



Water Focus



Term 91 Restrictions Imposed

GCID's winter water rights permit is subject to diversion limitations under Standard Permit Term 91, which prohibits diversions of water under post-1965 water rights permits issued by the State Water Resources Control Board (SWRCB) whenever the Central Valley Project and State Water Project are releasing any stored or imported water to implement Bay/Delta water quality objectives. Term 91 does not impact the diversion and delivery of water under GCID's Sacramento River Settlement Contract from April 1 through October 31.

The SWRCB imposed Term 91 winter water right diversion restrictions on November 1, 2013, due to the extremely dry conditions. A second notice dated November 15, 2013, stated that water diversions must be discontinued until conditions change, meaning until there is a substantial amount of precipitation. GCID ceased all diversions and has not delivered winter water since November 1.

The District anticipated the Term 91 restrictions due to the lack of precipitation and attempted to provide water users with a one-time flooding for rice straw decomposition or winter waterfowl habitation needs during the month of October. Approximately 46,000 acres received water prior to November 1.

The Sacramento National Wildlife Refuge has its own water supply for waterfowl habitat, and GCID has a long-standing contract with the federal government to deliver water to the refuges on a year-round basis.

Currently, approximately 150 cubic feet per second is being diverted and delivered to the refuges. This is not GCID's water supply and cannot be used for any purposes other than refuge supply. Water in GCID's conveyance system is only for refuge delivery purposes.

GCID will keep water users informed of any potential changes in the Term 91 restrictions.

Winter Maintenance Activities

The inability to deliver water due to the Term 91 restrictions has resulted in the ability to perform increased maintenance activities throughout the District.

Last winter, the southern section of the main canal was the top maintenance priority because of the difficulties in conveying irrigation water from Maxwell to below Williams. Approximately 5 miles were excavated, from Abel Check to Freshwater Creek, and irrigation deliveries greatly improved last spring.

This season the focus is seven miles from Highway 20 to Husted Road, and several excavators have been working in that area. The aquatic weed growth and silt is being removed and the main canal is being restored to "grade." Approximately two miles have already been excavated due to the early start on maintenance work.

In addition to the main canal excavation work, a siphon replacement project is planned for lateral 26-2, south of Willows, and another siphon will be replaced east of Willows at the Willow Creek #2 site. Numerous walkways will be installed and field turnouts will be repaired or replaced. As part of the SBX7-7 Pilot Project, several flumes will be installed and monitored as potential water measurement devices.

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Winter Maintenance Activities *(continued)*



Main canal excavation at Husted Road



Walkway constructed at Cecil Pump



Gate replacement at lateral 41-1-28R

The customary Winter Maintenance Shutdown Policy time frame will be in effect from January 7 through February 20, 2014. It is very important that the District continue to perform necessary maintenance to enable the conveyance system to function as designed and improve water deliveries to water users.

Water Use for 2013 Irrigation Season

The 2013 irrigation season was difficult due to unusual weather conditions. Numerous wind events complicated operation of the conveyance system and the flooding of rice fields.

The District develops an annual budget each October that includes financial estimates for water use, wheeling of water through the Tehama Colusa Canal Authority (TCCA) system, rescheduling of water from one month to another, and the purchase of project water that includes a restoration fee.

The windy weather conditions resulted in higher water use in May and June, and made it necessary to reschedule Sacramento River Settlement Contract water from September to July. Due to low river conditions in the early spring and a blocked intake channel that required emergency dredging, unplanned wheeling through the TCCA system to convey irrigation supplies to the southern portion of the District was also necessary. More irrigation water was used than planned due to the wind events that caused loss of water in fields and additional draining and re-flooding.

The outcome was that GCID used 776,823 acre-feet from April through October. The increased cost of approximately \$475,000 was not budgeted.

