89-18. From 1990-2022 (33 years), the average yearly water rights releases delivered to Zones A and B were 4,438 and 1,761 acre-feet per year, respectively. Therefore, Zones A and B will be charged 72% and 28%, respectively,

for all work by the District related to water rights releases. Stetson, the District's consulting engineer, has recommended this methodology as a reasonable way to allocate the costs of work between Zones A and B.

The costs for all other work by the District, excluding the costs of work funded with non-rate revenue as described herein, will be shared proportionally among all the zones because all such work benefits all the zones. The District's operations benefit all users in proportion to the amount of water they draw from their wells. Therefore, we have created zonal rates but have not set separate rates based on the class of producer. However, the District is starting a labor analysis to better understand and quantify the time spent addressing specific zonal issues. Therefore, in future analyses, labor-related costs may be allocated based on the labor analysis instead of pumping.

Raftelis believes that the above allocations bear a fair or reasonable relationship to the benefits received from the District's activities relative to those zones, consistent with Proposition 26. The District's overall management of water resources in the Santa Ynez River watershed secures a reliable supply of water from surface water and groundwater sources, which benefits all users in all zones.

4.3. Calculating Rates

Once the revenue requirement is known, the costs need to be allocated to the zones. Table 4-2 shows how each of the O&M cost categories are allocated. For all activities except those related to water rights releases and contingency, the cost allocation is based on the projected usage in FYE 2026 (Table 3-2) based on the findings and determinations in Stetson Engineers' *Forty-Seventh Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District* dated March 3, 2025, as adjusted based on receipt of any amended pumping reports received after the publication of the report. For activities related to water rights releases, the cost allocation is based on the average water rights deliveries from 1990-2022 (33 years) based on Table 6 in the Stetson report. Contingency is allocated like the sum of the net O&M costs.

Table 4-2: Net O&M Cost Allocation

Line Item	Allocation Method	A	B	C	D	E	F
Routine Operation	% of Total Use	27%	49%	2%	6%	11%	4%
Legal & Engineering							
Annual G.W. Report	% of Total Use	27%	49%	2%	6%	11%	4%
Downstream Releases / Upper SYR Operations	% of Water Rights Releases	72%	28%	0%	0%	0%	0%
WR Decision (2019-0148)	% of Water Rights Releases	72%	28%	0%	0%	0%	0%
Fisheries Issues/Hydrology	% of Water Rights Releases	72%	28%	0%	0%	0%	0%
Contingency	Like Net O&M	34%	46%	2%	5%	9%	3%

Table 4-3 applies the allocations shown in Table 4-2 to the FYE 2026 net O&M costs shown in Table 3-7. The table also shows the resulting allocation of net O&M costs to each zone; the allocation of net O&M costs in Zones C, D, E, and F between Zones C, D, E and F; and the allocation of Zone A and B net O&M costs between Zones A and B.

Table 4-3: Net O&M Costs Allocated to Zones

Line Item	Total	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
Routine Operation	$760,313	$206,413	$375,593	$18,978	$45,639	$82,601	$31,089
Legal & Engineering							
Annual G.W. Report	$25,000	$6,787	$12,350	$624	$1,501	$2,716	$1,022
Downstream Releases / Upper SYR Operations	$74,500	$53,640	$20,860	$0	$0	$0	$0
WR Decision (2019-0148)	$42,000	$30,240	$11,760	$0	$0	$0	$0
Fisheries Issues/Hydrology	$20,000	$14,400	$5,600	$0	$0	$0	$0
Contingency	$50,000	$16,895	$23,115	$1,063	$2,557	$4,628	$1,742
Net O&M	$971,813	$328,375	$449,278	$20,666	$49,696	$89,945	$33,852
Allocate Like Net O&M	100%	34%	46%	2%	5%	9%	3%
Allocation Zones C - F Only	100%			11%	26%	46%	17%
Allocation Zones A - B Only	100%	42%	58%				

Table 4-4 shows the net revenue requirement allocated to the zones. Miscellaneous, interest income, and other adjustments are allocated proportionally to the total costs allocated to each zone (Table 4-3). At the District Board's direction, property tax revenue not already used to directly offset O&M costs has been allocated on a discretionary basis, as opposed to being allocated like net O&M (see Allocate Like Net O&M in Table 4-3). Approximately 35 percent of property tax revenue offsets have been allocated in proportion to the Zones C – F allocation shown in Table 4-3). The remaining 65 percent of property tax revenue offsets have been allocated to Zones A and B in proportion to the Zones A and B allocation shown in Table 4-3 to result in a decrease in the water unit rate for those zones. The above allocation results in a greater decrease in unit rates to Zones C through F than would have been the case if property tax revenue offsets had been allocated like net O&M. Such allocation of remaining District non-rate revenue partially offsets the impact of the proposed new GSA SGMA charges imposed on extractions of groundwater in Zones C through F, where the unit (i.e., per acre-foot) rates of GSA extraction charges will be substantially higher than in the other two zones where groundwater is extracted.

