



**A REGULAR MEETING OF THE OPERATING COMMITTEE
of the
CENTRAL COAST WATER AUTHORITY**

will be held at 9:00 a.m., on Thursday, October 8, 2020
via URL: <https://meetings.ringcentral.com/j/1486795425>
or via telephone by dialing 1(623) 404-9000 and entering code 148 679 5425#

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Committee less than seventy-two (72) hours prior to the meeting will be available on the CCWA internet web site, accessible at <https://www.ccwa.com>.

Eric Friedman
Chairman

Ed Andrisek
Vice Chairman

Ray A. Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

- I. Call to Order and Roll Call**
- II. Public Comment – (Any member of the public may address the Committee relating to any matter within the Committee’s jurisdiction. Individual Speakers may be limited to five minutes; all speakers to a total of fifteen minutes.)**
- III. * Approve Minutes of the July 9, 2020 Operating Committee Meeting**
- IV. Executive Director’s Report**
 - A. Operations Update
 - B. Water Supply Situation Report
 - * C. Suspended Table A Reacquisition Update
 - * D. Discussion Regarding Water Management Amendment to the State Water Supply Contract, Draft Resolution Approving the Same for Consideration by the Board On October 22, 2020, and DWR’s Final Environmental Impact Report for the Water Management Amendment and DWR’s CEQA Findings of Fact and Statement of Overriding Considerations
 - E. Warren Act Contract Renewal Update
 - F. Contract Assignment Update
 - G. Biofilm Remediation Project
 - * H. Mid-Valley Water Bank Proposal
 - * I. Notice of Intent to Adopt a Negative Declaration for the Westlands Water District (WWD) Groundwater Pumping and Conveyance Project
- V. Reports from Committee Members for Information Only**
- VI. Date of Next Regular Meeting:
January 14, 2021**
- VII. Adjournment**

**MINUTES OF THE
CENTRAL COAST WATER AUTHORITY
OPERATING COMMITTEE**

July 9, 2020

The Operating Committee meeting was conducted pursuant to California Government Code Section 54953 and Governor Newsom's Executive Order, N-29-20, temporarily suspending portions of the Brown Act to implement social distancing in response to the COVID-19 pandemic. Committee members participated in this meeting by video call or telephone. Public Comment on agenda items also occurred telephonically.

Ms. Lisa Watkins, Board Secretary, confirmed that all Committee members could hear each other, had received a copy of the meeting agenda, and could hear the proceedings.

I. Call to Order and Roll Call

Mr. Garcia, Committee Chair, called the July 9, 2020, Central Coast Water Authority Operating Committee meeting held at 255 Industrial Way, Buellton, California, to order at 9:08 a.m.

Committee members present:

Paeter Garcia	-	Santa Ynez River Water Conservation District, ID#1
John McInnes	-	Goleta Water District
Rose Hess	-	City of Buellton
Robert McDonald	-	Carpinteria Valley Water District
Shad Springer	-	City of Santa Maria
Shannon Sweeney	-	City of Guadalupe
Catherine Taylor	-	City of Santa Barbara
Nick Turner	-	Montecito Water District

Matt Van der Linden, Advisory Member for the City of Solvang was also present.

II. Public Comment

There was no public comment.

III. Consent Calendar

A. Approve Minutes of the March 12, 2020 Operating Committee Meeting

Motion to approve the Minutes of the March 12, 2020 Operating Committee meeting was made by Mr. Springer, seconded by Ms. Sweeney, and carried following a roll call vote with Committee Members Garcia, McInnes, Hess, Springer, Sweeney and Taylor in favor, Committee Member McDonald abstaining, and none opposed.

IV. Executive Director's Report

Mr. Stokes requested the agenda be reordered, to discuss Agenda Item IV.B. after Agenda Item IV.F. Following discussion, the Committee approved the change in agenda order.

A. Operations Update

John Brady, CCWA Deputy Director, reported plant production, chemical costs, and totals pumped into Lake Cachuma:

	Plant Production (AF)	Chemical Costs (\$/AF)	SYPF Pumping Total (AF)
March 2020	1,154.57	\$33.68	58.00
April 2020	1,062.07	\$38.11	35.99
May 2020	1,496.41	\$42.66	51.01
June 2020	1,769.49	\$35.90	154.66

- Staff has been investigating causes and researching solutions following a nitrification event. Mr. Brady reviewed the actions being taken for biofilm monitoring and assessment. The plan to remediate the biofilm and control future nitrification was also discussed.
- On June 20, 2020, a leak was discovered in the Bradbury bypass pipeline. The leak was adjacent to the spillway, and staff was alerted by dam staff as the leak was insufficient to trigger the pressure alarm. The leak was created by torque in the pipe from high heat. Mr. Brady reviewed the repair solution to prevent future movement in the pipeline, which was completed July 2, 2020.
- The expansion of the network infrastructure to include cloud based systems, including the phone systems, data storage, and physical servers. Mr. Brady also reported that the onsite server equipment was upgraded to Hyperconverge technology.
- New office space is being created at the Water Treatment Plant through installation of a modular building, which will include sleeping quarters for the night shift operator.
- Mr. Brady reported on the status of the Switchboard Replacement Project at Santa Ynez Pumping Plant. The Switchgear was ordered and the contractor is awaiting delivery.
- Procurements being pursued include (1) PLC Upgrade Project Engineering, (2) Water Management Strategies Consulting services, (3) Chlorine Scrubber procurement, (4) Bulk Chemical Procurement, (5) Dive Inspection Procurement. Mr. Brady also reported that the bidding for the SYPP Pedestal Project will be postponed due to required downtime and other competing projects.

C. Suspended Table A Reacquisition Update

Ray Stokes, CCWA Executive Director, reported CCWA is near the end of the CEQA analysis, with some data received from DWR. The original completion date has been extended, from August to the end of the year. Preliminary Administrative drafts are expected from the CEQA consultant.

D. Water Management Strategies Request for Qualifications Update

The Water Management Strategies Project is intended to maximize Santa Barbara and San Luis Obispo County yield of the State Water Project, including storage alternatives to San Luis Reservoir. The firm of Provost & Pritchard was selected following an advertised Request for Qualifications.

Mr. Stokes reported that the budgeted amount for the project is \$75,000, and San Luis Obispo County was to pay an additional \$75,000 towards the project. However, San Luis Obispo County's Board of Supervisors did not vote to provide the funds. CCWA is waiting to see if in a second vote the County Board of Supervisors will change their position, but if the County declines, CCWA staff may request a change to the budgeted amount, based on the importance of the project to its members.

E. Siemens Energy & Environmental Solution Proposal for Solar Power Installation at the WTP and 20 Year Power Purchase Agreement

Mr. Brady reviewed the proposal by Siemens to construct a solar panel electrical generation system at the Polonio Pass Water Treatment Plant.

Following discussion, including questions and comments from Committee members, Mr. Stokes requested feedback from Committee members prior to taking the matter to the Board at the end of July.

F. Additional Revision to Payment Schedule for FY 2020/21 DWR Fixed Costs

Mr. Stokes reviewed proposed changes to CCWA project participants' December Fixed Costs schedule that had been approved by the CCWA Board of Directors. The changes were due to a lower than anticipated 2021 Statement of Charges recently received from DWR, which has resulted in an overall reduction of approximately \$3.5 million in DWR Fixed Cost charges. The proposed changes will be presented to the CCWA Board for approval. A table showing the change for each participant was provided in the meeting materials.

B. Warren Act Contract Negotiations

CCWA has a contract, executed in 1995 which allows CCWA to pump and store water in to Lake Cachuma. Due to COVID-19 restrictions, a new contract has not been reached with the US Bureau of Reclamations (Bureau).

Mr. Garcia stated for the record, his disappointment that the Bureau is making a substantive change to the blending requirements for the insertion of water to the reservoir, without consideration of the 2000 Biological Opinion governing compliance with the Federal ESA.

Government Code section 54954.2(b)(2) authorizes a legislative body to take action on items of business not appearing on the posted agenda, including adding a closed session to the agenda, by (1) publicly identifying the item and (2) by a two-thirds vote of the members of the legislative body of present at the meeting (or unanimous vote if less than two-third of the members are present) finding that (a) there is a need to take immediate action and (b) the need for the action came to the attention of the agency after the agenda was posted.

