

YCFC&WCD BOARD OF DIRECTORS

March 7, 2023



Y O L O C O U N T Y
F L O O D C O N T R O L &
W A T E R C O N S E R V A T I O N
D I S T R I C T

Agenda Item #1

Adoption of the
February 7, 2023
Regular Board Meeting Minutes

Agenda Item #2

Open Forum

Guest introductions, unscheduled appearances and opportunity for public comment on non-agenda items

Agenda Item #3

Adding Items to the
Posted Agenda

Agenda Item #4

Public Hearing: Preliminary
Engineer's Report and Proposed
Assessment for Capital
Improvements



Y O L O C O U N T Y

FLOOD CONTROL &
WATER CONSERVATION
DISTRICT

Engineer's Report and Proposed Assessment for Capital Improvements

March 7, 2023

Purpose of Engineer's Report

- Required by Article XIID of CA Constitution (i.e. Prop 218)
- Establishes assessment need and purpose
- Provides methodology for determining the amount of the proposed assessment for each parcel
- Includes administrative provisions for the duration and future calculations of the assessment
- Contains evidence upon which to base the Agency's findings of special benefit

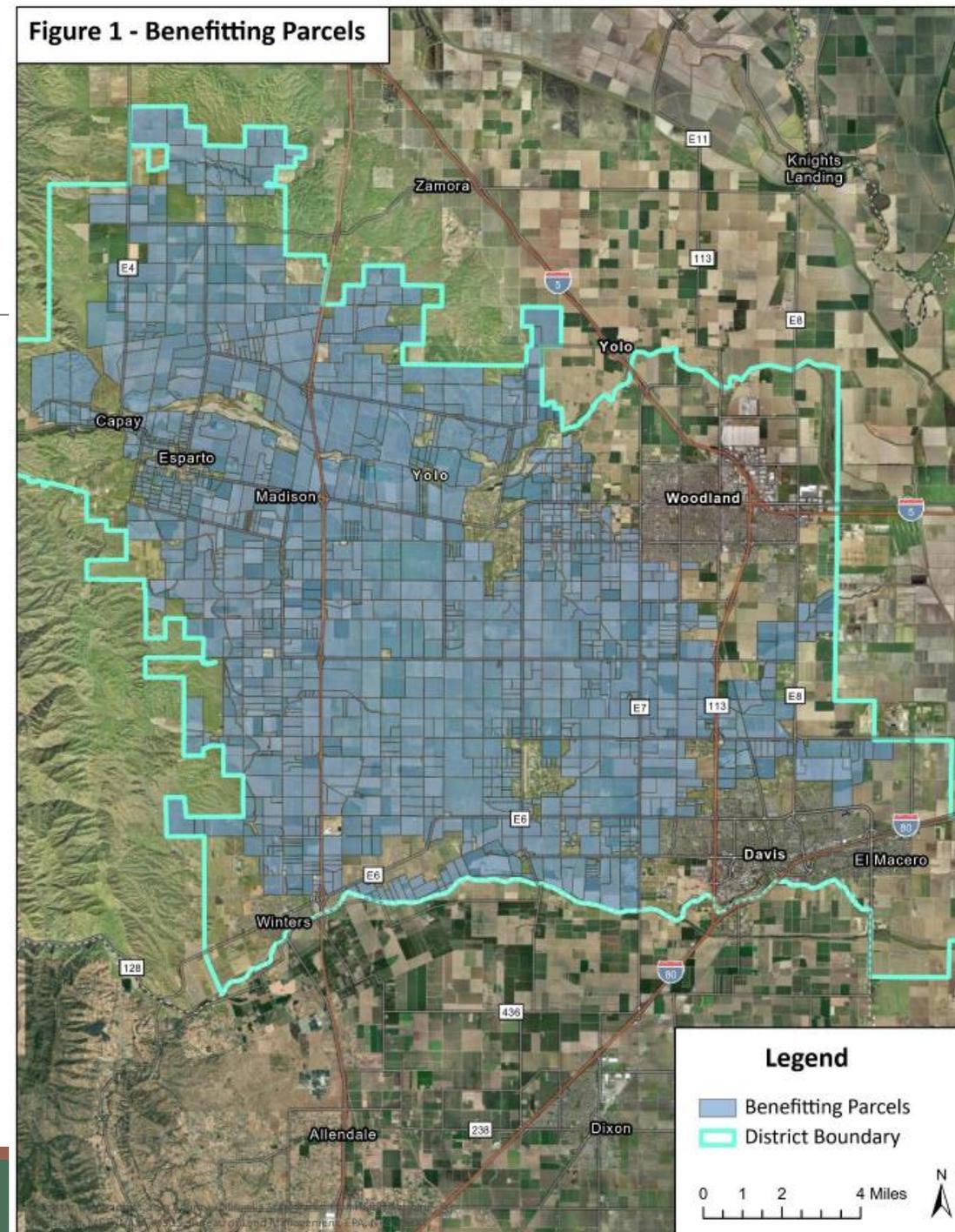
Assessment Need/Purpose

- Capital Improvement Services: \$952k
- Capay Diversion Dam, downstream transmission/distribution systems

District Boundary and Benefiting Parcels

All properties benefit from one or both services:

- *Infrastructure Availability*
- *Routine Capital Improvement*



Property Characteristics

- Land use category:
 - Only agricultural properties receive special benefit
 - Non-agricultural properties excluded
- Property size (irrigable acres):
 - *80% of gross parcel acreage*
 - *Unless aerial measurement of irrigable acreage is required*
- Connection Status
 - *Currently Connected*
 - *Potentially Connected*
 - *No Connection*

Benefit Factors

Connection Status	Benefit (Service Category)	Benefit Factor
Currently Connected	Infrastructure Availability Routine Capital Improvements	1.0
Potentially Connected	Infrastructure Availability	0.1
No Connection	None	0.0

Special Benefit Calculation

Equivalent Benefit Units (EBU) are calculated to apportion the assessment to parcels across the entire benefit area

$$\begin{array}{|c|} \hline \text{Equivalent} \\ \text{Benefit} \\ \text{Units} \\ \text{(EBU)} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Irrigable} \\ \text{Acreage} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Benefit} \\ \text{Factor} \\ \hline \end{array}$$

*Irrigable acres generally 80% of gross acres.

Assessment Rate

The assessment rate is based on the total EBU for all parcels.

$$\begin{array}{|c|} \hline \text{Assessment Rate} \\ \text{(\$ per EBU)} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Total} \\ \text{Budget} \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{Total EBU} \\ \hline \end{array}$$

Proposed assessment rate:

\$12.39 per EBU

*For typical agricultural property that is
currently connected to the system:*

\$9.91 per gross parcel acre

Proposed Assessment: 218 Process

Date	Action
January 3, 2023	Engineer's Report presented to the Board; adopt Resolution of Intention and Resolution of Prop 218 Procedures; Preliminary approval of Engineer's Report
January 11	Community Meeting (6:30 p.m., Yolo County Fairgrounds)
January 17	Ballots distributed to property owners
February 1	Community Meeting (6:30 p.m., Yolo County Fairgrounds)
March 7	Public hearing for Proposed Assessment; tabulation of ballots; report of results to the Board; Consider adoption of assessment

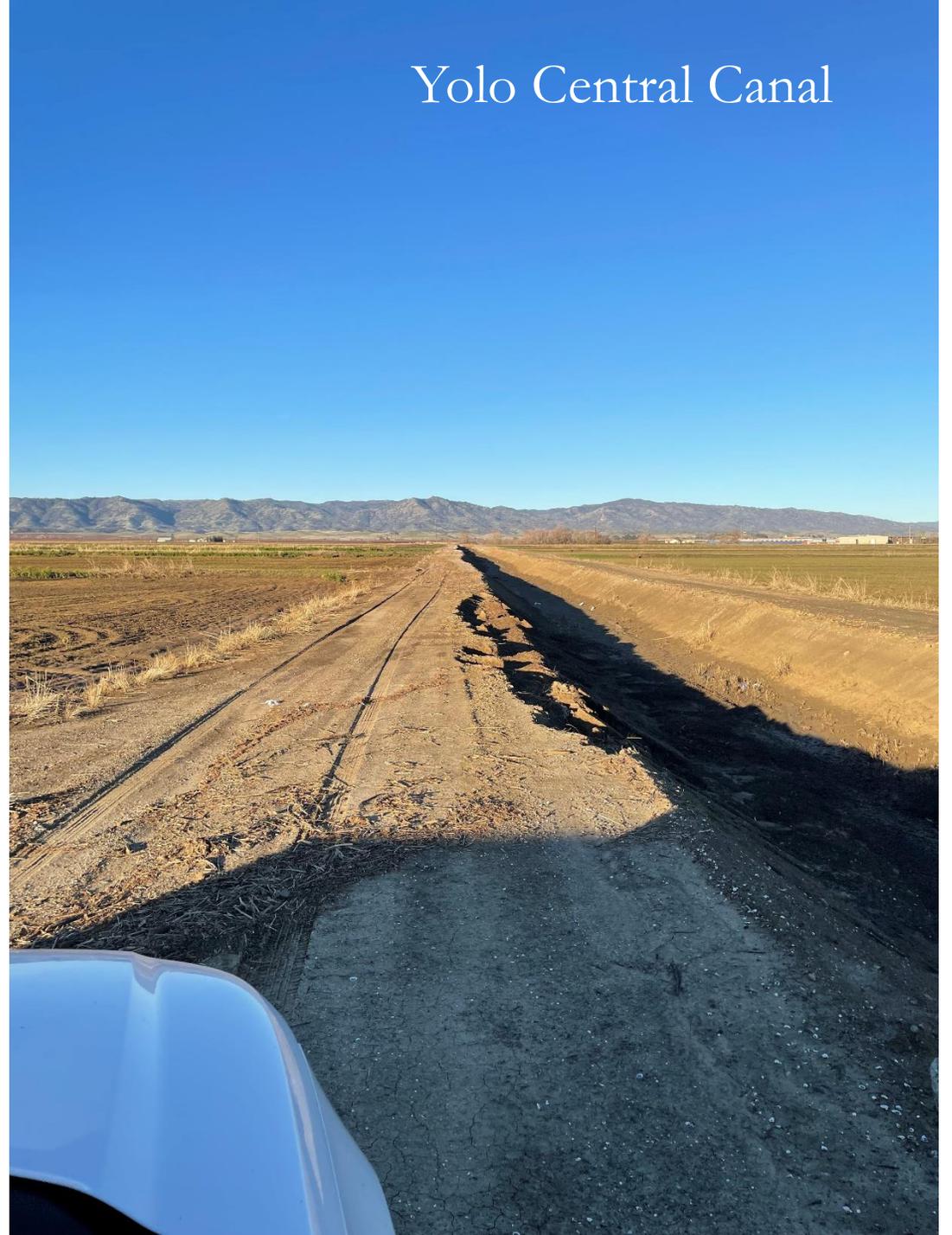
Public Hearing

Results and Possible Adoption

- Ballot tabulation results
- Board Comment
- Resolution to Adopt Assessment

Agenda Item #5

Adoption of Resolution No. 23.05 Declaring
Emergency Conditions from the December 2022 and
January 2023 Storm Events











Pleasant's Prairie Canal

West Adams Canal





WINTERS CANAL

WINTERS CANAL





WINTERS CANAL



CLOVER CANAL





CLOVER CANAL

CLOVER CANAL



Cache Creek North Side





Cache Creek North Side







West Adams Canal



Cache Creek North Side

Adoption of Resolution No. 23.05 Declaring
Emergency Conditions from the December 2022 and
January 2023 Storm Events

Agenda Item #6

Adoption of Resolution No. 23.06 Designating of
Applicant's Agent for Federal or State Financial
Assistance

Agenda Item #9

Directors' Reports

Report on Meetings and Conferences Attended During the Prior Month on Behalf of the District

- i. District Outreach Committee Meetings
- ii. NCWA Annual Meeting and Dry Year Task Force Meetings
- iii. Yolo County Farm Bureau EC and BOD Meetings

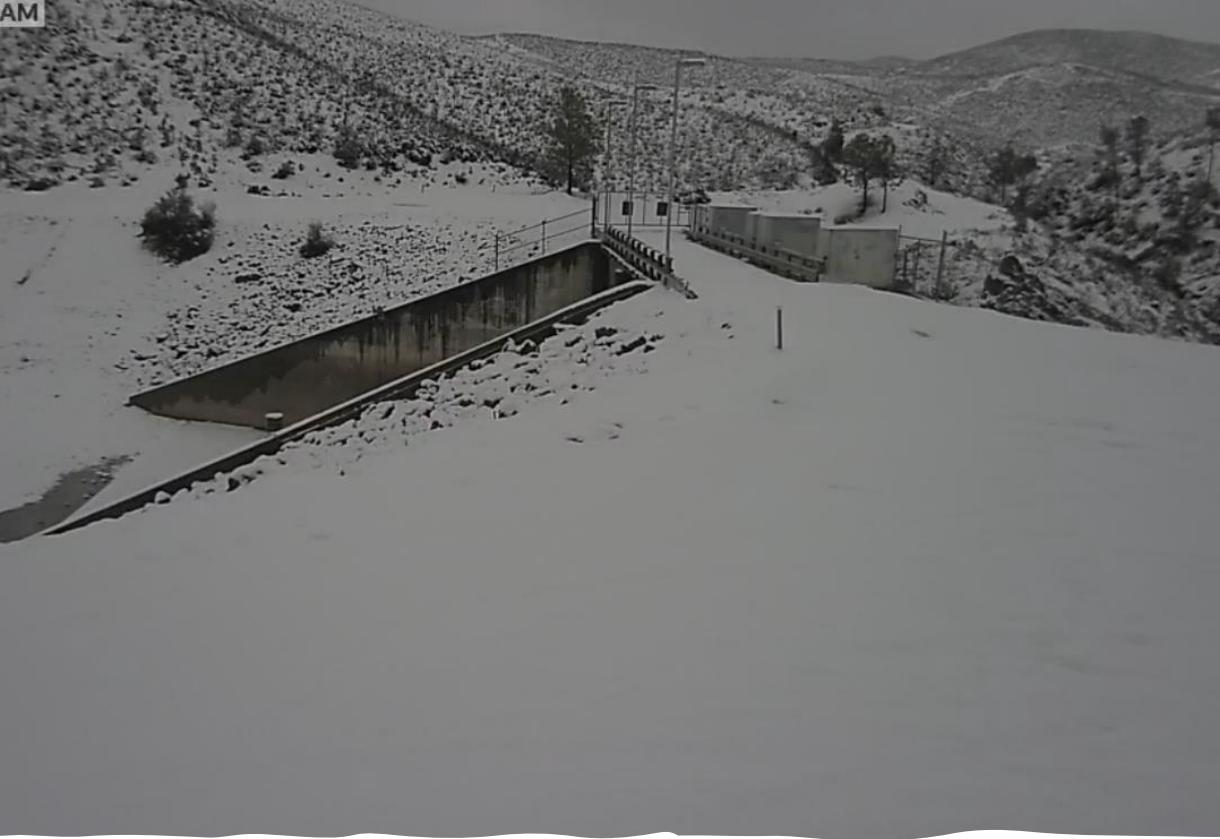
Agenda Item #10

General Manager's Report

- **Water Conditions Report**
- **Financial Report Summary**
- **Capital Improvement Program**
- **General Activities**
- **YSGA Update**
- **Upcoming Events**
- **Overview of Cost-of-Service Study**

February 24, 2023 Snow Event @ CCD





February 24, 2023 Snow Event @ IVR

Current Water Conditions (03-07-23)

	<u>Elevation</u>	<u>Available</u>	<u>2022</u>
Clear Lake			
• March 7	5.87'	78,177 AF	0.49' (0 AF)
• February 7	4.61'	38,478 AF	
• Total Gain	1.24'	39,699 AF	
Indian Valley Reservoir			
• March 7	1,433.46'	127,700 AF	1,393.14' (49,070 AF)
• February 7	1,430.23'	119,500 AF	
• Total Loss	3.23'	8,200 AF	

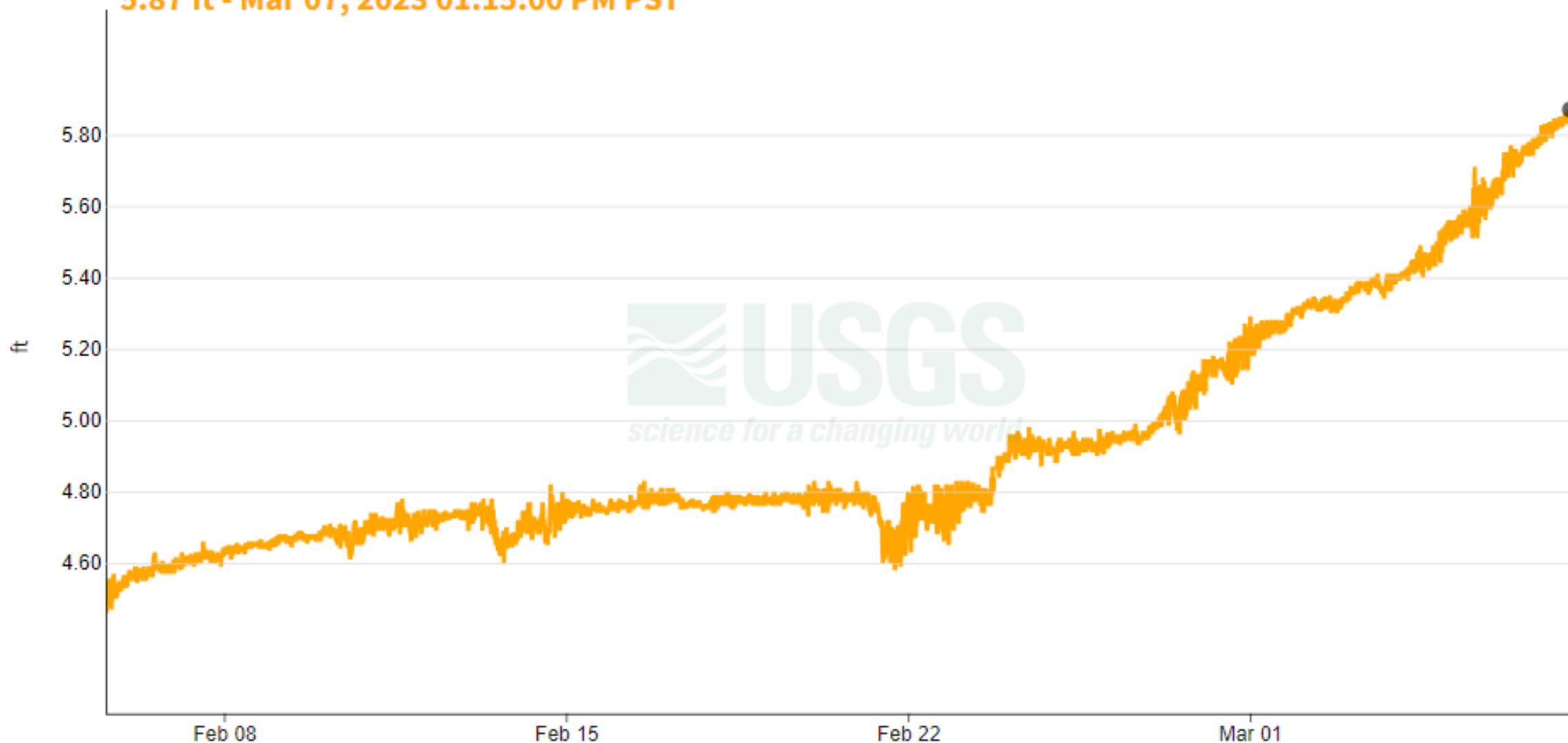
Facility	Precipitation (10/1/22 – 02/07/23)
Cache Creek Dam	25.69"
Indian Valley Reservoir	24.41"
Headquarters	20.18"

