

## Angela Ruberto

**From:** Dana Merrill [REDACTED]  
**Sent:** Tuesday, February 26, 2019 7:07 PM  
**To:** Angela Ruberto  
**Subject:** [EXT]Screenshot 2019-02-26 at 7.00.35 PM  
**Attachments:** Image-1.jpg; ATT00001.txt


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This cost example has some flaws. 7 tons per acre is at least 2 tons per acre high. On the cost side, we are now spending closer to \$4,500 per acre direct cost, plus the long term debt, taxes and equipment. The net revenue after adding the penalty is closer to zero and no way will a grower still net \$4,800 per acre.

Who provided these numbers? Why not talk to some of us who own and manage, including budgeting and accounting, for the operations? Some higher grossing vineyards can pay more but the example overstates the average revenue potential of vineyards in the Paso Basin.

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#4 Pumping Fees Example 5



### Financial Implications for Growers

Revenue and cost assumptions obtained from crop enterprise budgets published by UC Davis, and personal interviews with growers. Actual revenues and costs vary across growers and properties.

Without water charges →

Assumption	Value	Unit
Yield	7	Tons/ac
Price	\$1,200	Per ton
<b>Gross Revenue</b>	<b>\$8,400</b>	<b>Per ac</b>
Operating Costs	\$2,400	Per ac
Cash Overhead	\$1,200	Per ac
<b>Total Cash Costs</b>	<b>\$3,600</b>	<b>Per ac</b>
<b>Net Revenue</b>	<b>\$4,800</b>	<b>Per ac</b>
Pumping Allowance	1	AF/ac
Actual Pumping	1.25	AF/ac
Overproduction	0.25	AF/ac
Base Assessment	\$116	Per ac (\$93/AF x 1.25 AF)
Overproduction Surcharge	\$208	Per ac (\$832/AF x 0.25 AF)
<b>Total Water Charges</b>	<b>\$324</b>	<b>Per ac</b>
<b>Net Revenue</b>	<b>\$4,476</b>	<b>Per ac</b>

With water charges →

#4 Pumping Fees Example 6