



# Preliminary FY 2026-27 Groundwater Production Charges

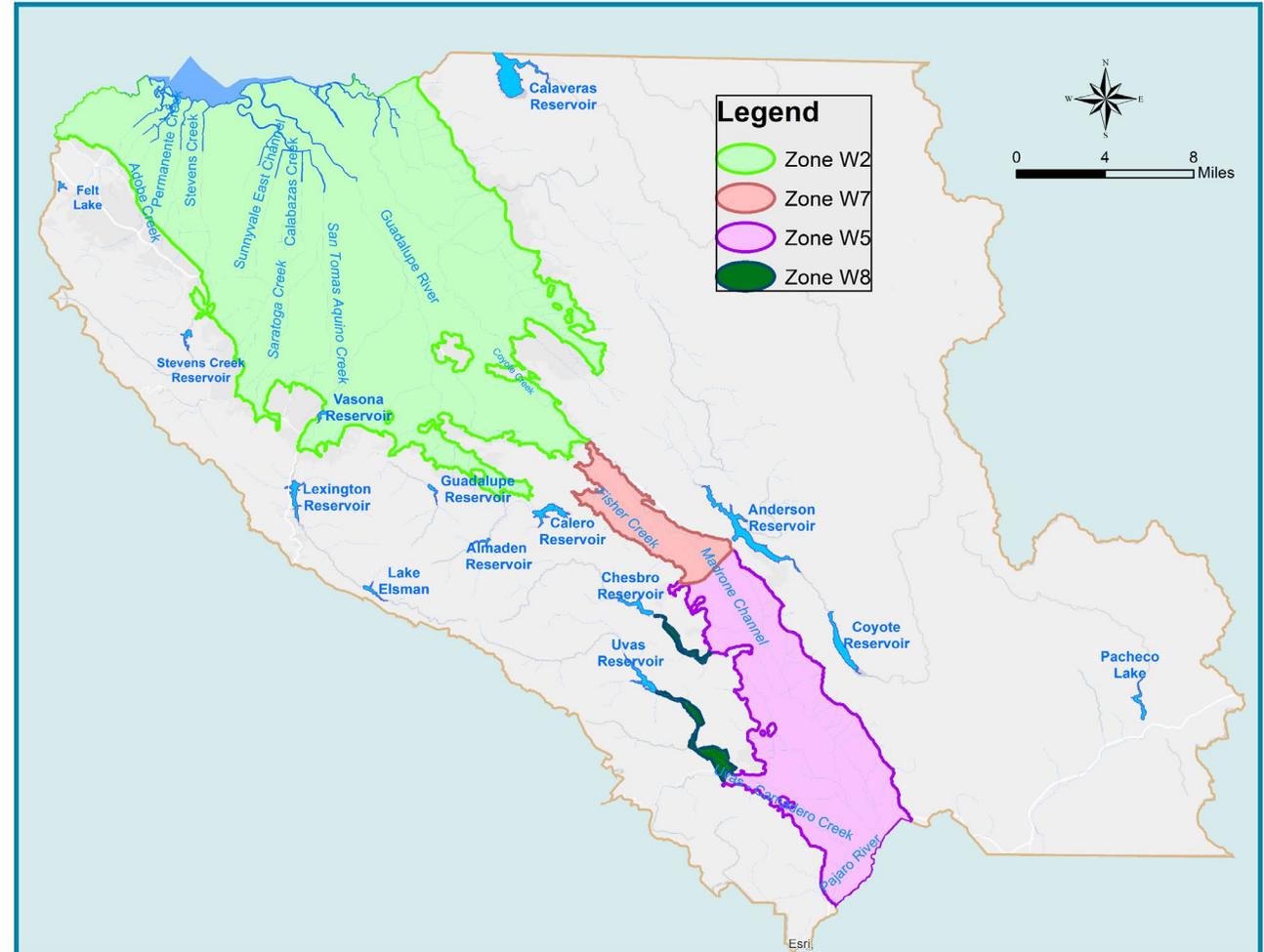
Presented by: **Carmen Narayanan**, Financial Planning & Revenue Manager  
Agricultural Water Advisory Committee, January 5, 2026

# Topics

- **Background Information on Groundwater Charge Zones & Board's Pricing Policy**
- **Water Usage Projections**
- **Preliminary Groundwater Production Charges**
- **Schedule & Summary**