Ms. Hastings announced the desire to have a real property closed session pursuant to the closed session safe harbor, and requested a roll call vote to have the item added to the agenda based on the urgent need to discuss the negotiations and that the information arose on July 7 (EA) and July 8 (draft contract), 2020 after publication of the agenda on July 2, 2020.

Following a roll call vote with Committee Members Sweeney, Springer, Hess, Garcia, McInnes, Taylor and McDonald in favor and none opposed, the Committee agreed to add a closed session to the agenda.

V. Reports from Committee Members for Information Only

There were no reports from the Committee members.

VI. Date of Next Regular Meeting:

October 8, 2020

The Committee adjourned to closed session at 11:24 AM.

VII. Closed Session

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Cachuma Project, Negotiation of Warren Act Contract
Agency negotiator: Ray Stokes, Executive Director, CCWA
Negotiating parties: CCWA and United States Bureau of Reclamation
Under negotiation: Terms and conditions of Warren Act Contract for use of Cachuma Project

The Committee reconvened from closed session at 11:57 AM.

Ms. Hastings announced there was no reportable action as a result of closed session.

VIII. Adjournment

The meeting was adjourned at 11:58 AM.

Respectfully submitted,

Elizabeth F. Watkins
Secretary to the Board

/lfw



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

October 1, 2020

TO: CCWA Operating Committee

FROM: Ray A. Stokes
Executive Director 

SUBJECT: Suspended Table A Reacquisition Update

DISCUSSION

CCWA has hired Environmental Services Associates (ESA) to prepare the Environmental Impact Report (EIR) for the reacquisition of 12,214 AF of water that was suspended by Santa Barbara County in the 1980's. There are currently five CCWA project participants interested in reacquiring this water:

City of Santa Maria	9,414 AF
Carpinteria Valley WD	1,000 AF
Montecito Water District	1,000 AF
Santa Ynez ID#1	500 AF
City of Solvang	300 AF

ESA continues to work on preparation of the Draft EIR, with publication before year-end and anticipates that a final document will be available toward the end of the first quarter of calendar year 2021. At the conclusion of the environmental documentation process, we will be in a position to move forward with reacquiring the 12,214 AF of suspended Table A.

CCWA staff has identified the following additional tasks that are necessary to complete the reacquisition:

1. Contract Amendment to the State Water Contract with the Department of Water Resources (DWR):
 - a. An amendment is necessary to include the additional 12,214 AF of Table A amount in the State Water Contract with DWR.
 - b. In the event the Santa Barbara County Flood Control and Water Conservation District (the County) remains the contracting party at the time CCWA moves forward with the project, additional coordination and negotiations with the County may be required.
2. Contracts between CCWA and the participating CCWA participants ("project beneficiaries") in the reacquisition:
 - a. A contract will need to be executed between CCWA and the project beneficiaries addressing both the financial and operational aspects of reacquiring the suspended Table A.
3. Collection of funds to repay the past accumulated costs for the 12,214 AF of suspended Table A to DWR:

- a. CCWA anticipates that each participant in the reacquisition will provide their own funding for the costs to reacquire the suspended Table A.

Since there is only about six months remaining before the environmental process is completed, CCWA staff have begun working on #1 and #2 above and hope to have draft contracts in the near future. Additionally, it is important that each of the participants begin determining how they will fund their allocated share of the costs to reacquire the water to be paid to DWR upon execution of the SWP contract amendment for reacquisition.

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CENTRAL COAST WATER AUTHORITY

MEMORANDUM

September 30, 2020

TO: CCWA Operating Committee

FROM: Ray Stokes
Executive Director

SUBJECT: Discussion Regarding Water Management Amendment to the State Water Supply Contract, Draft Resolution Approving the Same for Consideration by the Board On October 22, 2020, and DWR's Final Environmental Impact Report for the Water Management Amendment and DWR's CEQA Findings of Fact and Statement of Overriding Considerations

SUMMARY

CCWA has a long term water supply contract (SWP Contract) with the State of California Department of Water Resources (DWR) for the delivery of State Water Project (SWP) water.¹ Under the existing SWP Contract, water transfers are permitted in a limited and very specific manner, resulting in their infrequent use. In addition, while the existing SWP Contract allows for bona fide exchanges of water, it lacks specificity regarding the parameters of such exchanges. Consequently, public water agencies that have SWP Contracts with DWR (PWAs) have relied upon DWR's case by case application, which provides less certainty for planning purposes.

Given changes in hydrology and further constraints placed on DWR's operation of the SWP and to provide flexibility in the future, PWAs and DWR conducted a series of public negotiations with the goal of agreeing on concepts to supplement and clarify the existing water transfer and exchange provisions of the SWP Contracts to provide improved water management. In a December 2017 Notice to Contractors, DWR indicated its desire to supplement and clarify the water management tools through this public process. In June 2018, PWAs and DWR agreed upon an Agreement in Principle (AIP), which included specific principles to accomplish this goal. These principles included clarifying existing practices for exchanges, providing new flexibility for single and multi-year non-permanent water transfers, allowing PWAs to set terms of compensation for transfers and exchanges, providing for the limited transfer of carryover and Article 21 water, and adding provisions to ensure transparency, among some others. In October 2018, a Draft Environmental Impact Report (DEIR) was circulated for the proposed project.

In addition, the AIP at the time included certain cost allocation sections for the California WaterFix project (WaterFix). In early 2019, the Governor decided not to move forward with WaterFix and DWR rescinded its approvals of the project. After this shift the PWAs and DWR

¹ The SWP Contract was executed in 1963 by the Santa Barbara County Flood Control and Water Conservation District (District) and DWR. On November 12, 1991, the District and CCWA entered into the Transfer of Financial Responsibility Agreement whereby CCWA assumed full responsibility for all of the District's obligations pursuant to the SWP Contract. However, the District remains the contracting party to the SWP Contract.

held a public negotiation and agreed to remove the WaterFix cost allocation sections from AIP, but to keep all of the water management provisions in the AIP. The AIP was finalized on May 20, 2019. DWR decided to amend and recirculate the DEIR. In February 2020, DWR published the Partially Recirculated DEIR for the State Water Project Supply Contract Amendments for Water Management (Project) and in August 2020, DWR certified the Final EIR for the Project.

The proposed amendments to the SWP Contract for consideration by the Board of Directors are based on the AIP, which has been converted into contract amendment language developed by PWA and DWR attorneys. If approved by the Board, the proposed amendment would be effective when 24 of the SWP PWAs execute the amendment. The proposed contract amendment – “Amendment No. 20 (Water Management Amendment) to the SWP Contract” – is attached to this report as Attachment A.

At CCWA’s **October 22, 2020** Board Meeting, Staff will request the Board’s consideration of Resolution No. 20-___ to (1) approve Amendment 20 (Water Management Amendment) to CCWA’s SWP Contract with DWR and authorize the Executive Director to transmit Amendment No. 20 to the Santa Barbara County Board of Supervisors for its execution of the amendment on behalf of CCWA, and (2) make responsible agency findings pursuant to the California Environmental Quality Act for the Final Environmental Impact Report for the State Water Project Supply Contract Amendments for Water Management, and adopt CEQA Findings and Statement of Overriding Considerations for the Project.

Also at CCWA’s **October 22, 2020** Board Meeting, Staff anticipates requesting the Board’s direction to prepare any policies and procedures as may be necessary or convenient to implement Amendment No. 20 within CCWA, subject to and consistent with the Water Supply Agreements between CCWA and each CCWA Participant, for consideration by the Board on a date to be determined.

DISCUSSION

Background

The SWP Contract has been amended nineteen (19) times; most recently in 2003. The last update to the water management rules governing SWP operations was in 1994.

Existing article 56(d) of the SWP Contract provides the only mechanism for non-permanent transfers of SWP water between PWAs. This mechanism is called the Turnback Pool. As indicated above, it allows transfers in a limited and specific manner and it is rarely utilized. In addition, Section 56(f) allows PWAs to enter into bona fide exchanges of water with other PWAs, but it lacks specificity regarding the parameters. As a result, DWR has applied Section 56(f) on a case by case basis, which has provided less certainty for PWA planning purposes.

Consequently, DWR and the PWAs worked together to find solutions to develop water supply management practices to enhance management flexibility for SWP water supplies in a changing environment. The proposed contract amendment for the Board’s consideration supplements and clarifies terms of the SWP water supply contract related to water transfers and exchanges within the SWP service area to improve water management capabilities and options. The proposed amendment does not increase SWP diversions or change SWP operations.

