

December 11, 2023

Subject: Notice of Public Hearing to Consider Proposed Water Rate Increases Effective for the 2024 and 2025 Irrigation Seasons

Dear Landowners and Water Users:

NOTICE IS HEREBY GIVEN that Glenn-Colusa Irrigation District (GCID or District) will hold a **Public Hearing on Thursday, February 15, 2024 at 9:00 a.m. in the GCID Board Room, 344 East Laurel Street, Willows, California 95988**, to consider the adoption of a resolution that will authorize increases to the maximum water rates that may be charged by no more than a total of ten percent (10%) over two years [up to five percent (5%) above the current maximum water rates during the 2024 irrigation season and up to an additional five percent (5%) during the 2025 irrigation season]. The proposed increases would apply to irrigation water service for any parcel within GCID for which you are shown to be the record owner or the customer of record. The current water rates and the proposed maximum water rates for the 2024 and 2025 irrigation seasons are detailed in the table below. Additional information on the proposed water rate increases and the basis upon which they were calculated are described in more detail in this notice and the enclosed *Report Detailing the Cost of Service* (Cost Study).

Water Rates Applicable for 100% Water Supply Years – Two-Part Rate Structure

	-- Irrigation Season --		
	2023	2024	2025
Proposed Maximum Rate Increase	Current	Up to 5% above 2023 Maximum	Up to an additional 5%
Maximum Fixed Rate Component per Irrigated Acre	\$41.95	\$44.05	\$46.15
Maximum Variable Rate Component per Acre-Foot of Applied Water (based on Unit Duties)	\$8.62	\$9.05	\$9.48

Water Rates Applicable for Shasta Critical / Reduced Supply Years – One-Part Rate Structure

	-- Irrigation Season --		
	2023	2024	2025
Proposed Maximum Rate Increase	Current	Up to 5% above 2023 Maximum	Up to an additional 5%
Maximum Variable Rate Component per Acre-Foot of Applied Water (based on Unit Duties)	\$21.79	\$22.88	\$23.97

In compliance with Article XIII D of the California Constitution, which was added to the Constitution pursuant to Proposition 218, this notice provides important information for affected landowners and water users. Specifically, this notice and the enclosed Cost Study provide information on both the substantive water rate proposals and the procedures for protesting the proposed increases.

Reasons for Proposed Rate Increase

The Board of Directors proposes increasing the maximum water rates that may be charged to reduce the shortfall between the cost of providing irrigation service within the District and the total revenue received by the District. GCID did not increase water rates in the 2022 or 2023 irrigation seasons and the current water rates are anticipated to recover significantly less than the full cost of providing irrigation services during the 2024 and 2025 irrigation seasons.

Reducing the shortfall between the cost of providing irrigation services and the total revenue received by the District is necessary to provide for the long-term operation of the District and to avoid rate increases of much greater magnitude in future years. The District currently has significant financial reserves. However, two factors are anticipated to quickly reduce the level of reserves *even with the proposed increase in water rates*:

- The District's revenue and expense structure results in substantial deficits in years without significant one-time revenue (e.g., from water transfers).
- The District has in excess of \$40 million in capital expenditures planned over the next ten years, including more than \$19 million over the next two years, which is far above the level of capital expenditures in the past.

After extensive discussion, the Board determined that the maximum water rates that may be charged need to be increased up to ten percent (10%) in total over the next two irrigation seasons to prudently fund the continued operations of the District. Revenue from water rates will be used to fund the cost of delivering water throughout the District's service area, the expense of the District's Settlement Contract with the United States Bureau of Reclamation, ongoing efforts to protect and preserve the District's water rights, repair and replacement of capital infrastructure and other expenses.

The proposed ten percent (10%) increase over two years [up to five percent (5%) above the current maximum water rates during the 2024 irrigation season and up to an additional five percent (5%) during the 2025 irrigation season] represents the maximum rate increase that could be implemented. The Board could decide to increase the water rates by an amount less than the maximum proposed rates at any time, at their discretion. During 2024 and 2025, the District's existing Standby Charge and Assessment will remain unchanged at \$6.00 and \$1.63 per deeded acre respectively.

