



BOARD MEMORANDUM

DATE: September 10, 2020

TO: Board of Directors

FROM: Steve Cole *SC*
Assistant General Manager

SUBJECT: Adopt a Resolution Authorizing the General Manager to Execute Amendment No. 6 to the Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating State Water Project Contractors Under the Dry Year Water Purchase Program

SUMMARY

Authorization is requested to amend an agreement with the Department of Water Resources to purchase surface water from the Yuba County Water Agency. The amendment would update the pricing structure for a period of five years.

DISCUSSION

In 2008, the Agency entered into an agreement with the Department of Water Resources (DWR) to purchase water supplies it acquires from the Yuba County Water Agency (YCWA) on behalf of participating State Water Project (SWP) and San Luis Delta Mendota Water Authority contractors. YCWA provides surface supplies by reoperation of its reservoirs and facilitating the use of groundwater as a substitution for surface water that otherwise would be delivered to its customers. These agreements have been amended five times to adjust prices.

The Agency has benefited from this agreement by having this water supply available to it during dry years, during other periods the Agency has been able to turn the water back to the program and others have purchased the supply. The table below shows the quantities of water that the Agency has purchased.

Yuba Water Purchase History Table

Year	Total Yuba Purchase (AF)
2008	1,316
2009	2,137
2014	556
2020	403

This Amendment adjusts the purchase contract to (1) adjust the price for surface water purchases for a five-year period beginning in the 2020/21 water year and (2) amend the prices

for fall deliveries to match the recently extended delivery window through November each year. A schedule of purchase prices and key terms are shown on Attachment 1. Groundwater substitution water would continue to be negotiated on an annual basis.

The Agency may choose to continue to participate in the Yuba Accord water transfer by executing Amendment No. 6. This would provide the Agency with a relatively cost-effective water transfer supply. Alternatively, the Agency could choose not to execute Amendment No. 6 and would be precluded from access to this water supply through the term of the Yuba Water Purchase Agreement (December 31, 2025).

CEQA FINDING

Pursuant to the provisions of the California Environmental Quality Act (CEQA) and the State CEQA Guidelines, the YCWA, acting as Lead Agency, prepared and processed a Final Environmental Impact Report (Final EIR) for the Lower Yuba River Accord (SCH No. 2005062111). The Final EIR was certified and the project was approved by the Lead Agency on October 23, 2007. The Lead Agency also approved the Findings of Fact, the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program (MMRP). The Agency, as a Responsible Agency under CEQA, reviewed and considered the information in the certified Final EIR and adopted the Lead Agency’s findings, SOC and MMRP on March 17, 2008. The current Board action involves amendments to the purchase price and administrative provisions of the current Agreement with Yuba, and not any changes to the approved project itself. Hence, the previous environmental documentation acted on by the Board in conjunction with the proposed action fully complies with CEQA and the State CEQA Guidelines. The CEQA determination is that the proposed action has been previously addressed in the certified 2007 Final EIR, Findings of Fact, the Statement of Overriding Considerations and MMRP and that no further environmental analysis or documentation is required.

On September 9, 2020, the Water Resources and Watershed Committee considered staff’s recommendation to approve a resolution authorizing the General Manager to execute Amendment No. 6 to the Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating State Water Project Contractors Under the Dry Year Water Purchase Program.

FINANCIAL CONSIDERATIONS

Fiscal impact would vary significantly depending on the type of hydrology experienced during the Amendment No. 6 pricing structure. The table below gives an estimate of average deliveries and assumed costs under Amendment No. 6 for each water year type, ranging from a Wet year to Consecutive Dry or Critical years. The Agencies participation is 1.22 percent of all participants. These costs would be budgeted as an operating expense under future fiscal year budgets.

Water Year Type	Wet	Above Normal	Below Normal	Dry	Critical	Consecutive Dry or Critical
Yuba Water Available/Year Type	C1, C3	C1, C3	C1, C3	C1, C2, C3	C1, C2, C3	C1, C2, C3
SCVWA average share (AFY)	442	442	442	519	519	519
SCVWA average costs (C1-C3)	\$ 28,304	\$ 56,608	\$ 84,470	\$ 128,329	\$ 192,791	\$ 224,983
Note: The C4 -groundwater substitution water is not included in this table as the price is negotiated each year and SCVWA purchase of this water is optional.						