Clear LK a Lakeport CA

February 5, 2023 - March 7, 2023

Gage height, ft ⓘ

5.87 ft - Mar 07, 2023 01:15:00 PM PST

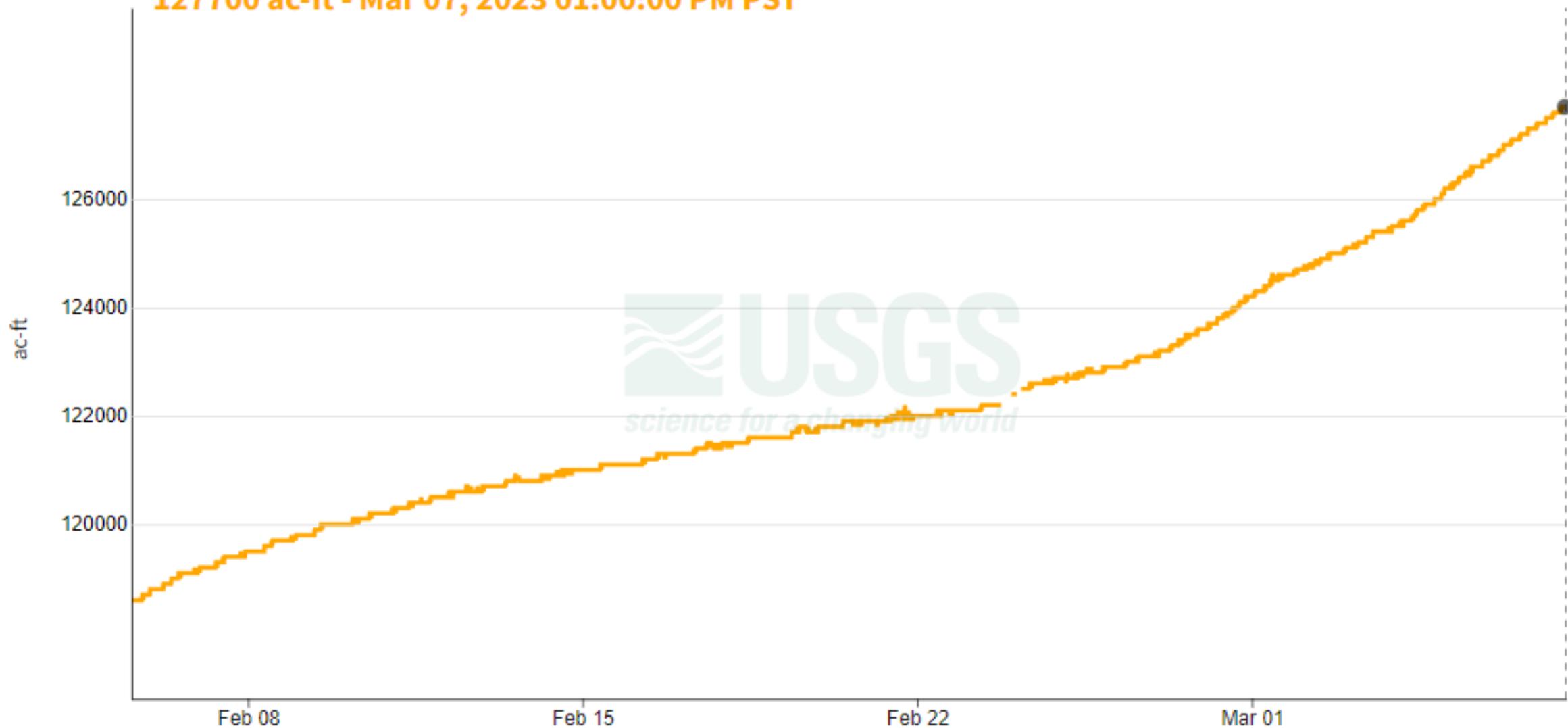


Indian Valley Res a Clearlake Oaks CA

February 5, 2023 - March 7, 2023

Reservoir storage, acre-ft ⓘ

127700 ac-ft - Mar 07, 2023 01:00:00 PM PST



Preliminary Irrigation Season 2023 Update (as of 3/7/23)

Total Water in Storage: 206,700 AF

Full Allocation Supply: 225,000 AF

Minimum Pool Requirement in IVR: 20,000 AF

Total Water Available for 2023 Irrigation Season: 186,700 AF

Anticipated Allocation (Factoring Losses) =

1.20-1.50 AF/acre for ~ 3.5 months (assuming 80k acres signed up)

Coordinated Run Timeframe

Mid-May to August 31

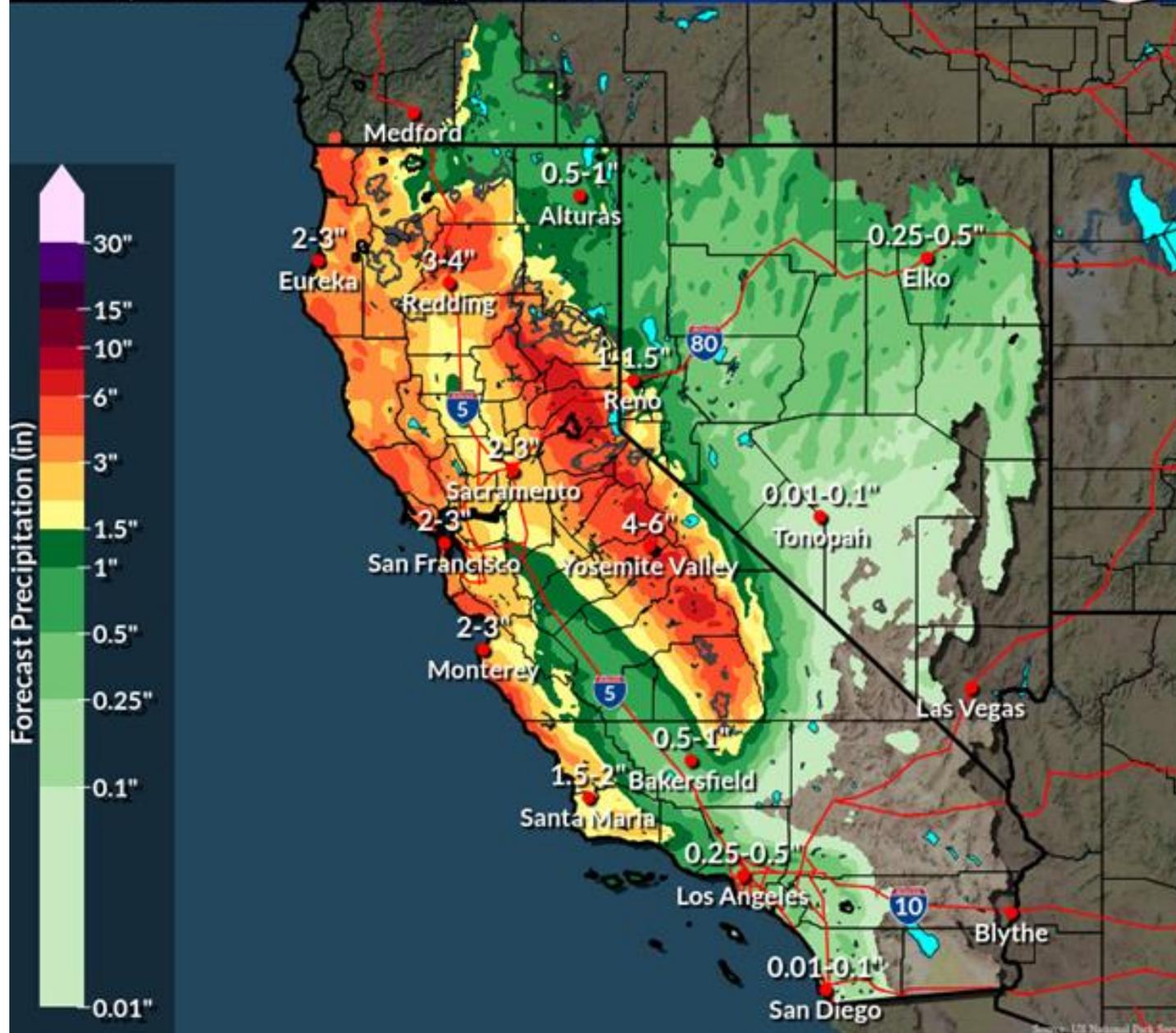
6-Day Forecast Precipitation

California Nevada
River Forecast Center



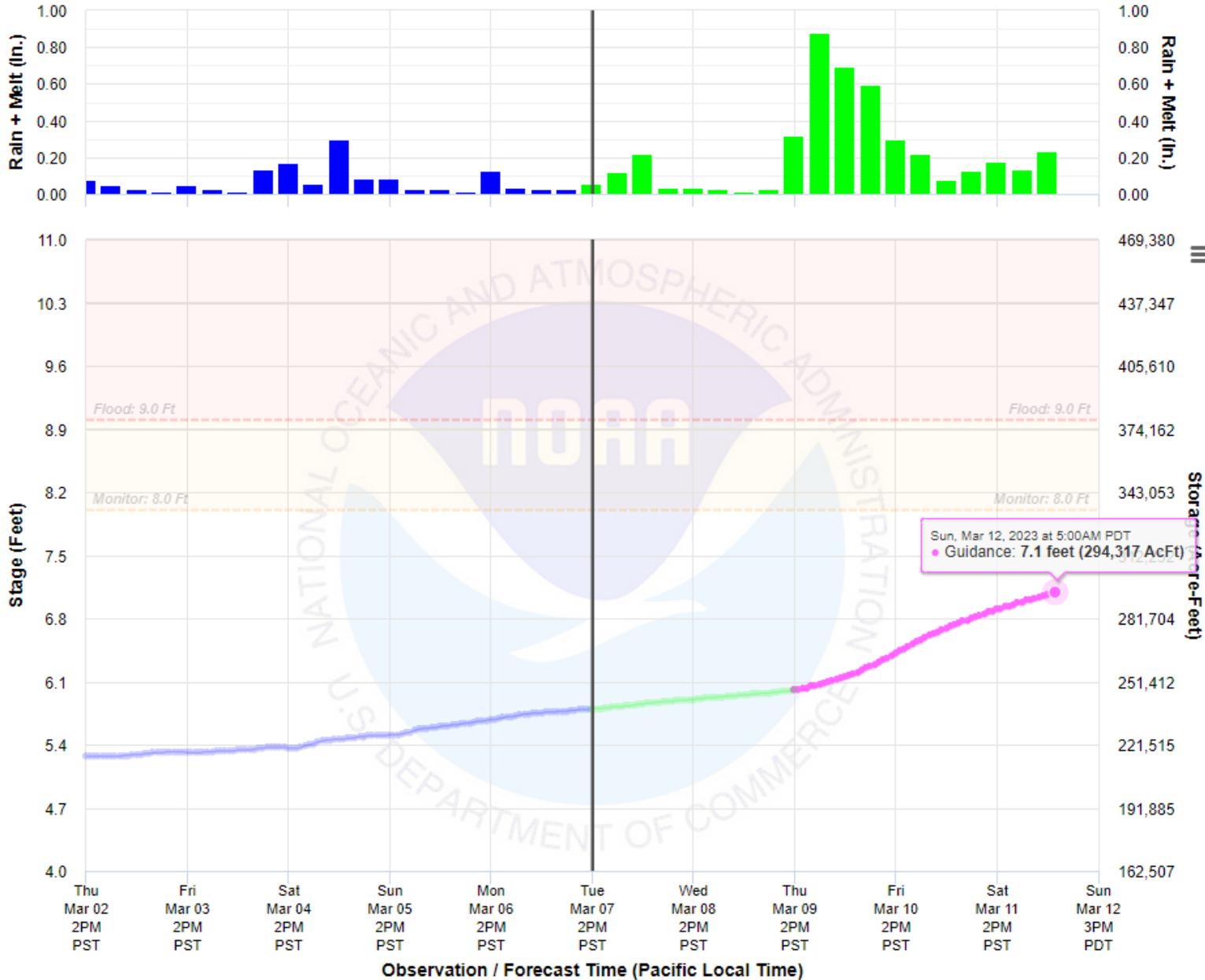
Mon Mar 6, 2023 4 AM PST to Sun Mar 12, 2023 5 AM PDT

Issued Mar 06, 2023 7:50 AM PST



Clear Lake - Lakeport (CLKC1) Reservoir Forecast Plot

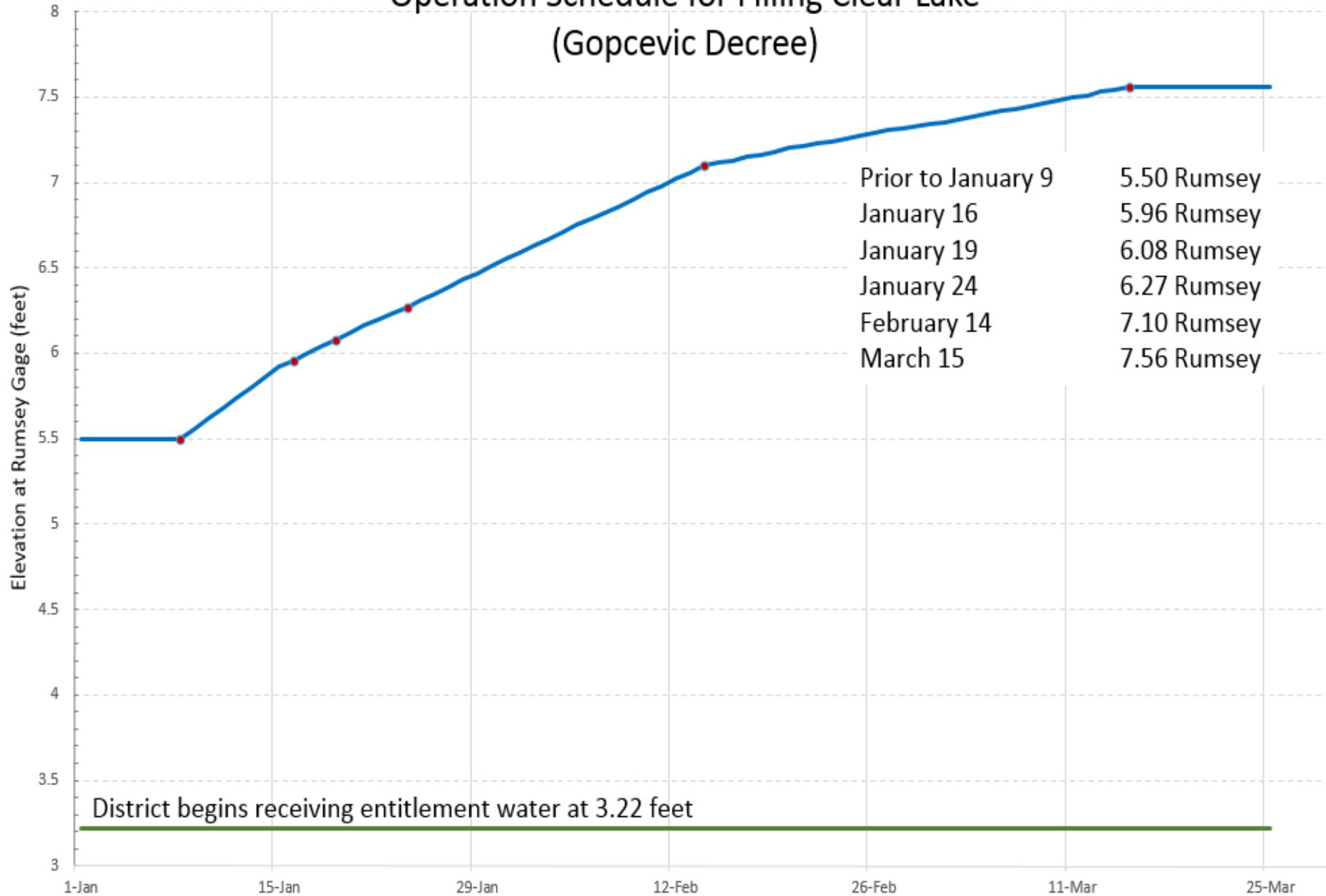
Forecast Posted: 03/07/2023 at 1:49 PM PST • Graphic Created: 03/07/2023 at 2:17 PM PST