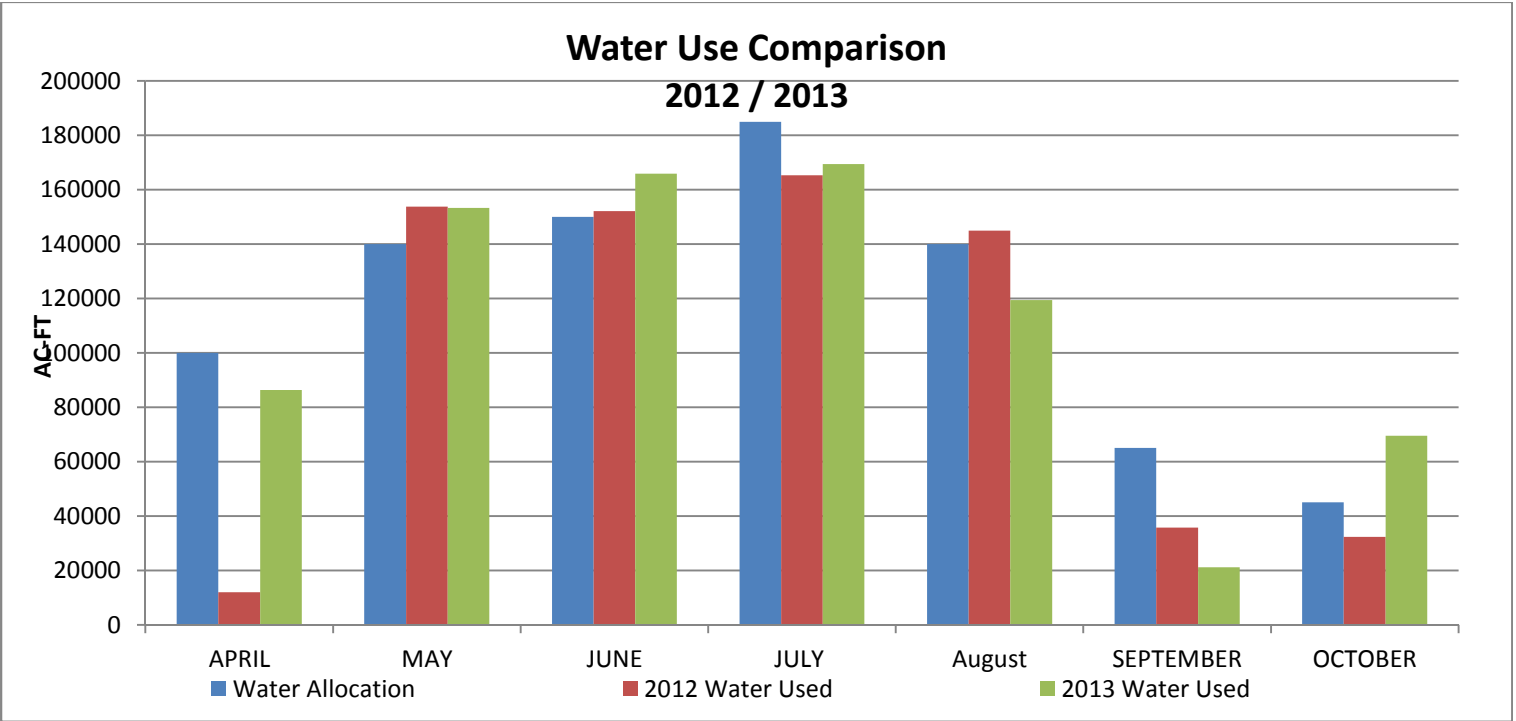
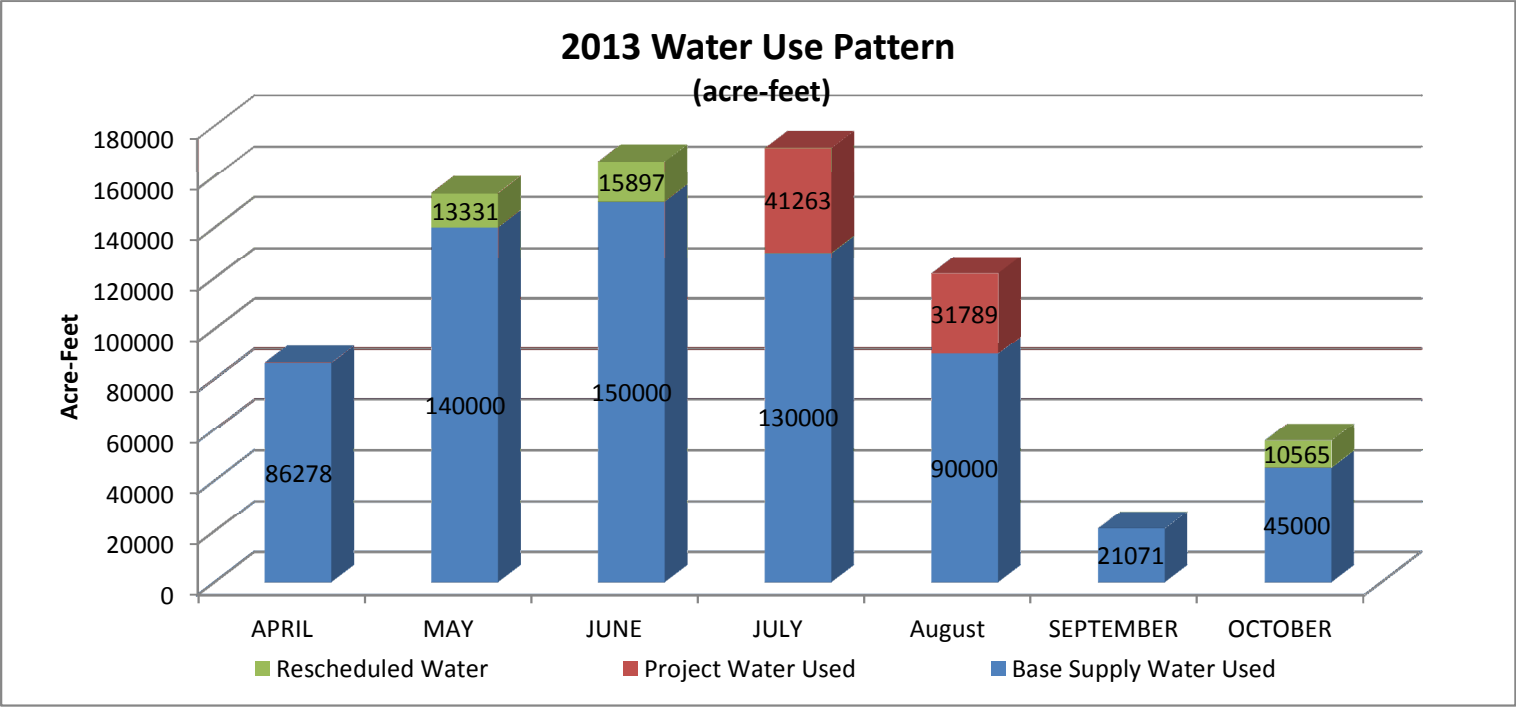
One of the most significant water use issues was the high amount of total District drain outflow. While some of it was related to drainage due to weather conditions, cultural practices involved in the application of herbicides and pesticides to the rice fields were a contributing factor. The amount of total drain outflow leaving the District is of concern and will be a water management priority in 2014.