RECOMMENDATION

The Water Resources and Watershed Committee recommends that the Board of Directors approve the attached resolution (Attachment 2) authorizing the General Manager to execute Amendment No. 6 to the Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating State Water Project Contractors Under the Dry Year Water Purchase Program.

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Attachments

MGS

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Attachment 1

Changes to Yuba Water Purchase Agreement Key Terms		
Contract Provision	Existing	With Amendment
<p>Price for Surface Water Supplies (Component 1 Water)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Wet Year <input type="checkbox"/> Above Normal Year <input type="checkbox"/> Below Normal Year <input type="checkbox"/> Dry Year <input type="checkbox"/> Critical Year <input type="checkbox"/> Consecutive Dry or Critical Years <p>(Component 2 Water)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Dry Year <input type="checkbox"/> Critical Year <input type="checkbox"/> Consecutive Dry or Critical Years <p>(Component 3 Water)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Wet Year <input type="checkbox"/> Above Normal Year <input type="checkbox"/> Below Normal Year <input type="checkbox"/> Dry Year <input type="checkbox"/> Critical Year <input type="checkbox"/> Consecutive Dry or Critical Years 	<ul style="list-style-type: none"> <input type="checkbox"/> \$50/AF <input type="checkbox"/> \$100/AF <input type="checkbox"/> \$150/AF <input type="checkbox"/> \$200/AF <input type="checkbox"/> \$300/AF <input type="checkbox"/> \$350/AF <ul style="list-style-type: none"> <input type="checkbox"/> \$160/AF <input type="checkbox"/> \$240/AF <input type="checkbox"/> \$280/AF <ul style="list-style-type: none"> <input type="checkbox"/> \$50/AF <input type="checkbox"/> \$100/AF <input type="checkbox"/> \$150/AF <input type="checkbox"/> \$200/AF <input type="checkbox"/> \$300/AF <input type="checkbox"/> \$350/AF 	<ul style="list-style-type: none"> <input type="checkbox"/> \$64/AF <input type="checkbox"/> \$128/AF <input type="checkbox"/> \$191/AF <input type="checkbox"/> \$255/AF <input type="checkbox"/> \$383/AF <input type="checkbox"/> \$447/AF <ul style="list-style-type: none"> <input type="checkbox"/> \$204/AF <input type="checkbox"/> \$307/AF <input type="checkbox"/> \$358AF <ul style="list-style-type: none"> <input type="checkbox"/> \$64/AF <input type="checkbox"/> \$128/AF <input type="checkbox"/> \$191/AF <input type="checkbox"/> \$255/AF <input type="checkbox"/> \$383/AF <input type="checkbox"/> \$447/AF
Price for Fall Delivered Water	Delivery window through September matched pricing structure.	Delivery window extended through October and November. Pricing for October/November deliveries will be priced using the determination of Water Year that was in effect prior to September 30 th of that year.
Agreement Term	Through 2025, provided price renegotiation for post-September 30, 2020 transfers.	Entire agreement terms end December 31, 2025.

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Attachment 2

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY AUTHORIZING THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 6 TO THE AGREEMENT FOR THE SUPPLY AND CONVEYANCE OF WATER BY THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA TO THE PARTICIPATING STATE WATER PROJECT CONTRACTORS UNDER THE DRY YEAR WATER PURCHASE PROGRAM

WHEREAS, SCVWA benefits from the Yuba Accord through the purchase of a portion of the Yuba Accord water through a separate agreement with the Department of Water Resources (DWR) Tier 3 Agreement that supplements SCVWA's State Water Project (SWP) supplies; and

WHEREAS, SCVWA has acquired supplies from DWR of Yuba Accord water; and

WHEREAS, SCVWA has determined from its operating plans that it would likely benefit from access to Yuba Accord water through 2025; and

WHEREAS, DWR has reached an agreement with the Yuba County Water Agency under its Yuba Accord Purchase Agreement to set the price and other terms for continued water transfers for the period beginning October 2020 through September 2025; and

WHEREAS, DWR is offering SWP contractors the opportunity to continue to purchase water under Amendment 6 of its Tier 3 Agreement; and

WHEREAS, SCVWA has determined that the proposed action has been previously addressed in the Yuba County Water Agency certified 2007 Final EIR, Findings of Fact, the Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program and that no further environmental analysis or documentation is required.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Santa Clarita Valley Water Agency does authorize the General Manager to execute Amendment No. 6 to the Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating State Water Project Contractors Under the Dry Year Water Purchase Program.