

GCID Landowner and Water Users Meeting

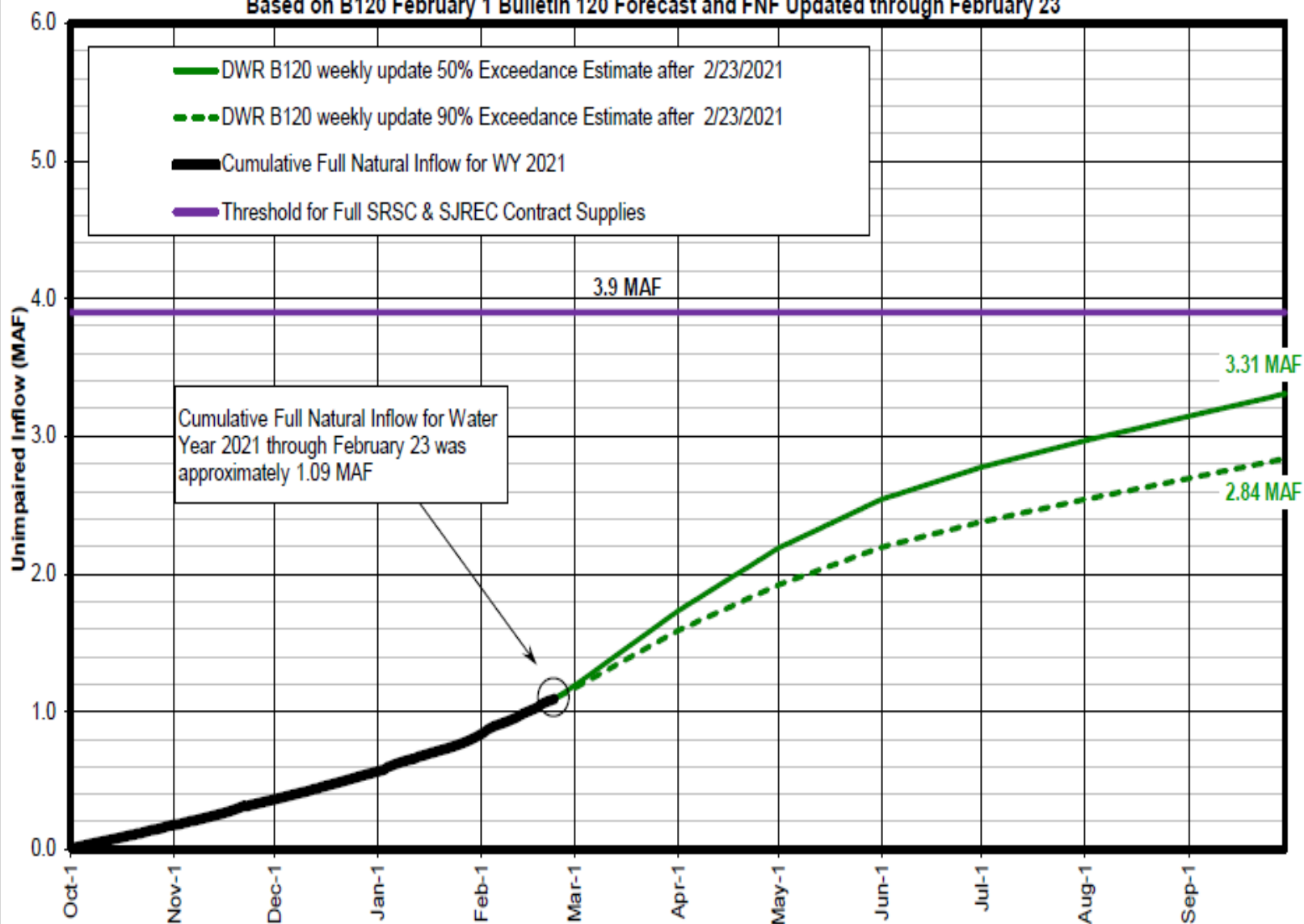
March 3, 2021

Agenda

- Critical Year Supply
- Water Application and Allocation Process
- Water Transfer Programs
- Assessment and Water Rate Restructuring
- Questions and Discussion