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Water Use for 2013 Irrigation Season (cont.)

GCID must demonstrate effective water management practices and beneficial use of its water supply. To accomplish this, drain outflow must be monitored and decreased in the future.

Water users are strongly encouraged to pay close attention to field management in order to decrease the amount of drainage during the 2014 irrigation season.



Water Rate Planning and Strategy

The GCID Board and staff have been reviewing the District's water rates over the last year to develop a long-term rate strategy. One of the first steps was to hire Davids Engineering to study the applied water rates that the District has been using for the last 10 years. The objective of the study was to examine GCID's *average* applied water by crop for a typical year and to assure that crop rates are fair and based on sound data and science. Each crop grown in the District was assessed using current data and information.

The Board also evaluated the District's fixed costs, which are currently over \$3 million, and considered alternatives to the way in which water rates, assessment and standby charges are levied. After a great deal of consideration, it was determined that the most effective long-term rate strategy is to increase the land based assessment to cover more of the District's fixed costs, to eliminate the standby charge and reduce water

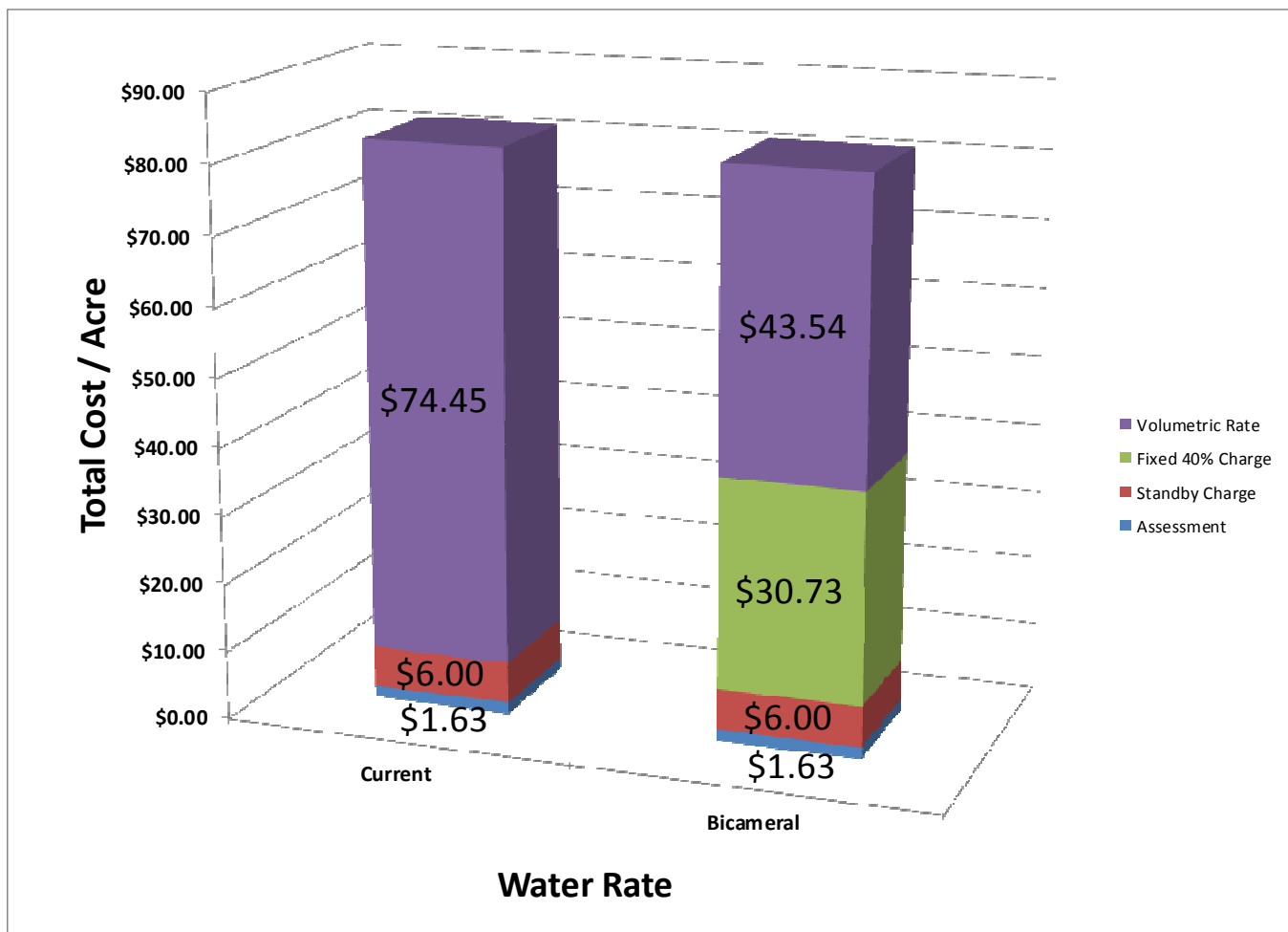
rates. The implementation of this strategy will take over three years. California law requires an engineering study of proposed rate structure and the Proposition 218 requirements include hearings and a mail ballot election.

