



Division 9 Grower Workshop

Cost of Providing Pressurized Irrigation Service

Proposed Pressurized Irrigation Service Rates for 2026-2030

November 12 , 2025

*Revised 11/13/2025

Workshop Topics

- What's Going on in the District
- Current Division 9 Rates and Methodology
 - Electricity Cost Recapture
 - Provision for Capital Assets
- Proposed Maximum Rates for 2026-2030
- Future Division 9 Maintenance and Capital Replacement Projects
- Division 9 Capital Expense Fund Current Reserves and Future Projections
- 2026 Division 9 Budget Projection
- Rate Setting Process

What's Going on in the District

- \$94 Million Canyon Tunnel Project
 - \$69M SSJID Share
 - \$25M OID Share
- Woodward Reservoir Recreation
- Powered By Purpose – Retail Electric
- Raw Water Rate Increase for Water Treatment Plant Customers
- Update of District Fees and Charges for Services (Non-Irrigation)
- Sustainable Groundwater Management Act Compliance

Current Rates

- District-wide Irrigation Rates (2026)*
 - \$60.00 per acre
 - Tier 1 (up to 48")
\$10.00/Acre Foot
 - Tier 2 (over 48")
\$17.50/Acre Foot
- Division 9 Pressurized Service Rate (2025)*
 - \$58.12 per acre-foot

*Division 9 Customers pay both Charges for Pressurized Irrigation Service



Irrigation Rate Components

District-wide Irrigation Rates (2026)*

- Acreage Rate
\$60.00 per acre
- Volumetric Tier 1 (up to 48")
\$10.00/Acre Foot
- Volumetric Tier 2 (over 48")
\$17.50/Acre Foot

Division 9 Pressurized Charge (2025)*

- Electricity Cost Recapture
\$43.31/Acre Foot
- Provision for Capital Assets
\$14.81/Acre Foot
- Total Rate = \$58.12 per acre-foot

*Division 9 Customers pay both Charges for Pressurized Irrigation Service

Pressurized Charge Rate Components

Electricity Cost Recapture

- Costs are adjusted based on prior year's actual electricity costs
- May go up or down
- Electricity costs are trending upwards

Provision for Capital Assets

- Funds are restricted for use on **Division 9 ONLY**
- Funds are used for Division 9 maintenance expenses and capital replacements
- Escalated annually for inflation

NO PROPOSED CHANGES IN CALCULATION METHODOLOGIES FOR 2026-2030.

*Division 9 Customers pay both Charges for Pressurized Irrigation Service

Electricity Cost Recapture

Step 1:

2025 Electricity Recapture Index = 2024 Actual Unit Cost – 2023 Actual Unit Cost
\$3.27 per AF (2025 Index) = \$42.34 per AF - \$39.07 per AF

Step 2:

2025 Electricity Cost Recapture Rate = 2025 Electricity Recapture Index + 2024 Rate
\$43.31 per AF (2025 Elec. Cost Recapture Rate) = \$3.27 per AF + \$40.04 per AF

*Rate was reduced in 2023 to reflect a reduction in the actual unit cost of providing pressurized water during the 2022 Irrigation Season.

Provision for Capital Assets Methodology

2025 Provision for Capital Assets Rate = 2024 Rate + Inflation

*\$14.81 per AF (2025) = \$14.45 per AF (2024) + 2.5% Inflation**

*Inflation rate is calculated based on the Consumer Price Index – California – All Urban Consumers for October

Proposed Division 9 Maximum Rates (2026-2030)^{***} (No Proposed Changes to Methodology)

Division 9 Pressurized Service Rate Components	(Current)	(Proposed)				
	2025	2026	2027	2028	2029	2030
Electricity Cost Recapture*	\$ 43.31	\$ 46.78	\$ 50.45	\$ 54.34	\$ 58.47	\$ 62.85
Provision for Capital Assets**	\$ 14.81	\$ 15.33	\$ 15.86	\$ 16.42	\$ 16.99	\$ 17.59
Total**** (\$ per AF)	\$ 58.12	\$ 61.21	\$ 64.47	\$ 67.91	\$ 71.54	\$ 75.38

- * Assumes 6% annual index increase. MID increased electricity rates by 7.5% in 2024 and 5.5% in 2025. Rate may decrease from year to year depending on actual costs and quantity of water delivered.
- ** Assumes 3.5% annual rate increase based on historical 2016-2025 Consumer Price Index – California All Urban Consumers.
- *** If adopted by the Board of Directors, the proposed rates **may not exceed** the amount listed in the table.
- **** This rate only applies to Division 9 customers and would be paid in addition to the acreage and volumetric rates for all SSJID Irrigation customers.

Future Capital and O&M Projects

Capital Replacement Due to Catastrophic Failure*

Replacement Cost Per Event

Spot Repair Main Pipeline/Valve	\$45,000
Roadway Crossing Repair	\$45,000
Motor/Pump VFD Repair or Rebuild	\$120,000
Total	\$210,000

*Projects would only be completed in the event of an unplanned failure

Major Planned Maintenance Projects**

Annual Turnout Meter & Vault Replacement (15 per year)	2026	2027	2028	2029	2030
Turnout flow meter vaults	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000
Turnout flow meter replacements	\$25,000	\$26,000	\$26,500	\$27,500	\$28,000
Cla-Val Rebuilds	\$25,000	\$26,000	\$26,500	\$27,500	\$28,000
Total	\$80,000	\$83,000	\$85,000	\$88,000	\$90,000

**Projected costs for 2026-2030 Total \$426,000

Reallocation of Provision for Capital Assets

Current Provision for Capital

- 100% allocated to capital
- Funds are restricted for use on **Division 9 ONLY**
- Funds are were used for capital replacements only
- Capital Fund Balance
 - 2025 Balance = \$736,830

Revised Provision for Capital/Expense

- Funds to be used for both O&M expenses and capital replacements
- 20% allocated to Capital Replacement Reserves
- 80% allocated to O&M Expenses
- Funds remain restricted for use on **Division 9 ONLY**
- O&M expenses will be tracked
- Maintain growth of the prudent Capital Expense Fund balance

NO PROPOSED CHANGES IN CALCULATION METHODOLOGIES FOR 2026-2030.

