



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Information

- **Board of Directors**
One Water and Adaptation Committee

11/18/2025 Board Meeting

9-4

Subject

Update on proposed extension of the Yuba Accord Long-Term Water Transfer Program and amendment to the agreement with the California Department of Water Resources

Executive Summary

This report provides information on the extension of the Yuba Accord Long-Term Water Transfer Program (Program) and a proposed amendment to the agreement between Metropolitan and the California Department of Water Resources (DWR) under which Metropolitan purchases water from the Program. The various agreements that facilitate the Program expire at the end of 2025. Yuba County Water Agency (Yuba Water) is pursuing an extension of the Program through 2050, under substantially similar agreement terms. Proposed changes to existing agreement terms that affect Metropolitan include updated pricing, which will continue to be subject to amendment at five-year intervals, and a reduction to the threshold supply volume after which Yuba transfer supply will be made available to other third-party buyers. Transfer supplies from the Program have been an important source of supplemental supply to Metropolitan in dry years, with Metropolitan purchases exceeding 250,000 acre-feet since 2008.

Fiscal Impact

The fiscal impact to Metropolitan would be the cost to purchase available water in a year. The price of water is projected to range from \$75 to \$525 depending on water year type, with the highest price under consecutive critical or dry years. The annual quantity of water available to Metropolitan is not known in advance and depends on hydrologic conditions in the Yuba watershed and participation level of other buyers. In recent years, Metropolitan's Yuba Water purchases ranged from 3,825 acre-feet in 2022 to 33,518 acre-feet in 2021.

Applicable Policy

By Minute item 47301, dated November 20, 2007, the Board adopted the CEQA determination and authorized the General Manager to enter into an agreement with the California Department of Water Resources to purchase Yuba County Water Authority Components 2, 3 and 4 Water, as set forth in the letter signed by the General Manager on November 8, 2007.

Metropolitan Water District Administrative Code Section 4203: Water Transfer Policy.

Related Board Action(s)/Future Action(s)

Staff plans to return to the Board in December 2025 to request that the Board authorize the General Manager to execute an amendment to the agreement with DWR to purchase water pursuant to the Yuba Accord Long-Term Water Transfer Program.

Details and Background

Background

The Yuba Accord Long-Term Water Transfer Program is implemented by Yuba Water through multiple agreements that terminate in 2025, including an agreement between Yuba Water and DWR (Water Purchase Agreement), an agreement among Yuba Water, Contra Costa Water District, and East Bay Municipal Utility District (Water Transfer Option Agreement), agreements among Yuba Water and its Member Units for conjunctive use, and a State Water Resources Control Board (SWRCB) water rights order approving places of use and points of re-diversion for the Program. Yuba Water is in the process of extending the Program through December 31, 2050. On April 2, 2024, Yuba Water filed a petition for change with the SWRCB to implement the Program through 2050. Yuba Water also filed a separate change petition with the SWRCB to implement the Program through 2026 in the event that its petition for long-term approval is not effective before December 31, 2025. Additionally, on September 17, 2024, Yuba Water, as lead agency, certified a supplemental EIR (supplement to the 2007 EIR) that evaluated the potential environmental effects of the extended Program.

Metropolitan purchases Yuba transfer supply via an agreement with DWR that tiers off the Water Purchase Agreement between Yuba Water and DWR. The Board authorized the Metropolitan-DWR agreement in 2007 (Agreement), and approved amendments in 2009, 2010, 2011, 2014, and 2020. Under the Agreement, DWR facilitates the conveyance of Yuba transfer supply to participating State Water Project (SWP) contractors and the San Luis Delta Mendota Water Authority (collectively, the Buyers).

Yuba Water makes transfer supplies available to DWR by: (1) reservoir reoperation; and (2) member units using groundwater instead of surface water supplies (groundwater substitution). Since its inception in 2008, the Yuba Accord has provided over 1,500,000 acre-feet of supply, which includes 480,000 acre-feet to the Environmental Water Account and the remaining acre-feet shared between participating SWP contractors and San Luis Delta Mendota Water Authority through 2025. Metropolitan has benefited from participation in the Yuba Accord Long-Term Water Transfer Program, having purchased approximately 253,000 acre-feet.

