GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Policy and Procedures Manual

Policy Title: **WATER TRANSFER POLICY**

Policy Number: **5030** **Date Approved: July 11, 2023** **Date Amended: October 3, 2024**

5030.01 – PURPOSE:

The Georgetown Divide Public Utility District Board of Directors seeks to voluntarily transfer water to interested buyers when such opportunities to transfer water occur in a manner that appropriately protects customers and other fiduciary responsibilities of the District (see Attachment for more information). This policy provides guidance for evaluating when to pursue water transfer opportunities.

5030.02 – DEFINITIONS

For the purposes of this policy, unless otherwise apparent from the context, certain words and phrases used in this policy are defined as follows:

Transfer Water – shall refer to water provided to a Buyer pursuant to a Purchase Agreement between the Buyer and the District whereby the water provided is derived from water rights or water supply entitlements the District controls.

Seller – shall refer to the Georgetown Divide Public Utility District.

Buyer – shall refer to the legal entity purchasing the Transfer Water.

Transfer Period – shall mean when Seller will make Transfer Water available to Buyers at the Point of Transfer.

Point of Transfer – refers to the location where Seller delivers the Transfer Water to the Buyers.

Transfer Amount – means the total maximum amount of Transfer Water provided before any losses.

Purchase Agreement – means the agreement signed by both Seller and Buyers for the purchase of Transfer Water.

Reclamation – means the United States Department of the Interior Bureau of Reclamation.

Reservoir Refill Agreement – means the agreement signed by the Seller, Reclamation, and Department of Water Resources defining the refill criteria and refill impacts accounting procedure that pertain to full refill of the Vacated Storage in a Stumpy Meadows storage-based transfer, when the Transfer Water is derived from water stored in Stumpy Meadows.

Vacated Storage – means the reduction in water storage of Stumpy Meadows Reservoir resulting from making Transfer Water available in a storage-based transfer.

5030.03 – GUIDING PRINCIPLES

Guiding principles to support the District's evaluation and implementation of water transfer opportunities are as follows:

1) **Protect Customer Water Supply:** ensure a water transfer does not increase customer water shortage risks.
2) **Optimize Water Resources:** utilize water resources assets to benefit the District and the community.
3) **Facilitate Economic Stability:** optimize economic benefits of water transfers to the District.
4) **Strive for Certainty:** support long-term planning and business decisions by minimizing the potential for significant changes to policies and procedures.
5) **Allow for Adaptability:** allow for periodic adjustments to reflect changing conditions and improved understanding, while minimizing disruptions to certainty.
6) **Target Simplicity:** create policies that are easy to understand and implement.
7) **Ensure Transparency:** provide a full and straightforward accounting of all facts, information, and context to the Board and customers to ensure an informed and equitable decision-making process.
8) **Encourage Engagement:** Support and encourage interested participants working together with ongoing discussions where differences are explored, and a shared vision of water transfers can emerge.

5030.04 – WATER TRANSFER DETERMINATION PROCESS

When considering a Water Transfer, the first priority for the District is to ensure adequate water availability for the customers. The following additional provisions apply:

1) Prior to January 31 of each potential water transfer year, and out of an abundance of caution to ensure the right is reserved should a potential water transfer become potentially available, the GM shall include an agenda item for the Board of Directors to consider authorizing filing with the State Water Resources Control Board a notice of Potential Temporary Transfer pursuant to Water Code Section 1727.
2) At a January or February Board meeting, an agendized item will be presented to the Board so it can decide whether to direct the General Manager to hold initial discussions that water might be available.
3) At or before an April Board meeting the General Manager and staff shall:
    a) Present information, as part of the annual Water Year declaration, regarding the risk to customer shortfalls at various potential Transfer Water quantities based upon current and projected supply conditions, including Stumpy Meadows storage forecast, and projected customer demand by customer classification.
    b) Update the Board regarding any discussions with potential buyers.
4) As a separately agendized open session item, at or before a June Board meeting:
    a) The General Manager and staff shall present sufficient information to allow the Board to approve or deny a water transfer that year. Information could include, without limitation, a draft Purchase Agreement, petition to the State Water Resources Control Board for temporary transfer, and a draft Reservoir Refill Agreement with Reclamation. Should an interested transfer partner approach for a late-year transfer, the General Manager shall present the information to the Board 2 weeks prior to the potential action.

b) If it is determined that water will seek to be transferred through the normal water availability process held by the District, schedule a public workshop targeted to occur between April and June. The objective of the workshop is to inform the public of the possible water transfer and be available to communicate the water transfer process with the public.

c) Direct the General Manager to pay the required State Water Resources Control Board Water Transfer processing fee and the California Department of Fish and Wildlife fee.

d) Authorize General Manager to execute a final Purchase Agreement when such is finalized.

e) A Reservoir Refill Agreement may be completed after the final Purchase Agreement has been finalized.

5) The General Manager will provide updates as a separate, standing open session item on the Water Transfer at all future Board meetings until the Water Transfer is complete including any Reservoir Refill Agreement criteria that might exist.

5030.05 – ENVIRONMENTAL PROTECTION

The District shall comply with all applicable laws and regulations including but not limited to the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), and the federal and state endangered and threatened species guidelines. The District shall secure any required consents, permits, reports, and orders prior to transferring water under this Policy.

5030.06 – REVENUE RECEIVED

Revenue received from the Water Transfer will be directed by the Board to best serve the needs of the District in meeting operating and maintenance expenses. This could include providing funding for the District's capital improvement program or other District expenses helping water rate stabilization.

5030.07 – VOLUNTARY SETTLEMENT AGREEMENT (VSA):

Voluntary Settlement Agreements (VSA) are agreements that the State Water Resources Control Board (SWRCB) could consider in its Water Quality Control Plan update for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary and Watershed in lieu of its "unimpaired flow" approach to achieve multiple water quality, water supply, and sustainable water management objectives. The District is currently in VSA discussions that could include modification to Stumpy Meadows operation. The District will ensure that all VSA terms protect the District's water supply availability and do not interfere with this Water Transfer Policy.

CERTIFICATION

I hereby certify that the foregoing is a full, true, and correct copy of Policy 5030 adopted by the Board of Directors of the Georgetown Divide Public Utility District on the 3rd Day of October 2024.

Nicholas Schneider, Clerk, and Ex-Officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ATTACHMENT

Water Transfer Year Types:

Water transfers can occur in all hydrologic year types, with the ability to transfer water more available during wetter years. Year types are based on the forecasted runoff into Stumpy Meadows Reservoir. Generally, anticipated water transfers for different water year types are as follows:

Critically Dry Years: A Water Transfer is unlikely to occur during a critically dry year as the District water supply is needed to meet its water supply demands. This is especially the case if the critical year includes a Reservoir Refill requirement from a previous year Water Transfer.

Dry Years: A Water Transfer could occur in a dry year type if water is available in an amount greater than that required to meet District water demands. This would be unlikely if the dry year includes a Reservoir Refill requirement from a previous year Water Transfer.

Below Normal, Above Normal Year: A Water Transfer could occur in below normal and above normal year types. In these water year types; the District likely has water supply greater than needed to meet its water supply requirements. This may be the case even if the year includes a Reservoir Refill requirement from a previous year Water Transfer.

Wet Years: A Water Transfer could occur as the District has plenty of water supply. There may be a limited transfer market. A Water Transfer could utilize the potential for groundwater recharge or other beneficial uses during wet years allowing for a Water Transfer.