Hearing and Written Protest Procedures

The purpose of the public hearing is to consider any written protests that are submitted against the proposed increases and changes to GCID's water rates for parcels within GCID. *If you support the proposed water rate increases, you do not need to take any action.*

If you disagree with the proposed increases, as the owner of record or customer of record of a parcel identified to be subject to the proposed water rate increases, you may submit a written protest. Pursuant to Government Code Section 53755(b), "one written protest per parcel, filed by an owner or tenant of the parcel, shall be counted in calculating a majority protest to a proposed new or increased fee or charge . . ." GCID is mailing one copy of this notice to each owner of record and customer of

record on file at GCID. If an address on file is shared by more than one owner of record or customer of record, you may receive more than one notice. However, only one protest is permitted per parcel.

Each protest must: (1) be in writing; (2) provide the location of the identified parcel, either by GCID parcel number or county assessor's parcel number; and (3) include the original signature of the owner of record or customer of record submitting the protest. Written protests may:

1. *be submitted by mail to:*
Glenn-Colusa Irrigation District
Post Office Box 150
Willows, California 95988
or
2. *dropped off at GCID's office at:*
344 East Laurel Street
Willows, California 95988
or
3. *delivered in person at the public hearing as long as they are received prior to the conclusion of the public hearing.*

Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Only those written protests actually received by the District prior to the close of the hearing on February 15, 2024, will be considered. **Oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest.**

At the conclusion of the public hearing, GCID will consider adopting a resolution that will authorize the proposed increases to the water rates. If, by the close of the public hearing, written protests against the proposed rate increases are not presented by a majority of the owners of record or customers of record of the identified parcels, GCID will adopt a resolution authorizing the proposed increases. If adopted, the Board will consider whether to implement the water rate increases prior to the 2024 and 2025 irrigation seasons. If implemented, the water rate increases will be effective beginning April 1, 2024, and April 1, 2025, and shall continue in effect thereafter unless changed by the GCID Board.

If a majority of the parcels identified submit written protests on a timely basis, the GCID Board will not adopt the increases as proposed. If that occurs, GCID may begin this process again, and the Board and District staff will solicit additional input from landowners regarding the need for rate increases and the amount of the increases.

Claims Procedure

GCID has adopted a claims procedure requiring any landowner seeking to file a legal challenge to the water rate increases to first file an administrative claim with the District. The claim must be filed within 30 days of the enactment of the increase and must explain the legal and factual basis for the challenge. GCID adopted this procedure to promote the efficient resolution of any challenge to increased water rates.

Conclusion

Answers to any questions you may have regarding the proposed water rate increases and rate structure may be obtained by calling GCID Finance Director Louis Jarvis at (530) 934-8881. As always, you are

December 11, 2023

Page 4

entitled to and encouraged to attend GCID board meetings. The GCID Board of Directors appreciates your consideration of these proposed changes to the District's water rates.

Sincerely,

Board of Directors


John Amaro


Logan Dennis


Donald R. Bransford


Pete Knight


Blake Vann

GLENN-COLUSA IRRIGATION DISTRICT REPORT DETAILING THE COST OF SERVICE

BACKGROUND

Glenn-Colusa Irrigation District (GCID or District) was organized as a successor to several public and private irrigation projects dating back to 1883. GCID is a special district public agency formed and operating under, and by virtue of, Division 11 of the California Water Code.

GCID has held water rights entitling diversions from the Sacramento River since 1883 for the purposes of agricultural irrigation and was one of the first large scale diverters within the Sacramento Valley. GCID delivers water to an area of approximately 170,000 gross acres, including 25,000 acres of Federal Wildlife Refuges. Approximately 100,000 acres of rice and 26,000 acres of various other crops are irrigated annually, including alfalfa, pasture, orchard, vine crops, cotton, tomatoes, seed crops and small vegetables. Winter water uses include winter vegetable crops, duck ponds, rice decomposition and occasional frost protection.

