



Draft Agreement in Principle for the State Water Project Water Supply Contract Amendment for Water Management and California WaterFix



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Background



- The Department of Water Resources (DWR) administers long-term water supply contracts to 29 water agencies, known as the State Water Contractors (SWCs) or Public Water Agencies (PWAs) for water service from the State Water Project (SWP)

Background



- Yuba City is 1 of 5 State Water Contractors located north of the Delta
- City contract executed in 1963 to purchase 9,600 acre-feet of surface water via the Feather River on an annual basis

Draft Agreement in Principle



- Drivers:
 - On-going water management challenges for PWAs (as evident during last drought)
 - Pending approval of California WaterFix (CWF) with significant funding needs

California WaterFix



Draft Agreement in Principle



- Process included weekly public negotiating sessions between DWR and the PWAs
 - Began in February; last session June 27
 - Included multiple “PWA caucus” meetings, small DWR/PWA work sessions, phone calls, draft materials, and many emails

Draft Agreement in Principle



- Currently independent from the “Contract Extension” amendment process

Contract Amendment Objectives



- DWR
 - Allow the continued financially sound operation of the SWP
 - Provide a fair and equitable approach to funding SWCs costs

Contract Amendment Objectives



- PWAs
 - Provide enhanced management tools to facilitate greater flexibility
 - Allocate CWF costs proportionate to the benefits received

AIP Addresses Several Key Topics



- Improved water management tools
 - Water transfers
 - Water exchanges
 - Carryover in San Luis Reservoir

AIP Addresses Several Key Topics



- CWF cost allocation
 - Establishing a new SWP “charge”
 - Exemption from CWF costs for the 5 “north of Delta” PWAs
 - Yuba City, Butte County, Plumas County FC&WCD, Solano County WA, and Napa County FC&WCD listed as “exempt” and defined as “Non-Participating PWAs”

Future Related Actions



- AIP is not final contract language
 - Intent is to inform CEQA process
 - Defines mutual intent only: “...do not represent a contractual commitment by either DWR or PWAs to approve any proposed project or to sign contract amendments.”
[Principle III (1), p. 10]

Future Related Actions



- An Environmental Impact Report will be required
 - DWR and each PWA will need to approve and adopt
 - City, as a PWA, retains full discretion under CEQA

Future Related Actions



- The City's contract will be amended
 - DWR and the City will need to approve and execute

Recommendation



- Authorize the Mayor, on behalf of the City Council, to approve the Draft Agreement in Principle for the SWP Water Supply Contract Amendment for Water Management and California WaterFix