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March 3, 2009

Board of Supervisors
County of El Dorado
330 Fair Lane
Placerville, CA 95667

**Re: Approval of Transition Agreement Providing for Withdrawal of
Georgetown Divide Public Utility District from the El Dorado Water
and Power Agency**

Honorable Supervisors:

Recommendation:

County Counsel recommends that the Board approve and authorize the Chair to execute the attached Transition Agreement providing for the withdrawal of the Georgetown Divide Public Utility District (GDPUD) from the El Dorado Water and Power Agency (EDWPA).

Reasons for Recommendation:

For some time there have been ongoing negotiations among the County of El Dorado ("County"), the El Dorado Irrigation District (EID), the El Dorado County Water Agency (EDCWA) and GDPUD concerning GDPUD's continued participation in EDWPA and, in particular, their participation in the Supplemental Water Acquisition Project Cost Share Agreement ("Cost Share Agreement"). GDPUD has concluded that it is currently unable to access the supplemental water which is being applied for and therefore feels it is not getting any benefit from the Cost Share Agreement.

The attached Transition Agreement provides for the withdrawal of GDPUD from EDWPA, the Coordination Agreement and the Cost Share Agreement. GDPUD will receive a remittance of \$289,809.00 for costs it has advanced. GDPUD will continue to

receive 9/59 of the amount received by the County under the Cooperation Agreement, or approximately \$90,000.00 per year.

EDWPA will remain a viable entity with the remaining parties. The Coordination Agreement and Cost Share Agreement shall remain in effect as to the remaining parties. There is currently on hand sufficient moneys to proceed with the Supplemental Water Rights Application. To the extent there is a need to replace GDPUD's contribution, the allocation of that contribution will be the subject of negotiations among the remaining parties.

Fiscal Impact:

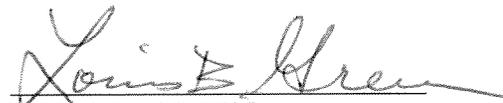
Unknown at this time. There may be a need to pick up a portion of GDPUD's contribution to the cost of the Supplemental Water Rights Application. Their total contribution per year is \$75,000.00.

Action to Be Taken After Approval:

The Chair will execute the agreement.

We would be pleased to answer any questions the Board might have.

Respectfully submitted,


LOUIS B. GREEN
County Counsel

LBG/stl
Att.

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