Solano Decree

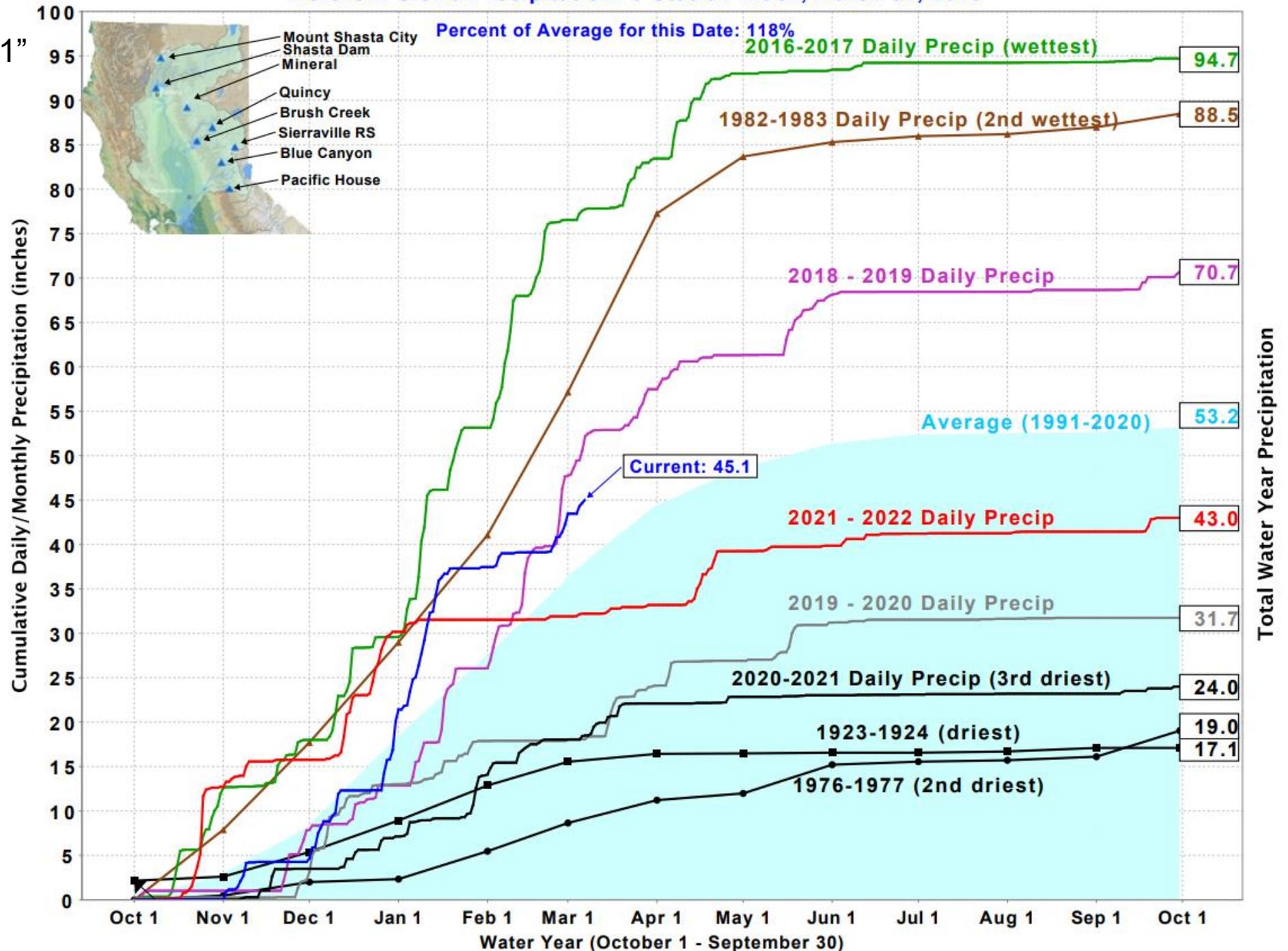
Irrigation Entitlement @ 7.1' =
130,742 AF

Operation Schedule for Filling Clear Lake (Gopcevic Decree)



Northern Sierra Precipitation: 8-Station Index, March 07, 2023

1 month $\Delta \sim 16.1"$





1 month Δ

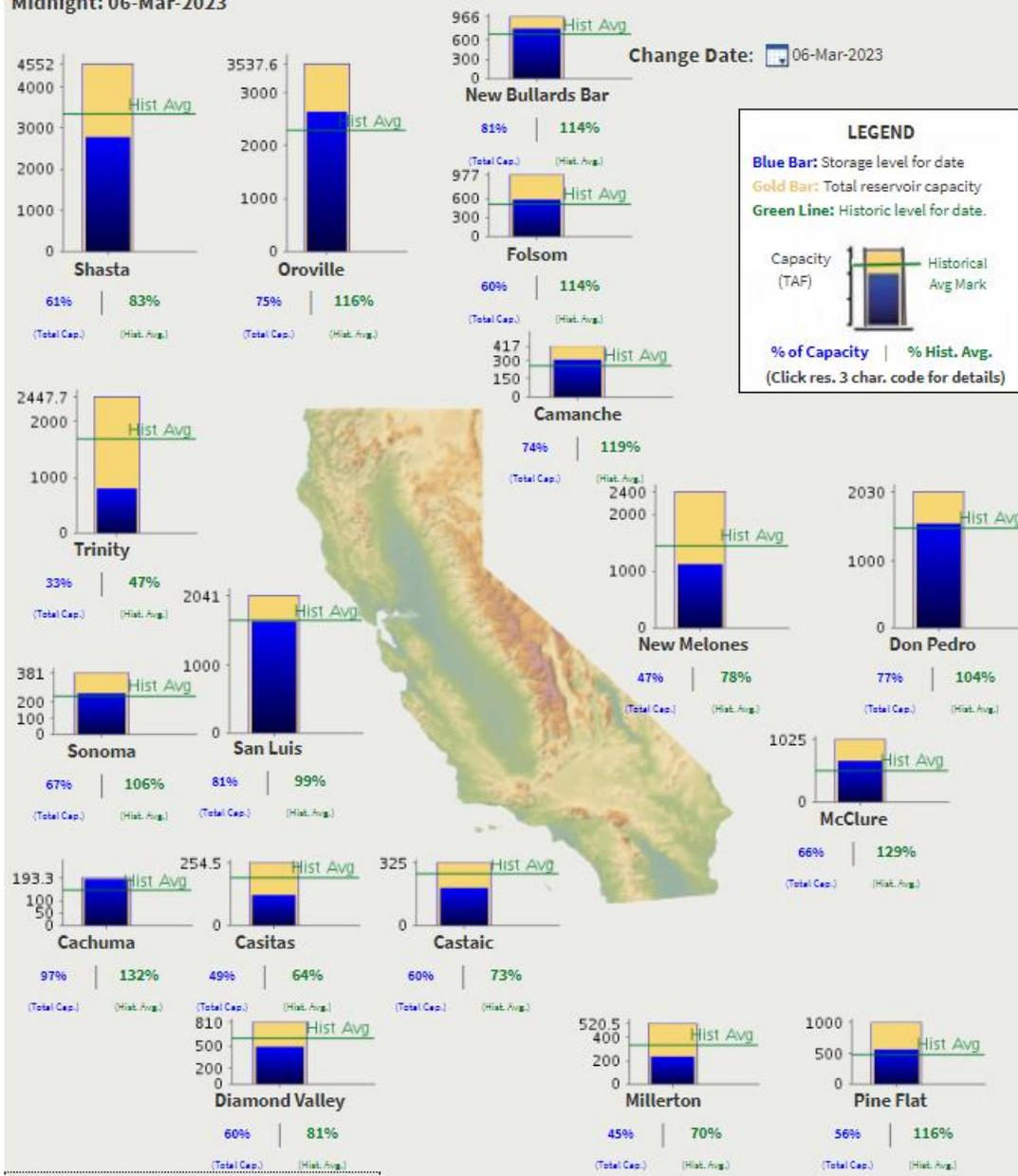
Shasta ~ 25%

Oroville ~ 29%

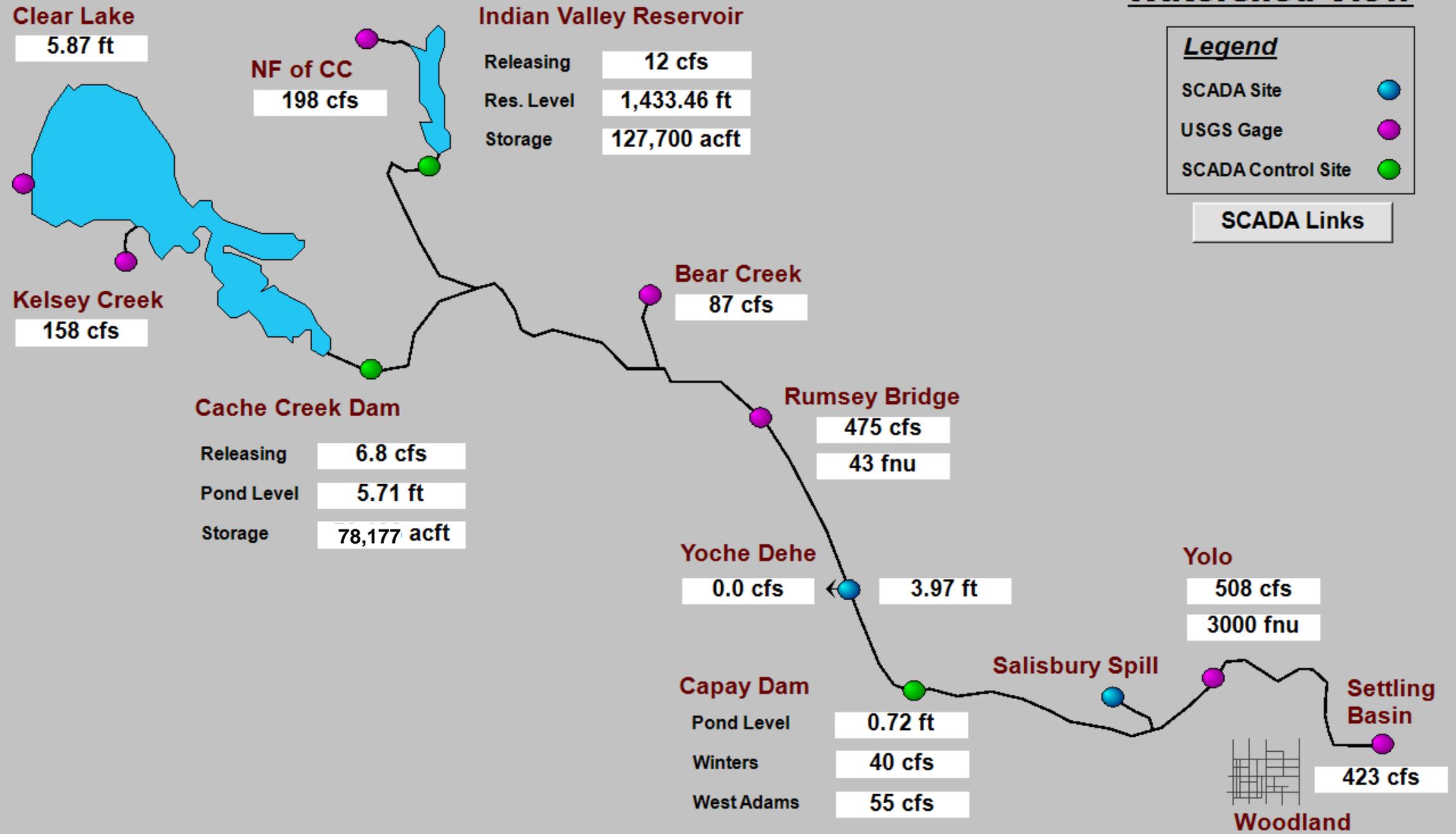
Folsom ~ 6%

CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:06-MAR-2023

Midnight: 06-Mar-2023

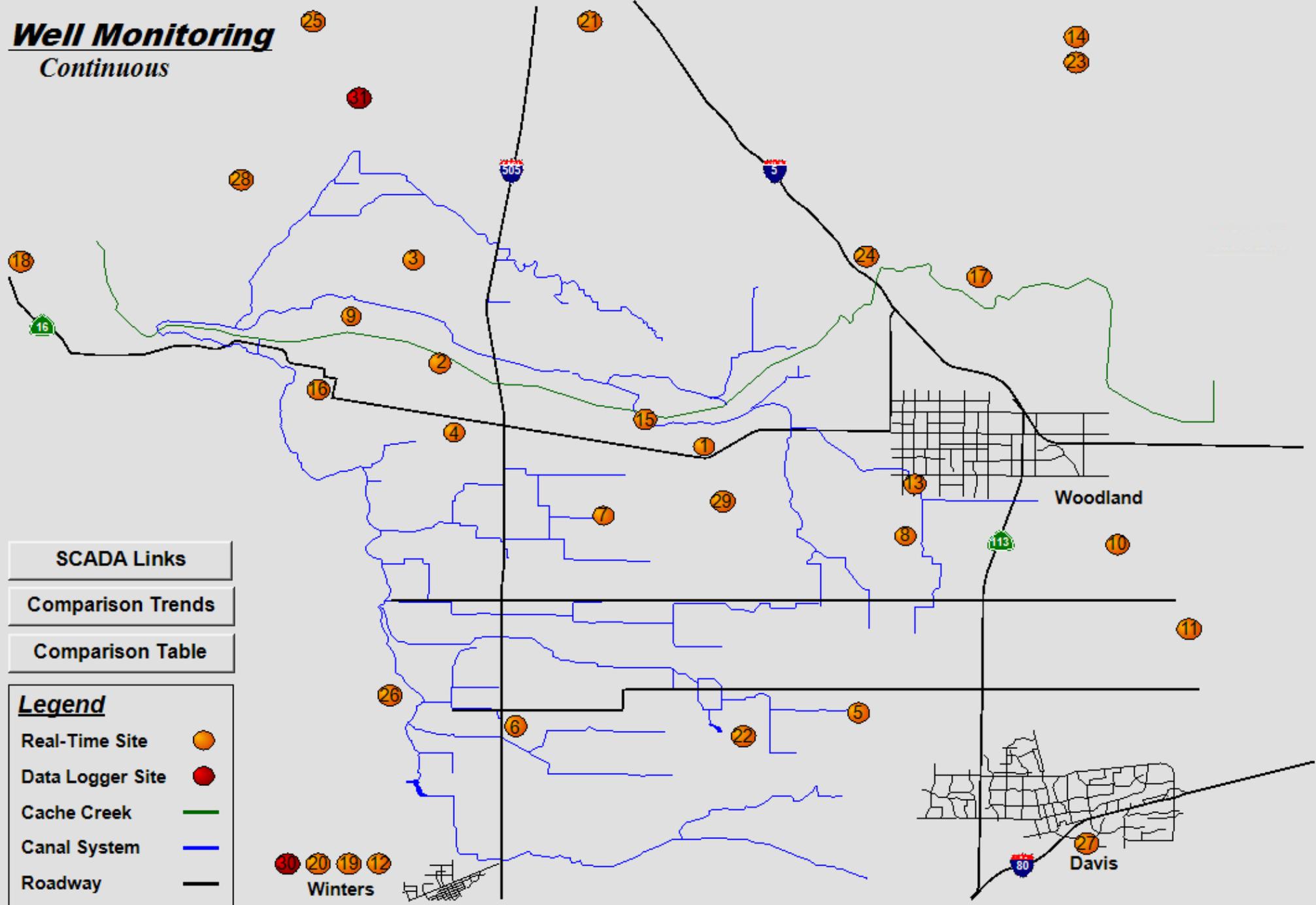


Watershed View



Well Monitoring

Continuous



SCADA Links

Comparison Trends

Comparison Table

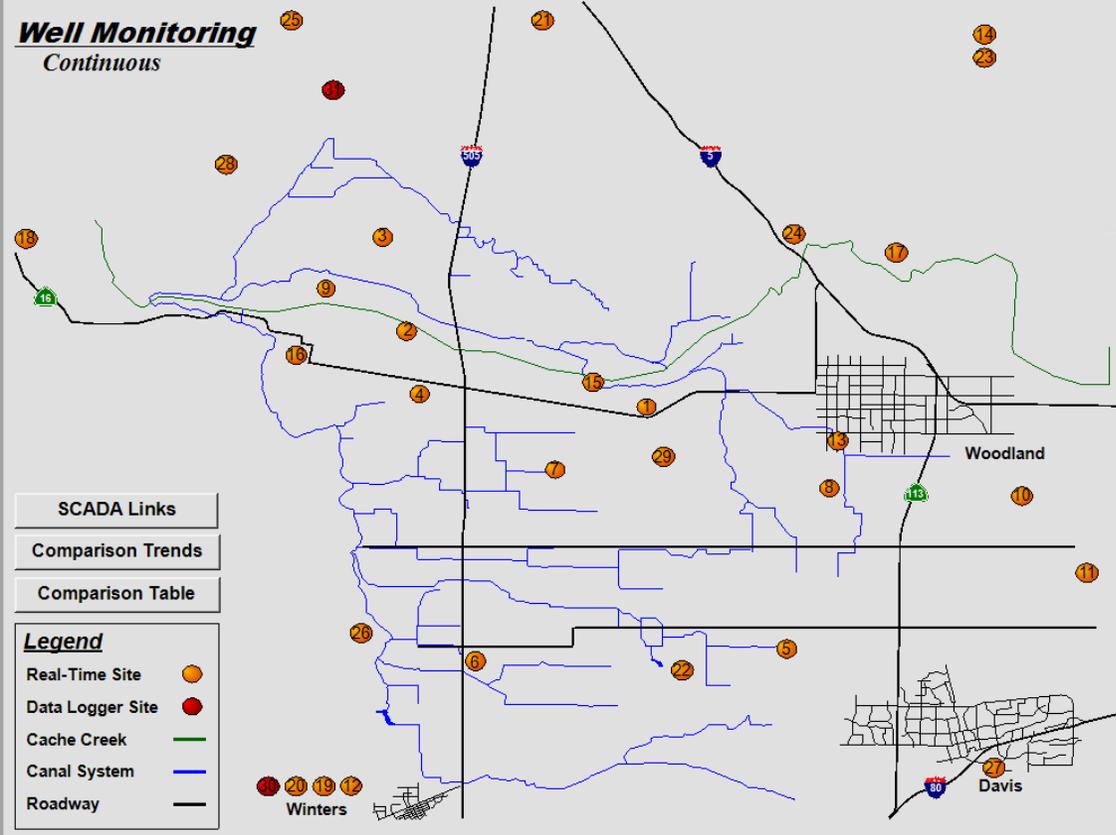
Legend

- Real-Time Site 
- Data Logger Site 
- Cache Creek 
- Canal System 
- Roadway 

30 20 19 12
Winters

Woodland

Davis

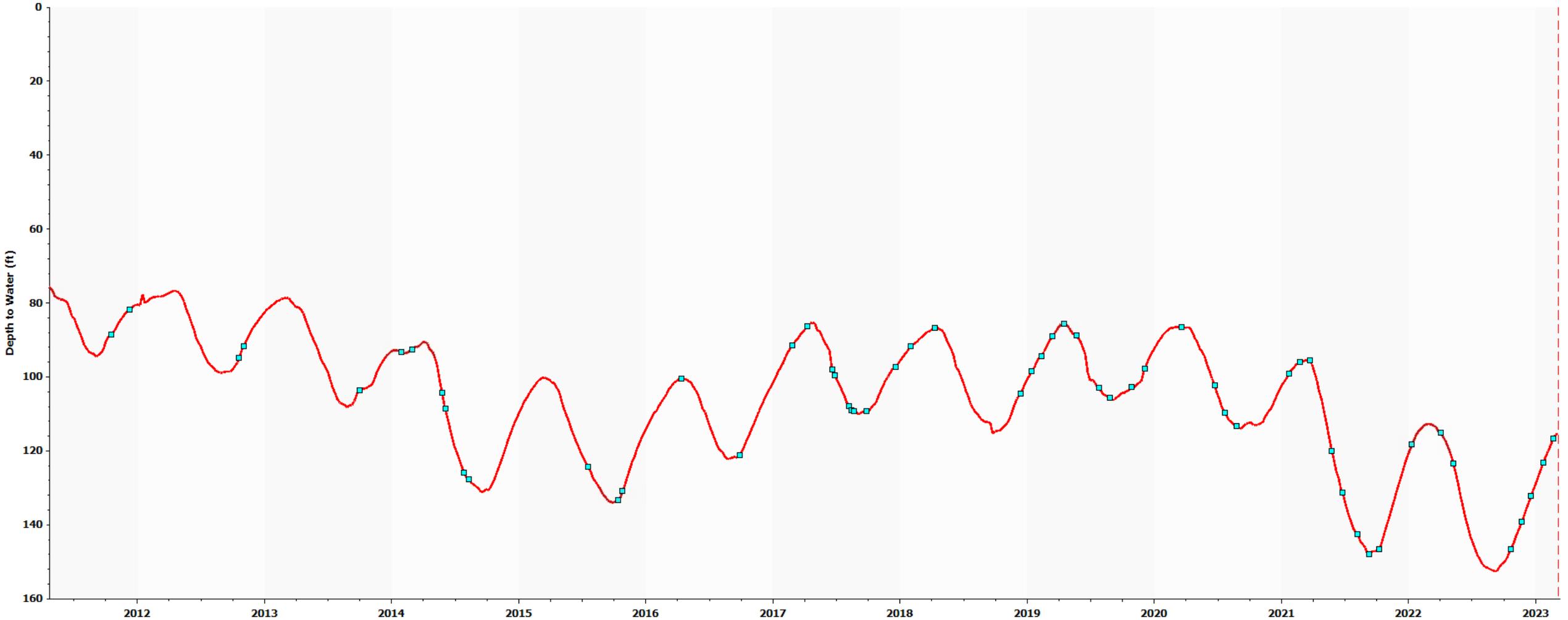


Depth to Water Historical Comparison
(Daily Average DTW in feet)