In 1964, GCID entered into a negotiated settlement agreement with the U.S. Bureau of Reclamation (USBR), quantifying the amount of water GCID could divert from the Sacramento River. The resulting negotiated agreement recognized GCID's annual entitlement of 720,000 acre-feet per year (AF/yr) of natural flows from the Sacramento River (referred to as Base Supply) and also provided for GCID's diversion of 105,000 AF/yr of Project Water (as defined in the agreement). Accordingly, the contract entitlement is for a total of 825,000 AF/yr (with a 25% reduction in the total amount during Shasta Critical Years). The contract stipulated maximum diversions of Base Supply and Project Water for the months of April through October, and in 2005 the contract was extended for an additional 40 years. GCID also holds a water right permit to divert up to 185,000 acre-feet of water from the Sacramento River during the winter months. Water is diverted from the Sacramento River at a pump station located near Hamilton City, California, and is conveyed through an open ditch system of 65 miles of main canal and 450 miles of laterals. GCID employs 78 full-time employees including water operators, maintenance workers, pump tenders and administrative staff. GCID is governed by a five-member Board of Directors elected by District landowners.

COST OF WATER SERVICE

Article XIII D of the California Constitution requires that the amount of a charge (such as the District's water rates) not exceed the cost of service.

Table 2 at the bottom of this report displays the District's estimated revenues and expenses for Fiscal Year 2023-24 and Fiscal Year 2024-25¹. The Water Sales/Irrigation Revenue line (Line #1) includes the revenue impact of the maximum increases in water rates being proposed for each year. Even with the proposed water rate increases, the District anticipates incurring deficits in excess of \$10 million for both Fiscal Year 2023-24 and Fiscal Year 2024-25 under both 100% water supply and 75% water supply conditions. Therefore, even with the additional revenue from the proposed water rate increases, the cost of providing irrigation water service within the District will exceed the revenue generated by the District's water rates.

¹ The District's Fiscal Year is from October 1 thru September 30. Hence, Fiscal Year 2023-24 includes the 2024 irrigation season and Fiscal Year 2024-25 includes the 2025 irrigation season.

GCID's planned capital expenses (Line #19) for Fiscal Year 2023-24 and Fiscal Year 2024-25 are unusually high due to several major projects involving critical infrastructure. However, even if capital expenses were budgeted at \$0, the District would still anticipate a deficit in excess of \$300,000 for each fiscal year under both 100% and 75% water supply conditions. Over the last fifteen years, the District's capital expenses have averaged approximately \$1.6 million annually. Thus, even if the unusually high capital expenses for Fiscal Year 2023-24 and Fiscal Year 2024-25 were replaced by historically average capital expenses, the anticipated deficit in each year would be approximately \$2,000,000.

Therefore, the budget information presented in Table 1 demonstrates that the proposed water rates will not exceed the cost of service. In fact, the proposed rates will recover significantly less than the cost of service, and every property in GCID receiving water will be charged less than the projected cost of service.

GCID currently has significant financial reserves. These reserves will be drawn down to cover the expected deficits in Fiscal Year 2023-24 and Fiscal Year 2024-25. The increases in water rates proposed for the 2024 and 2025 irrigation seasons are each expected to generate approximately \$600,000 in additional revenue annually compared to the existing water rates and serve to reduce the magnitude of the expected deficits.

Note on planned capital expenditures:

GCID relies on certain items of critical infrastructure that have significantly outlived their expected useful lives. GCID has determined to replace these critical items to reduce the risk that this infrastructure will fail and impede the District's ability to deliver water.

To that end, during the last two years, the District has replaced two very aged check structures on the main canal (Abel Check and Tuttle Check).

During Fiscal Year 2023-24 and Fiscal Year 2024-25, the District has three critical capital projects planned:

- Replacement of the Main Pump Station Electrical Control Room—The existing building and electrical control equipment were installed in 1984. The electrical control equipment is outdated, and the availability of replacement parts is extremely limited. This project is budgeted at \$6.3 million over Fiscal Years 2023-24, 2024-25 and 2025-26.
- Gradient Facility Improvements—The area along the Sacramento River around the District's point of diversion is becoming eroded in places. Improvements must be made to limit erosion, preserve the river's elevation, and preserve the District's ability to effectively divert water. This project is budgeted at \$7.5 million over Fiscal Years 2023-24 and 2024-25, with additional expenditures planned over the next decade.
- Lurline Check and Siphon Replacement—This project will replace another check structure and siphon structure that has been utilized much longer than its expected useful life. \$300,000 is budgeted for planning and design in Fiscal Year 2023-24, with construction planned for Fiscal Year 2025-26 at a cost of \$4.8 million.

