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DATE: September 30, 2020
TO: GCID Landowners and Water Users
SUBJECT: A Look Forward: GCID 2020-2030

As we celebrate our Centennial year, GCID continues to look toward the future. The District remains focused on meeting your needs as landowners and water users by effectively managing and delivering water through an ever-improving delivery system and responsible policies.

Last month, GCID held a Board workshop to consider the District's focus and direction for the next decade, with a goal to provide stability to the landowners and water users in the future. In the workshop, the Board agreed that there are three key areas that the District will be focusing on for landowners and water users over the next ten years:

- Developing a strong financial position and security
- Providing reliable water supplies and resources
- Maintaining and improving infrastructure

These three pillars of focus for the District will help guide our processes and decision-making over the next decade, as we continue to provide reliable, affordable water supplies to our landowners and water users, while ensuring the environmental and economic viability of the region

Developing a Strong Financial Position and Security

Though GCID remains strong financially, given the ever-changing dynamics of water delivery and operations, a primary goal for the next ten years is to develop plans to maintain that strength. With an eye toward the continual development of affordable ways to finance improvements, the District will develop and implement a long-term Capital Improvement Plan. This plan will include infrastructure, maintenance and modernization projects, as well as strategic long-term equipment purchases.

Additionally, the District is looking to spend down current reserves and restructure water rates and assessments through a Proposition 218 process to take place starting later this year and into 2021. More information on this effort will be available as the District further finalizes its plans.

Providing Reliable Water Supplies and Resources

Over the next decade, water supply reliability will remain one of the District's key focuses, particularly as it relates to protecting GCID's water rights and supplies.

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The District will continue to address ever-shifting federal, state, and local water challenges and in the short-term, will look to:

- Resolve National Resources Defense Council (NRDC) Litigation on Sacramento River Settlement Contracts
- Resolve Gradient Facility Settlement with U.S. Army Corps of Engineers and Repair Gradient Facility
- Secure Winter Water License with the State Water Resources Control Board
- Advocate for Voluntary Agreements to meet Bay-Delta needs
- Continue to participate in the fishery habitat restoration projects on the Sacramento River
- Continue to assist with the development of the Sites Reservoir Project

Water supply reliability will be further strengthened as the District continues to manage groundwater resources for the benefit of agricultural and environmental interests through the Sustainable Groundwater Management Act (SGMA) and participate in regional planning efforts in the development of Best Management Practices (BMPs).

Maintaining and Improving Infrastructure

With a large portion of District infrastructure nearing the end of its reliable service life, improving and modernizing the District's infrastructure to meet changing long-term landowner and water user needs is a top priority. Critical facility improvements must be made within the next 10 years to ensure that the District's conveyance system continues meeting landowner and water user needs.

Unfortunately, current rate structure, District reserves and maintenance staffing are insufficient to fund and implement the extensive necessary repairs and replacements. In addition to the previously mentioned Proposition 218 process, to alleviate some of these financial issues the District will continue to utilize a Capital Improvement Plan Report Card that has been developed and implemented for 2019-2020. This process helps better assess project costs, time and labor and is used to improve cost-effectiveness and efficiency.

Short-term capital and infrastructure projects currently planned include:

- Small structures: 4 check structures, 3 spill structures, 2 flumes
- Tuttle Check replacement
- SB X7-7 Compliance: 37-meter gates will be installed (includes 4 main canal turnouts)
- Main Pump Station pump/motor overhauls
- Construction/replacement of the Pump Station Electrical Control Room

We will continue to keep you, as landowners and water users, fully informed as the District continues work on our three pillars of reliability: financial security, water supply, and infrastructure to protect and improve the District.