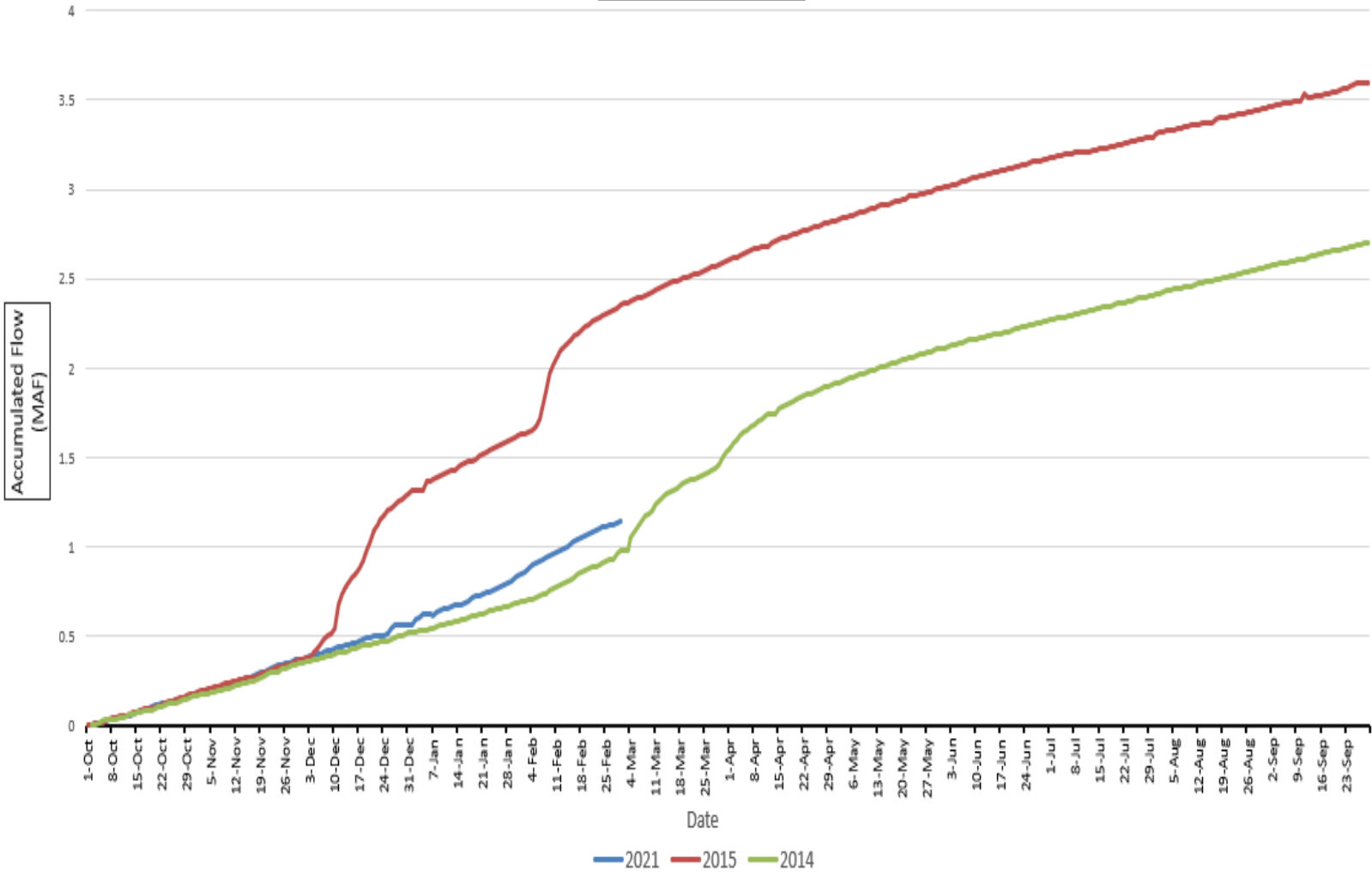
2021 GCID Water Supply

Based on B120 February 1 Bulletin 120 Forecast and FNF Updated through February 23



Note: Cumulative Full Natural Inflow is based on mean daily data obtained from the California Data Exchange Center(CDEC). Exceedance Estimates are based on DWR's February 1, 2021 Forecast.