Many other smaller capital projects and equipment purchases are planned for Fiscal Years 2023-24 and 2024-25. The District would incur deficits in Fiscal Years 2023-24 and 2024-25 even without these major capital projects. However, these projects are the primary reasons for the very large, expected deficits.

PROPORTIONALITY OF WATER RATES TO SERVICE PROVIDED

Charges subject to Article XIII D must also be proportional to the service provided. GCID charges its landowners an applied water unit duty (the acre-feet of water required for a crop per acre being cultivated) based on the type of crops being irrigated. This approach results in higher rates for crops using more water. Due to the fact that GCID has not developed the capacity to fully measure field-level water deliveries, this method is reasonable for estimating landowner water use.

In 2003, the GCID Board authorized a water rate study to analyze different methodologies for calculating future water rates. The 2003 Rate Study confirmed GCID's historic practice of charging varied applied water unit duties based on crop type as a reasonable and prudent method of estimating water usage and setting water rates.

In 2013, the GCID Board hired Davids Engineering to review GCID's rate structure to ensure that the District's charges are fair and equitable, and that the applied water unit duties the District uses for each crop are appropriate. Grant Davids, the principal engineer for Davids Engineering, is an expert in crop-based water use and has extensive experience in such matters in California and also internationally. The Davids Engineering study confirmed GCID's long-standing practice of charging varied applied water unit duties based on crop type as a reasonable and prudent method of estimating water usage and setting water rates. The Davids Engineering study used a combination of crop water use figures researched and published by the Irrigation Training and Research Center at California Polytechnic State University, and satellite imaging to determine the applied water use for the various crops grown in the GCID service area. The data derived from these sources was then compared to the District's water balance study to confirm that the aggregate applied water use from the revised applied water unit duties matched the District's water balance.

Following two consecutive dry years, during the fall of 2021, GCID reengaged Davids Engineering to analyze whether GCID's applied water unit duties for each crop were still sufficiently accurate based on additional available data. The study found that GCID's applied water unit duties for each crop remained accurate.

The applied water unit duties for both 100% and 75% supply water years are set forth in Exhibits 1 and 2 of this Cost-of-Service Report. The only differences in applied water unit duties between the two exhibits are for rice and wild rice. In 100% years, the applied water unit duties for rice and wild rice are 6.9 and 5.0 acre-feet per acre respectively. In a 75% year, the applied water unit duties for rice and wild rice are reduced to 5.5 and 4.0 acre-feet per acre, respectively. The decrease in applied water unit duties in a 75% supply year is due to the strict no-spill policy in effect for rice crops during the July and August time period pursuant to the *District's Critical Year Allocation and Water Management Policy*, which reduces the amount of applied water. GCID's use of the 2013 water rate study performed by Davids Engineering (and the subsequent reanalysis in 2021) ensures that GCID's water rates are reasonably proportional to the service provided.

PROPOSED WATER RATES

The Board proposes an increase in the maximum water rates that may be charged by no more than a total of ten percent (10%) over the next two irrigation seasons [up to five percent (5%) above the current maximum water rates during the 2024 irrigation season and up to an additional five percent (5%) during the 2025 irrigation season].

The proposed maximum water rates for the 2024 and 2025 irrigation seasons are set forth in Table 1 below (2023 rates are for comparison purposes):

Table 1.

Water Rates Applicable for 100% Water Supply Years - Two-Part Rate Structure			
	-- Irrigation Season --		
	2023	2024	2025
Proposed Maximum Rate Increase	Current	Up to 5% above 2023 Maximum	Up to an additional 5%
Maximum Fixed Rate Component per Irrigated Acre	\$41.95	\$44.05	\$46.15
Maximum Variable Rate Component per Acre-Foot of Applied Water (Applied Water based on Unit Duties in Exhibit 1)	\$8.62	\$9.05	\$9.48

Water Rates Applicable for Shasta Critical / Reduced Supply Years - One-Part Rate Structure			
	-- Irrigation Season --		
	2023	2024	2025
Proposed Maximum Rate Increase		Up to 5% above 2023 Maximum	Up to an additional 5%
Maximum Rate per Acre-Foot of Applied Water (Applied Water based on Unit Duties in Exhibit 2)	\$21.79	\$22.88	\$23.97

The water rates displayed for the 2024 and 2025 irrigation seasons are proposed to be the maximum water rates that may be charged by the District during those irrigation seasons. If the proposed maximum rates are approved, the District's Board of Director's may act to set the water rates at the maximum amounts authorized or at any amount less than the maximum.