# Resolution 99-21 is the Board's Pricing Policy

- Groundwater charges are levied within a zone for benefits received
- All water sources and water facilities contribute to common benefit within a zone regardless of cost, known as “pooling” concept
  - Helps maximize effective use of available resources
- Agricultural water charge shall not exceed 10% of M&I water charge



# FY 2026-27 Rate Setting Outlook

## FY 27 Baseline Case Assumptions

- Maintain Agricultural Rate set at 9.25% of lowest M&I rate (Zone W-8)
- Plan for moderate District-managed water use of 221,500 AF
  - Agricultural water use projected at 26,800 AF
- Anderson Dam Seismic Retrofit
- Master Plan projects: SCADA, Water Treatment Plants & Distribution
- Dam Safety Program: Almaden, Calero, Coyote, & Guadalupe
- Pure Water Silicon Valley *Demonstration Facility & Full-Scale Direct Potable Reuse (DPR) Facility*
- Delta Conveyance project participation \*
- San Luis Reservoir: B.F. Sisk Dam Raise with up to 63 TAF Storage \*
- Sites Reservoir project participation \*
- SWP Tax pays for 100% of SWP costs *Excludes SWP portion of Delta Conveyance*

Note: Pacheco Reservoir Expansion Project has been eliminated from baseline case assumptions.

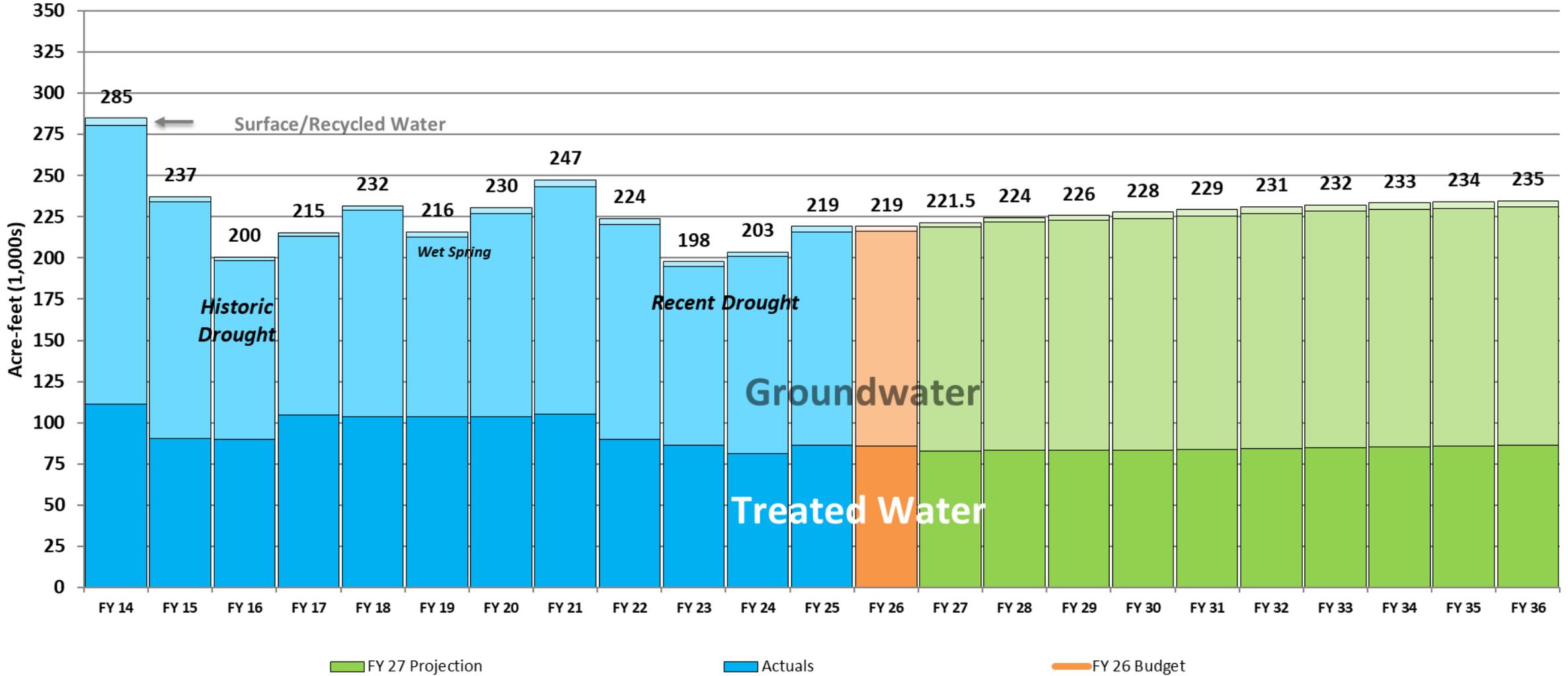
\* Project costs are reflected as Operations & Maintenance costs.

