



State Water Project Contract Amendment for Water Management

Water Planning and Stewardship Committee
Item 7-4

February 8, 2021

Presentation Outline

- State Water Project Contract
 - Amendments
- Water Management Tool Amendment
 - Amendment Overview
 - Article 56
 - Article 57
 - Article 21
 - SWP Public Water Agency Board Consideration/
Action
- Board Options

State Water Project

Key Contract Amendments Related to Water Management Tools

1964

Minimum Project Yield, Maximum Annual Entitlement and Surplus Water Provisions

1972

Sale of SWP Water within District Boundaries

1979

Surplus Water

1991

Carry-Over of Entitlement Water

1995 & 2003

Monterey Amendment and Monterey Settlement Amendment

Recent and Proposed Amendments

SWP Contract Amendments

Contract Extension (December 2018)

- Extended Metropolitan's SWP contract term through 2085 (50 years)
- Improved the project's overall financial integrity and management

Water Management Tools

- Only addresses water management tools related to water transfers and exchanges
- Does not include any financial provisions for Delta Conveyance

Delta Conveyance (Future Amendment)

- Would add terms and conditions applicable to the construction, operation and maintenance of a new Delta conveyance facility
- Will be presented to the board for consideration once an approved Delta Conveyance Facility is advanced

Exchange Provisions Codified in Contract Article 56

Existing

- Exchange guidance through Notice to Contractors
- Review on case-by-case basis

Amended

- Confirm provisions for water exchanges in contract
- Set exchange ratios based on water allocation, up to 5 to 1
- Set the maximum cost compensation for an exchange
- Allow the exchange to be effectuated over ten years

More Flexibility for Transfers

Article 56

Existing

- Turnback pool used for single-year transfers
- Compensation based on Delta Charge
- DWR administered turnback pool

Amended

- Turnback pool removed as the only non-permanent transfer mechanism
- Allows the PWAs to set the compensation terms
- Requires certain conditions be met to avoid harm to SWP operations and other contractors
- Continues to require DWR approval

Article 21 Transfers Allowed

Existing

- No provision for Article 21 transfer

Amended

- Allow for limited ability to transfer Article 21 water consistent with other transfer rules

Protection and Transparency

New Article 57

- Protect financial integrity of the SWP
- No harm to other PWAs
- No adverse impacts on SWP operations
- Transparency of transactions

Water Management Tools/Actions Amendment

SWP Public Water Agency Board Consideration/Action

Approved 2020

- Alameda County FC&WCD, Zone 7
- Alameda County Water District
- City of Yuba City
- Coachella Valley Water District
- Crestline-Lake Arrowhead Water Agency
- Desert Water Agency
- Dudley Ridge Water District
- Empire West Side Irrigation District
- Littlerock Creek Irrigation District
- Mojave Water Agency
- Napa County FC&WCD
- Oak Flat Water District
- Palmdale Water District
- San Bernardino Valley Municipal Water District
- San Gabriel Valley Municipal Water District
- San Geronio Pass Water Agency
- Santa Clara Valley Water District
- Santa Clarita Valley Water Agency
- Solano County Water Agency
- Tulare Lake Basin Water Storage District

Approved January 2021

- Kern County Water Agency

Approved February 2021

- County of Kings
- Ventura County Watershed Protection District

Considered February 2021

- Antelope Valley - East Kern Water Agency
- Metropolitan Water District
- San Luis Obispo County FC&WCD

Board Options

- Option #1
 - Review and consider the certified Final EIR and take related CEQA actions, and authorize the General Manager to sign the proposed amendment to Metropolitan's State Water Project contract with the California Department of Water Resources
- Option #2
 - Do not adopt the CEQA determination and do not approve the State Water Project Contract Amendment

Staff Recommendation

Option #1