Transfers

Specifically, the proposed contract amendment does the following, among other things, regarding transfers:

- Removes the Turnback Pool language from the contract.
- Creates new flexibility for non-permanent transfers, including allowing PWAs to transfer water to other PWAs outside their service area, to determine the duration (either single or multi-year) and terms of compensation for transfers, to execute Transfer Packages (2 or more transfer agreements between the same PWAs), and to transfer water stored outside their service territory directly to other PWAs.
- Requires certain conditions be met to avoid harm to the SWP and other PWAs.
- Requires DWR approval based on satisfaction of such conditions.
- Permits PWAs to transfer Article 21 water with DWR approval after a demonstration of special need.
- Allows PWAs to transfer or exchange up to 50% of their carryover water.
- Adds provisions to ensure transparency.
- Provides for a dispute resolution process for non-participating PWAs who feel they may be adversely impacted by a transfer.

Exchanges

The proposed contract amendment does the following, among other things, with regards to exchanges of water:

- Establishes clear criteria for exchanges to provide more clarity.
- Sets exchange ratios based on Annual Table A water allocation percentages, up to 5 to 1.
- Sets the maximum cost compensation for an exchange.
- Allows exchanges to be carried out over a 10 year period (meaning water could be returned over 10 years).
- Permits the exchange or transfer of up to 50% of PWAs carryover water.
- Requires certain conditions to be met to avoid harm to the SWP and other PWAs.
- Adds provisions to ensure transparency.
- Provides for a dispute resolution process for non-participating PWAs who feel they may be adversely impacted by an exchange.

In addition to the above, the proposed amendment permits PWAs to participate in multiple transfers or exchanges each year, as well as to be both buyers and sellers in the same year. PWAs may also petition DWR for exceptions to the some of the above criteria upon a demonstration of special needs or circumstances. Overall, the proposed amendments provide improved flexibility for PWAs to utilize water transfers and exchanges to better manage their SWP water supplies in a dynamic environment.

Proposed Amendment Implementation Schedule

The proposed contract amendment to the SWP Contract is a uniform amendment that all PWAs are considering. Pursuant to the terms of the proposed amendment, it will not go into effect until the last day of the month after 24 PWAs have executed the contract amendment. If 24 or more PWAs have not executed the amendment by February 28, 2021, DWR may decide in consultation with those PWAs who have executed it whether to allow the amendment to take effect.

DWR's CEQA Determination

On February 28, 2020, DWR published the 2020 Partially Recirculated DEIR for the Project. The Partially Recirculated DEIR was circulated for 94 days through June 1, 2020. On August 25, 2018, DWR certified the Final EIR for the Project. The Final EIR determined that the Project would have significant and unavoidable impacts to groundwater hydrology and water quality, and cumulatively considerable and unavoidable impacts to groundwater supplies and subsidence. As such, DWR adopted CEQA Findings of Fact and Statement of Overriding Considerations for the Project. On August 28, 2020, DWR filed a Notice of Determination for the Project. The Final EIR and CEQA Findings of Fact and Statement of Overriding Considerations comply with CEQA. DWR's Notice of Determination, Partially Recirculated DEIR, and Final EIR can be found on the official DWR website at: <https://water.ca.gov/News/Public-Notices/2020/August/SWP-Water-Supply-Contract-EIR>. DWR's CEQA Findings and Statement of Overriding Considerations is attached to this staff report.

Before approving the proposed amendment to the SWP Contract, CCWA, as a Responsible Agency under CEQA, is required to certify that it has reviewed and considered the information in the certified Final EIR for the Project. In addition, because the certified Final EIR identified significant and unavoidable impacts to the environment, CCWA must adopt CEQA Findings of Fact and Statement of Overriding Considerations.

CCWA Implementing Policies and Procedures

Staff anticipates that the Board's approval of the proposed amendment may require that CCWA adopt policies and procedures to implement the proposed amendment within CCWA. For example:

1. **Due Diligence:** In the event that CCWA proposes an exchange or transfer pursuant to the proposed amendment, CCWA must certify to DWR that the proposed exchange or transfer will not negatively impact either DWR or CCWA's ability to meet their demand or have a negative financial impact on DWR or CCWA. Accordingly, CCWA would need to obtain certification from the project participants proposing the exchange or transfer.
2. **Stored Water/Carryover Water:** Similarly, in the event that a CCWA project participant proposes to exchange or transfer more than 50% of its carryover water, CCWA must certify to DWR that the transaction will not prevent the participant from meeting critical water supply needs during a proscribed period. Accordingly, CCWA would need to obtain certification from the project participants proposing the exchange or transfer.
3. **Transfer of Article 21 Water:** The proposed amendment allows for the transfer of Article 21 with DWR approval. Article 21 is allocated on a real-time basis, meaning if DWR declares Article 21 to be available, it is taken in real-time. Historically, CCWA has allocated Article 21 to CCWA participants that are actually taking SWP water at the time. It may be appropriate to develop policies and procedures regarding any CCWA participant's election to transfer any Article 21 water allocated to them.
4. **Long-Term Transfers:** The proposed amendment will allow for the long-term transfer of Table A amount for the duration of the term of the SWP Contract. Procedures may be required to clarify how this option may be implemented consistent with CCWA's Water Supply Agreements with each CCWA participant.

5. Exchange/Transfers: To accommodate concurrent exchanges and transfers where CCWA participants are acting as buyers and sellers, CCWA will need to develop a program to administer these transactions. CCWA's Supplemental Water Purchase Program only addresses transactions whereby one or more CCWA participants are the buyer.

At CCWA's October 22, 2020 Board meeting, Staff anticipates requesting Board direction to prepare policies and procedures necessary or convenient to implement the proposed amendment, including but not limited to the implementation issues described above. In advance of requesting Board consideration of any such proposed policies and procedures, Staff will seek input and comments from CCWA participants and the Operating Committee.

FINANCIAL CONSIDERATIONS

N/A

RECOMMENDATION

N/A. The proposed Amendment and associated documentation pursuant to CEQA are provided for the Committee's review only. CCWA Board consideration will be requested at the October 22, 2020 Board of Directors meeting.

Attachments:

1. Resolution No. 20-_____
2. Amendment No. 20 to State Water Supply Contract
3. DWR's CEQA Findings and Statement of Overriding Consideration

RESOLUTION NO. 20-

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE CENTRAL COAST WATER AUTHORITY
(1) APPROVING AMENDMENT NO. 20 (WATER MANAGEMENT
AMENDMENT) TO THE WATER SUPPLY CONTRACT BETWEEN THE
STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES
AND SANTA BARBARA COUNTY FLOOD CONTROL AND WATER
CONSERVATION DISTRICT; AND
(2) MAKING RESPONSIBLE AGENCY FINDINGS PURSUANT TO
CEQA FOR THE FINAL ENVIRONMENTAL IMPACT REPORT FOR
AMENDMENT NO. 20, AND ADOPTING CEQA FINDINGS AND
STATEMENT OF OVERRIDING CONSIDERATIONS**

WHEREAS, in 1963, following the voters' 1960 approval of the California Water Resources Development Bond Act, the Santa Barbara County Flood Control and Water Conservation District (District) and the Department of Water Resources (DWR), acting on behalf of the State of California, executed that certain agreement dated February 26, 1963 for the supply of State Water Project (SWP) water to Santa Barbara County (State SWP Contract); and

WHEREAS, the SWP Contract is substantially identical to agreements between DWR and 28 other public water agencies in California;

WHEREAS, on November 12, 1991, the District and the Central Coast Water Authority (Authority) entered into the Transfer of Financial Responsibility Agreement whereby the Authority assumed full responsibility for all of the District's obligations pursuant to the SWP Contract, and said agreement also contemplates a future assignment of the SWP Contract to the Authority; and

WHEREAS, to date, the SWP Contract has not been assigned to the Authority, therefore the County remains the contracting party to the SWP Contract; and

WHEREAS, to date, the SWP Contract has been amended on nineteen (19) separate occasions since its execution; and

WHEREAS, under the existing SWP Contract, water transfers are permitted in a limited and very specific manner, resulting in their infrequent use, and the parameters for exchanges of water, while allowed, lack specificity and clear guidance, which impede planning; and

WHEREAS, the Authority, along with other public water agencies with SWP Contracts (PWAs) conducted a series of public negotiations with DWR with the goal of agreeing on concepts to supplement and clarify the existing water transfer and exchange provisions of the SWP Contracts to provide improved water management; and