SWP: State Water Project

# District Managed Water Usage

Reflects Lower Water User Projections Post 2023 Drought Rebound

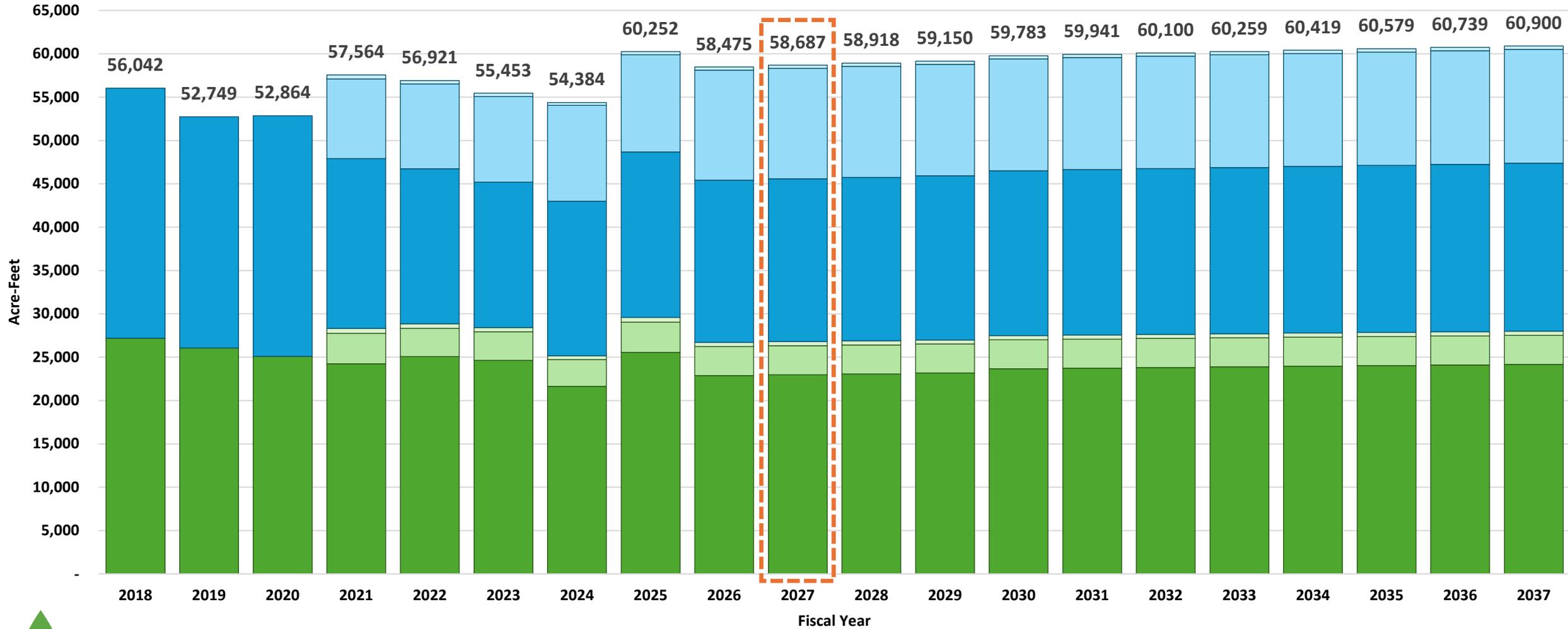
District Managed Water Usage (TAF)



# District Managed Water Usage

## Agricultural Groundwater Use by Zone in South County

South County Groundwater Production (Acre-Feet) by Fiscal Year & Zone



# FY 2026-27 Preliminary Groundwater Production Charge Projection

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Municipal & Industrial Rate by Zone	FY 2025-26 GW Production Charge	FY 2026-27 Preliminary GW Production Charge	Preliminary % Increase	Increase to Average Monthly Bill (11 HCF/month)
North County W-2	\$2,450.00	\$2,673.00	<del>9.9%*</del> 9.1%	\$5.63
South County W-5	\$624.50	\$664.50	<del>7.9%*</del> 6.4%	\$1.01
South County W-7	\$834.50	\$906.50	<del>11.2%*</del> 8.6%	\$1.82
South County W-8	\$464.00	\$501.00	8.0%	\$0.93
Agricultural	\$43.00	\$46.50	8.0%	\$0.58**