Shasta Natural Inflow 2014,2015,2021



Critical Year Water Supply

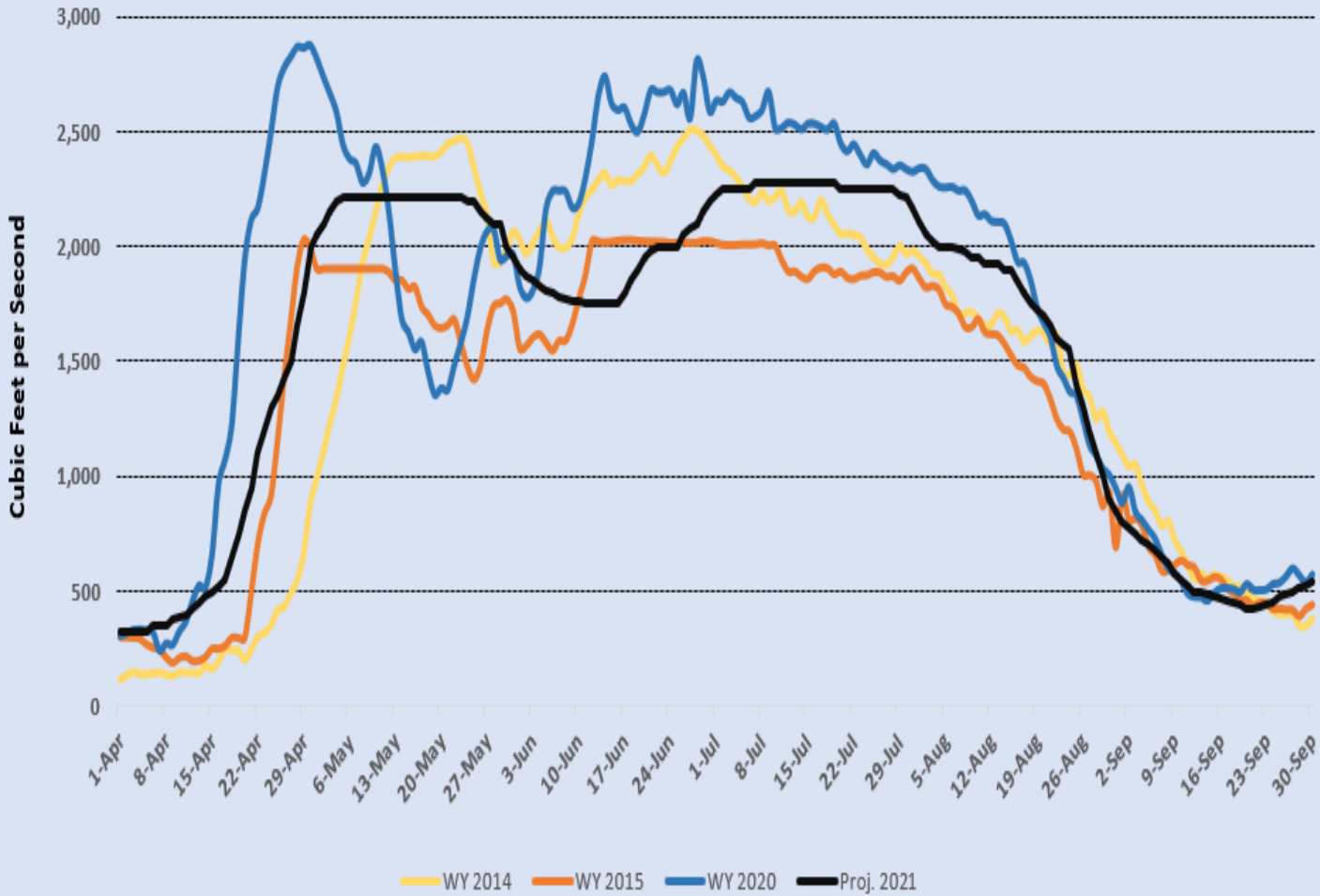
- GCID Contract Supply in a Normal (100%) Water Year,
April through October
Base Supply: 720,000 Acre Feet
Project Water: 105,000 Acre Feet
Total: 825,000 Acre Feet
- GCID Contract Supply in a Shasta Critical (75%) Water Year,
Base Supply: 540,000 Acre Feet
Project Water: 78,750 Acre Feet
Total: 618,750 Acre Feet