Table 4-4: Allocation of Net Revenue Requirement

Unit Cost of Service, Test Year	Total	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
Operations	$971,813	$328,375	$449,278	$20,666	$49,696	$89,945	$33,852
Capital	$0	$0	$0	$0	$0	$0	$0
Total	$971,813	$328,375	$449,278	$20,666	$49,696	$89,945	$33,852
Revenue Offsets							
Miscellaneous	($250)	($84)	($116)	($5)	($13)	($23)	($9)
Remaining Property Taxes	($396,776)	($102,170)	($176,565)	($12,564)	($30,213)	($54,683)	($20,581)
Interest Income	($75,000)	($25,342)	($34,673)	($1,595)	($3,835)	($6,942)	($2,613)
Other Adjustments	$147,752	$49,925	$68,307	$3,142	$7,556	$13,675	$5,147
Net Revenue Requirement	$647,540	$250,704	$306,231	$9,644	$23,191	$41,973	$15,797

Table 4-5 shows the unit cost-of-service based on dividing the net revenue requirement allocated to each zone (Table 4-4) by the projected groundwater production in FYE 2026 (Table 3-2) based on the findings and determinations in Stetson Engineers' *Forty-Seventh Annual Engineering and Survey Report on Water Supply*

Conditions of the Santa Ynez River Water Conservation District dated March 3, 2025, as adjusted based on receipt of any amended pumping reports received after the publication of the report. The unit cost is rounded up to the nearest ten cents for simplicity and revenue sufficiency.

Table 4-5: Unit Cost-of-Service, FYE 2026

Unit Cost of Service, Test Year	Total	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
Net Revenue Requirement	$647,540	$250,704	$306,231	$9,644	$23,191	$41,973	$15,797
Test Year AF	42,065	11,420	20,780	1,050	2,525	4,570	1,720
Unit Cost, $/AF		$22.00	$14.80	$9.20	$9.20	$9.20	$9.20

4.4. Proposed Groundwater Charge Rates ($/AF)

Table 4-6 presents the current rate and the proposed rate for FYE 2026. The proposed rates are rounded up to the nearest 10 cents for ease of administration. Proposed FYE 2026 rates are less than Current FYE 2025 rates for all zones.

Table 4-6: Current and Proposed Rates, $/AF

Rate	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
Current	$22.60	$15.70	$13.70	$13.70	$13.70	$13.70
Proposed, FYE 2026	$22.00	$14.80	$9.20	$9.20	$9.20	$9.20

4.5. Projected Revenues Under Cost-of-Service Rates

Table 4-7 shows the revenues under the current rates based on the FYE 2026 projected groundwater production and the revenues using the proposed rates. The percentage decrease in total revenues is slightly less than the proposed revenue adjustment shown in the financial plan (Table 3-8) due to rounding the rates.

Table 4-7: Projected Revenues Under Cost-of-Service Rates, FYE 2026

Zone	Estimated Usage AF	Current Rate $/AF	Revenue Under Current Rates	Proposed Rate $/AF	Revenue Under Proposed Rates	Percent Increase/ Decrease
Zone A	11,420	$22.60	$258,092	$22.00	$251,240	-2.7%
Zone B	20,780	$15.70	$326,246	$14.80	$307,544	-5.7%
Zone C	1,050	$13.70	$14,385	$9.20	$9,660	-32.8%
Zone D	2,525	$13.70	$34,593	$9.20	$23,230	-32.8%
Zone E	4,570	$13.70	$62,609	$9.20	$42,044	-32.8%
Zone F	1,720	$13.70	$23,564	$9.20	$15,824	-32.8%
Total	42,065		$719,489		$649,542	-9.7%

4.6. Producer Impact Analysis

Table 4-8 through Table 4-10 illustrate the producer statement impact for an average agricultural producer, an average special irrigation producer, and an average non-agricultural producer within each zone on the

January 2026 statement. The average groundwater production per statement is based on FYE 2024 production data from Stetson Engineers' *Forty-Seventh Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District* dated March 3, 2025, as adjusted based on receipt of any amended pumping reports received after the publication of the report.