Well	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Δ 2022 - 2023	Δ 2015 - 2023
1.	82.6	78.0	78.4	79.0	92.6	101.0	104.8	91.2	89.6	91.4	91.9	96.2	112.9	115.6	-2.7	-14.6
2.	31.7	29.4	29.9	29.2	36.5	38.8	41.6	23.8	30.2	25.3	29.9	32.3	36.9	40.5	-3.6	-1.7
3.		42.4	39.5	39.2	51.5	59.1	59.6	39.4	40.2	38.7	39.8	43.9	57.2	63.5	-6.3	-4.3
4.		25.2	29.0	23.8	32.1	38.9	39.7	20.9	27.1	19.4	27.5	38.3	36.2	39.0	-2.8	-1
5.		21.4	21.2	22.3	29.7	33.6	39.8	11.7	28.2	8.5	23.1	29.6	37.5	36.0	1.5	-2.5
6.			36.9	34.6	43.6	50.2	53.7	25.3	36.1	21.0	41.0	46.3	52.1	51.3	.8	-1.1
7.				21.4	21.4	32.3	34.6	16.4	21.1	14.7	19.5	25.9	31.5	33.2	-1.6	-8
8.					50.3	59.9	63.4	47.7	42.6	38.1	38.0	47.2	60.9	58.4	2.5	1.5
9.					50.3	56.2	59.1	37.7	40.8	35.0	41.6	47.1	53.8	61.0	-7.2	-4.8
10.						23.9	27.2	12.7	12.5	9.8	10.9	17.2	26.9	20.8	6.1	3.1
11.						11.1	13.2	5.2	8.9	5.8	9.2	12.6	13.6	10.5	3.2	.6
12.											113.5	106.9	119.7	129.3	-7.4	
13.									53.1	48.5	48.8	59.6	71.5	66.8	4.8	
14.										6.2	9.7	13.1	11.4	10.4	1.0	
15s.										34.5	36.9	46.0	44.0	41.3	2.8	
15d.										104.0	104.4	135.6	155.6	154.1	1.5	
16.										26.1	35.5	37.7	45.0	47.3	-2.3	
17.											20.2	26.8	30.1	30.1	.1	
18.											36.0	38.5	39.8	31.6	8.2	
19.											165.6	175.3	186.5	195.5	-9.0	
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----- Working on a replacement -----

1. HQ Well Depth to Water

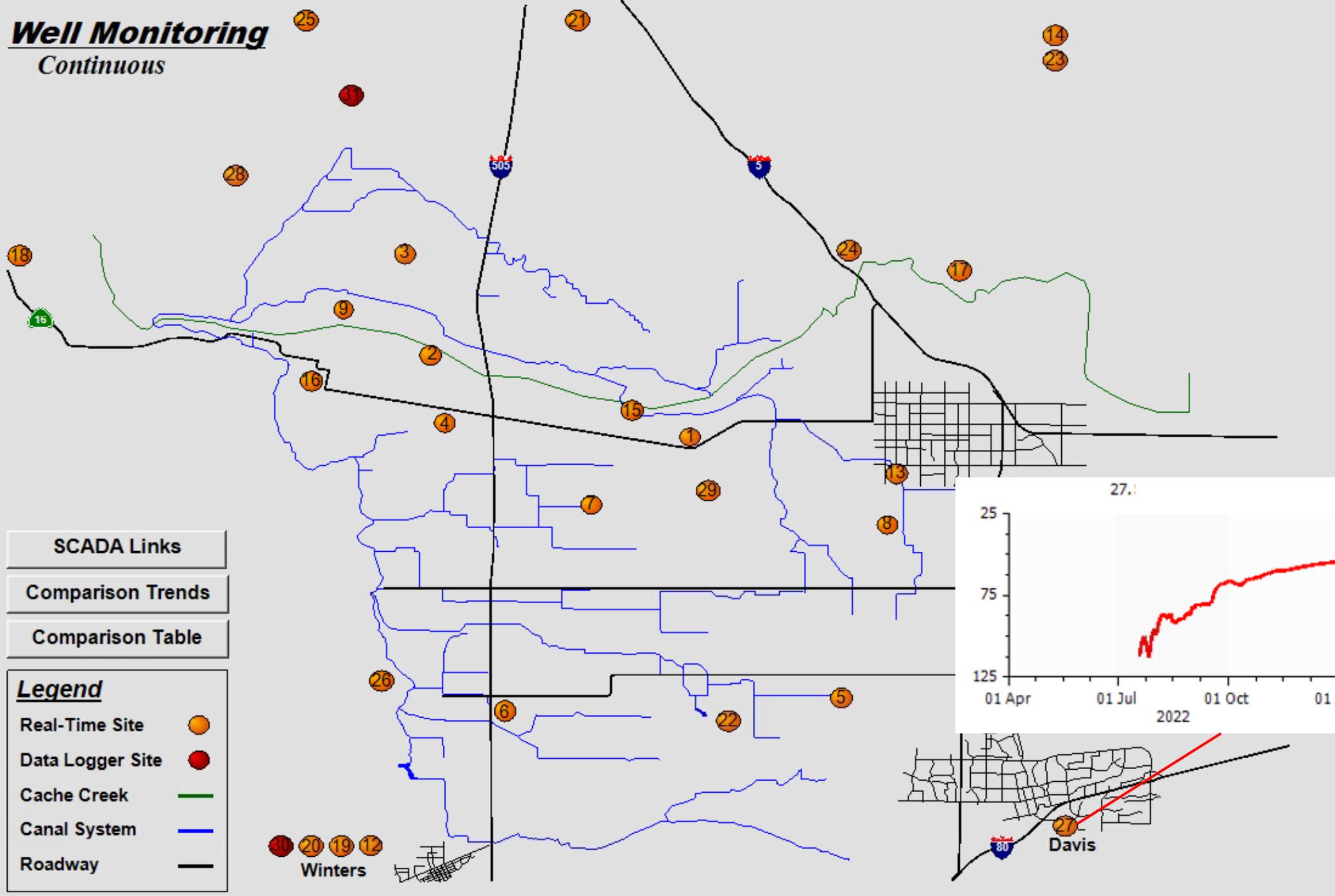


02/07/22: 113.8 feet
03/07/22: 112.9 feet
Δ 0.9 feet

02/07/23: 119.8 feet
03/07/23: 115.7 feet
Δ 4.1 feet

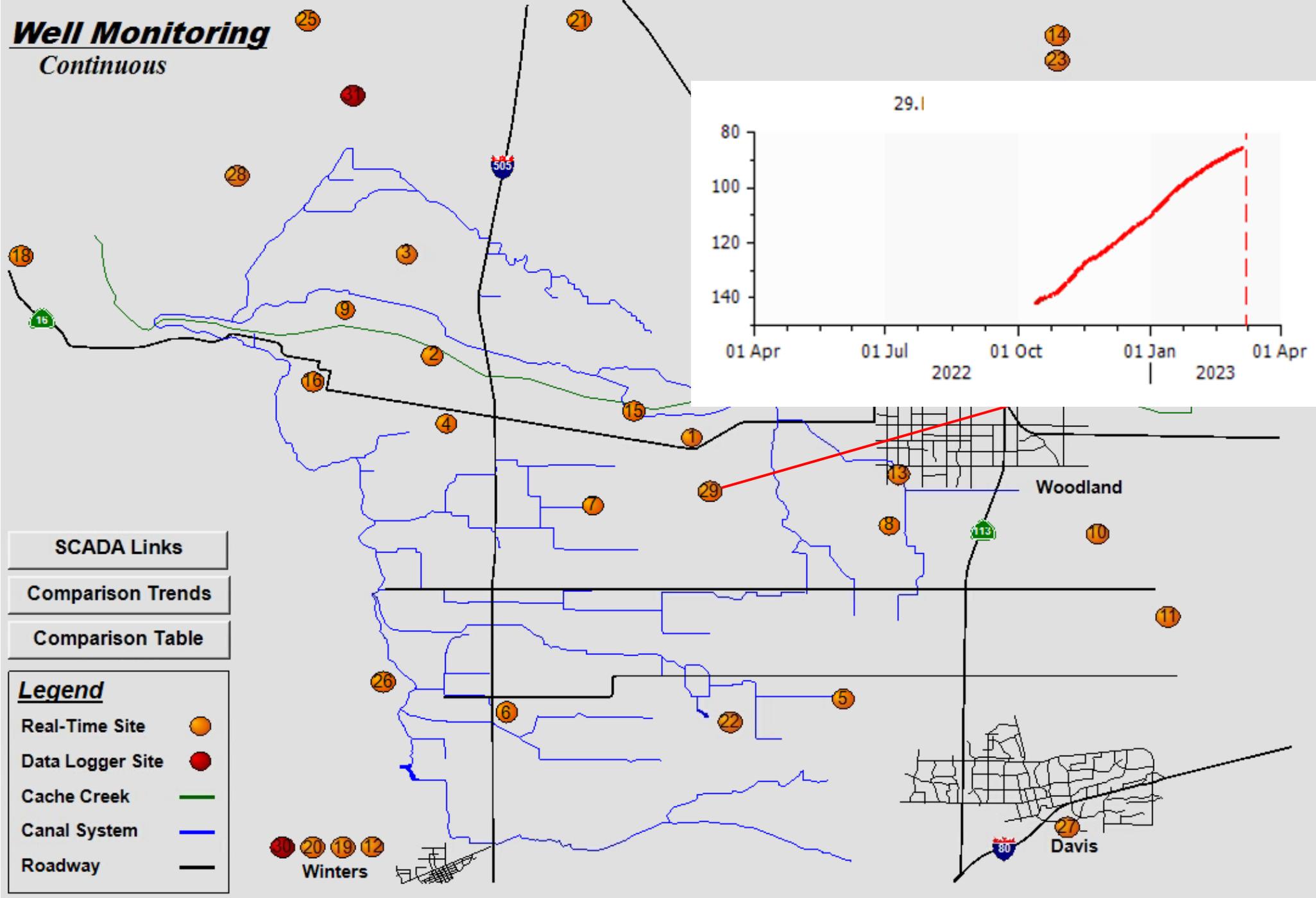
Well Monitoring

Continuous



Well Monitoring

Continuous



SCADA Links

Comparison Trends

Comparison Table

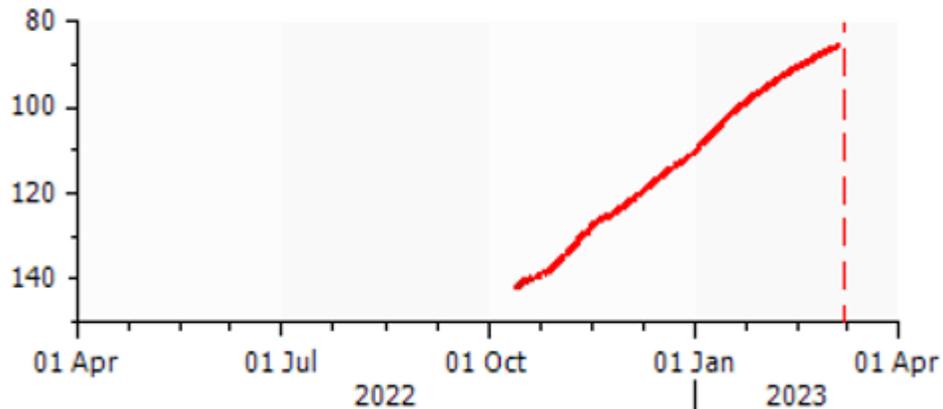
Legend

- Real-Time Site
- Data Logger Site
- Cache Creek
- Canal System
- Roadway

Winters

14
 23

29.1

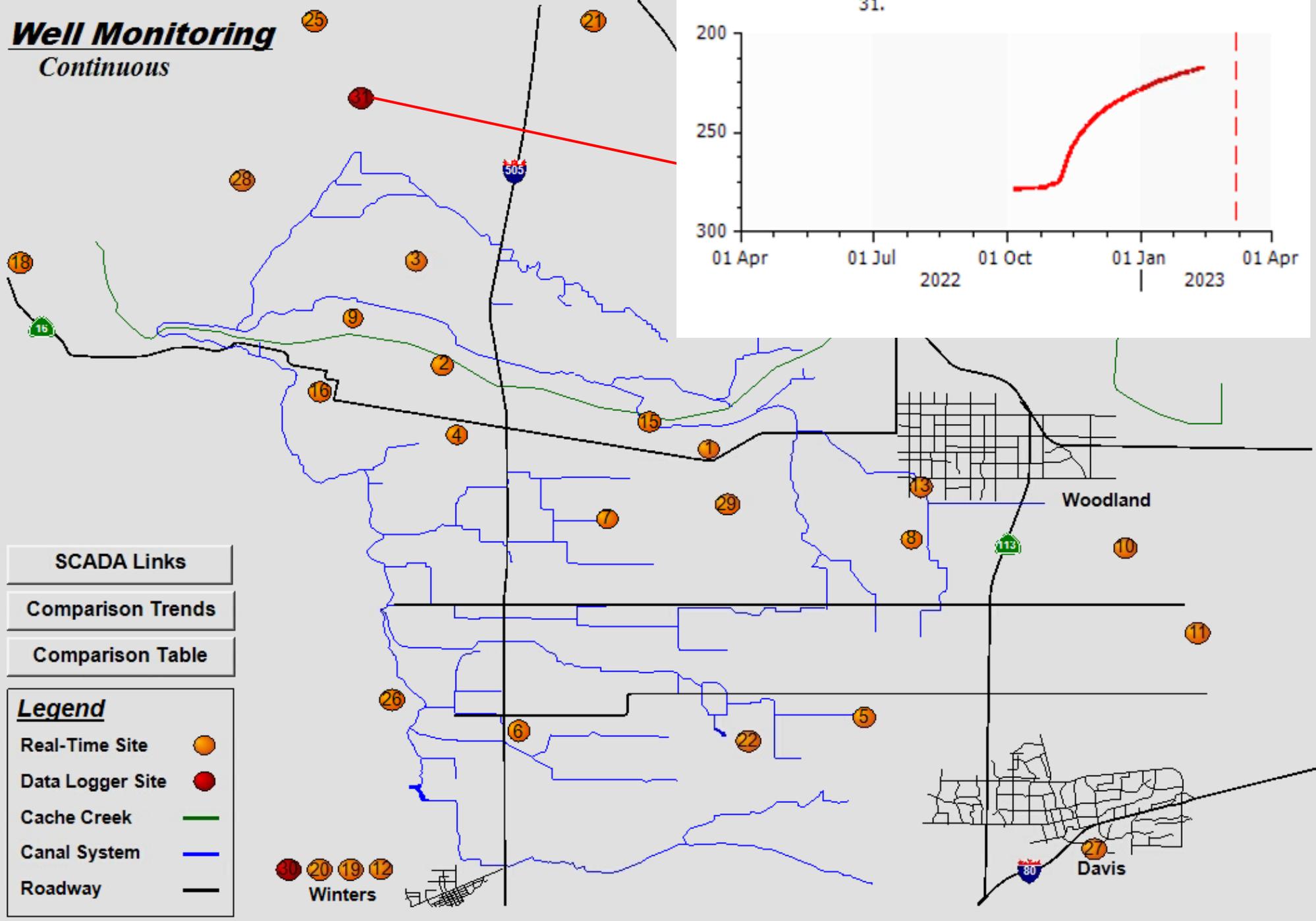


Woodland

Davis

Well Monitoring

Continuous





2023 Temporary Permit for Diverting Excess Flows to Groundwater Recharge

- Diversions season: January 26 – April 30, 2023
 - Diversions up to 600 cfs; max of 72,000 AF
 - Maintain ≥ 50 cfs in Cache Creek at Yolo (100 cfs in April)
 - Divert “excess” stormwater into canals and onto fields
 - Fields must be part of Yolo County Irrigated Lands Program
-
- As of March 7, 2023: Diversions occurred for 20 days (~4,300 AF)



Year	Diversion Days	Stormwater Diversion for Groundwater Recharge (AF)
2016	39	11,128
2017	41	6,210
2018*	0	0
2019	30	3,745
2020-2022*	0	0
2023	20	4,300

Preliminary Financial Report

Highlights as of February 28, 2023

Preliminary Budget Summary as of 2/28/2023

Key Revenue Drivers	Year-to-Date	Budget	Difference
Agricultural Water Sales <i>*adjustment made to Appropriated Sales so year-to-date reduced \$18,700</i>	\$49,400	\$84,500	(\$35,100)
Non-Agricultural (M&I) Water Sales	\$199,900	\$334,200	(\$134,300)
Property Taxes	\$1,034,900	\$1,657,600	(\$622,700)
IV Dam Hydro (less fees)	\$0	\$0	\$0
Other Revenue	\$829,300	\$716,000	\$113,300
<i>Shared Services Revenue</i>	<i>\$484,500</i>	<i>\$300,000</i>	<i>\$184,500</i>
<i>YSGA Reimbursements</i>	<i>\$168,000</i>	<i>\$275,000</i>	<i>(\$107,000)</i>
<i>Interest</i>	<i>\$70,200</i>	<i>\$20,000</i>	<i>\$50,200</i>
<i>Other</i>	<i>\$106,600</i>	<i>\$121,000</i>	<i>(\$14,400)</i>
TOTAL REVENUE	\$2,113,500	\$2,792,300	(\$678,800)