10 Year Crop Summary

Table 7A
IRRIGATED CROPS
(acres)

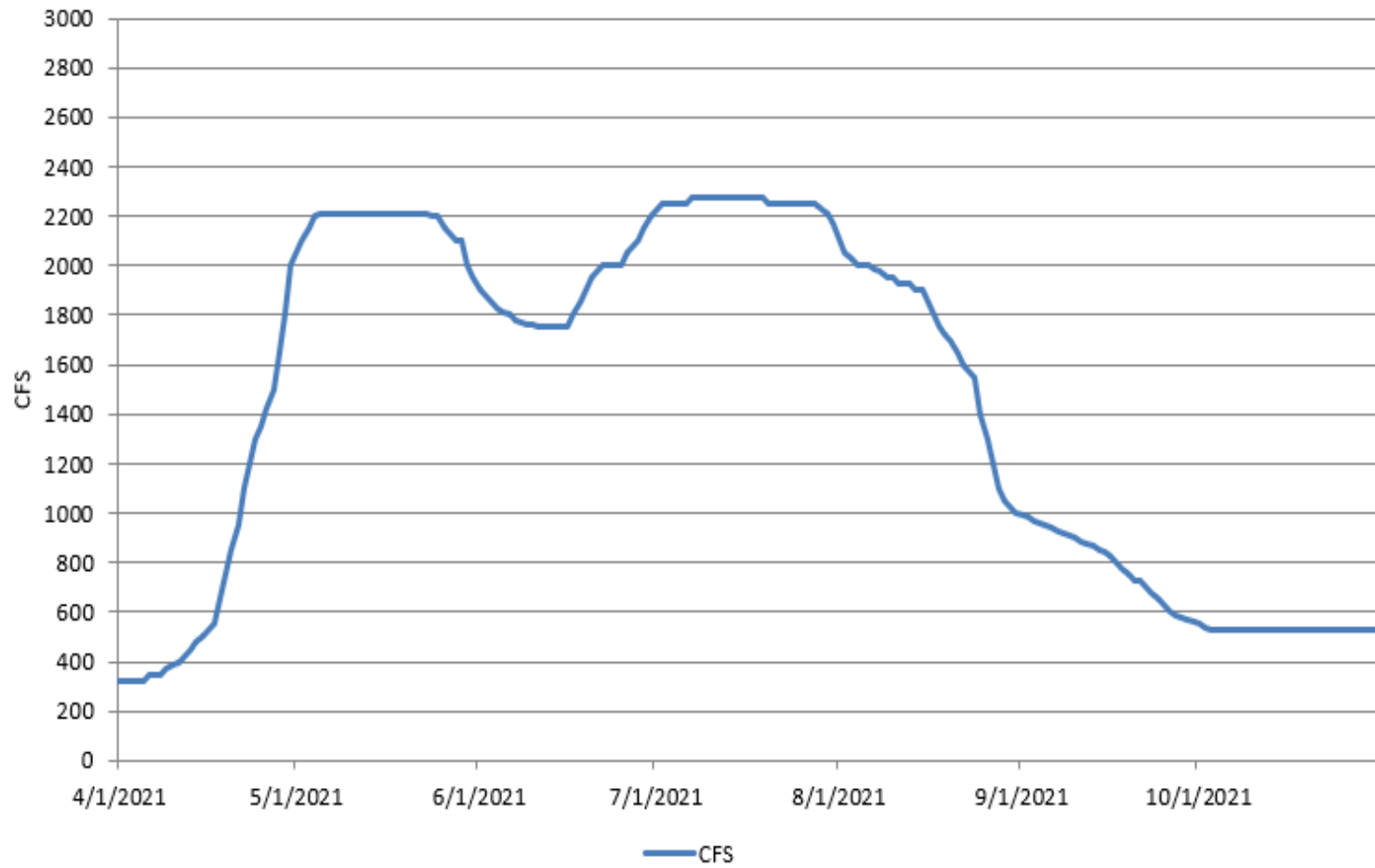
Crop	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Rice	106,083	107,155	106,720	91,878	80,760	101,836	98,989	100,757	100,122	96,501
Tomatoes	2,254	1,459	1,844	3,113	1,767	1,821	1,693	890	1,201	1,276
Sugar Beets	0	0	0	0	0	0	0	0	0	0
Clover/Pasture	3,839	3,802	3,512	3,108	2,720	3,029	3,004	3,401	2,936	2,956
Alfalfa	1,297	1,451	1,523	1,169	38	1,269	1,271	1,163	3,020	1,254
Corn	2,197	2,360	2,544	918	1,321	2,145	1,150	798	667	577
Orchard	10,322	10,797	11,136	9,387	13,402	15,492	16,652	17,843	19,180	21,820
General	0	0	0	0	0	0	0	0	0	0
Cotton	83	285	228	36	36	22	192	124	199	140
Wildlife Habitat Summer	578	608	582	642	1,270	490	62	364	214	541
Other (1)	4,940	5,148	4,987	4,197	3,710	5,139	3,185	4,350	3,491	2,930
Subtotal	131,593	133,065	133,076	114,448	105,025	131,243	126,198	129,689	131,028	127,996