Current Capital Expense Fund Reserves and Projected Growth of Reserves

Total Contributions*	\$832,444
Less Capital Expenditures	\$95,614
Current Balance*	\$736,830

*From 2016 through September 2025

**Growth of Reserves Based on
Allocating 20% to Fund Growth and
80% to Maintenance Expenses**

Current Balance	\$736,830
2026	\$21,985
2027	\$22,535
2028	\$23,098
2029	\$23,675
2030	\$24,267
Estimated Balance*	\$852,390

*Includes major planned maintenance projects

*Does not include catastrophic replacement expenditures

2026 Division 9 Proposed Budget

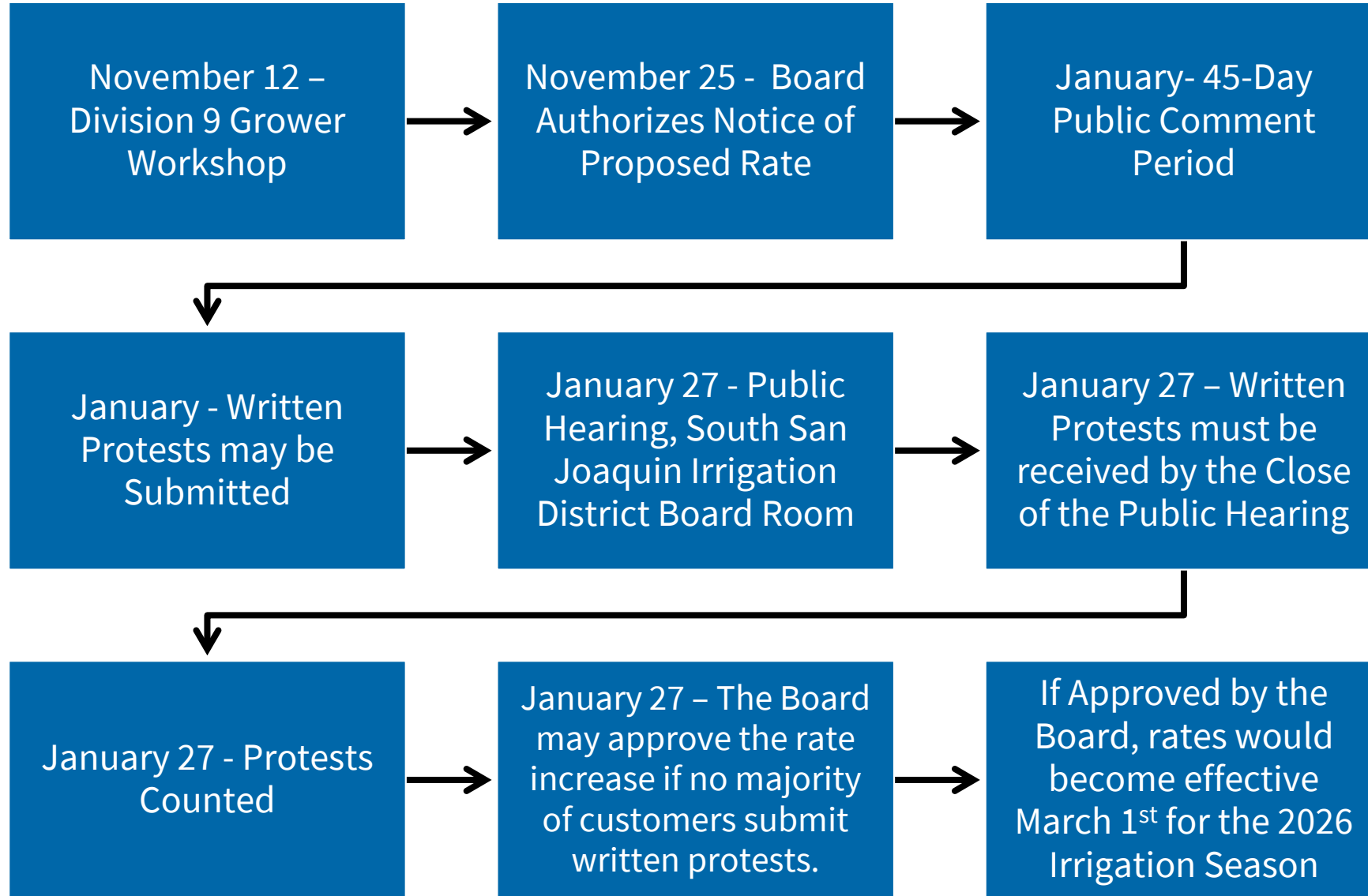
Revenues

Interest	\$20,000
Electricity Recapture	\$317,699
Capital/Expense Fund	\$109,925
Total Revenues	\$447,624

Expenses

Operation & Maintenance	\$584,205
Capital Expenditures	-
Total Expenses	\$584,205
Less 20% Division 9 Capital Expense Fund Contribution	\$21,985
Total Estimated District Loss	\$(158,566)

Rate Approval Process - Proposition 218



QUESTIONS?

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**SOUTH SAN JOAQUIN
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