Interim Strategy

An interim rate strategy for the next three years has been developed and includes maintaining the existing standby charge and assessment rate, and implementing a "bicameral" water rate based on each crop's applied water use. A bicameral water rate has two components: 40% of total irrigation rates will be based on a fixed rate per *irrigated* acre and 60% of total irrigation rates will be based on a volumetric rate per acre-foot basis.

The net charges are similar in most cases, although they are based on individual crops and structured differently. The example below illustrates the 2013 rice rate vs. the bicameral rate, which is almost equal.

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Water Rate Planning and Strategy *(continued)*

The interim rate strategy also includes proposed water rate increases of up to 10% over the next three years. The rates would increase by 3% in 2014; up to 3.5% in 2015; and up to 3.5% in 2016. If the District is cut back to 75% in a Critical Year, there will be an allocation of 4.19 acre-feet per deeded acre and landowners will decide on where and how to allocate their allotment. Water rates would need to increase by 18% to meet fixed costs, as the District loses over nearly \$2 million in irrigation revenues and in-basin water transfers. GCID does have some reserves and the Board may choose to subsidize a portion of the 18% from existing reserves.

Other proposed water rate changes will include a change in the payment structure to just three payments instead of five equal 20% payments. At the time of application, 40% of the total will be due and then 30% on June 1 and the final 30% on August 1.