Water Rate Structure

During the 2024 and 2025 irrigation seasons, if the District receives a 100% water supply under its settlement contract with USBR the two-part rate structure will be utilized. If either the 2024 or 2025 irrigation seasons are declared Shasta Critical years by USBR and the District's water supply is reduced, the Shasta Critical rate structure will be utilized.

Two-Part Rate Structure (100% Supply Year)

Recognizing that a large part of GCID's annual expenses are related to the fixed costs of operating and maintaining the water system infrastructure, and are not directly dependent upon the amount of water actually delivered to parcels within GCID, the Board established a water rate structure in 2014 for 100% supply years that has two rate components: (1) a fixed annual component charged for each irrigated acre; and (2) a volumetric (applied water based) component. A two-part rate structure provides benefits to both the District and its water users, as compared to a wholly fixed

or wholly volumetric rate structure. Basing a portion of charges on the number of acres irrigated using GCID water promotes revenue stability for the District. Basing a portion of the charges on the average applied water for a given crop provides equity among customers growing crops with different amounts of applied water per acre. GCID has determined that 40% of the cost of service should be recovered through the fixed acreage component, and the remaining 60% through the volumetric delivery component of the water rate. See Exhibit 3 of this Cost-of-Service Report for details on how to calculate your rate per acre in a 100% water year.

Shasta Critical Rate Structure (Reduced Supply Year)

If either the 2024 or 2025 irrigation seasons are classified as ‘Shasta Critical’ by the United States Bureau of Reclamation resulting in a 25% reduction in the District’s water supply, in accordance with the District’s *Critical Year Water Allocation and Water Management Policy*, the available water supply will be allocated on a proportional basis to all landowners with deeded acres as the allocation factor, after which the landowners will have the opportunity to purchase all or part of their allocation for use within the District. In order to simplify the water application process and provide time for the District to offer a secondary allocation to landowners for water that was not purchased in the initial allocation process, all water sold by the District in such years will be by the acre-foot (no per acre component is included). See Exhibit 3 of this Cost-of-Service Report for details on how to calculate your rate per acre in a Shasta Critical water year.

The different rate structure in 75% supply years is necessary and proportionate, because in those years, the volume of water that is available to GCID is reduced as is the number of acres cultivated, resulting in a decrease in revenue. Additionally, there is a loss of revenue from various in-basin water transfers that are discontinued in Shasta Critical Years. Further, the cost of Project Water increases substantially. The USBR derives the cost of Project Water by dividing the cost of operating the Central Valley Project (CVP) by the number of acre-feet of Project Water delivered. In Shasta Critical water years, less water is delivered while the cost of operating the CVP remains the same, which results in a higher cost per acre-foot. Example rate calculations for 2024 are provided in Exhibit 3. Please note that the applied water unit duties set forth in Exhibits 1 and 2 are for water use from April 1 through October 31. Any water use on crops outside this time period (spring or fall) will be subject to an additional charge.

REQUIREMENTS OF PROPOSITION 218

The District’s charges for irrigation water are property-related charges subject to Proposition 218. In November 1996, the California voters approved Proposition 218, the “Right to Vote on Taxes Act,” which added Articles XIII C and XIII D to the California Constitution. Proposition 218 imposes certain requirements relative to the imposition of assessments, fees, and charges by local agencies such as the District. Proposition 218 also established substantive requirements that apply to fees and charges, including:

1. *Cost of Service* - Revenues derived from the fee or charge cannot exceed the funds required to provide the service.
2. *Intended Purpose* - Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. *Proportional Cost Recovery* - The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.
4. *Availability of Service* - No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.

5. *Not Imposed for General Government Services* - No fee or charge may be imposed for general governmental services where the service is available to the public at large in substantially the same manner as it is to property owners.

