

# Principles of Agreement State Water Project Water Supply Contract Amendment

August 7, 2018  
Item No. 6.3

# Purpose of the Agreement in Principle Language

- \* Provides the basis for DWR to prepare CEQA documentation for a contract amendment that would:
  - \* Confirm and Clarify Water Transfer and Exchange Provisions for the State Water Contractors, aka Public Water Agencies (PWAs)
  - \* Allocate CA WaterFix to Participating PWAs

# Existing Transfer and Exchange Provisions

- \* Permanent and annual transfers explicitly called out in the contract
- \* Exchanges explicitly allowed in the contract, but DWR limits the maximum exchange ratio to 2:1
- \* DWR, in most cases, declined to use its considerable discretion to allow multi-year transfers or exchange ratios exceeding 2:1
- \* Exchanges or transfers of Article 56 carryover water approved on a case-by-case basis

# Proposed Transfers and Exchange Provisions

- \* Multi-year water transfers between SWP contractors explicitly allowed
- \* Higher maximum exchange ratios allowed
- \* Ability to sell or exchange Article 56 carryover allowed

# CA WaterFix Payment Provisions

- \* Creates provisions to charge the capital and minimum operating and maintenance costs to participating PWAs
- \* Methodology for charging power costs will also be provided based on recommendations of experts
- \* Provides that costs will not be collected from non-participating PWAs

# Analysis

- \* Will provide SCV Water the ability to sell unused SWP water supplies in years when supply exceeds demand
- \* Provides for the equitable distribution of cost of the CA WaterFix by relieving those contractors not using the CA WaterFix facility from payments
- \* Board would consider a potential contract amendment once CEQA analysis is completed by DWR

# Recommendation

- \* The Water Resources and Watershed Committee recommends that the Board of Directors authorize the General Manager to approve the Agreement in Principle