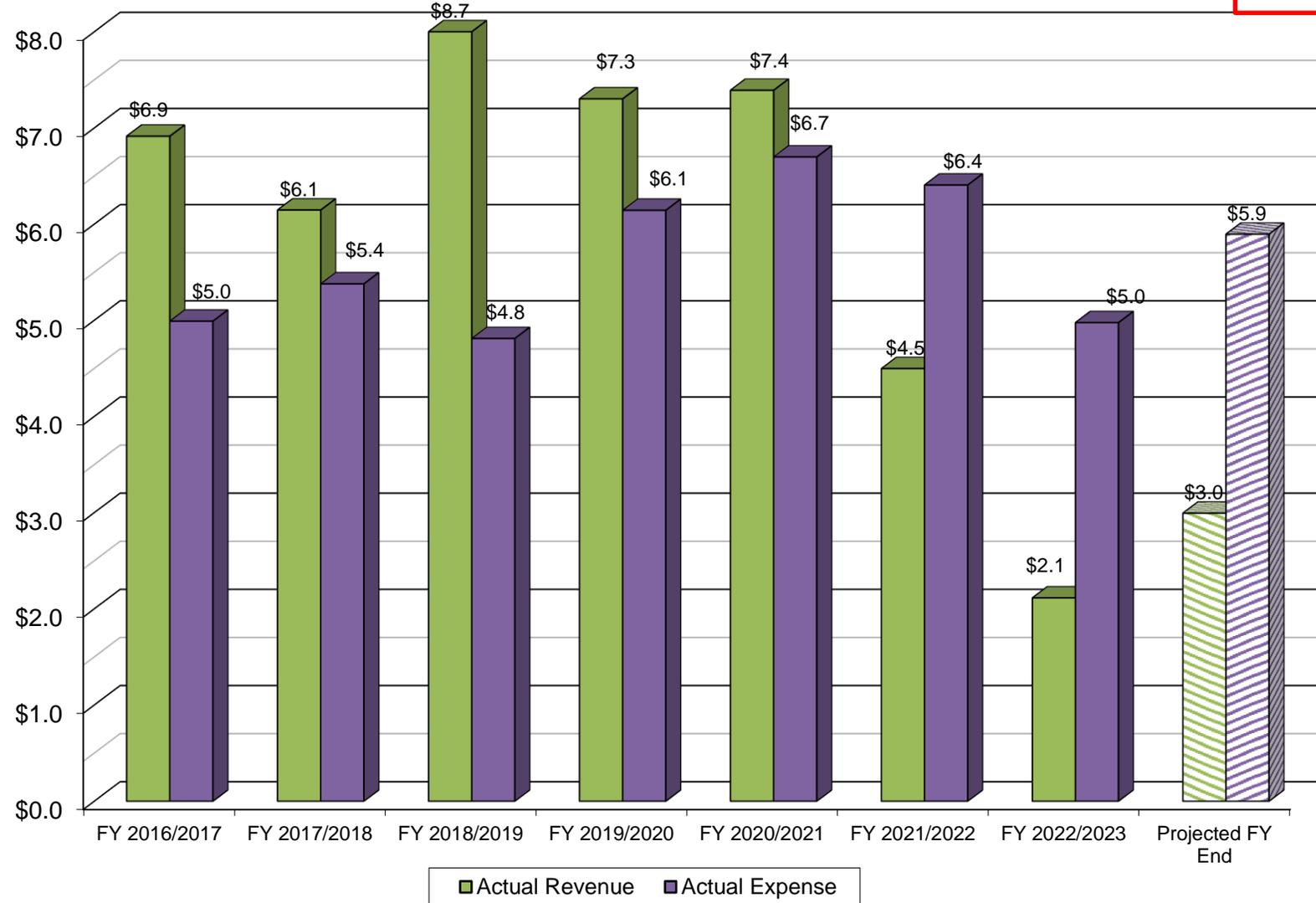
Key Expense Drivers	Year-to-Date	Budget	Difference
Transmission and Distribution (O&M)	\$602,800	\$1,060,200	(\$457,400)
General Administration	\$2,029,500	\$2,147,200	(\$117,700)
Other Expenses	\$2,343,300	\$2,652,700	(\$309,400)
TOTAL EXPENSES	\$4,975,600	\$5,860,100	(\$884,500)

Preliminary Financial Report

Comparison of Actual Revenue vs. Actual Expense

Original Budget
\$2.8 / \$5.9

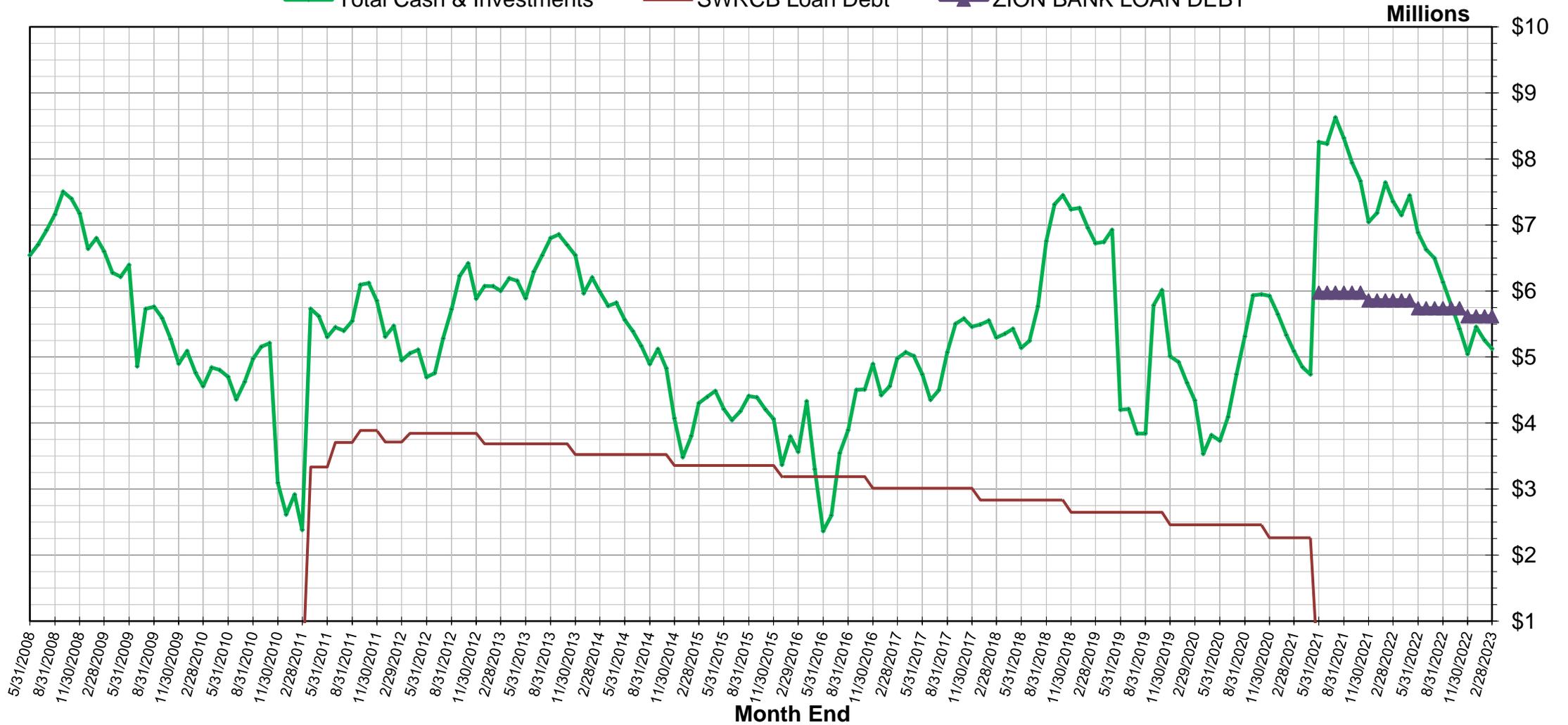
Millions



Preliminary Financial Report

Cash History

— Total Cash & Investments — SWRCB Loan Debt ▲ ZION BANK LOAN DEBT



Zion Bank Loan Debt: Rate Covenant Includes Reserves and Flexibility of Lockbox

Capital Improvement Program

Planning for Capital Jobs

Capay Dam Bladder Replacement Project

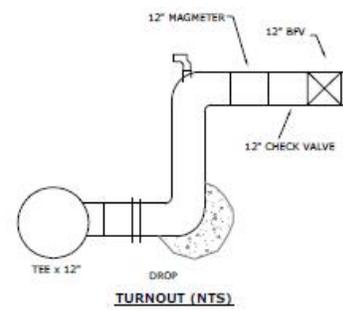
FY 22/23 Planning Activities Related to Large Capital Jobs

Almondale Flume: Emergency Repairs Project

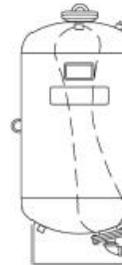
Hungry Hollow Canal – Pipeline Extension Project



Update on Hungry Hollow Canal Pipeline Extension Project

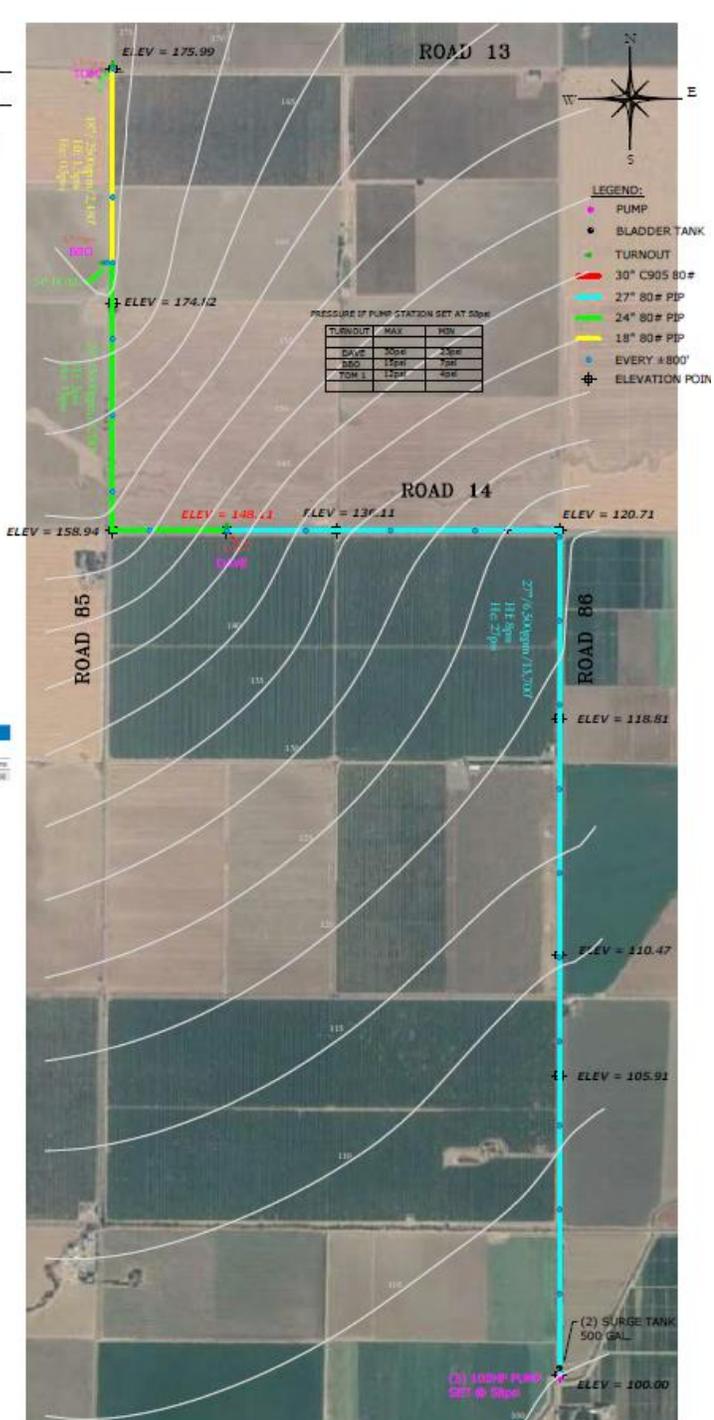
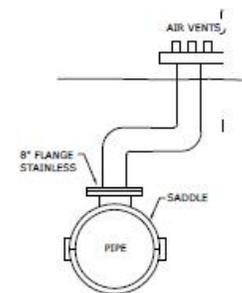
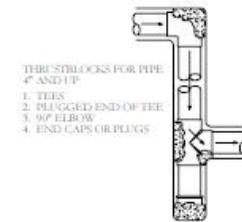


BLADDER TANK



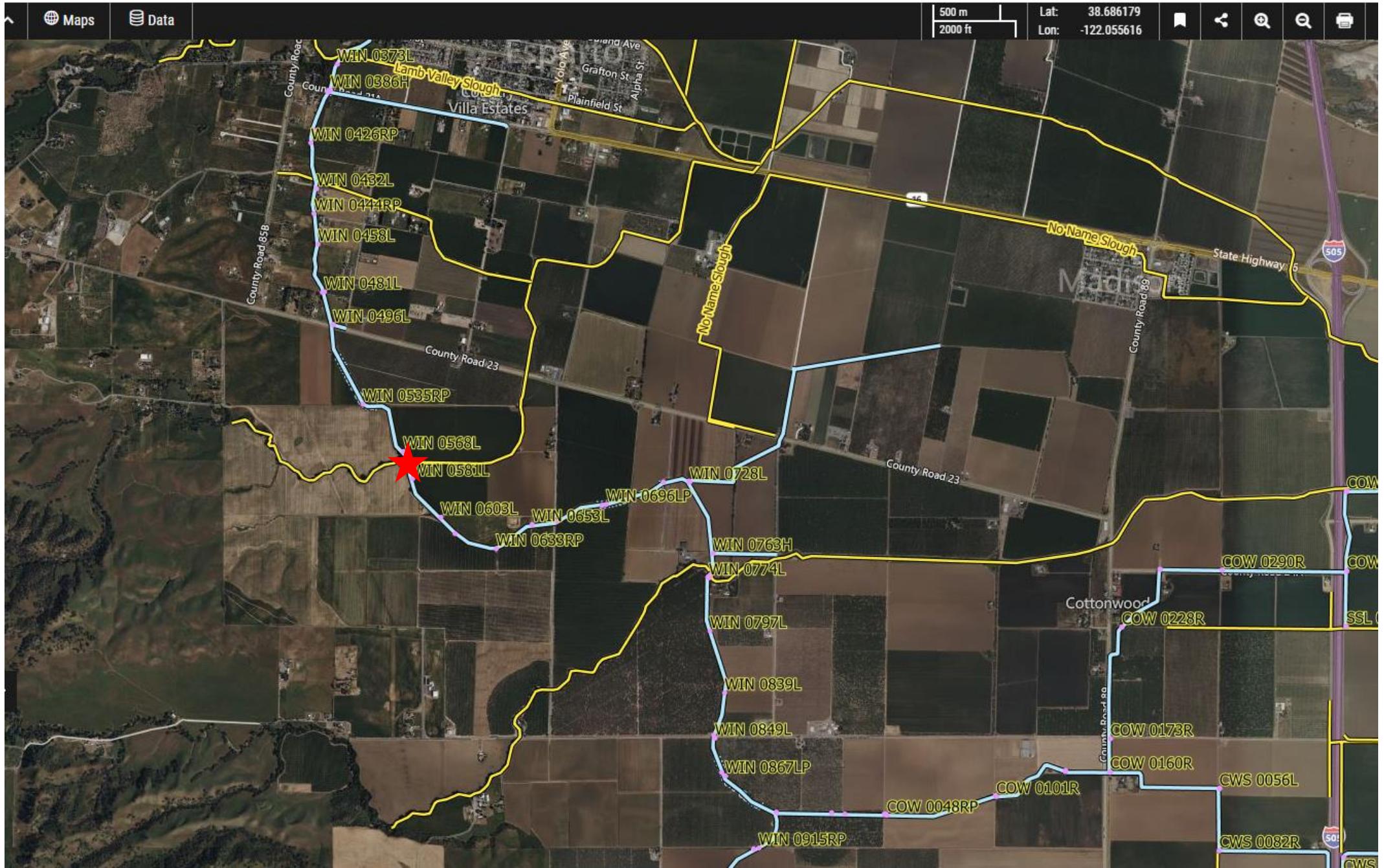
ASME Full Acceptance Bladder Series Specifications

Model	TPA (Pounds)	Max. Allow. Working Pressure (PSI)	Max. Working Pressure (PSI)	Max. Working Pressure (PSI)
BLADDER	500	80	80	1,000
	800	80	80	1,500
	1,000	80	80	2,000
	1,500	80	80	2,500



Yolo County FC & WCD

Land Use and Irrigation System Map







Almondale Flume on Winters Canal: Emergency Repairs Project



Almondale Flume on Winters Canal: Emergency Repairs Project



Cottonwood Flume Channel Repair

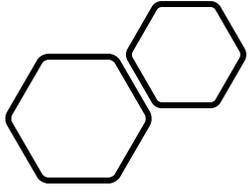




The AquaLastic® Concrete Repair System

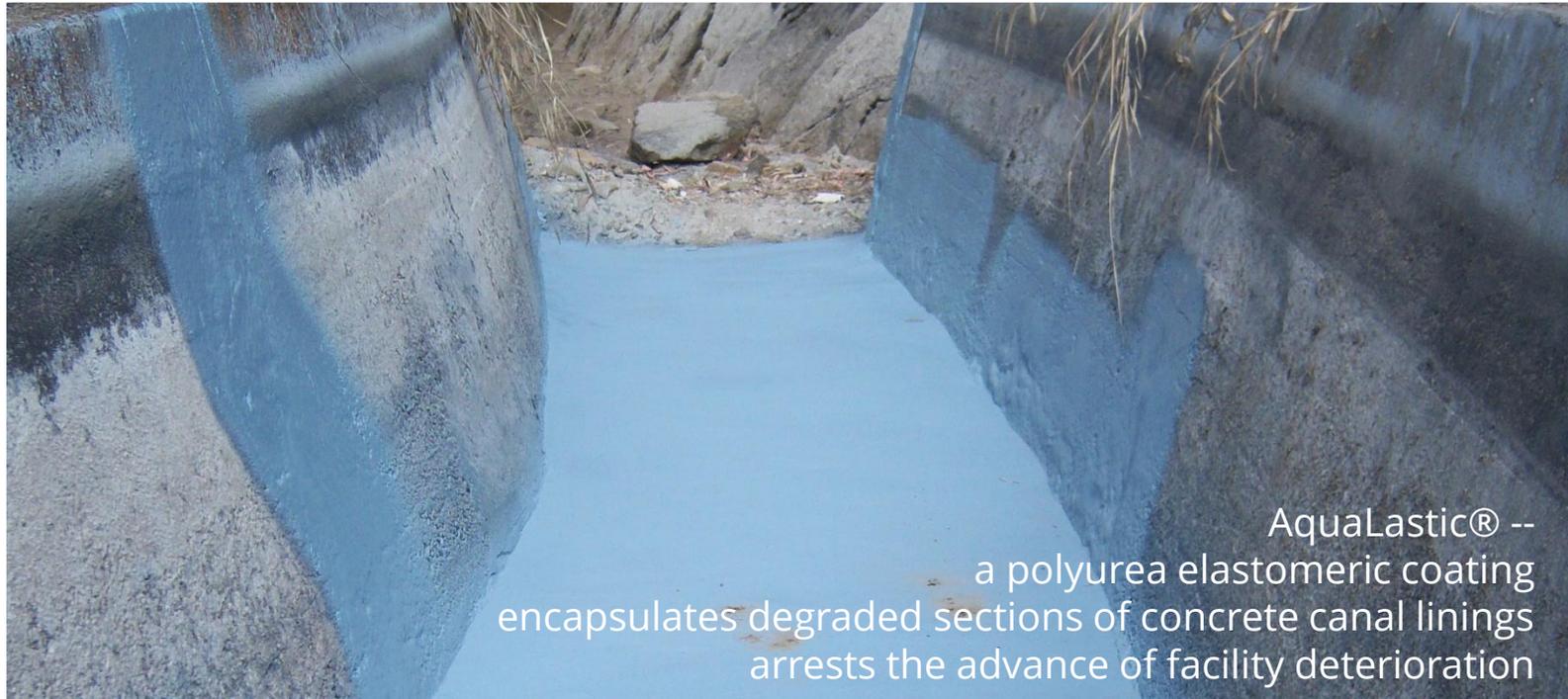
Prolong the Life of and Protect your Infrastructure

Our solution is a complete concrete repair system capable of fixing many different areas and types of degradation problems in concrete, earthen and metal canals, flumes, spillways, flood control channels, dams and other structures.