The District must also follow the procedural requirements of Proposition 218 for all rate increases. These requirements include:

1. *Parcel Identification* - The District shall identify the parcels upon which the increased rates will be imposed (affected parcels).
2. *Noticing Requirement* - The District shall provide written notice by mail of:
 - the proposed increased rates to the record owner of each parcel, and tenant if applicable;
 - the amount of the increased rates to be charged on each parcel;
 - the basis upon which the increase was calculated;
 - the reason for the increased rates; and
 - the date, time, and location of the public hearing on the increased rates.
3. *Public Hearing* - The District shall conduct a public hearing upon the proposed increased rates not less than 45 days after the mailing of the notice.
4. *Majority Protest* - At the hearing, the District shall consider all protests against the proposed increased rates. If written protests are received for a majority of the affected parcels, the District shall not impose the increased rates.

Charges for water, sewer, and storm drain collection are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to the procedural requirements of Proposition 218.

PAYMENT COLLECTION SCHEDULE

Payment for water is due as follows: 40% of the total is due prior to first delivery, 30% due June 1, and the final 30% due August 1. For rice straw decomposition and the second crop on double cropped fields, the acreage based fixed rate component will be waived, as the fixed water rate component is only due once per water year and would have been paid with the initial application. For irrigation charges outside the April 1 through October 31 time period, 100% of the charge is due prior to delivery.

CONCLUSION

The proposed maximum water rates do not exceed the cost of service, are reasonably proportional to the service provided, and are equitably distributed among water users.

Table 2.

GCID Budget, Fiscal Years 2023-24 & 2024-25 with Impact of Proposed Water Rate Increases

Line #	Budgeted Revenue	Fiscal Year 2023-2024		Fiscal Year 2024-2025	
		100% Water Supply	75% Water Supply	100% Water Supply	75% Water Supply
1	Water Sales/Irrigation Revenue	\$12,820,000	\$14,475,000	\$13,415,000	\$15,165,000
2	Standby Charges	\$921,000	\$921,000	\$921,000	\$921,000
3	Refuge & Other Wheeling	\$2,108,000	\$2,108,000	\$2,161,000	\$2,161,000
4	Water Transfers	\$852,000	\$304,000	\$878,000	\$878,000
5	Investment Interest	\$1,245,000	\$1,245,000	\$1,080,000	\$1,080,000
6	Assessment Revenue	\$250,000	\$250,000	\$250,000	\$250,000
7	County Property Tax Revenue	\$1,050,000	\$1,050,000	\$1,082,000	\$1,082,000
8	Miscellaneous Revenue	\$1,073,000	\$1,073,000	\$1,075,000	\$1,075,000
	Total Budgeted Revenue	\$20,319,000	\$21,426,000	\$20,862,000	\$22,612,000
	<u>Budgeted Expenses</u>				
9	Purchased Water	\$4,671,000	\$6,250,000	\$4,917,500	\$6,650,000
10	Salaries & Benefits	\$8,235,000	\$8,235,000	\$8,500,000	\$8,500,000
11	Power & Energy	\$1,895,000	\$1,895,000	\$1,950,000	\$1,950,000
12	Materials, Services, Supplies	\$1,980,000	\$1,980,000	\$2,000,000	\$2,000,000
13	TCCA Wheeling	\$723,000	\$723,000	\$745,000	\$745,000
14	Equipment Operation	\$757,000	\$757,000	\$765,000	\$765,000
15	Dues, Fees & Memberships	\$421,000	\$421,000	\$425,000	\$425,000
16	Consulting Costs	\$1,073,000	\$1,073,000	\$1,080,000	\$1,080,000
17	Insurance Costs	\$197,000	\$197,000	\$205,000	\$205,000
18	Miscellaneous Expenses	\$693,000	\$693,000	\$750,000	\$750,000
19	Capital Expenses	\$9,989,000	\$9,989,000	\$9,580,000	\$9,580,000
	Total Budgeted Expenses	\$30,634,000	\$32,213,000	\$30,917,500	\$32,650,000
	Budgeted Surplus/(Deficit)	(\$10,315,000)	(\$10,787,000)	(\$10,055,500)	(\$10,038,000)

Note: The budget information presented above is on an accrual basis except for the treatment of capital expenses. The cash impact of capital expenditures is shown in the table above in the year the expenditure is made. Non-cash expenses, including depreciation, are not included.