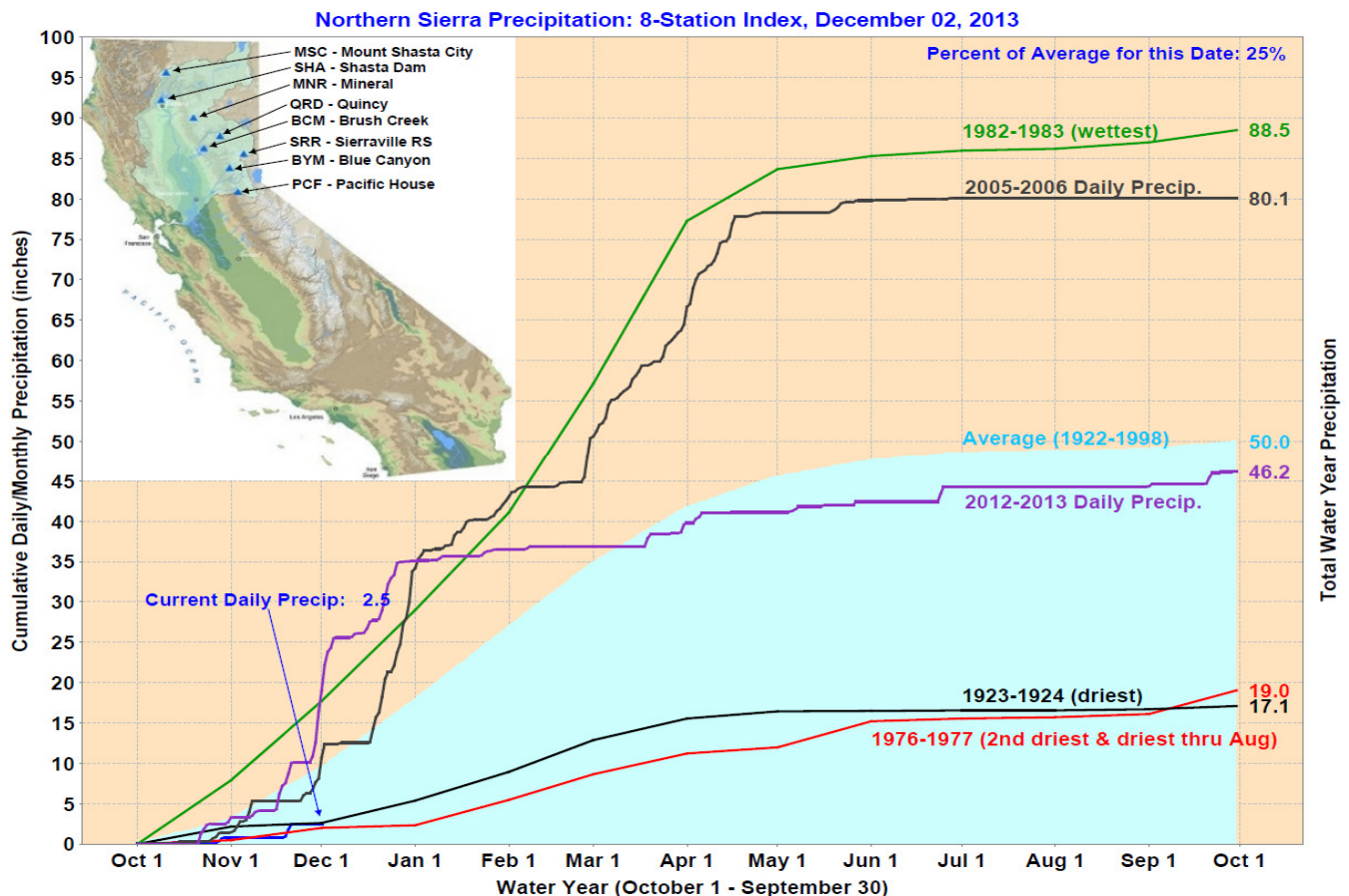
Process and Timeline

A 218 notice and hearing will be necessary for the District to implement the water rate increase for the next three years. A notice was sent to all GCID landowners and water users on December 9, 2013. The notice explains the proposal in detail and provides information on the 45-day comment period and how to submit written protests to the District. The hearing to finalize the rates will be held on January 23, 2014, at the Willows office, 344 East Laurel Street, Willows.

Outlook for 2014 Water Year

The outlook for the 2014 water year, at this point in time, is not favorable to a full water supply for GCID. California has had its driest year since the 1923-1924 year. If it is declared to be a critical year by the United States Bureau of Reclamation (Bureau), GCID's total annual water supply, under the Sacramento River Settlement Contract, will be reduced by 25% from 825,000 acre-feet to 618,750 acre-feet.

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Glenn-Colusa Irrigation District Informational Landowner and Water User Meetings

Tuesday, January 14, 2014 at 9:30 a.m.
Willows City Council Chambers
201 North Lassen Street, Willows

Wednesday, January 15, 2014 at 1:30 p.m.
Maxwell Inn
81 Oak Street, Maxwell

Outlook for 2014 Water Year *(continued)*

The Bureau releases its forecast for the water year on February 15, each year. The forecast is based on the projected inflow to the Shasta Reservoir system. A projected inflow of 3.2 million acre-feet is necessary for GCID and other Sacramento River Settlement Contractors to receive a 100% supply. The graphic below, *Shasta Lake Critical Year Inflow Information*, depicts the inflow to Shasta and the projection for the year. It will be updated

regularly and is available on GCID's web site at www.gcid.net.

Due to the lack of precipitation showing in long-range forecasts, the District is developing plans to implement in the case of a critical year and reduced supply. Landowners and water users will be kept informed as the season progresses and meetings will be held prior to the water season to provide more detail and information.

Shasta Lake Critical Year Inflow Information