Table 4-8: Average Agricultural Producer by Zone, FYE 2026 Statement Impact

Agricultural	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
Average AF/Statement	35.2	49.1	0.3	11.9	6.5	15.8
Current Statement	$795.52	$770.48	$3.67	$162.98	$89.18	$216.69
Proposed Statement	$774.40	$726.31	$2.47	$109.45	$59.89	$145.51
Statement Change, $	-$21.12	-$44.17	-$1.21	-$53.53	-$29.29	-$71.17

Table 4-9: Average Special Irrigation Producer by Zone, FYE 2026 Statement Impact

Special Irrigation	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
Average AF/Statement	2.5	3.2	0.1	0.3	0.1	0.0
Current Statement	$56.45	$50.62	$1.79	$4.10	$0.70	$0.00
Proposed Statement	$54.95	$47.71	$1.20	$2.75	$0.47	$0.00
Statement Change, $	-$1.50	-$2.90	-$0.59	-$1.35	-$0.23	$0.00

Table 4-10: Average Other (Non-Agricultural) Producer by Zone, FYE 2026 Statement Impact

Non-Agricultural	Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
Average AF/Statement	8.2	17.9	11.7	5.4	5.1	1.6
Current Statement	$184.90	$281.23	$159.88	$74.60	$70.30	$21.27
Proposed Statement	$180.00	$265.11	$107.37	$50.10	$47.21	$14.28
Statement Change, $	-$4.91	-$16.12	-$52.52	-$24.51	-$23.09	-$6.99

APPENDIX A:

O&M Detail

O&M Budget and Projection Detail		FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Internal Operations / Expenses							
Employee Salaries	Salaries	$440,000	$453,519	$467,454	$481,817	$496,621	$511,880
Payroll (SS and Medicare)	Benefits	$29,000	$38,122	$39,293	$40,500	$41,745	$43,027
Employee Benefits	Benefits	$40,500	$48,676	$50,172	$51,714	$53,303	$54,940
Retirement Plan Contributions	Benefits	$30,500	$31,746	$32,722	$33,727	$34,763	$35,832
Outside Services	General	$5,500	$6,500	$6,695	$6,896	$7,102	$7,315
Office Expense	General	$55,000	$49,400	$50,882	$52,408	$53,981	$55,600
Director Fees	General	$6,500	$23,000	$23,690	$24,401	$25,133	$25,887
Travel & Training	General	$12,000	$30,500	$31,415	$32,357	$33,328	$34,328
Annual Audit	General	$20,000	$20,000	$20,600	$21,218	$21,855	$22,510
Insurance & Worker's Comp	General	$26,000	$27,300	$28,119	$28,963	$29,831	$30,726
Dues and LAFCO Fees	General	$6,000	$6,300	$6,489	$6,684	$6,884	$7,091
Groundwater Charges Program	General	$106,000	$65,000	$66,950	$68,959	$71,027	$73,158
Miscellaneous	General	$1,000	$250	$258	$265	$273	$281
Legal							
General & Misc.	General	$26,500	$28,000	$28,840	$29,705	$30,596	$31,514
Downstream Releases / Upper SYR Operations	General	$0	$2,500	$2,575	$2,652	$2,732	$2,814
WR Decision (2019-0148)	General	$5,000	$30,000	$30,900	$31,827	$32,782	$33,765
Fisheries Issues	General	$3,000	$5,000	$5,150	$5,305	$5,464	$5,628
Employment/HR	General	$6,000	$2,500	$2,575	$2,652	$2,732	$2,814
Groundwater Program	General	$7,000	$7,000	$7,210	$7,426	$7,649	$7,879
Engineering/Environmental							
General & Misc.	General	$7,000	$7,000	$7,210	$7,426	$7,649	$7,879
Annual GW Report	General	$25,000	$25,000	$25,750	$26,523	$27,318	$28,138
Downstream Releases Operations	General	$15,000	$70,000	$72,100	$74,263	$76,491	$78,786
Upper SYR Operations	General	$1,000	$2,000	$2,060	$2,122	$2,185	$2,251
WR Decision (2019-0148)	General	$1,000	$12,000	$12,360	$12,731	$13,113	$13,506
Fisheries Hydrology	General	$12,000	$15,000	$15,450	$15,914	$16,391	$16,883
Special Studies	General	$47,000	$40,000	$41,200	$42,436	$43,709	$45,020
SGM Expenses	No Inflation	$35,000	$35,000	$10,000	$10,000	$10,000	$10,000
Contingency	No Inflation	$30,000	$50,000	$50,000	$50,000	$50,000	$50,000
Total O&M		$998,500	$1,131,313	$1,138,118	$1,170,889	$1,204,657	$1,239,451