EXHIBIT 1**2024 & 2025 Applied Water Unit Duties for Summer & Winter Crops
100% Water Supply**

Summer Crops (1)	AF/Acre	Winter Crops	AF/Acre
Alfalfa	4.5	Barley	2.0
Almonds	4.1	Beet (Seed)	3.5
Almond Drip Year 1	0.8	Broccoli (Seed)	2.8
Almond Drip Year 2	1.6	Cabbage (Seed)	2.8
Almond Drip Year 3	2.3	Carrot (Seed)	4.1
Almond Drip Year 4+	3.1	Celery (Seed)	4.5
Bean (Dry)	2.5	Chard (Seed)	3.4
Clover	4.5	Cover Crop	2.5
Corn (Ear)	6.0	Grain Hay	2.0
Corn (Ear) Drip	4.5	Kale (Seed)	2.8
Corn (Silage)	4.3	Oats & Oat Hay	2.0
Cotton	3.3	Onion & Garlic (Fresh)	1.5
Cover Crop	2.5	Onion (Seed)	3.4
Fallow	0.0	Mustard (Seed)	1.9
Fish Pond	10.5	Radish (Seed)	1.8
Fruit Trees	4.1	Rye	2.0
Grape Vine	2.7	Turnip (Seed)	1.9
Habitat Wetland Summer	6.0	Wheat	2.0
Habitat Wetland Summer 1 Irrigation	1.0		
Habitat Wetland Summer 2 Irrigations	1.8		
Herb	1.0		
Industrial Hemp	2.8	Winter Water	
Misc. Deciduous	4.1	October Service Only	1.5
Miscellaneous Field Crops	2.5	November through January 6 Service	2.1
Olive	3.2	October through January 6 Service	2.8
Pasture	4.9	Winter Water Single Irrigation (October 1 - January 6)	1.0
Peas (Dry)	2.5		
Pepper	2.5	Habitat Wetland Winter Available October 1	
Pistachio	4.1	Continuous Flow	3.0
Prune	4.1	1 Irrigation	1.0
Prune - Drip	3.1		
Rice	6.9		
Rice - Wild	5.0		
Safflower	2.2		
Small Vegetable	2.5		
Sudan Grass	4.9		
Sunflower	2.2		
Sunflower Drip	1.7		
Tomato	2.3		
Tomato Drip	1.7		
Vinseed	1.6		
Vinseed Drip	1.2		
Walnut	4.4		
Walnut Drip Year 1	0.9		
Walnut Drip Year 2	1.7		
Walnut Drip Year 3	2.6		
Walnut Drip Year 4+	3.4		
1 Irrigation	1.0		
2 Irrigations	1.8		

(1) Applied water figures above for summer crops cover water use from April 1 through October 31. Water use on summer crops outside this time period will be subject to an additional one irrigation charge for each irrigation

EXHIBIT 2**2024 & 2025 Applied Water Unit Duties for Summer & Winter Crops
75% Water Supply**