WHEREAS, in June 2018, PWAs and DWR agreed upon an Agreement in Principle (AIP), which included specific principles to clarify and enhance the terms of the

SWP water supply contract related to water transfers and exchanges to improve water management capabilities and PWA options; and

WHEREAS, in October 2018, DWR circulated a Draft Environmental Impact Report (2018 DEIR) that considered impacts related to the AIP, which at that time also included certain cost allocation sections for the California WaterFix project (WaterFix); and

WHEREAS, in early 2019, Governor Newsom decided not to move forward with California WaterFix and DWR rescinded its approvals of the AIP project. The PWAs and DWR subsequently held a public negotiation and agreed to remove the WaterFix cost allocation sections from AIP, but to retain the water management provisions, and the AIP was finalized on May 20, 2019; and

WHEREAS, the proposed amendment to the Authority's SWP Contract for consideration by the Board (Amendment) articulates in contract language the principles of the final AIP; and

WHEREAS, DWR is the lead agency for the Amendment which is called the "State Water Project Supply Contract Amendments for Water Management" (Project), pursuant to CEQA (Pub. Res. Code §§ 21000, et seq.) and the State CEQA Guidelines (14 CCR §§ 15000, et seq.). As the lead agency, DWR is responsible for assuring that an adequate analysis of the Project's environmental impacts is conducted; and

WHEREAS, on February 28, 2020, DWR issued a Partially Recirculated Draft Environmental Impact Report (DEIR) for the Project, which was circulated for public review for 94 days through June 1, 2020; and

WHEREAS, DWR prepared a Final Environmental Impact Report for the Project, which included the DEIR, appendices, comments on the DEIR, responses to comments on the DEIR, and revisions to the DEIR (collectively, FEIR); and

WHEREAS, on August 25, 2020, DWR certified the FEIR, adopted CEQA Findings of Fact and Statement of Overriding Considerations and approved the Project; and

WHEREAS, the FEIR concluded that the Project would have significant and unavoidable impacts to groundwater hydrology and water quality, and cumulatively considerable and unavoidable impacts to groundwater supplies and subsidence. As such, DWR adopted CEQA Findings of Fact and Statement of Overriding Considerations for the Project (attached as Exhibit "A"); and

WHEREAS, the Authority and DWR propose to amend the SWP Contract by approving the Amendment attached as Exhibit "B" to this Resolution (Amendment No. 20), the environmental effects of which were studied in the FEIR; and

WHEREAS, the Authority is a responsible agency and has more limited approval and implementing authority over the Amendment than does the DWR; and

WHEREAS, the Board of Directors of the Authority, at its scheduled public meeting on _____ independently reviewed and considered the FEIR, CEQA Findings of

Fact and Statement of Overriding Considerations, and other related documents and evidence in the record before it; and

WHEREAS, the Board of Directors of the Authority independently reviewed and considered the FEIR, CEQA Findings of Fact and Statement of Overriding Consideration, and other related documents and evidence in the records before and determines that the Findings of Fact and Statement of Overriding Considerations adequately describe the impacts and considerations applicable within the Authority's jurisdiction; and

WHEREAS, all the procedures of CEQA and the State CEQA Guidelines have been met, and the FEIR prepared in connection with the Project is sufficiently detailed so that all the potentially significant effects of the Project and the Amendment on the environment and measures feasible to avoid or substantially lessen such effects have been evaluated in accordance with CEQA; and

WHEREAS, as contained herein, the Authority has endeavored in good faith to set forth the basis for its decision on the Amendment.

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1.

The above recitals are true and correct and are incorporated herein as though set forth in full.

SECTION 2.

Based on the findings set forth herein, the Board of Directors approves Amendment No. 20 (The Water Management Amendment) to the SWP Contract, which is attached hereto and incorporated herein as Exhibit "B." This resolution constitutes complete and final agreement by the Authority to be bound by the terms of Amendment No. 20 (The Water Management Amendment) to the Contract and this Resolution shall take effect immediately.

SECTION 3.

Pursuant to the Transfer of Financial Responsibility Agreement, the Board of Directors hereby authorizes the Executive Director of the Authority to transmit Amendment No. 20 to the Board of Supervisors of the County of Santa Barbara for the Board's execution and delivery of Amendment No. 20 to DWR.

SECTION 4.

A. The FEIR prepared for the Project, which can be found at <https://water.ca.gov/News/Public-Notices/2020/August/SWP-Water-Supply-Contract-EIR>, is hereby received by the Board and incorporated herein by this reference.

B. Pursuant to State CEQA Guidelines section 15096 and in its limited role as a responsible agency under CEQA, the Board has reviewed and considered the FEIR, as well as DWR's certification of the FEIR and approval of the Project, and DWR's

CEQA Findings of Fact and Statement of Overriding Considerations, and the Board incorporates those items herein by reference. As to those resources within the Authority's power and authority as a responsible agency under CEQA, the Board exercises its independent judgment and finds that the FEIR contains a complete, objective and accurate reporting of the Amendment's impacts.

C. Exercising its independent judgment, the Board concurs with the CEQA Findings of Fact and Statement of Overriding Considerations approved by DWR and hereby adopts those CEQA Findings of Fact and Statement of Overriding Considerations, attached hereto as Exhibit "A" and incorporated herein by this reference. The Board further finds that there are no feasible mitigation measures or alternatives within its authority that would substantially lessen or avoid any significant effects that the Project would have on the environment, for the reasons explained in the FEIR.

D. The Board concurs with the Statement of Overriding Considerations adopted by DWR and finds that, within its jurisdiction, the benefits of the Amendment outweigh the adverse environmental impacts not reduced to below a level of significance.

E. The Board hereby authorizes and directs staff to file and have posted a Notice of Determination with the County Clerk and with the State Clearinghouse within five (5) working days of the adoption of this Resolution.

F. The documents and materials that constitute the record of proceedings for this Resolution are located at 255 Industrial Way, Buellton, CA 93427 Attn: Board Secretary.

– continued on next page –

I certify that the foregoing Resolution No. 20 - _____ was adopted by the Board of Directors of the Central Coast Water Authority at a meeting held.

Eric Friedman, Chairman

[Seal]

Attest:

Elizabeth Watkins
Secretary to the Board of
Directors

	VOTING PERCENTAGE	AYE	NAY	ABSTAIN	ABSENT
City of Buellton	2.21%	_____	_____	_____	_____
Carpinteria Valley Water District	7.64%	_____	_____	_____	_____
Goleta Water District	17.20%	_____	_____	_____	_____
City of Guadalupe	1.15%	_____	_____	_____	_____
Montecito Water District	9.50%	_____	_____	_____	_____
City of Santa Barbara	11.47%	_____	_____	_____	_____
City of Santa Maria	43.19%	_____	_____	_____	_____
Santa Ynez River Water Conservation District, Improvement District No. 1	7.64%	_____	_____	_____	_____

APPROVED AS TO FORM:

Brownstein Hyatt Farber Schreck LLP
General Counsel to the Central Coast Water Authority

Stephanie Osler Hastings

STATE WATER PROJECT WATER SUPPLY CONTRACT AMENDMENT
FOR WATER MANAGEMENT
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STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 20 (THE WATER MANAGEMENT AMENDMENT)
TO WATER SUPPLY CONTRACT
BETWEEN
THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES
AND
SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION
DISTRICT

THIS AMENDMENT to the Water Supply Contract is made this _____ day of _____, 20____ pursuant to the provisions of the California Water Resources Development Bond Act, the Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Santa Barbara County Flood Control and Water Conservation District, herein referred to as the "Agency."