AquaLastic®

- Quote for Cottonwood Flume
~2,500 sf = \$40,700
- 2-3 day installation
- 15-20 year life extension
- CA Project
 - Truckee-Carson Irrigation District
 - RD 1004
 - Carlsbad Irrigation District



AquaLastic® --
a polyurea elastomeric coating
encapsulates degraded sections of concrete canal linings
arrests the advance of facility deterioration

General Activities (February 7 – March 7)

PROJECTS:

- **LWA Cost-of-Service Study for Revenue Stabilization and Outreach Meetings**
- **2023 Storm Damage Assessment**
- **Excess Flow Diversions for Groundwater Recharge**
- **Drought Assistance – Dry well checks (Contract with Yolo County OES)**
- **Training and Initial Phases of Automated Payroll Project and Website Revamping Project**
- **Water Right Reporting Energy Reporting; and Appropriator Water Rights**
- **Voluntary Agreement Process/Dry Year Scenario Planning**
- **Project Development for Grant Opportunities (Review of Solicitation Packages)**
- **YSGA – Project Development; Outreach; Well Permitting Procedures; GSP Grant Management; Groundwater Monitoring Program Improvements; Grant Opportunities; Neighboring Subbasin Coordination; Grey Area Projects and Outreach**
- **Maintenance on Canal System and Various Private Jobs**
- **Creek Spraying for CCC and Chipper Program for Yolo RCD**
- **Capital Projects – small infrastructure projects and USBR WaterSMART Grant**
- **Weed Management (MERCOSA, NDM and Wild Wings CSAs, Madison and Knights Landing CSDs)**
- **Shared Services: Cacheville CSD (part-time GM), SCWA, private jobs, spraying, etc.**
- **Wild Wings CSA and Madison/Knights Landing/Cacheville CSDs Groundwater Assistance and Drought Contingency Planning**
- **Encroachment Permits, Easement Research, Misc. Water Rights Investigations**

General Activities (February 7 – March 7)

OUTREACH:

1. Meeting with Supervisor Villegas (February 8)
2. California Irrigation Institute Board Meeting (February 9)
3. CV-Salts Priority 2 Basin Planning Meeting (February 10)
4. County / Farm Bureau Coordination Meeting (February 13)
5. Yolo County Farm Bureau Executive Committee and Board of Directors Meetings (February 13 and February 23)
6. Yolo County Financial Oversight Committee (February 15)
7. ACWA Agriculture Committee Meeting (February 15)
8. YSGA: HUH Area Groundwater Subcommittee Meeting (Feb. 15)
9. Monthly Cross-Pilot Water Acctg. Platform Coord. Meeting (Feb. 16)
10. YSGA: DCPC Meeting - Well Permit Applications (Feb. 17)
11. ACWA Region 4 Board Planning Meeting (February 17)
12. CDFA Water Committee Panel Presentation (February 17)
13. ACWA Executive Director Eggerton Visit (February 21)
14. YSGA Executive Committee Meeting (February 22)
15. ACWA Well Permitting Working Group Meeting (February 23)
16. Coordination Meeting with Yocha Dehe Wintun Nation (February 24)
17. YSGA: Ad Hoc Committee Expense Allocation (Feb. 24)
18. Coordination with SWB on Long-Term Permit Application (February 24)
19. California Irrigation Institute 2023 Conference (February 27-28)
20. NCWA Dry Year Task Force Meetings (February 28)
21. Cal OES Applicant Briefing for January Storm Events (March 1)
22. YSGA: Coordination with County EH on Well Permitting (March 1)
23. FSY 2.0: Highway 16 Flood Mitigation Project Update (March 1)
24. Cal OES IVR Landslide Issue Discussion (March 2)
25. NCWA Annual Meeting (March 3)
26. DWR's Groundwater Awareness Event (March 6)
27. Planning Meeting for Yolo County Water Forum (March 6)
28. Meetings with Various Landowners / Water Customers about District's Revenue Stabilization Program (throughout)

YSGA UPDATE

YSGA 2023 Q1/Q2 Activities

- Onboarding New Employee: Nathan Fisher
- GSP 2023 Annual Report
- Well Permitting Process
 - YSGA Ad Hoc DCPC Meeting to Review Permit Status (2/17)
 - Tracking Assembly Bill 1563
- GSP Implementation
 - Management Area Advisory Committees
 - Consideration of Revenue Mechanisms: Meeting with YSGA Ad Hoc Committee to Discuss Proceeding with Fee Study
 - Prioritizing Projects / Preparing Grant Applications
- Drought Task Force Meetings (SB 552: Drought/Water Shortage Planning)
- DWR's Groundwater Awareness Event (3/6)
- Preparing for Yolo County Water Forum (5/16)
- YSGA Board of Directors Meeting
 - Regular Meeting March 20 and June 19, 2023
 - Helen Thomson Recognition

Upcoming Meetings & Events

1. Meeting with FEMA to Discuss Reimbursement for Storm Damage ([March 8](#))
2. ACWA State Legislative Committee Meeting ([March 9](#))
3. OA Briefing March 2023 Storms ([March 10](#))
4. NCWA Groundwater Management Task Force Meeting ([March 13](#))
5. DWR Water Resilience Projects Tour at Capay Diversion Dam ([March 13](#))
6. NCWA Dry Year Task Force Meeting ([March 14](#))
7. CII Board Meeting ([March 14](#))
8. **YCFC&WCD Special Board of Directors Meeting ([March 14](#))**
9. **YCFC&WCD Meeting with Agricultural Water Customers ([March 16](#))**
10. Meeting with USDA to Brainstorm on Groundwater Recharge Pilot Dry Well Sites ([March 17](#))
11. YSGA: Board of Directors Meeting ([March 20](#))
12. YSGA: Board of Directors Meeting ([March 20](#))
13. Rolling Acres Flooding Ad Hoc Committee Community Meeting ([March 23](#))
14. NCWA Bay-Delta Task Force Meeting ([April 3](#))
15. DWR's Spring 2023 GSA Summit ([April 19](#))
16. ACWA Spring Conference ([May 9-11](#))
17. Yolo County Water Awareness Forum ([May 16](#))
18. GRA/ACWA GSA Summit ([June 7-8](#))

Overview of Cost-of-Service Study Agricultural Water Rate Update

Purpose

- Continuation of water rate discussion from February meeting
- Review water rate assumptions and options for rate setting
- Receive guidance for the preparation of COS study
 - Presentation of COS study at March 14 special Board meeting
- Review implementation timeline and noticing requirements

Background

- Technical Memorandum (Sept 14, 2022) identified a need to increase District revenue, identified options, and recommended a path forward
- 3 Phase Rate Stabilization Program
 - Phase 1 Property Assessment (completed per prior Board items)
 - Phase 2 Water Rate Increase (subject of discussion)
 - Phase 3 Groundwater Charge (future action)
- Between September and January, staff and consultant team worked closely with the outreach committee on the assessment details and its impact on future water rate setting.

Background

- February 2023 Board meeting
 - Presented possible water rate changes with and without SBA
 - Utilized existing sliding scale rate structure
 - Reviewed assumptions affecting rates
- Staff and consultant team reviewed the rate setting approach and assumptions with the Outreach Committee

Preliminary Discussion Outline

- Expenditure summary (FY23/24 projected)
- Past performance: existing rates, water availability, sales

Expenditure Summary

	FY 23/24*
Agricultural Water Operations	\$2.316M
Agricultural Water G&A Allocation	\$1.887M
Agricultural Water Capital Improvement	\$1.715M
Total Direct Expenses	\$5.918M

Total Direct Expense – 5-yr Projection

FY 23/24*	FY 24/25	FY 25/26	FY 26/27	FY 27/28
\$5.92M	\$6.09M	\$6.28M	\$6.47M	\$6.66M

*Estimated and subject to change as District budget is established

- **Key Expense Assumptions**

- FY23/24 expense projections utilize FY22/23 budget with some adjustments based on historical averages to better represent an ‘average’ water year.
- FY 23/24 budgets may change during budget setting process depending on expected water sales.
- Capital projects apportioned to agricultural water based on type of service each project supports; annualized over life of project.
- G&A apportioned to agricultural water based on the proportional service provided across ag-water, non-ag-water, and non-water services.
- Drought reserve expense not shown here.

Expenditure Summary

	FY 23/24* with SBA	FY 23/24* w/o SBA
Total Direct Expenses	(\$5.918M)	(\$5.918M)
Tax Apportionment Revenue	\$1.028M	\$1.028M
Special Benefit Assessment Revenue	\$0.952M	\$0M
Net Direct Expenses	(\$3.938M)	(\$4.890M)

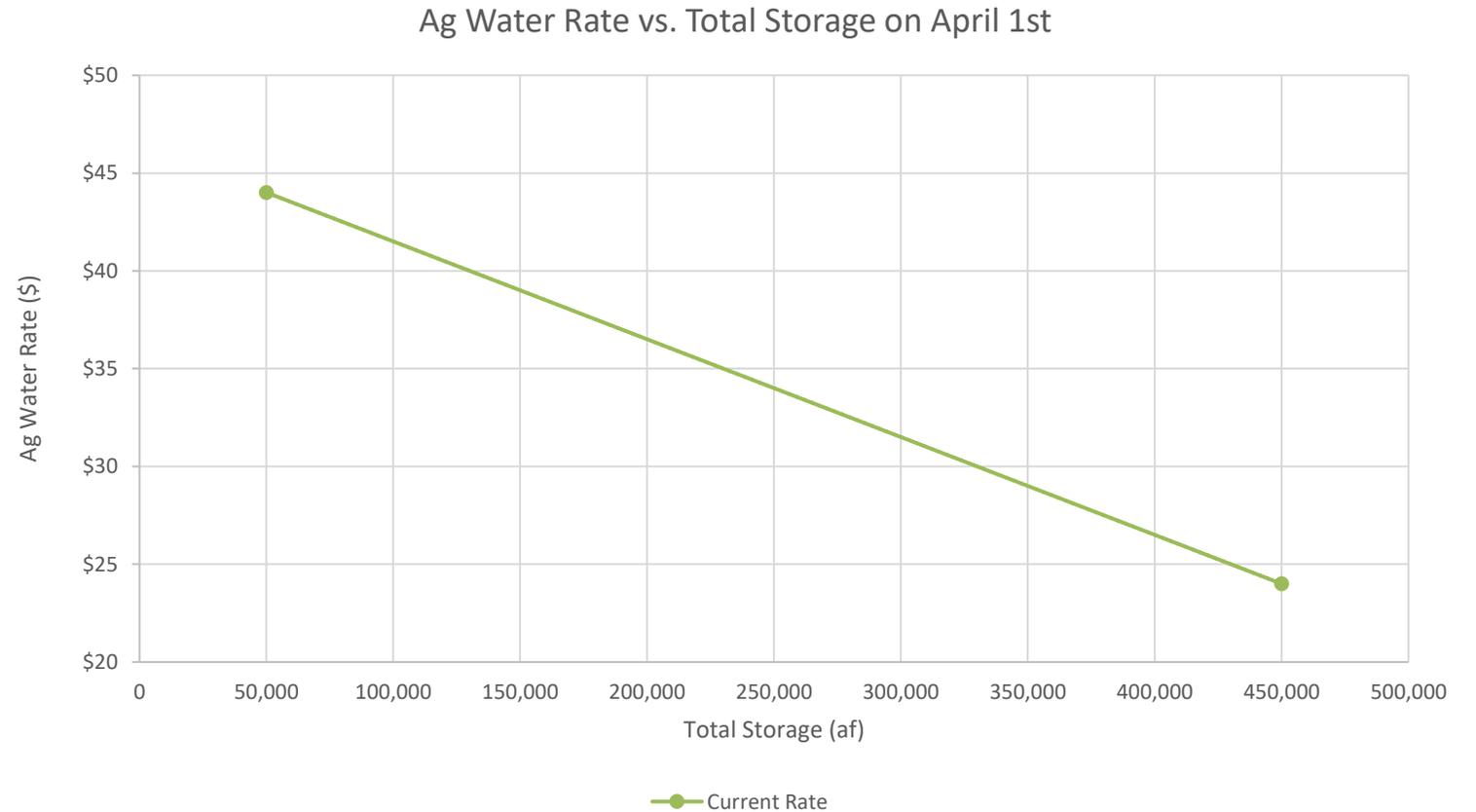
*Estimated and subject to change as District budget is established

- **Key Assumptions**

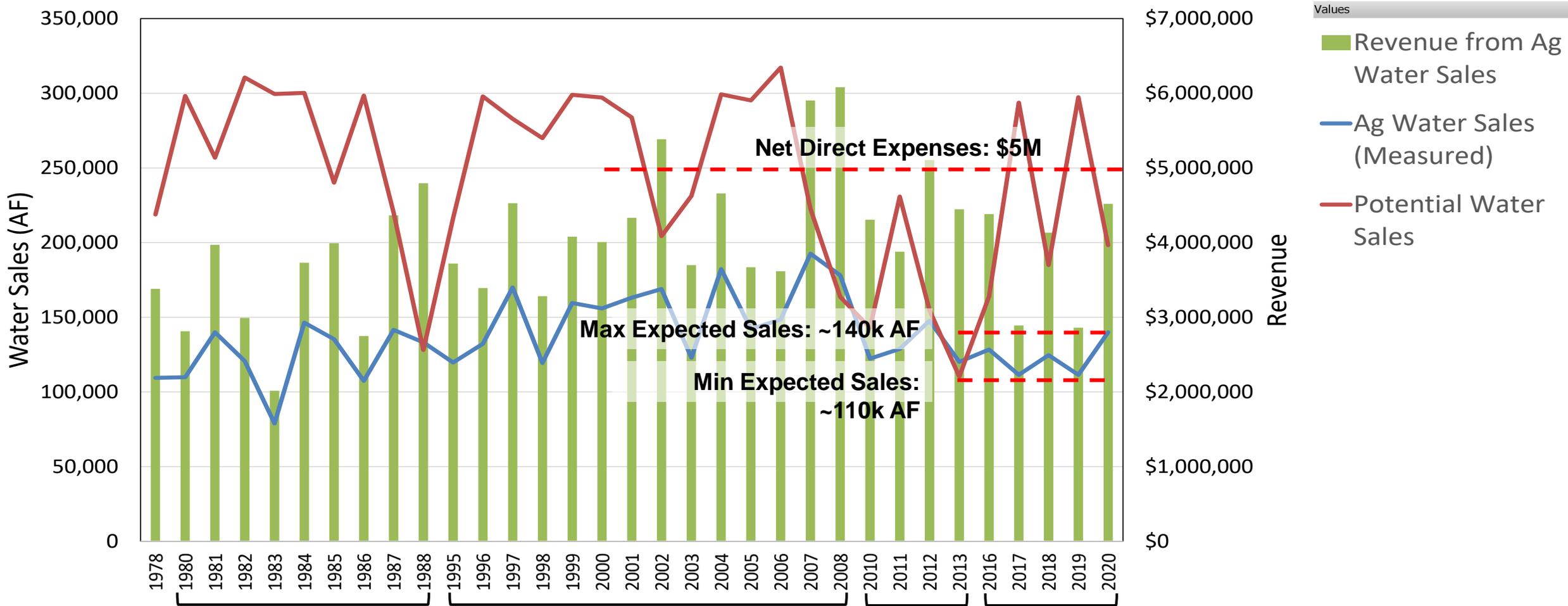
- Net direct expenses does not consider revenue from water sales
- Independent of drought reserve considerations
- This presentation shows a one-year period, but cost-of-service study utilizes a 5-year horizon, with allowable cost escalation.