Summer Crops (1)	AF/Acre	Winter Crops	AF/Acre
Alfalfa	4.5	Barley	2.0
Almonds	4.1	Beet (Seed)	3.5
Almond Drip Year 1	0.8	Broccoli (Seed)	2.8
Almond Drip Year 2	1.6	Cabbage (Seed)	2.8
Almond Drip Year 3	2.3	Carrot (Seed)	4.1
Almond Drip Year 4+	3.1	Celery (Seed)	4.5
Bean (Dry)	2.5	Chard (Seed)	3.4
Clover	4.5	Cover Crop	2.5
Corn (Ear)	6.0	Grain Hay	2.0
Corn (Ear) Drip	4.5	Kale (Seed)	2.8
Corn (Silage)	4.3	Oats & Oat Hay	2.0
Cotton	3.3	Onion & Garlic (Fresh)	1.5
Cover Crop	2.5	Onion (Seed)	3.4
Fallow	0.0	Mustard (Seed)	1.9
Fish Pond	10.5	Radish (Seed)	1.8
Fruit Trees	4.1	Rye	2.0
Grape Vine	2.7	Turnip (Seed)	1.9
Habitat Wetland Summer	6.0	Wheat	2.0
Habitat Wetland Summer 1 Irrigation	1.0		
Habitat Wetland Summer 2 Irrigations	1.8		
Herb	1.0		
Industrial Hemp	2.8	Winter Water	
Misc. Deciduous	4.1	October Service Only	1.5
Miscellaneous Field Crops	2.5	November through January 6 Service	2.1
Olive	3.2	October through January 6 Service	2.8
Pasture	4.9	Winter Water Single Irrigation (October 1 - January 6)	1.0
Peas (Dry)	2.5		
Pepper	2.5	Habitat Wetland Winter Available October 1	
Pistachio	4.1	Continuous Flow	3.0
Prune	4.1	1 Irrigation	1.0
Prune - Drip	3.1		
Rice	5.5		
Rice - Wild	4.0		
Safflower	2.2		
Small Vegetable	2.5		
Sudan Grass	4.9		
Sunflower	2.2		
Sunflower Drip	1.7		
Tomato	2.3		
Tomato Drip	1.7		
Vinseed	1.6		
Vinseed Drip	1.2		
Walnut	4.4		
Walnut Drip Year 1	0.9		
Walnut Drip Year 2	1.7		
Walnut Drip Year 3	2.6		
Walnut Drip Year 4+	3.4		
1 Irrigation	1.0		
2 Irrigations	1.8		

(1) Applied water figures above for summer crops cover water use from April 1 through October 31. Water use on summer crops outside this time period will be subject to an additional one irrigation charge for each irrigation

EXHIBIT 3**2024 EXAMPLE WATER RATE CALCULATIONS**

This sheet shows four sample 2024 water rate and water charge calculations at 100% and 75% supply assuming the maximum proposed water rate is in effect for the 2024 irrigation season.

Example Calculations**100 % Supply – 100 Acres Rice @ 6.90 Unit Duty (U/D)**

Description	Value	Notes
Fixed Rate Component	\$44.05	Per Irrigated Acre
Variable Rate Component	\$9.05	Per Acre-Foot of Applied Water (6.90 U/D for Rice)
100 acres Rice Fixed Rate	\$4,405.00	100 acres * \$44.05 = \$4,405.00
100 acres Variable Rate Component	\$6,244.50	100 acres Rice x 6.90 U/D = 690.00 x \$9.05 = \$6,244.50
Total Charge	\$10,649.50	
Total Charge Per Acre	\$106.50	Using 2024 proposed rates, this charge would be \$106.50/acre.

75 % Supply – 100 Acres Rice @ 5.50 Unit Duty (U/D)

Description	Value	Notes
No Fixed Rate Component		
Variable Rate Component	\$22.88	Per Acre-Foot of Applied Water (5.50 U/D for Rice)
100 acres Variable Rate Component	\$12,584.00	100 acres Rice x 5.50 U/D = 550.00 x \$22.88 = \$12,584.00
Total Charge	\$12,584.00	
Total Charge Per Acre	\$125.84	Using 2024 proposed rates, this charge would be \$125.84/acre.

100 % Supply – 100 Acres Pasture @ 4.90 Unit Duty (U/D)

Description	Value	Notes
Fixed Rate Component	\$44.05	Per Irrigated Acre
Variable Rate Component	\$9.05	Per Acre-Foot of Applied Water (4.90 U/D for Pasture)
100 acres Pasture Fixed Rate	\$4,405.00	100 acres * \$44.05 = \$4,405.00
100 acres Variable Rate Component	\$4,434.50	100 acres Pasture x 4.90 U/D = 490.00 x \$9.05 = \$4,434.50
Total Charge	\$8,839.50	
Total Charge Per Acre	\$88.40	Using 2024 proposed rates, this charge would be \$88.40/acre.

75 % Supply – 100 Acres Pasture @ 4.90 Unit Duty (U/D)

Description	Value	Notes
No Fixed Rate Component		
Variable Rate Component	\$22.88	Per Acre-Foot of Applied Water (4.90 U/D for Pasture)
100 acres Variable Rate Component	\$11,211.20	100 acres Pasture x 4.90 U/D = 490.00 x \$22.88 = \$11,211.20
Total Charge	\$11,211.20	
Total Charge Per Acre	\$112.11	Using 2024 proposed rates, this charge would be \$112.11/acre.