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RECITALS

- A. The State and the Agency entered into and subsequently amended a water supply contract (the “contract”), dated February 26, 1963, providing that the State shall supply certain quantities of water to the Agency and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payments; and
- B. The State and the Agency, in an effort to manage water supplies in a changing environment, explored non-structural solutions to provide greater flexibility in managing State Water Project (SWP) water supplies; and
- C. The State and the Agency, in an effort to support the achievement of the coequal goals for the Delta set forth in the Delta Reform Act, sought solutions to develop water supply management practices to enhance flexibility and reliability of SWP water supplies while the Agency is also demonstrating its commitment to expand its water supply portfolio by investing in local water supplies; and
- D. The State and the Agency, in response to the Governor’s Water Resiliency Portfolio, wish to maintain and diversify water supplies while protecting and enhancing natural systems without changing the way in which the SWP operates; and
- E. The State and the Agency sought to create a programmatic solution through transfers or exchanges of SWP water supplies that encourages regional approaches among water users sharing watersheds and strengthening partnerships with local water agencies, irrigation districts, and other stakeholders; and
- F. The State and the Agency, in an effort to comply with the Open and Transparent Water Data Platform Act (Assembly Bill 1755), sought means to create greater transparency in water transfers and exchanges; and
- G. The State, the Agency and representatives of certain other SWP Contractors have negotiated and agreed upon a document (dated May 20, 2019), the subject of which is “ Draft Agreement in Principle for the SWP Water Supply Contract Amendment for Water Management” (the “Agreement in Principle”); and
- H. The Agreement in Principle describes that the SWP Water Supply Contract Amendment for Water Management “supplements and clarifies terms of the SWP water supply contract that will provide greater water management regarding transfers and exchanges of SWP water within the SWP service area”; the principles agreed to would achieve this without relying upon increased SWP diversions or changing the way in which the SWP operates, and consistent with all applicable contract and regulatory requirements; and

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- I. The State, the Agency and those Contractors intending to be subject to the contract amendments contemplated by the Agreement in Principle subsequently prepared an amendment to their respective Contracts to implement the provisions of the Agreement in Principle, and such amendment was named the “SWP Water Supply Contract Amendment for Water Management”; and
- J. The State and the Agency desire to implement continued service through the contract and under the terms and conditions of this “SWP Water Supply Contract Amendment for Water Management”;

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NOW, THEREFORE, IT IS MUTUALLY AGREED that the following changes and additions are hereby made to the Agency's water supply contract with that State:

AMENDED CONTRACT TEXT

ARTICLE 1 IS AMENDED TO ADD THE FOLLOWING DEFINITIONS, PROVIDED THAT IF THIS WATER MANAGEMENT AMENDMENT TAKES EFFECT BEFORE THE CONTRACT EXTENSION AMENDMENT TAKES EFFECT, THE ADDITIONS HEREIN MADE SHALL CONTINUE IN EFFECT AFTER THE CONTRACT EXTENSION AMENDMENT TAKES EFFECT NOTWITHSTANDING THE CONTRACT EXTENSION AMENDMENT'S DELETION AND REPLACEMENT OF ARTICLE 1 IN ITS ENTIRETY:

1. Definitions

- (au) **"Article 56 Carryover Water"** shall mean water that a contractor elects to store under Article 56 in project surface conservation facilities for delivery in a subsequent year or years.

ARTICLES 21 and 56 ARE DELETED IN THEIR ENTIRETY AND REPLACED WITH THE FOLLOWING TEXT:

21. Interruptible Water Service

(a) Allocation of Interruptible Water

Each year from water sources available to the project, the State shall make available and allocate interruptible water to contractors in accordance with the procedure in Article 18(a). Allocations of interruptible water in any one year may not be carried over for delivery in a subsequent year, nor shall the delivery of interruptible water in any year impact the Agency's approved deliveries of Annual Table A Amount or the Agency's allocation of water for the next year. Deliveries of interruptible water in excess of the Agency's Annual Table A Amount may be made if the deliveries do not adversely affect the State's delivery of Annual Table A Amount to other contractors or adversely affect project operations. Any amounts of water owed to the Agency as of the date of this amendment pursuant to former Article 12(d), any contract provisions or letter agreements relating to wet weather water, and any Article 14(b) balances accumulated prior to 1995, are canceled. The State shall hereafter use its best efforts, in a manner that causes no adverse impacts upon other contractors or the project, to

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avoid adverse economic impacts due to the Agency's inability to take water during wet weather.

(b) Notice and Process for Obtaining Interruptible Water

The State shall periodically prepare and publish a notice to contractors describing the availability of interruptible water under this article. To obtain a supply of interruptible water, including a supply from a transfer of interruptible water, the Agency shall execute a further agreement with the State. The State will timely process such requests for scheduling the delivery of the interruptible water.

(c) Rates

For any interruptible water delivered pursuant to this article, the Agency shall pay the State the same (including adjustments) for power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the transportation of such water as if such interruptible water were Table A Amount water, as well as all incremental operation, maintenance, and replacement costs, and any other incremental costs, as determined by the State. The State shall not include any administrative or contract preparation charge. Incremental costs shall mean those nonpower costs which would not be incurred if interruptible water were not scheduled for or delivered to the Agency. Only those contractors not participating in the repayment of the capital costs of a reach shall be required to pay any use of facilities charge for the delivery of interruptible water through that reach.

(d) Transfers of Interruptible Water

- (1) Tulare Lake Basin Water Storage District, Empire West-Side Irrigation District, Oak Flat Water District, and County of Kings may transfer to other contractors a portion of interruptible water allocated to them under subdivision (a) when the State determines that interruptible water is available.
- (2) The State may approve the transfer of a portion of interruptible water allocated under subdivision (a) to contractors other than those listed in (d)(1) if the contractor acquiring the water can demonstrate a special need for the transfer of interruptible water.

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- (3) The contractors participating in the transfer shall determine the cost compensation for the transfers of interruptible water. The transfers of interruptible water shall be consistent with Articles 56(d) and 57.

56. Use, Storage of Project Water Outside of Service Area and Article 56 Carryover Water

(a) State Consent to Use of Project Water Outside of Service Area

Notwithstanding the provisions of Article 15(a), the State hereby consents to the Agency storing project water in a groundwater storage program, project surface conservation facilities and in nonproject surface storage facilities located outside its service area for later use by the Agency within its service area and to the Agency transferring or exchanging project water outside its service area as set forth herein.

(b) Groundwater Storage Programs

The Agency shall cooperate with other contractors in the development and establishment of groundwater storage programs. The Agency may elect to store project water in a groundwater storage program outside its service area for later use within its service area. There shall be no limit on the amount of project water the Agency can store outside its service area during any year in a then existing and operational groundwater storage program.

(1) Transfers of Annual Table A Amount stored in a groundwater storage program outside a contractor's service area.

In accordance with applicable water rights law and the terms of this article, the Agency may transfer any Annual Table A Amount stored on or after the effective date of the Water Management Amendment in a groundwater storage program outside its service area to another contractor for use in that contractor's service area. These transfers must comply with the requirements of Articles 56(c)(4)(i)-(v), (6) and (7), and Article 57. The Agency will include these transfers in its preliminary water delivery schedule required in Article 12(a).

(2) Exchanges of any Annual Table A Amount stored in a groundwater storage program outside a contractor's service area.

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In accordance with applicable water rights law and the terms of this article, the Agency may exchange any Annual Table A Amount stored on or after the effective date of the Water Management Amendment in a groundwater storage program outside its service area with another contractor for use in that contractor's service area. These exchanges must comply with the requirements in Article 56(c)(4)(i)-(v). The Agency shall include these exchanges in its preliminary water delivery schedule pursuant to Article 12(a).

(c) Article 56 Carryover Water and Transfers or Exchanges of Article 56 Carryover Water

(1) In accordance with any applicable water rights laws, the Agency may elect to use Article 56 Carryover Water within its service area, or transfer or exchange Article 56 Carryover Water to another contractor for use in that contractor's service area in accordance with the provisions of subdivision (c)(4) of this article. The Agency shall submit to the State a preliminary water delivery schedule on or before October 1 of each year pursuant to Article 12(a), the quantity of water it wishes to store as Article 56 Carryover Water in the next succeeding year, and the quantity of Article 56 Carryover Water it wishes to transfer or exchange with another contractor in the next succeeding year. The amount of project water the Agency can add to storage in project surface conservation facilities and in nonproject surface storage facilities located outside the Agency's service area each year shall be limited to the lesser of the percent of the Agency's Annual Table A Amount shown in column 2 or the acre-feet shown in column 3 of the following table, depending on the State's final Table A water supply allocation percentage as shown in column 1. For the purpose of determining the amount of project water the Agency can store, the final water supply allocation percentage shown in column 1 of the table below shall apply to the Agency. However, there shall be no limit to storage in nonproject facilities in a year in which the State's final water supply allocation percentage is one hundred percent. These limits shall not apply to water stored pursuant to Articles 12(e) and 14(b).

