



One Water and Stewardship Committee

Authorize Potential Water Transfers and Exchanges

Item 8-3

February 13, 2024

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Authorize Potential Water Transfers and Exchanges

Subject

Authorize the General Manager to secure one-year water transfers and water exchanges with various water districts for up to \$50 million from Water Supply Program and State Water Project budgets for such supplies and to secure storage and conveyance agreements with the Department of Water Resources and various water districts to facilitate these transfers and exchanges; and grant final decision-making authority to the General Manager.

Purpose

Water transfers and exchanges will improve drought reliability under continued dry conditions by preserving storage to meet future SWP dependent area demands.

Recommendation and Fiscal Impact

Authorize the General Manager to secure water transfers and water exchanges and execute related agreements.

Maximum cost will be up to \$50M. Available previously budgeted funds from the Water supply program and State Water Project budget will be used to fund the water purchases.

Need for Water Purchases



- **Water Supply Conditions**
 - State Water Project
 - *2024 SWP allocation at 10%*
 - Colorado River Supplies
 - *CRA 7 to 8-pump flow planned under continued low SWP allocation*
- **Lessons Learned from 2020-2022 Drought**
 - Water transfers and exchanges will help preserve storage to meet SWP dependent demands in future dry years under continued dry conditions

2024 Water Transfers and Exchanges



- **Programs available and under development**
 - Yuba Accord Water Transfers
 - *Price of surface storage component supply in 2024 is up to \$383/AF*
 - *Price of groundwater substitution supply to be negotiated*
 - North of Delta Water Transfers
 - *Price to be negotiated*
 - SWP Water Management Amendment Transactions
- **Available water quantities not yet known**
 - Transfers originating north of Delta typically have mid-April call dates

**Yuba and North-of-Delta transfers subject to Delta carriage losses of 20-35%*

Factors Influencing the Purchase of Water



- **Need**
 - Metropolitan supplies and demands balanced at a ~25-30% SWP allocation
 - Potential to offset storage withdrawals and add to storage reserves
- **Ability to convey supply**
 - DWR studies show no transfer capacity at $\geq 35\%$ SWP allocation
- **Prices/budget**
 - In dry years, costs to purchase water replace other budgeted costs

2024 Water Transfers

- **Budget**
 - Funding to utilize unused Water supply program and SWP Budget funds
 - *Approach for dry and critical years*
 - No new budget authorization requested
- **Price**
 - Price in negotiation
 - Authority to spend up to \$50 million



Board Options

Option #1

- Authorize the General Manager to secure one-year water transfers and water exchanges with various water districts for up to \$50 million from Water Supply Program and State Water Project budgets for such supplies;
- Authorize the General Manager to secure storage and conveyance agreements with the Department of Water Resources and various water districts to facilitate these transfers and exchanges;
- Grant final decision-making authority to the General Manager subject to the terms set forth in the letter.

Board Options

Option #2

- Do not authorize the General Manager to enter one-year water transfer and exchange agreements with various water districts.

Option #1

Staff Recommendation