Past Performance: Existing Rate Structure

- TUS @ 50,000 AF
→ Rate = \$44/AF
- TUS @ 450,000 AF
→ Rate = \$24/AF



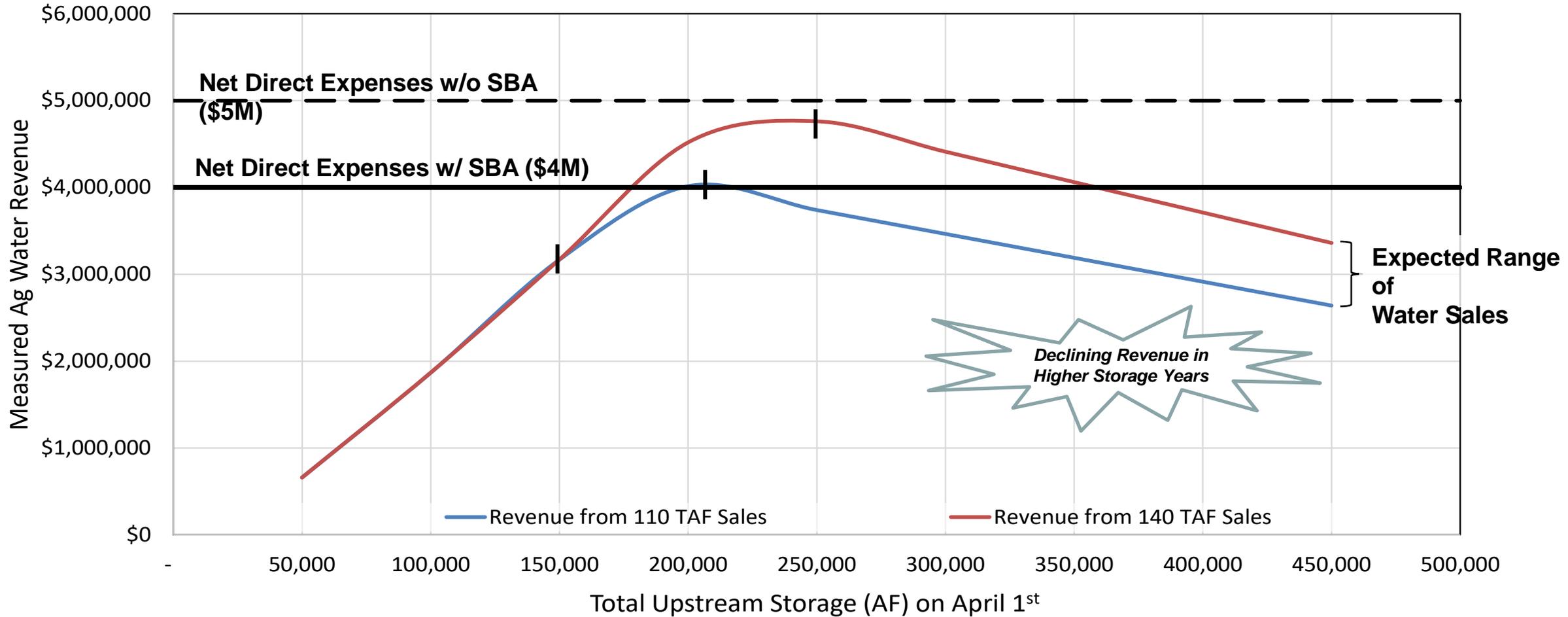
Past Performance: Estimating Water Sales (AF)



Bracketed Consecutive Years of Unallocated Sales

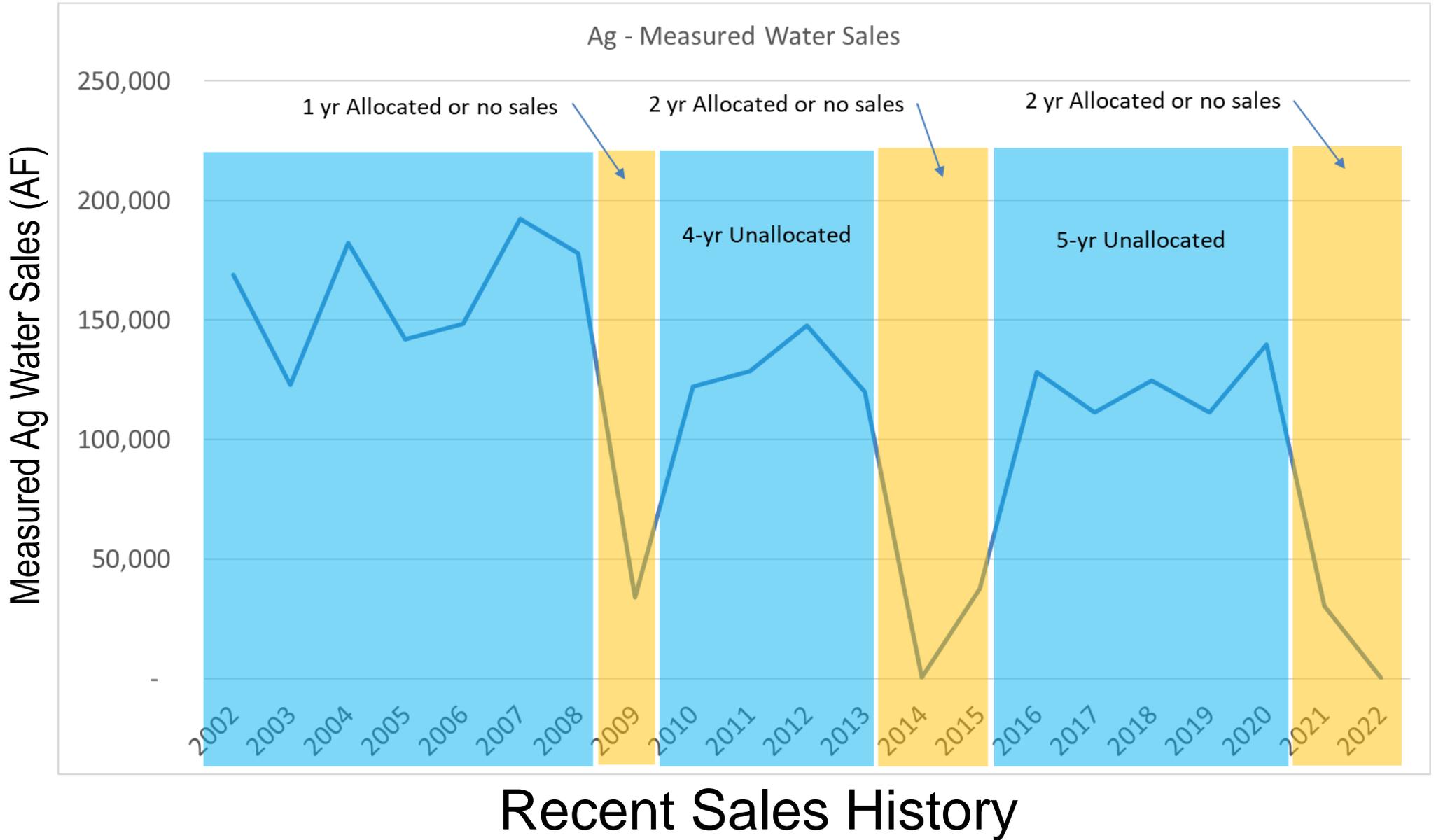
Past Performance: Impact of Current Rates on Revenue

Upstream Storage vs. Sales Revenue



Revenue for Current Rates Given: U/S storage, assumed losses and assumed max sales quantity

Past Performance: Estimating Allocation Frequency



Comparable Water Rates

Agency	Volumetric (\$/AF)	Flat fee / Assessment / Standby (\$/acre)	Notes
GCID (today)	\$21.79	\$7.62*	*Standby charge \$6/acre + assessment \$1.62/acre
GCID (proposed)	\$17.25	\$29.63-\$35.60*	*Assessment step increases over 5 years (standby charge eliminated)
Natomas MWC	\$9	\$90*	*Standby charge \$56 acre + Admin charge \$34/acre
Sutter Basin MWC	\$38	\$50*	*2020
RD 108	\$15	\$10	Issuing RFP for assessment / COS to support Sites Reservoir investment
Solano ID	\$49.58	\$4.69-\$24.31*	*Standby charge based on acre size and soil type) + Assessment Rate (\$0.1586 per \$100/AV of land)

Agenda Item #9

Adoption of Resolution No. 23.07 Adopting the
Capital Assessments

Agenda Item #10

Update from Larsen, Wurzel & Associates
on Cost-of-Service Study

Agricultural Water Rate Update

YCFC&WCD
Board of Directors

March 7, 2023

Discussion Outline

- Expenditure summary (FY23/24 projected)
- Past performance: existing rates, water availability, sales
- Proposed rate structure:
 - Objectives
 - Base rate options and assumptions: sliding rate / fixed rate
 - Drought reserve charge and assumptions
 - Short-term capital recovery charge and assumptions
- Summary of proposed rates and charges
- Impact of proposed rate structure on revenue
- Next Steps

Proposed Rate Structure Objectives

- Establish base rate to cover net direct expenses in all non-allocated years
- Build sufficient drought reserves to cover net direct expenses in allocated years
- Eliminate recent accrued debt from insufficient revenues

Proposed Base Rate Structure

Two Proposed Options:

1. Modified sliding rate based on TUS on April 1st
 - Set lower TUS benchmark at storage required to overcome system losses and meet minimum expected sales in a non-allocated year (110 TAF)
 - Set upper TUS benchmark at storage required to overcome system losses and meet maximum expected sales (140 TAF)
 - Base rates at TUS benchmarks set to cover net direct expenses based on associated expected sales
2. Establish flat rate for all years
 - Set base rate to cover net direct expenses based on minimum expected sales in non-allocated years (110 TAF)

Option 1: Modified Sliding Base Rate

Total Upstream Storage (TUS) Benchmarks:

- Delivery/sales of 110 TAF requires a minimum TUS of 190 TAF
- Delivery/sales of 140 TAF requires roughly 250 TAF of TUS

Associated rates:

	FY 23/24* w/ SBA		FY 23/24* w/o SBA	
Net Direct Expenses	\$3.938M		\$4.890M	
Total Upstream Storage	190 TAF	250 TAF	190 TAF	250 TAF
Expected Sales	110 TAF	140 TAF	110 TAF	140 TAF
Base Rate (per AF)	\$36.40	\$28.60	\$45.50	\$35.70

Option 2: Flat Base Rate

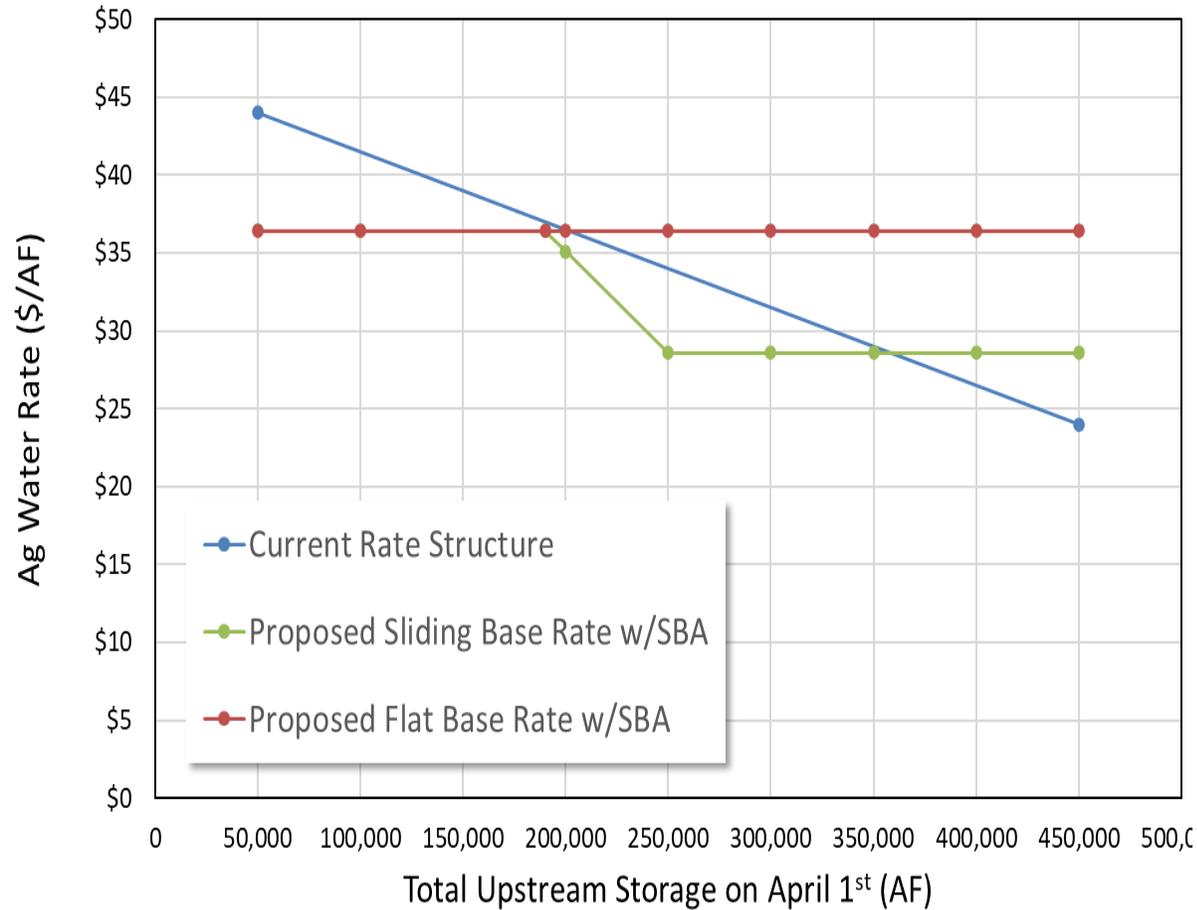
- Rate based on minimum expected sales in non-allocated years:

	FY 23/24* w/ SBA	FY 23/24* w/o SBA
Net Direct Expenses	\$3.938M	\$4.890M
Expected Sales	110 TAF	110 TAF
Base Rate (per AF)	\$36.40	\$45.50

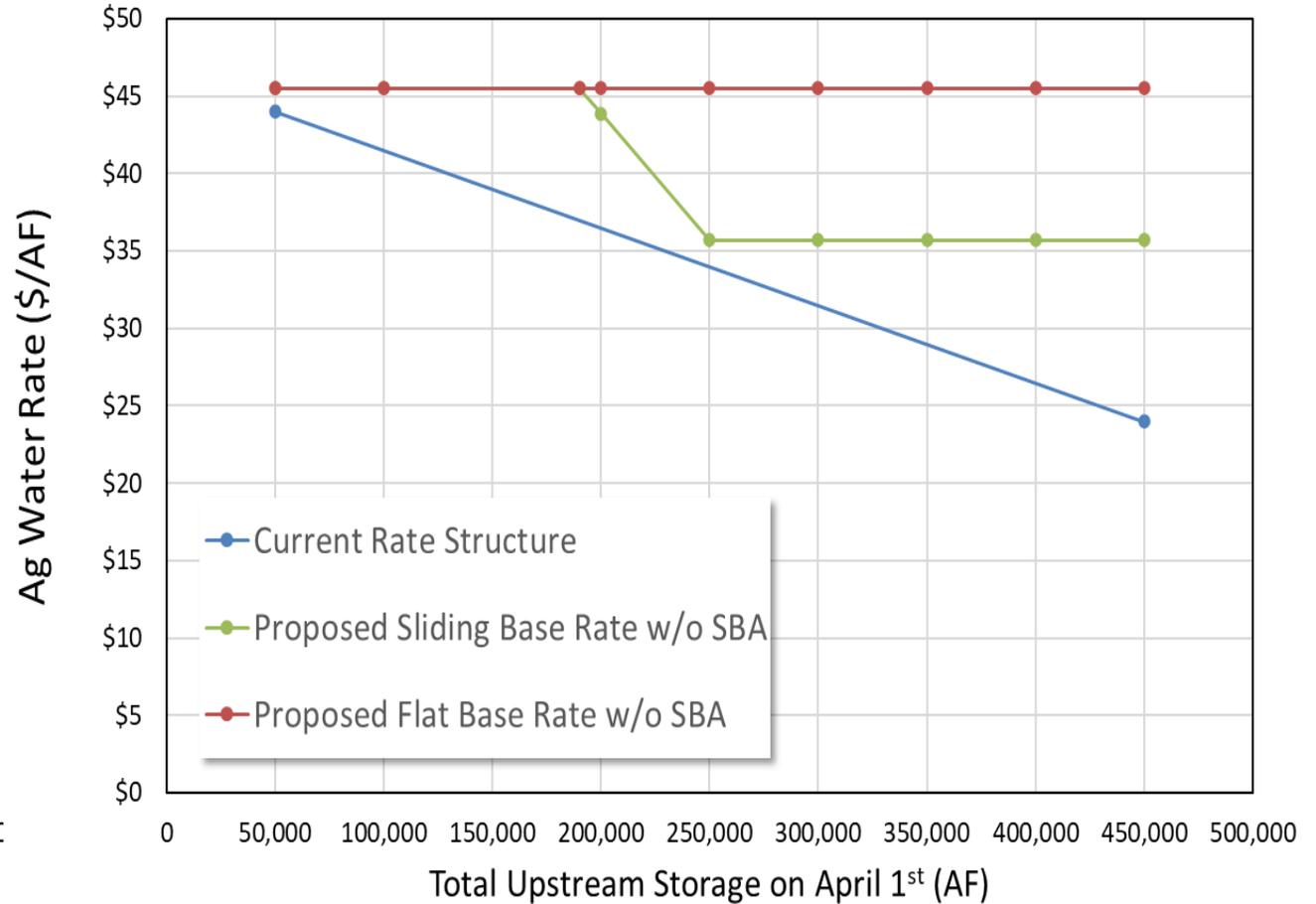
- Surplus revenue from sales over 110 TAF directed to drought reserve
- Board may set lower rate in any year based on adequacy of drought reserve and carryover surplus revenue from prior year

Existing Rate vs Proposed Base Rate Options

Proposed Base Rate w/SBA



Proposed Base Rate w/o SBA



Drought Reserve Charge

- Utilized to cover revenue gap in allocated/no-water years instead of inflating the base rate
- Based on historic allocation frequency:
 - Minimum of 5 consecutive non-allocated years with minimum expected sales (110 TAF)
 - Followed by 2 consecutive allocated years, assuming zero revenue from water sales

	FY 23/24* w/ SBA	FY 23/24* w/o SBA
Revenue Gap (2 years)	\$8M	\$10M
Expected Sales (5 years)	550 TAF	550 TAF
Drought Reserve Charge (per AF)	\$14.50	\$18.20

Short-Term Capital Recovery

- Payoff current debt balance of \$1.5M
- Supports restoring adequate operational reserves
- Charge based on minimum expected sales in a non-allocated year
- Excess revenue to be used to accelerate drought reserve
- Limited to the first three non-allocated years

	FY 23/24* w/ SBA	FY 23/24* w/o SBA
Target Capital Recovery	\$1.5M	\$1.5M
Expected Sales (3 years)	330 TAF	330 TAF
Drought Reserve Charge (per AF)	\$4.55	\$4.55

