



ETGSA + PROP 218 IMPLEMENTATION

Agenda



Settlement Agreement
with Friant



ETGSA Prop 218



Potential Projects

Settlement Agreement with Friant

- On January 13, 2021, the ETGSA entered into a Settlement Agreement with Friant Water Authority (FWA) to pay for future subsidence to the Friant Kern Canal (FKC) as a result from the ETGSA's continued overdraft from groundwater pumping.
- The Settlement Agreement outlines that the ETGSA will pay a maximum of \$200 million for repairs to the FWA for up to 3-feet of additional subsidence to the FKC.



Settlement Agreement with Friant

- .Currently, ETGSA is using 91% of the funds received under the Transitional Pumping Penalty Program to make payments to FWA to satisfy the terms of the agreement.
 - 9% of the funds collected from the Transitional Pumping Penalty Program is reserved for implementing sustainability projects within the GSA.
- Alternatively, the ETGSA may make a lump sum early payment of \$125 million to FWA through a bonded land-based assessment (Prop 218) and reduce the overall financial obligation to FWA by \$75 million, before Bond Fees.



ETGSA Prop 218

- The Prop. 218 land-based assessment only applies if your parcels are in the Greater Tule Management Area, identified as having irrigated acreage, and receives a Tier 1 Transitional Water allocation.
- Assessment on the land will take place only if the ETGSA is unable to meet the required Annual Debt Service payment from the Tier 1 Penalty payments collected.



For the Landowner

- There will be no changes to Basinsafe or procedures from the Account Holder's end. Tier 1 charges will still be invoiced by, and payments will still be submitted to the ETGSA.
- Similar to how we are currently operating, 91% of Tier 1 payments collected will be used to pay back the bond debt to the Trustee, the remaining 9% will be reserved for sustainability projects.



Bond & Financial Obligations



A Proposition 218 land-based assessment would secure bonds that after interest and debt services would reduce the total financial obligations of the ETGSA to collect under the Transitional Pumping Penalty Program from \$200 million to approximately \$178 million.



Total Debt Service:	\$178,390,378
Maximum Annual Debt Service:	\$11,287,102



Tier 1 (Transitional) Pumping Penalty



The ETGSA will continue to collect Tier 1 Pumping Penalty Fees under the Prop 218. An analysis was conducted for Penalty Fees w/Coverage necessary to meet the obligations of the Total Debt Service.



Initial Analysis:

Total Debt Service:	\$194,703,074
Min. Tier 1 Pumping Penalty w/ Coverage:	\$189.00 per acre ft



Current Analysis:

Total Debt Service:	\$205,148,934.94
Min. Tier 1 Pumping Penalty w/ Coverage:	\$287.00 per acre ft

Potential Projects

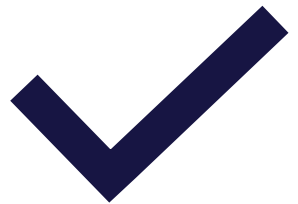
Securing
additional water
resources

Implementing a
land repurposing
and set aside
program

Investing in
additional water
conveyance
infrastructure

Groundwater
Recharge
Projects

Cost-sharing on
Grant funding
opportunities





Eastern Tule GSA

QUESTIONS?