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1. Final Water Supply Allocation Percentage	2. Maximum Percentage of Agency's Annual Table A Amount That Can Be Stored	3. Maximum Acre-Feet That Can Be Stored
50% or less	25%	100,000
51%	26%	104,000
52%	27%	108,000
53%	28%	112,000
54%	29%	116,000
55%	30%	120,000
56%	31%	124,000
57%	32%	128,000
58%	33%	132,000
59%	34%	136,000
60%	35%	140,000
61%	36%	144,000
62%	37%	148,000
63%	38%	152,000
64%	39%	156,000
65%	40%	160,000
66%	41%	164,000
67%	42%	168,000
68%	43%	172,000
69%	44%	176,000
70%	45%	180,000
71%	46%	184,000
72%	47%	188,000
73%	48%	192,000
74%	49%	196,000
75% or more	50%	200,000

- (2) Storage capacity in project surface conservation facilities at any time in excess of that needed for project operations shall be made available to requesting contractors for storage of project and nonproject water. If such storage requests exceed the available storage capacity, the available capacity shall be allocated among contractors requesting storage in proportion to their Annual Table A Amounts for that year. The Agency may store water in excess of its allocated share of capacity as long as capacity is available for such storage.
- (3) If the State determines that a reallocation of excess storage capacity is needed as a result of project operations or because of the exercise of a

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contractor's storage right, the available capacity shall be reallocated among contractors requesting storage in proportion to their respective Annual Table A Amounts for that year. If such reallocation results in the need to displace water from the storage balance for any contractor or noncontractor, the water to be displaced shall be displaced in the following order of priority:

First, water, if any, stored for noncontractors;

Second, water stored for a contractor that previously was in excess of that contractor's allocation of storage capacity; and

Third, water stored for a contractor that previously was within that contractor's allocated storage capacity.

The State shall determine whether water stored in a project surface water conservation facility is subject to displacement and give as much notice as feasible of a potential displacement. If the Agency transfers or exchanges Article 56 Carryover Water pursuant to this subdivision to another contractor for storage in such facility, the State shall recalculate the amount of water that is subject to potential displacement for both contractors participating in the transfer or exchange. The State's recalculation shall be made pursuant to subdivision (4) of this article.

(4) Transfers or Exchanges of Article 56 Carryover Water

The Agency may transfer or exchange its Article 56 Carryover Water as provided in this subdivision under a transfer or exchange agreement with another contractor. Water stored pursuant to Articles 12(e) and 14(b) and nonproject water shall not be transferred or exchanged. Transfers or exchanges of Article 56 Carryover Water under this subdivision shall comply with subdivision (f) of this article and Article 57 as applicable, which shall constitute the exclusive means to transfer or exchange Article 56 Carryover Water.

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On or around January 15 of each year, the State shall determine the maximum amount of Article 56 Carryover Water as of January 1 that will be available for transfers or exchanges during that year. The State's determination shall be consistent with subdivisions (c)(1) and (c)(2) of this article.

The State shall timely process requests for transfers or exchanges of Article 56 Carryover Water by participating contractors. After execution of the transfer or exchange agreement between the State and the contractors participating in the transfer or exchange, the State shall recalculate each contractor's storage amounts for the contractors participating in the transfer or exchange. The State's recalculation shall result in an increase by an amount of water within the storage amounts for the contractor receiving the water and a decrease by the same amount of water for the contractor transferring or exchanging water. The State's recalculation shall be based on the criteria set forth in the State's transfer or exchange agreement with the participating contractors. The State's calculations shall also apply when a contractor uses Article 56 Carryover Water to complete an exchange.

Transfers and exchanges of Article 56 Carryover Water shall meet all of the following criteria:

- (i) Transfers or exchanges of Article 56 Carryover Water are limited to a single-year. Project water returned as part of an exchange under subdivision (c)(4) Article 56 Carryover Water may be returned over multiple years.
- (ii) The Agency may transfer or exchange an amount up to fifty percent (50%) of its Article 56 Carryover Water to another contractor for use in that contractor's service area.
- (iii) Subject to approval of the State, the Agency may transfer or exchange an amount greater than 50% of its Article 56 Carryover Water to another

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contractor for use in that contractor's service area. The Agency seeking to transfer or exchange greater than 50% of its Article 56 Carryover Amount shall submit a written request to the State for approval. The Agency making such a request shall demonstrate to the State how the Agency will continue to meet its critical water needs in the current year of the transfer or exchange and in the following year.

- (iv) The contractor receiving the water transferred or exchanged under subdivisions (4)(i) or (ii) above shall confirm in writing to the State its need for the water that year and shall take delivery of the water transferred or exchanged in the same year.
 - (v) Subject to the approval of the State, the Agency may seek an exception to the requirements of subdivisions (4)(i), (ii), and (iii) above. The Agency seeking an exception shall submit a written request to the State demonstrating to the State the need for 1) using project surface conservation facilities as the transfer or exchange point for Article 56 Carryover Water if the receiving contractor cannot take delivery of the transfer or exchange water in that same year, 2) using project surface conservation facilities for the transfer or exchange of one contractor's Article 56 Carryover Water to another contractor to reduce the risk of the water being displaced. or 3) for some other need.
- (5) The restrictions on storage of project water outside a Agency's service area provided for in this subdivision (c), shall not apply to storage in any project off-stream storage facilities constructed south of the Delta after the date of the Monterey Amendment.

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- (6) For any project water stored outside its service area pursuant to subdivisions (b) and (c), the Agency shall pay the State the same (including adjustments) for power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the transportation of such water as the Agency pays for the transportation of Annual Table A Amount to the reach of the project transportation facility from which the water is delivered to storage. If annual entitlement is stored, the Delta Water Charge shall be charged only in the year of delivery to interim storage. For any stored water returned to a project transportation facility for final delivery to its service area, the Agency shall pay the State the same for power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the transportation of such water calculated from the point of return to the aqueduct to the turn-out in the Agency's service area. In addition, the Agency shall pay all incremental operation, maintenance, and replacement costs, and any other incremental costs, as determined by the State, which shall not include any administrative or contract preparation charge. Incremental costs shall mean those nonpower costs which would not be incurred if such water were scheduled for or delivered to the Agency's service area instead of to interim storage outside the service area. Only those contractors not participating in the repayment of a reach shall be required to pay a use of facilities charge for use of a reach for the delivery of water to, or return of water from, interim storage.
- (7) A Agency electing to store project water in a nonproject facility within the service area of another contractor shall execute a contract with that other contractor prior to storing such water which shall be in conformity with this article and will include at least provisions concerning the point of delivery and the time and method for transporting such water.

(d) Non-Permanent Water Transfers of Project Water

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Notwithstanding the provisions of Article 15(a), the State hereby consents to the Agency transferring project water outside its service area in accordance with the following:

- (1) The participating contractors shall determine the duration and compensation for all water transfers, including single-year transfers, Transfer Packages and multi-year transfers.
- (2) The duration of a multi-year transfer shall be determined by the participating contractors to the transfer, but the term of the transfer agreement shall not extend beyond the term of the Contract with the earliest term.
- (3) A Transfer Package shall be comprised of two or more water transfer agreements between the same contractors. The State shall consider each proposed water transfer within the package at the same time and shall apply the transfer criteria pursuant to Article 57 in the review and approval of each transfer. The State shall not consider a Transfer Package as an exchange.

(e) Continuance of Article 12(e) Carry-over Provisions

The provisions of this article are in addition to the provisions of Article 12(e), and nothing in this article shall be construed to modify or amend the provisions of Article 12(e). Any contractor electing to transfer or exchange project water during any year in accordance with the provisions of subdivision (c) of this article, shall not be precluded from using the provisions of Article 12(e) for carrying over water from the last three months of that year into the first three months of the succeeding year.

(f) Bona Fide Exchanges Permitted

Notwithstanding the provisions of Article 15(a), the State hereby consents to the Agency exchanging project water outside its service area consistent with this Article. Nothing in this article shall prevent the Agency from entering into bona fide exchanges of project water for use outside the Agency's service area with other parties for project water or nonproject water if the State consents to the use of the project water outside the Agency's service area. Also,

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nothing in this article shall prevent the Agency from continuing those exchange or sale arrangements entered into prior to September 1, 1995. Nothing in this article shall prevent the Agency from continuing those exchange or sale arrangements entered into prior to [] which had previously received any required State approvals. The State recognizes that the hydrology in any given year is an important factor in exchanges. A “bona fide exchange” shall mean an exchange of water involving the Agency and another party where the primary consideration for one party furnishing water to another party is the return of a substantially similar amount of water, after giving due consideration to the hydrology, the length of time during which the water will be returned, and reasonable payment for costs incurred.. In addition, the State shall consider reasonable deductions based on expected storage or transportation losses that may be made from water delivered. The State may also consider any other nonfinancial conditions of the return. A “bona fide exchange” shall not involve a significant payment unrelated to costs incurred in effectuating the exchange. The State, in consultation with the contractors, shall have authority to determine whether a proposed exchange of water constitutes a “bona fide exchange” within the meaning of this paragraph and not a disguised sale.