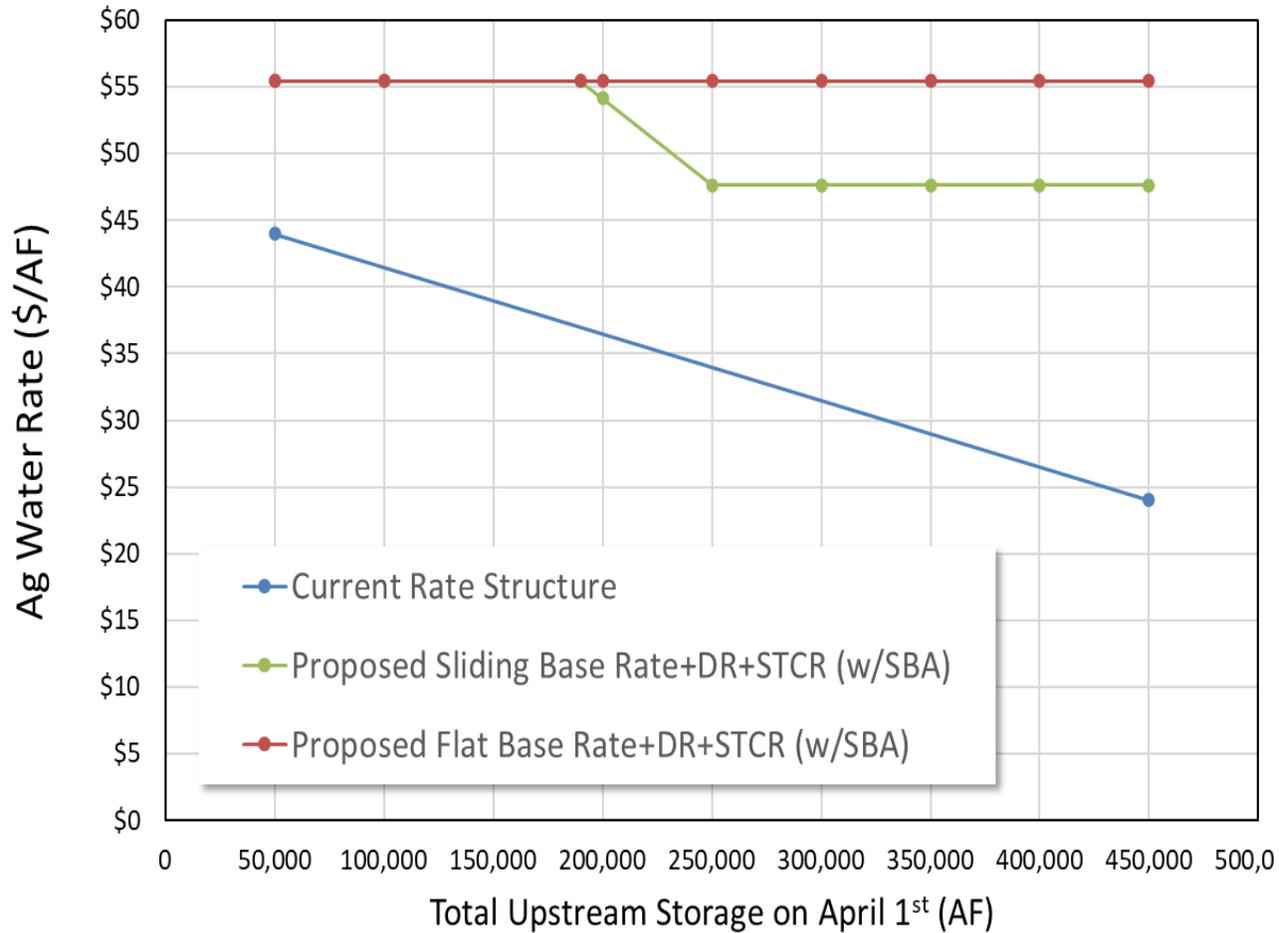
Summary of Proposed Rates

	<u>FY 23/24* w/ SBA</u>			<u>FY 23/24* w/o SBA</u>		
	Modified Sliding Scale		Flat Rate	Modified Sliding Scale		Flat Rate
Total Upstream Storage	190 TAF	250 TAF	N/A	190 TAF	250 TAF	N/A
Net Direct Expenses	\$3.938M			\$4.890M		
Assumed Sales (non-allocated)	110 TAF	140 TAF	110 TAF	110 TAF	140 TAF	110 TAF
Base Rate (per AF)	\$36.40	\$28.60	\$36.40	\$45.50	\$35.70	\$45.50
Drought Reserve	\$14.50	\$14.50	\$14.50	\$18.20	\$18.20	\$18.20
Short-term Cap Recovery	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55
Total Rate & Charges	\$55.45	\$47.65	\$55.45	\$68	\$58	\$68
<i>Current Rate Range</i>	<i>\$44</i>	<i>\$24</i>		<i>\$44</i>	<i>\$24</i>	

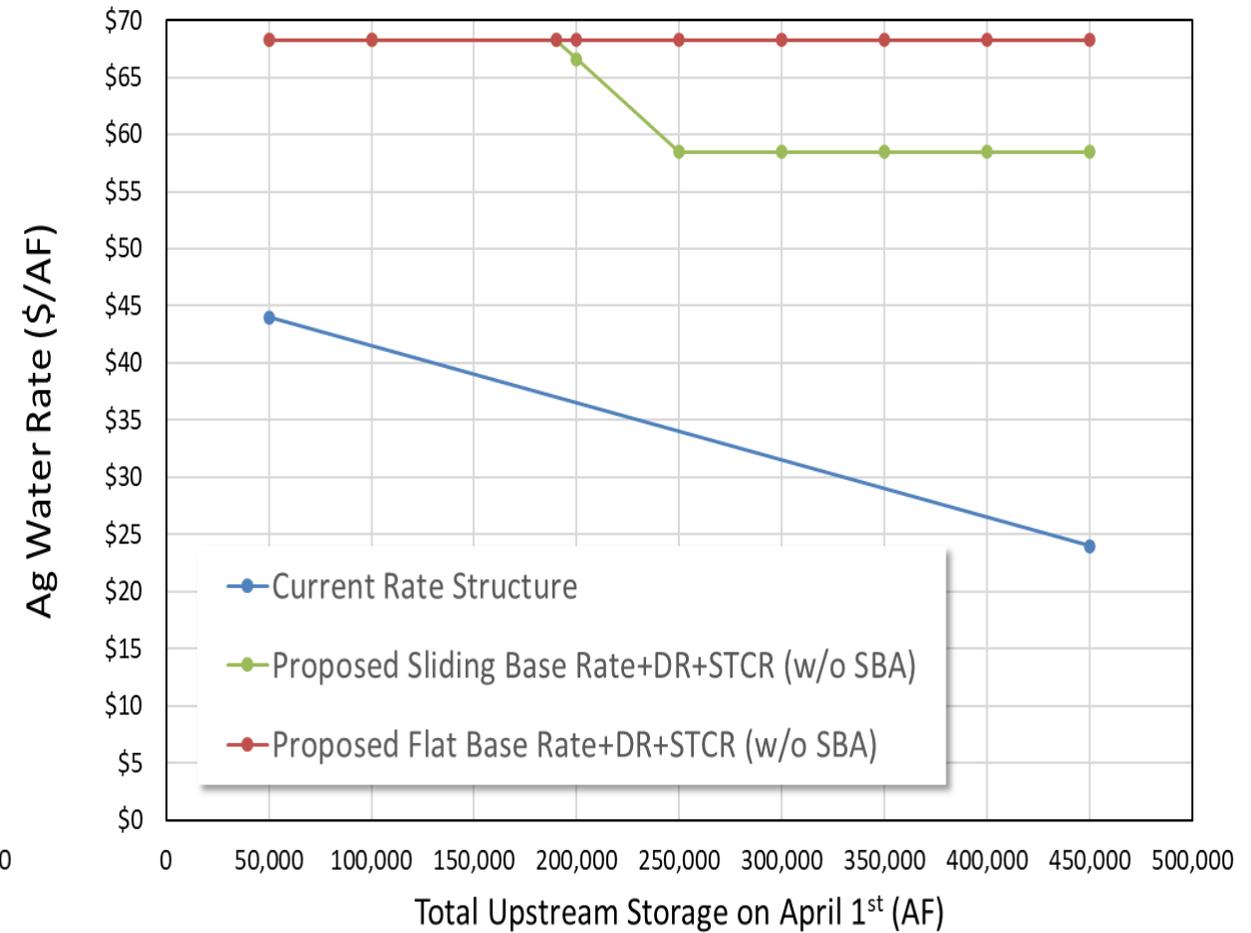
*Rates and expenses shown are only for 23/24; Estimates are subject to change as District adopts cost-of-service study; average rates for 5-year period, including escalation, will be provided in COS study.

Summary of Proposed Rates

Proposed Rate Structure w/SBA

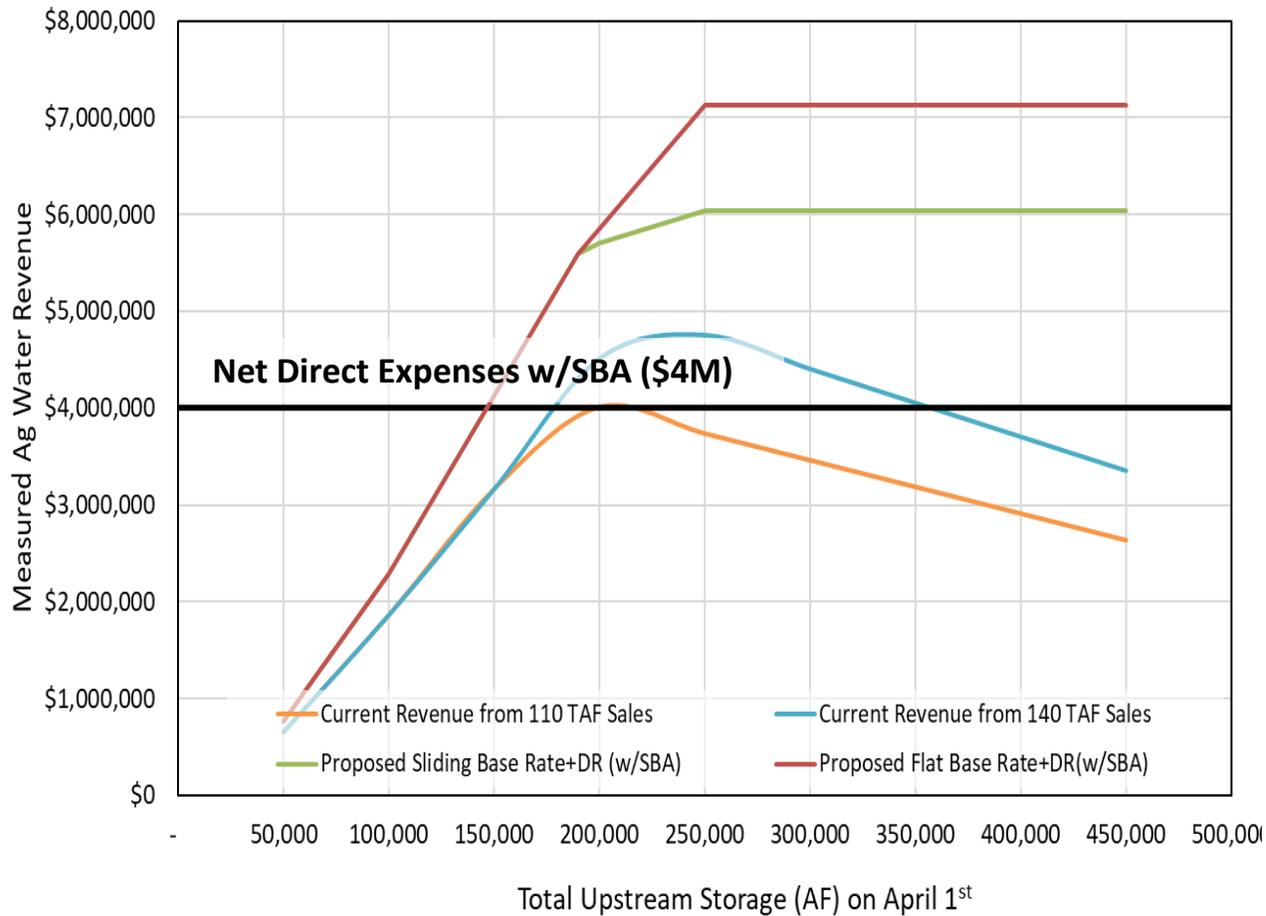


Proposed Rate Structure w/o SBA

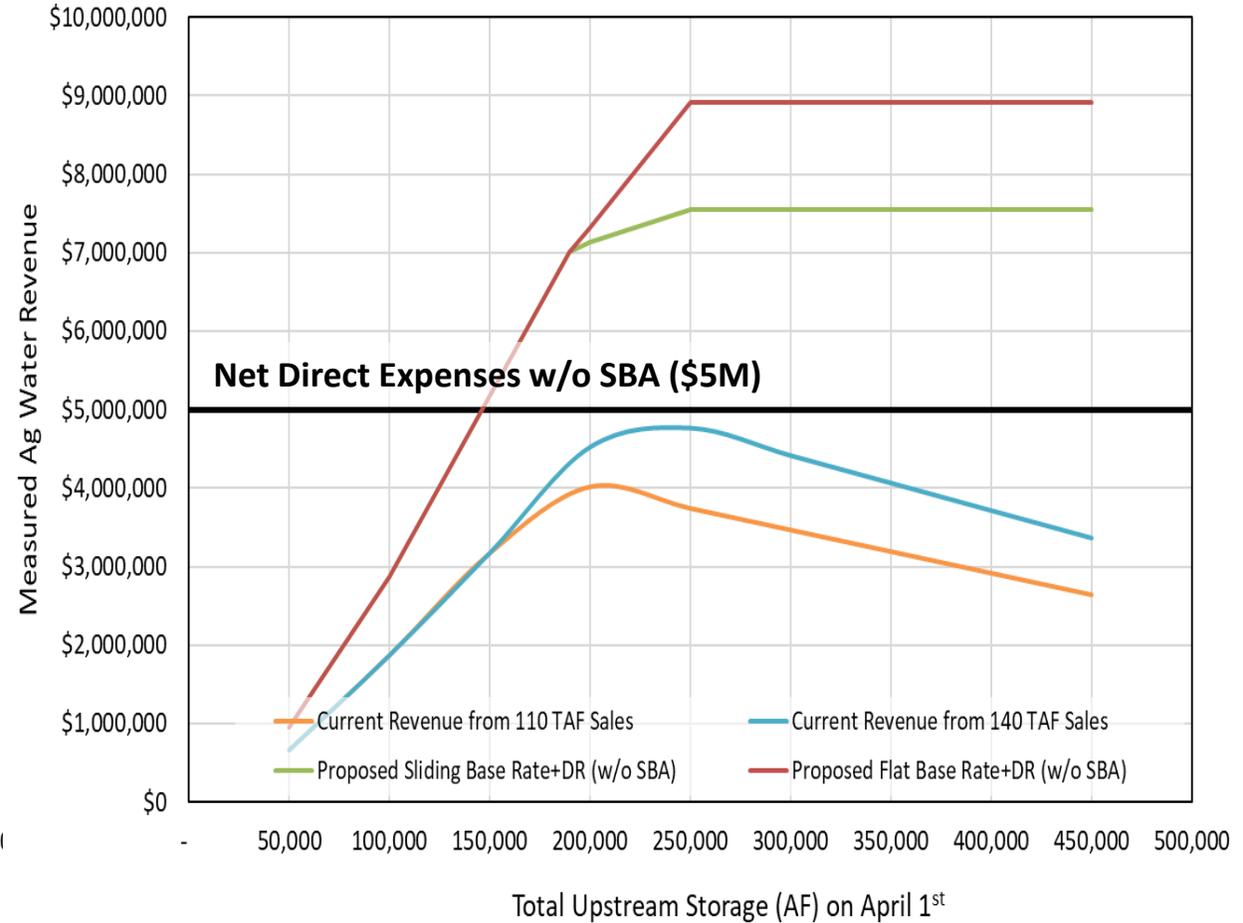


Impact of Proposed Rates on Revenue

**Upstream Storage vs. Sales Revenue w/ SBA
(Excluding Short-Term Capital Recovery Charge)**

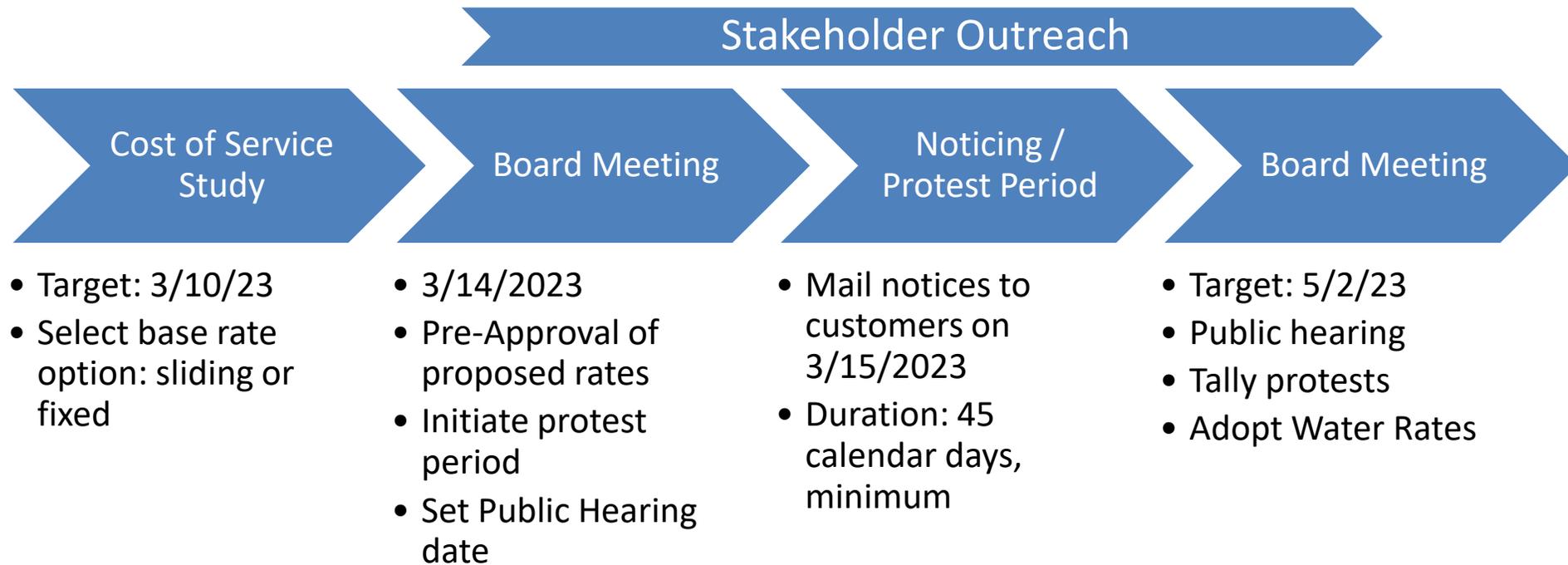


**Upstream Storage vs. Sales Revenue w/o SBA
(Excluding Short-Term Capital Recovery Charge)**



Next Steps

- Prop 218 water rate fee protest process/timeline



Discussion / Questions

Agenda Item #11

General Discussion

Opportunity for Board Members to ask questions for clarification, provide information to staff, request staff to report back on a matter, or direct staff to place a matter on a subsequent agenda.

Agenda Item #12

Payment of Bills

Consider the approval and payment of the bills
(Checks #62068-62078)

Agenda Item #13

Adjourn