Proposed Agreement

Under the current Agreement, which terminates in 2025, a new amendment is needed to establish fixed prices for surface water supplies purchased after December 31, 2025. Staff worked with the Buyers, DWR and Yuba Water to negotiate an amendment that would secure pricing of surface water supplies for five years beginning on January 1, 2026. The key terms tentatively agreed to are outlined in greater detail in **Attachment 1** and include increasing prices for surface water supplies to reflect updated market conditions. The new prices represent a 3.25 percent annual escalation from the 2020 agreement, but these prices will be fixed through 2030. The proposed amendment retains annual negotiations for groundwater substitution supplies.

In addition to updated terms regarding pricing, the new Agreement reflects revised terminology for the two types of transfer supplies made available under the Program. The supplies made available by reservoir releases are now termed Storage Component instead of Components 1, 2, and 3 Water. The supplies made available by groundwater substitution are termed Groundwater Substitution Component instead of Component 4 Water.

As with the previous agreement, Metropolitan will only be obligated to pay DWR for Storage Component water if DWR can export the supply at Banks Pumping Plant. Metropolitan will be obligated to pay for Delta carriage water losses incurred to convey the water to Banks Pumping Plant, which have historically ranged from 20 to 35 percent. Under new amended Water Purchase Agreement between DWR and Yuba Water, Yuba Water will be responsible for streamflow depletion losses for supplies made available by groundwater substitution. The existing Water Purchase Agreement did not require mitigation for streamflow depletion losses.

Under the new agreements for extension of the transfer program, Yuba Water is seeking greater certainty in its ability to transfer water to third parties, including Contra Costa Water District and East Bay Municipal Utility District. Under the existing agreements, Yuba Water first makes 60,000 acre-feet available to participating contractors prior to transferring up to 10,000 acre-feet of water to third parties. Under the new agreements, this threshold would be lowered from 60,000 acre-feet to 30,000 acre-feet. This could result in a reduction of available supplies to Metropolitan of up to approximately 2,500 acre-feet in years where available transfer supplies are less than 70,000 acre-feet.

Under the existing and proposed agreements, Metropolitan has the flexibility to decide on the amount of water to be purchased each year. For example, Metropolitan would only be obligated to purchase water based proportionately on Metropolitan's Table A share if other participating SWP contractors do not opt to purchase Metropolitan's allocated Storage Component supply. Under the amendment, staff would continue to seek board approval for groundwater substitution supplies on an annual basis.

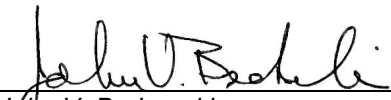
The Yuba Accord Long-Term Water Transfer Program has been a vital source of supplemental supply to Metropolitan. Staff will return to the Board in the coming months to recommend approval of the amendment to allow Metropolitan to continue to purchase Yuba Water Storage Component supplies through 2050.



Brandon J. Goshi
Manager, Water Resource Management

10/27/2025

Date



John V. Bednarski
Interim General Manager

10/27/2025

Date

Attachment 1 – Yuba Amendment Key Terms

Ref# wrm12707985

Attachment 1 - Yuba Amendment Key Terms		
Contract Provisions	Existing	With Amendment
Term	Through December 31, 2025	Through December 31, 2050
Price for Surface Water Supplies Component 1 Surface Water • Wet Year • Above Normal Year • Below Normal Year • Dry Year • Critical Year • Consecutive Dry or Critical Years Component 2 Surface Water • Dry Year • Critical Year • Consecutive Dry or Critical Years Component 3 Surface Water • Wet Year • Above Normal Year • Below Normal Year • Dry Year • Critical Year • Consecutive Dry or Critical Years	• \$64/AF • \$128/AF • \$191/AF • \$255/AF • \$383/AF • \$447/AF • \$204/AF • \$306.40/AF • \$357.60/AF • \$64/AF • \$128/AF • \$191/AF • \$255/AF • \$383/AF • \$447/AF Subject to 5-year Negotiation	Storage Component Supply • \$75/AF • \$150/AF • \$225/AF • \$300/AF • \$450/AF • \$525/AF First 15 TAF in Dry Years and First 30 TAF in Critical Years • \$240/AF • \$360/AF • \$420/AF Subject to 5-year Negotiation
Price for Groundwater Substitution Supplies	Annual Negotiation	Annual Negotiation
Third-Party Transfer Threshold Storage Component Supply Made Available to Participating Contractors (inc. Metropolitan) Prior to Third-Party Transfers	60 TAF	30 TAF