(g) Exchanges of Project Water

Exchanges of project water shall be consistent with Article 57. In addition, the State shall apply the following criteria to its review of each exchange of project water as set forth below:

(1) Exchange Ratio

Exchange ratio shall mean the amount of water delivered from a contractor’s project supply in a year to another contractor compared to the amount of water returned to the first contractor in a subsequent year by the other contractor. All exchanges shall be subject to the applicable exchange ratio in this article as determined by the allocation of available supply for the Annual Table A Amount at the time the exchange transaction between the contractors is executed.

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- (a) For allocations greater than or equal to 50%, the exchange ratio shall be no greater than 2 to 1.
- (b) For allocations greater than 25% and less than 50%, the exchange ratio shall be no greater than 3 to 1.
- (c) For allocations greater than 15% and less than or equal to 25%, the exchange ratio shall be no greater than 4 to 1.
- (d) For allocations less than or equal to 15%, the exchange ratio shall be no greater than 5 to 1.

(2) Cost Compensation

The State shall determine the maximum cost compensation calculation using the following formula:

The numerator shall be the exchanging Agency's conservation minimum and capital and transportation minimum and capital charges, including capital surcharges. DWR will set the denominator using the State Water Project allocation which incorporates the May 1 monthly Bulletin 120 runoff forecast.

If a Agency submits a request for approval of an exchange prior to May 1, the State shall provide timely approval with the obligation of the contractors to meet the requirement of the maximum compensation. If the maximum compensation is exceeded because the agreement between the contractors is executed prior to the State Water Project allocation as defined in (c)(2) above, the contractors will revisit the agreement between the two contractors and make any necessary adjustments to the compensation. If the contractors make any adjustments to the compensation, they shall notify the State.

(3) Period During Which the Water May Be Returned:

The period for the water to be returned shall not be greater than 10 years and shall not go beyond the

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expiration date of this Contract. If the return of the exchange water cannot be completed within 10 years, the State may approve a request for an extension of time.

(h) Other Transfers

Nothing in this article shall modify or amend the provisions of Articles 15(a), 18(a) or Article 41, except as expressly provided for in subdivisions (c) and (d) of this article and in subdivision (d) of Article 21.

NEW CONTRACT ARTICLES

ARTICLE 57 IS ADDED TO THE CONTRACT AS A NEW ARTICLE AS FOLLOWS:

57. Provisions Applicable to Both Transfers and Exchanges of Project Water

- (a) Nothing in this Article modifies or limits Article 18 (a).
- (b) Transfers and exchanges shall not have the protection of Article 14(b).
- (b) The Agency may be both a buyer and seller in the same year and enter into multiple transfers and exchanges within the same year.
- (d) Subject to the State's review and approval, all transfers and exchanges shall satisfy the following criteria:
 - (1) Transfers and exchanges shall comply with all applicable laws and regulations.
 - (2) Transfers and exchanges shall not impact the financial integrity of the State Water Project, Transfers and exchange agreements shall include provisions to cover all costs to the State for the movement of water such as power costs and use of facility charge.
 - (3) Transfers and exchanges shall be transparent, including compliance with subdivisions (g) and (h) of this article.
 - (4) Transfers and exchanges shall not harm other contractors not participating in the transfer or exchange.
 - (5) Transfers and exchanges shall not create significant adverse impacts to the service area of each contractor participating in the transfer or exchange.
 - (6) Transfers and exchanges shall not adversely impact State Water Project operations.
- (e) The Agency may petition the State and the State shall have discretion to approve an exception to the criteria set forth in subdivision (d) in the following cases:

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- (1) When a transfer or exchange does not meet the criteria, but the Agency has determined that there is a compelling need to proceed with the transfer or exchange.
 - (2) When a Agency that has received water in a transfer or exchange cannot take all of the water in the transaction in the same year, the Agency may request to store its water consistent with Article 56(c), including in San Luis Reservoir.
- (f) The State will timely process such requests for scheduling the delivery of the transferred or exchanged water. Contractors participating in a transfer or exchange shall submit the request in a timely manner.
- (g) Each contractor participating in a transfer or exchange shall confirm to the State in a resolution or other appropriate document approving the transfer or exchange, including use of Article 56(c) stored water, that:
- (1) The Agency has complied with all applicable laws.
 - (2) The Agency has provided any required notices to public agencies and the public.
 - (3) The Agency has provided the relevant terms to all contractors and to the Water Transfers Committee of the State Water Contractors Association.
 - (4) The Agency is informed and believes that the transfer or exchange will not harm other contractors.
 - (5) The Agency is informed and believes that the transfer or exchange will not adversely impact State Water Project operations.
 - (6) The Agency is informed and believes that the transfer or exchange will not affect its ability to make all payments, including payments when

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due under its Contract for its share of the financing costs of the State's Central Valley Project Revenue Bonds.

- (7) The Agency has considered the potential impacts of the transfer or exchange within its service area.

(h) Dispute Resolution Process Prior to Executing an Agreement

The State and the contractors shall comply with the following process to resolve disputes if a contractor that is not participating in the transfer or exchange claims that the proposed transfer and/or exchange has a significant adverse impact.

- i. Any claim to a significant adverse impact may only be made after the Agency has submitted the relevant terms pursuant to Article 57(g)(3) and before the State approves a transfer or exchange agreement.
- ii. In the event that any dispute cannot be resolved among the contractors, the State will convene a group including the Department's Chief of the State Water Project Analysis Office, the Department's Chief Counsel and the Department's Chief of the Division of Operations or their designees and the contractors involved. The contractor's representatives shall be chosen by each contractor. Any contractor claiming an adverse impact must submit written documentation to support this claim and identify a proposed solution. This documentation must be provided 2 weeks in advance of a meeting of the group that includes the representatives identified in this paragraph.
- iii. If this group cannot resolve the dispute, the issue will be taken to the Director of the Department of Water Resources and that decision will be final.

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**WATER MANAGEMENT AMENDMENT IMPLEMENTING
AND ADMINISTRATIVE PROVISIONS**

IT IS FURTHER MUTUALLY AGREED that the following provisions, which shall not be part of the Water Supply Contract text, shall be a part of this Amendment and be binding on the Parties.

1. EFFECTIVE DATE OF WATER MANAGEMENT AMENDMENT

- (a) The Water Management Amendment shall take effect (“Water Management Amendment effective date”) on the last day of the calendar month in which the State and 24 or more contractors have executed the Water Management Amendment, unless a final judgment by a court of competent jurisdiction has been entered that the Water Management Amendment is invalid or unenforceable or a final order has been entered that enjoins the implementation of the Water Management Amendment.
- (b) If any part of the Water Management Amendment of any contractor is determined by a court of competent jurisdiction in a final judgment or order to be invalid or unenforceable, the Water Management Amendments of all contractors shall be of no force and effect unless the State and 24 or more contractors agree any the remaining provisions of the contract may remain in full force and effect.
- (c) If 24 or more contractors have not executed the Water Management Amendment by February 28, 2021 then within 30 days the State, after consultation with the contractors that have executed the amendment, shall make a determination whether to waive the requirement of subdivision (a) of this effective date provision. The State shall promptly notify all contractors of the State’s determination. If the State determines, pursuant to this article to allow the Water Management Amendment to take effect, it shall take effect only as to those consenting contractors.
- (d) If any contractor has not executed the Water Management Amendment within sixty (60) days after its effective date pursuant to subdivisions (a) through (c) of this effective date provision, this amendment shall not take effect as to such contractor unless the contractor and the State, in its discretion, thereafter execute such contractor’s Water Management Amendment, in which case the Water Management Amendment effective date for purposes of that contractor’s amendment shall be as agreed upon by the State and

STATE WATER PROJECT WATER SUPPLY CONTRACT AMENDMENT
FOR WATER MANAGEMENT
Execution Version

contractor, and shall replace the effective date identified in subdivision (a) for that contractor.

