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## **FOR IMMEDIATE RELEASE**

June 12, 2012

# **Irrigation water rate structure to change in 2013**

*Board adopts volumetric pricing to comply with legislation, also adjusts rates*

**TURLOCK** – The pricing structure by which Turlock Irrigation District charges its irrigation water customers will change formats in 2013.

The change comes following a TID Board of Directors' vote on Tuesday, in which the Board acted to charge customers based upon a volumetric pricing structure. Also reflected in the rates of this new structure is an increase that aims to narrow an annual \$1 to \$2 million gap that exists between water revenues and the costs associated with delivering water to customers.

The change to volumetric pricing comes in response to current California water conservation legislation. As an agricultural water provider, TID is required to have pricing that, in part, charges by the quantity of water delivered, also known as volumetric pricing. Starting in 2013, irrigators will be charged based upon either a normal year rate schedule or a dry year rate schedule that will be selected by the Board each year. The dry year schedule is needed to offset the increase in groundwater pumping costs to TID that occurs in dry years.

Starting in 2013, water customers will only pay for the water they receive. Under TID's existing pricing structure – a set allotment for all customers with water typically available over the allotment in normal water years – many growers pay for water they can't use and don't need. Seventy-three percent of the time the allotment has been set at greater than 36 inches, while 50 percent of acres irrigated by TID use less than or equal to 33 inches.

This change to TID's irrigation water pricing structure comes on the heels of five public workshops held throughout TID's service area in April and a series of public presentations made on the topic at Board meetings in March and April of this year.

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### **About the Turlock Irrigation District (TID)**

*The Turlock Irrigation District, located in Turlock CA, is the first publicly owned Irrigation District and is one of only four today that provides irrigation water and power to residential, commercial, industrial and agricultural customers within its service area. TID has been in the retail electric business since 1923. TID provides safe, low-cost, reliable energy to a growing customer base that*

*today exceeds 98,000 home, farm, business, industrial and municipal accounts. TID also serves 5,800 irrigation customers covering approximately 150,000 acres of farmland. For more information about TID visit [www.tid.com](http://www.tid.com) and follow [@TurlockID](https://twitter.com/TurlockID) on Twitter.*

# Irrigation Rate Comparison: 2012 rates and 2013 rates

The TID Board of Directors voted at its June 12, 2012 meeting to modify irrigation water rates, effective in 2013. Below are comparisons between the 2012 rates and the rates that will be charged in 2013.

2012 Irrigation Rates	Topic/Question	2013 Irrigation Rates
TID Board of Directors establishes allotment and amount of water available each year	Who determines how much water is available for irrigation?	TID Board of Directors establishes amount of water available each year and selects a 'normal' or 'dry' rate schedule
Allotment available for fixed price, tiered pricing above allotment	Type of rate structure	Fixed charge per acre, water charged based on amount used; tiered pricing
Allotment: typically 48 inches (\$26 per acre) Tier 2: \$15 per acre-foot, up to 1 acre-foot Tier 3: \$20 per acre-foot, additional available	Normal Year Water Rates	Fixed charge: \$23 per acre Water Charges: Tier 1: \$2 per acre-foot, up to 2 acre-feet Tier 2: \$3 per acre-foot, up to 2 acre-feet Tier 3: \$15 per acre-foot, up to 1 acre-foot Tier 4: \$20 per acre-foot, additional available
Allotment: typically less than 48 inches Tier 2: \$15 per acre-foot, up to 1 acre-foot Tier 3: \$20 per acre-foot, additional available <i>(In a typical dry year, the Board reduces the amount of water available, due to limited supplies.)</i>	Dry Year Water Rates	Fixed charge: \$26 per acre Water Charges: Tier 1: \$2 per acre-foot, up to 1 acre-feet Tier 2: \$3 per acre-foot, up to 1.5 acre-feet Tier 3: \$15 per acre-foot, up to 1 acre-foot Tier 4: \$20 per acre-foot, additional available <i>(In a typical dry year, the Board reduces the amount of water available, due to limited supplies.)</i>

## Normal Year Water Rates

This example assumes:

- 48 inch allotment, with additional water available above the allotment

Water Use per Acre (inches)	2012 Cost per Acre	2013 Cost per Acre	Cost per Acre Increase
24	\$26.00	\$27.00	\$1.00
30	\$26.00	\$28.50	\$2.50
33*	\$26.00	\$29.25	\$3.25
36	\$26.00	\$30.00	\$4.00
42	\$26.00	\$31.50	\$5.50
48	\$26.00	\$33.00	\$7.00
60	\$41.00	\$48.00	\$7.00
72	\$61.00	\$68.00	\$7.00

\* Average acreage uses 33" of water - for an increase of \$3.25/acre.

## Dry Year Water Rates

This example assumes:

- 30 inch allotment, with 42 inches available for current rates
- 42 inches available for proposed rates
- Up to 48 inches for rented pumps (per pump rental agreement)

Water Use per Acre (inches)	2012 Cost per Acre	2013 Cost per Acre	Cost per Acre Increase
24	\$26.00	\$31.00	\$5.00
30	\$26.00	\$32.50	\$6.50
33*	\$29.75	\$36.25	\$6.50
36	\$33.50	\$40.00	\$6.50
42	\$41.00	\$47.50	\$6.50
48	\$51.00	\$57.50	\$6.50
60	not available	not available	-
72	not available	not available	-

\* Average acreage uses 33" of water - for an increase of \$6.50/acre.