Daily Diversion Rate thru September: 2014, 2015, 2020, and Projected 2021



Estimated Daily Sac. River Diversions

75% Supply



Water Supply Key Points

- 2021 Water Year is currently classified as a Shasta Critical Year, resulting in a 25% reduction in GCID supply
- There is potential for limited river diversions
- Scheduling will occur for crop irrigations/rice flood up; anticipate delays and rotations for all crop deliveries

Water Application and Allocation Process

2022 Water Rates and Application Process

- Water application and assignment process will be the same as in 2020
- Critical year water rate = \$21.79 per acre-foot (no fixed irrigation charge during critical years)

Critical Year Application Timeline

(Subject to Change)

- Early/Mid-April Mail allocation notice, application materials and water transfer information

- 3 Weeks Later Deadline to purchase primary allocation
 - 40% due initially
 - 30% of total due June 1
 - 30% of total due August 1

Application Process Recommendations

- Due to COVID-19, we will be trying to limit people coming to the office needing assistance with water applications.
- Prefer that water applications are dropped off in the drop box outside the front door or they can be taken over the phone.
- If necessary, landowners/growers can come into the office for assistance.

Options to Increase Planted Acres

- Receive a water assignment from another GCID grower
- Utilize a private well (may require a wheeling agreement)
- Purchase groundwater from another GCID well owner (may require a wheeling agreement)

Water Transfer Programs

Water Transfers

- GCID is working on transfer programs to transfer water to Tehama Colusa Canal Authority districts and also South of the Delta
- South of Delta transfers would involve idling only
- Tehama Colusa Canal Authority transfer may involve both idling and groundwater
- Water transfer Expression of Interest forms are due on Friday, March 12