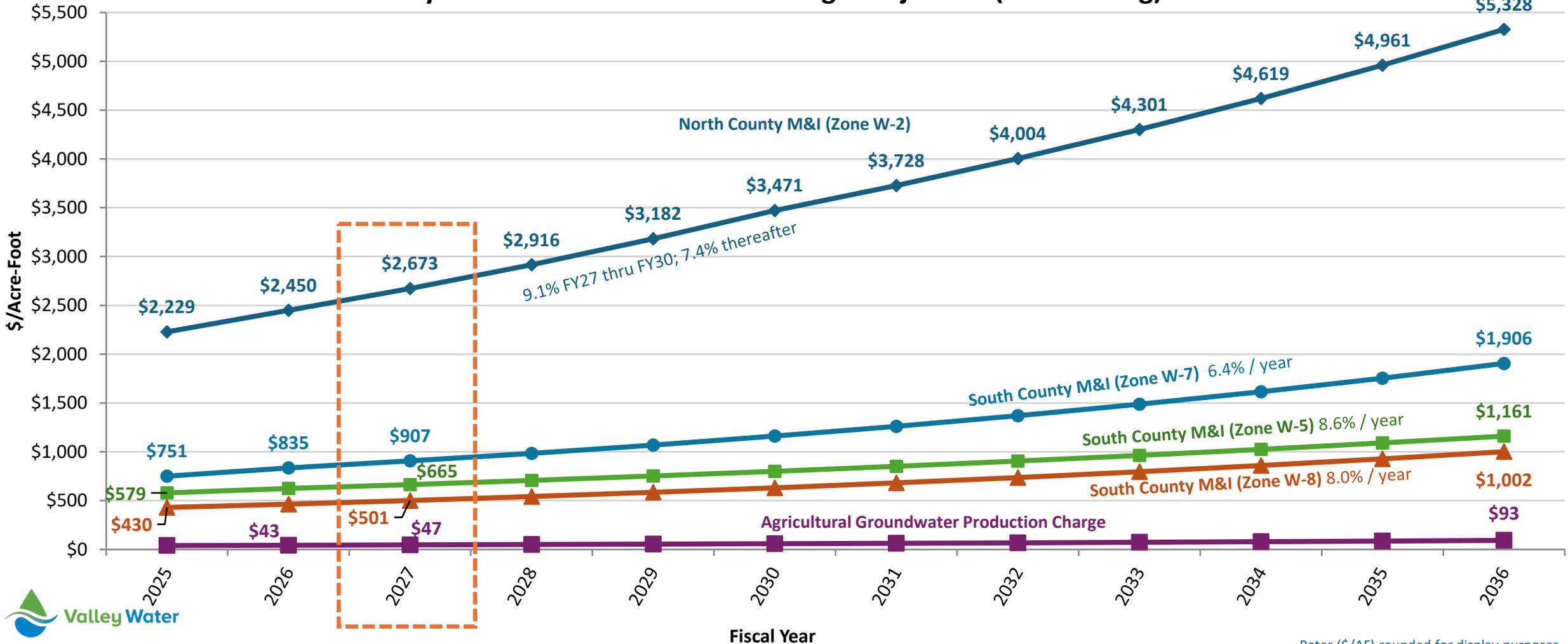
\* Reflects prior rate increases (%) projected during the FY2025-26 planning cycle.

\*\* Assumes Agricultural users who pump 2 AF of water, per acre, per year.

# Preliminary Groundwater Production Charge Projection

## Baseline Scenario

Preliminary FY 2026-27 Groundwater Charge Projection (M&I and Ag)



# Rate Setting Schedule FY 2026-27

- Jan 5                    Agricultural Water Advisory Committee
- Jan 13                  Board Meeting: Preliminary Groundwater Charge Analysis
- Jan 21                  Water Retailers Meeting: Preliminary Groundwater Charge Analysis
- Jan 28                  Water Commission Meeting: Preliminary Groundwater Charge Analysis

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- Feb 10                  Board Meeting: Set time & place of Public Hearing
- Feb 27                  Mail notice of public hearing and file PAWS report

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- Mar 10                  Board Meeting: Budget development update
- Mar 18                  Water Retailers Meeting: FY 27 Groundwater Charge Recommendation

