



TEMPORARY WATER TRANSFER FACT SHEET

Origins

On May 12, 2020, Georgetown Divide Public Utility District Board of Directors authorized a temporary or one-time water transfer of 2,000 acre-feet during the 2020 water season. As this is the first time the District has attempted a temporary water transfer, the Board of Directors and District staff would like to reach out to the District ratepayers and provide information about what a water transfer means and how it impacts the District ratepayers and operations.

A temporary water transfer is a one-time movement of water from one water District/Agency to another for beneficial use and are only practical for our region during certain hydrologic (rainfall) conditions; for the District, this occurs on average once every three years.

Recent Questions

Is the temporary water transfer being completed because of the rate freeze?

While this temporary water transfer is not directly related to the recent rate freeze, the additional revenue generated from the temporary transfer will be used to fund deferred Capital Improvement Program (CIP) projects which would otherwise be passed on to rate payers in the form of a rate increase. The objective of temporary water transfers is to develop an alternative source of revenue for the District to the benefit of ratepayers.

Where is the water transfer measured?

The transferred will be measured at the District's stream gage directly below Stumpy Meadows.

Common Questions

Why now?

This year's hydrologic conditions are favorable for a water transfer. Variations of hydrologic conditions experienced by our watershed generally include the following scenarios:

- Wet year scenario – there is above average rainfall; under this scenario (like the 2018/2019 water year), there is ample supply of water around the State, and so the demand, or market for purchasing water is low; therefore, water transfers and other water districts generally are not interested in a temporary water transfer;
- Dry year scenario – there is below average rainfall, and the demand for water is high, but because of the scarcity of water, the risk level for the District would be considered too high for a temporary water transfer; and
- Water transfer scenario – Average/slightly dry year, where our region has adequate water supply; however, there is demand from other parts of the state.

Who is receiving the water transfer and why?

Westland Water District (WWD) is receiving the District's water for distribution to farms located in western Fresno and Kings Counties. WWD will receive the District's water at Folsom Lake and are responsible for moving the water out of Folsom Lake. Any conveyance losses are the responsibility of WWD from the receiving location.

What is the fiscal impact to the District?

The 2020 market price for temporary transferred water is \$350 per acre foot. A 2,000 acre-feet temporary water transfer will result in approximately \$700,000 of gross revenue for the District. We conservatively estimate that the

District's cost to facilitate the transfer (applications and permitting) will be approximately \$100,000, resulting in a net revenue of \$600,000. The purchase agreement with WWD includes a deposit payment and a pre-delivery payment that will cover any District costs associated with the transfer. The contractual conditions ensure the District will not incur any out of pocket expenses.

When does the temporary water transfer occur?

The State allows the physical transfer of water between July 1st and September 30th. The District's water will be transferred between mid-August and September 2020.

Is a temporary water transfer allowed by the State (or "is it legal"?)

Yes, temporary water transfers are legal and are regulated by California Water Code §1726.

Has the District completed a temporary water transfer in the past and have other neighboring purveyors completed temporary water transfers?

The District has not completed a temporary water transfer in the past. Yes, other nearby purveyors within the American River Watershed have completed temporary water transfers. The Placer County Water Agency has completed 12 temporary water transfers since 1990. The Foresthill Utility District has completed two temporary water transfers within the last 5 years. The El Dorado Irrigation District has also completed temporary water transfers.

Will the District lose any rights to water because of the temporary transfer?

A temporary water transfer will not result in the District losing a water right. The proposed 2020 temporary water transfer is a one-time reallocation of 2,000 acre-feet of water from District use to a down-stream user.

Why not sell this water to irrigation customers?

Selling additional water to District irrigation customers would require increasing the capacity of the District's nearly 70-mile-long canal conveyance system which is already at capacity.

What will the money received from the water transfer be used for?

The Board of Directors approved the temporary water transfer on the condition that the revenue generated is specifically designated to the District's Capital Improvement Plan reserve fund.

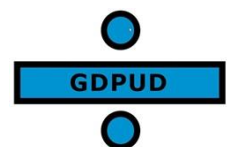
How does this impact the District's water supply and what are the risks?

Between August and September 2020, an additional 2,000 acre-feet of water will be released from Stumpy Meadows for delivery to Folsom Lake. The temporary transfer will result in a 2,000-acre-foot reduction in Stumpy Meadows reservoir storage. Based on historical reservoir operations, the District anticipates that Stumpy Meadows will be refilled during the 2020/2021 winter season.

Following the 2020 temporary water transfer, re-fill conditions between the District and the U.S. Bureau of Reclamation (USBR), who operates Folsom Lake, include the potential release of up to 2,000 acre-feet of water to meet operational needs. The re-fill conditions can be met in three ways:

- 1) Folsom Lake operations enters into flood control operations¹; in this case, re-fill conditions will be met and will not require the District to pay back the 2,000 acre-feet of water. This condition is met two out of three years on average;

¹ Folsom Lake does not need to fill to be considered in flood operations



Temporary Water Transfer

FACT SHEET

Page 3 of 3

- 2) The region experiences an excessively dry year or years, at which point the District will have to release additional water out of Stumpy Meadows until we have delivered 2,000 acre-feet of water to assist the USBR in meeting it's operational needs; and,
- 3) A combination of conditions 1 and 2.

Once any of these conditions are met, the District's re-fill condition to supply the USBR with 2,000 acre-feet of water will be fulfilled. Under any of these scenarios, the District will not be obligated to release more than 2,000 acre-feet of water from Stumpy Meadows. Re-fill conditions are met, on average, two of every three years.

What are the Key Steps to Temporary Water Transfer?

- Hydrologic conditions are favorable for a temporary water transfer.
- Board of Directors approval.
- Execution of a temporary water transfer agreement. A deposit is provided to the District.
- Submit Petition for Temporary Change of District Water Rights to the State Water Resources Control Board (SWRCB). This process usually takes between 45-65 days and includes a public comment and environmental review/comment period. A link is provided below where comments can be directed.
- Prepare agreements with the USBR, California Department of Water Resources (DWR) that detail storage, conveyance and re-fill conditions associated with the temporary water transfer.
- Execute the temporary water transfer by delivering and documenting the delivery of the temporarily transferred water.

Resources

Water supply measurements can be found on the District's website at <https://www.gd-pud.org/water-supply>.

Comments can be submitted to the SWRCB using the link below once the public comment period begins. https://www.waterboards.ca.gov/waterrights/water_issues/programs/applications/transfers_tu_notices/

If you have any questions, please contact GDPUD Water Resources Manager, Adam Brown at (530) 333-4356, ext 110.