Water Transfers

- No firm information yet on price or quantity from potential buyers
- Given the current hydrology and the 5% allocation from Reclamation for agricultural water service contractors, a significant demand for transfer water is anticipated
- Should have firmer information about prices and other terms in late March

Assessment and Water Rate Restructuring

Revised Assessment

- The District is considering asking landowners to approve a revision to the assessment through a Proposition 218 ballot process.
- The assessment is currently \$1.62 per deeded acre annually and was originally adopted in the 1960s to cover the annual cost of the District's contract with Reclamation (\$210,000 at the time). The assessment rate has never been adjusted.
- The goal would be to have the revised assessment cover the current annual cost of the contract with reclamation + restoration fund fees + a margin for critical year 'true up' costs.
- The Standby charge would be eliminated, and water rates would be lower than the current rates for a few years.

Revised Assessment

The benefits of revising the assessment:

- A small percentage of the District's revenue from landowners is fixed (assessment and standby charge) while revenue from irrigation charges varies significantly, but the costs of operating the District don't go down when water deliveries are reduced.
- Landowners who don't take District water still receive a significant benefit from being in the District but don't pay a proportional share of the District's contractual costs—they pay \$7.62 per acre annually for the current assessment and standby charge.
- During Shasta Critical years, current policy provides that all landowners are allocated a quantity of water for every deeded acre, whether they routinely take water or not, and are able to transfer that water to other District landowners through the assignment process.

Revised Assessment

Crop Rate Comparison per Acre--2020 Non-Shasta Critical Rates and 2021 *Estimated* Revised Assessment

	2020	*Estimated* 2021
Assessment (Per Acre)	\$1.62	\$27.90
Standby Fee (Per Acre)	\$6.00	\$0.00
Fixed Irrigation (Per Acre)	\$40.05	\$38.00
Base Volumetric (Per Acre-Foot)	\$8.23	\$5.40

Rice (Unit Duty 6.9)	2020		*Estimated* 2021	
	\$	%	\$	%
Assessment	\$1.62	1.6%	\$27.90	27.0%
Standby Fee	\$6.00	5.7%	\$0.00	0.0%
Fixed Irrigation	\$40.05	38.3%	\$38.00	36.8%
Base Volumetric	\$56.79	54.4%	\$37.26	36.1%
Total Charges Per Acre	\$104.46		\$103.16	

Almonds Drip YR 4+ (Unit Duty 3.1)	2020		*Estimated* 2021	
	\$	%	\$	%
Assessment	\$1.62	2.2%	\$27.90	33.8%
Standby Fee	\$6.00	8.2%	\$0.00	0.0%
Fixed Irrigation	\$40.05	54.7%	\$38.00	46.0%
Base Volumetric	\$25.51	34.9%	\$16.74	20.3%
Total Charges Per Acre	\$73.18		\$82.64	

Total Charges to Growers/Landowners	\$13,230,000	\$13,716,000
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Revised Assessment

- Prop. 218 process would seek authority to increase assessment through end of contract term (2045) to match estimated cost of contract with Reclamation.
- Assessment must be approved by landowners—majority protest procedure per Article XIII D of California Constitution.
- Votes are weighted by landowners proportionate to financial obligation.
- Public hearing to be held approximately mid-June.
- If approved, revised assessments would be mailed October 2021 and due November 1, 2021, and delinquent as of December 15, 2021 and June 15, 2022.

Contact Information and Preferences

- Getting time sensitive information to landowners and water users in a critical year is very important.
- The District is updating its contact information and communication preferences for landowners and water users.
- By updating your contact information, you can indicate your preferred method to receive important information more quickly than by regular mail. Options include email, voicemail messages, and texts.
- A Contact Information and Preferences form was sent to landowners and water users in the February 19, 2021 mailing.
- If you did not complete and return the form, you can also update your information by phone (530) 934-8881, or email at [mspooner@gcid.net](mailto:m Spooner@gcid.net).
- Information can also be updated online at: <https://www.gcid.net/form>.

Questions and Discussion