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- Apr 6                    Agricultural Water Advisory Committee
- Apr 8                    Water Commission Meeting
- Apr 14                  Open Public Hearing
- Apr 16                  Continue Public Hearing in South County
- Apr 28                  Conclude Public Hearing
- Apr 29-30              Board Meeting: Budget work study session

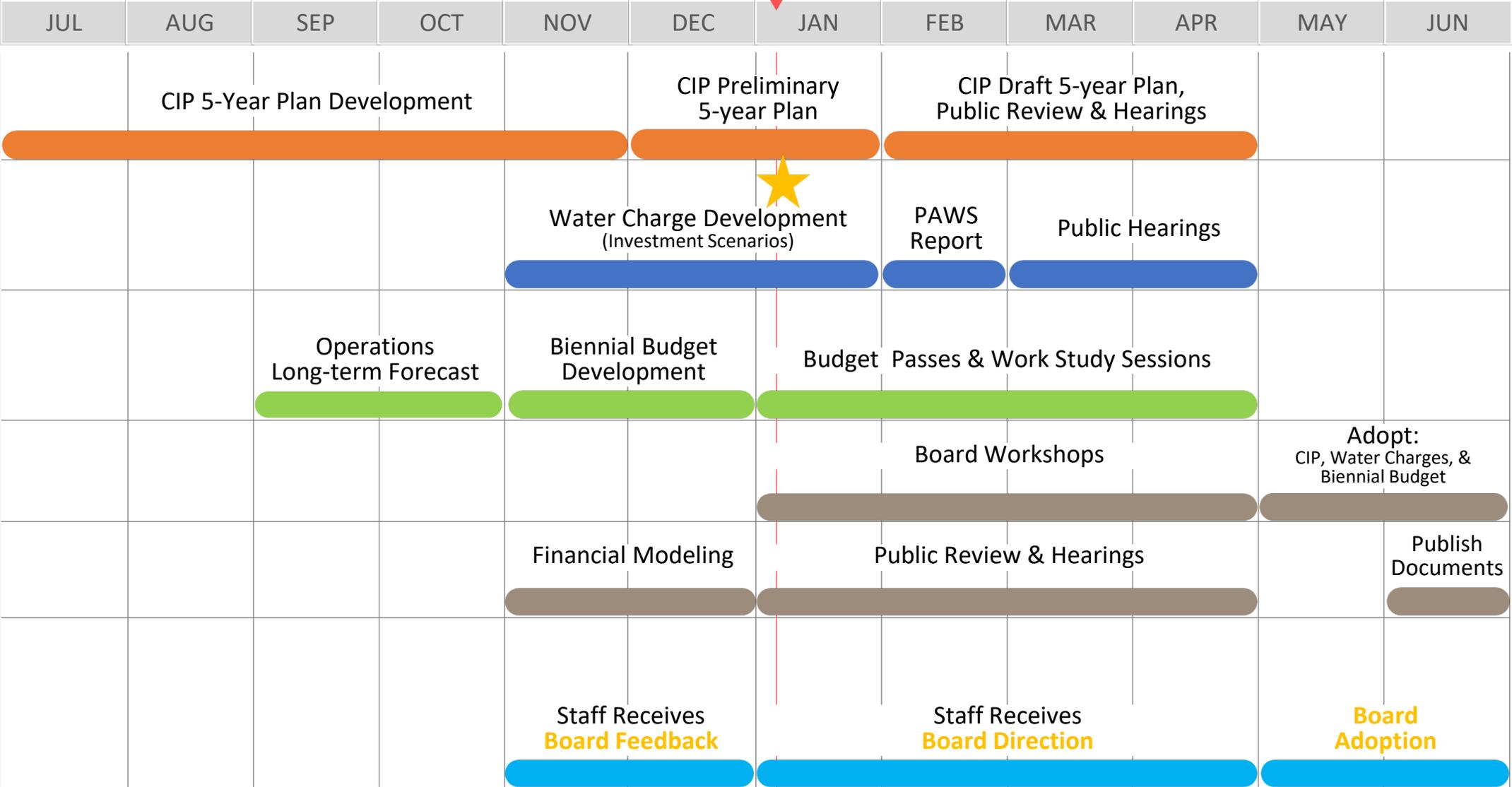
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- May 12                  Adopt budget & groundwater production and other water charges

# Annual CIP, Biennial Budget & Water Charges Development Timeline

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We are here



# Summary

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## COMMITTEE ACTIONS TODAY

1. **Review and Comment to the Board on the Fiscal Year 2026-27 Preliminary Groundwater Production Charges**

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