2. ADMINISTRATION OF CONTRACTS WITHOUT WATER MANAGEMENT AMENDMENT

The state shall administer the water supply contracts of any contractors that do not execute the Water Management Amendment in a manner that is consistent with the contractual rights of such contractors. These contractors' rights are not anticipated to be affected adversely or benefited by the Water Management Amendments.

3. OTHER CONTRACT PROVISIONS

Except as amended by this amendment, all provisions of the contract shall be and remain the same and in full force and effect, provided, however, that any reference to the definition of a term in Article 1, shall be deemed to be a reference to the definition of that term, notwithstanding that the definition has been re-lettered within Article 1. In preparing a consolidated contract, the parties agree to update all such references to reflect the definitions' lettering within Article 1.

4. DocuSign

The Parties agree to accept electronic signatures generated using DocuSign as original signatures.

STATE WATER PROJECT WATER SUPPLY CONTRACT AMENDMENT
FOR WATER MANAGEMENT
Execution Version

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on the date first above written.

Approved as to Legal Form
and Sufficiency:

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Chief Counsel
Department of Water Resources

Director

Date

Approved as to Form:

SANTA BARBARA COUNTY FLOOD
CONTROL AND WATER
CONSERVATION DISTRICT

General Counsel
Santa Barbara County Flood Control
and Water Conservation District

General Manager

Date

CEQA Findings of Fact and Statement of Overriding Considerations for the State Water Project Water Supply Contract Amendments for Water Management

Section 1. Description of the Project

The proposed project includes amending certain provisions of the State Water Resources Development System (SWRDS) Water Supply Contracts (Contracts). SWRDS (defined in Wat. Code, Section 12931), or more commonly referred to as the SWP, was enacted into law by the Burns-Porter Act, passed by the Legislature in 1959 and approved by the voters in 1960. The Department of Water Resources constructed and currently operates and maintains the SWP, a system of storage and conveyance facilities that provide water to 29 State Water Contractors known as the Public Water Agencies (PWAs)¹. The Contracts include water management provisions as the methods of delivery, storage and use of water and financial provisions for recovery of costs associated with the planning, construction, and operation and maintenance of the SWP.

DWR and the PWAs have a common interest to ensure the efficient delivery of SWP water supplies and to ensure the SWP's financial integrity. In order to address water management flexibility DWR and the PWAs agreed to the following objectives:

- Supplement and clarify terms of the SWP water supply contract that will provide greater water management regarding transfers and exchanges of SWP water supply within the SWP service area.

The proposed project would add, delete, and modify provisions of the Contracts and clarify certain terms of the Contracts that will provide greater water management regarding transfers and

¹ The State Water Project Public Water Agencies include Alameda County Flood Control and Water Conservation District (Zone 7), Alameda County Water District, Antelope Valley-East Kern Water Agency, City of Yuba City, Coachella Valley Water District, County of Butte, County of Kings, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Dudley Ridge Water District, Empire West Side Irrigation District, Kern County Water Agency, Littlerock Creek Irrigation District, The Metropolitan Water District of Southern California, Mojave Water Agency, Napa County Flood Control and Water Conservation District, Oak Flat Water District, Palmdale Water District, Plumas County Flood Control and Water Conservation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Geronio Pass Water Agency, San Luis Obispo County Flood Control and Water Conservation District, Santa Barbara County Flood Control and Water Conservation District, Santa Clara Valley Water District, Santa Clarita WA (formerly Castaic Lake WA), Solano County Water Agency, Tulare Lake Basin Water Storage District, and Ventura County Flood Control District.

exchanges of SWP water within the SWP service area. In addition, the proposed project would not build new or modify existing SWP facilities nor change any of the PWA's annual Table A amounts.² The proposed project would not change the water supply delivered by the SWP, as SWP water would continue to be delivered to the PWAs consistent with current Contract terms and all regulatory requirements. The May 20, 2019 AIP is included as Appendix A of the 2020 Partially Recirculated Draft Environmental Impact Report (RDEIR).

Section 2. Findings Required Under CEQA

CEQA requires that the lead agency adopt mitigation measures or alternatives, where feasible, to substantially lessen or avoid significant environment impacts that would otherwise occur. Mitigation measures or alternatives are not required, however, where such changes are infeasible or where the responsibility for the project lies with some other agency. (CEQA Guidelines, Section 15091, sub. (a), (b).)

With respect to a project for which significant impacts are not avoided or substantially lessened, a public agency, after adopting proper findings, may nevertheless approve the project if the agency first adopts a statement of overriding considerations setting forth the specific reasons why the agency found that the project's "benefits" rendered "acceptable" its "unavoidable adverse environmental effects." (CEQA Guidelines, Sections 15093, 15043, sub. (b); see also Pub. Resources Code, Section 21081, sub. (b).)

In seeking to effectuate the substantive policy of CEQA to substantially lessen or avoid significant environmental effects to the extent feasible, an agency, in adopting findings, need not necessarily address the feasibility of both mitigation measures and environmentally superior alternatives when contemplating approval of a proposed project with significant impacts. Where a significant impact can be mitigated to an "acceptable" level solely by the adoption of feasible mitigation measures, the agency, in drafting its findings, has no obligation to consider the feasibility of any environmentally superior alternative that could also substantially lessen or avoid that same impact — even if the alternative would render the impact less severe than would the proposed project as mitigated. (*Laurel Hills Homeowners Association v. City Council* (1978) 83 Cal.App.3d 515, 521; see also *Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692, 730-731; and *Laurel Heights Improvement Association v. Regents of the University of California* ("Laurel Heights I") (1988) 47 Cal.3d 376, 400-403.)

In cases in which a project's significant effects cannot be mitigated or avoided, an agency, after adopting proper findings, may nevertheless approve the project if it first adopts a statement of overriding considerations setting forth the specific reasons why the agency found that the "benefits of the project outweigh the significant effects on the environment." (Pub. Resources Code, Section 21081, sub. (b); see also, CEQA Guidelines, Sections 15043, subd. (b), 15093.)

² The maximum amount of SWP water that the PWAs can request pursuant to their individual water supply contract. annual Table A amounts also serve as a basis for allocation of some SWP costs among the contractors.

In the Statement of Overriding Considerations found at the conclusion of this exhibit, DWR identifies the benefit that, in its judgment, outweigh the significant environmental effects that the projects would cause.

The California Supreme Court has stated that “[t]he wisdom of approving ... any development project, a delicate task which requires a balancing of interests, is necessarily left to the sound discretion of the local officials and their constituents who are responsible for such decisions. The law as we interpret and apply it simply requires that those decisions be informed, and therefore balanced.” (*Citizens of Goleta* (1990) 52 Cal.3d 553, 564.)

In support of its approval of the proposed project, DWR’s findings are set forth below for the potentially significant environmental effects and alternatives of the proposed project identified in the EIR pursuant to Public Resources Code, Section 21080 and Section 15091 of the CEQA Guidelines.

These findings do not attempt to describe the full analysis of each environmental impact contained in the 2018 DEIR and 2020 RDEIR (collectively referred to in this document as the DEIR). Instead, a full explanation of these environmental findings and conclusions can be found in the DEIR and these findings hereby incorporate by reference the discussion and analysis in the DEIR supporting the determination regarding the impacts of the proposed project. In making these findings, DWR ratifies, adopts and incorporates in these findings the determinations and conclusions of the DEIR and Final EIR (FEIR) relating to environmental impacts except to the extent any such determinations and conclusions are specifically and expressly modified by these findings.

As described below and in the DEIR, there were two significant impacts identified for the proposed project and they were associated with groundwater hydrology and water quality. There were no mitigation measures identified in the DEIR to substantially lessen or avoid the potentially significant and significant groundwater resource impacts of the proposed project. Therefore, a Mitigation Monitoring and Reporting Program was not developed for the proposed project and is not included herein.

Unless otherwise specified, all page references presented herein are to the 2020 RDEIR.

2.1. Significant and Unavoidable Impacts

The following significant and potentially significant environmental impacts of the project are unavoidable and cannot be mitigated in a manner that would lessen the significant impact to below the level of significance. Notwithstanding disclosure of these impacts, DWR elects to approve the project due to overriding considerations as set forth below in Section 7, the statement of overriding considerations.

Impact Category: Groundwater Hydrology and Water Quality

Impact 5.10-1: The increase in groundwater pumping associated with changes in transfers and exchanges implemented by PWAs could substantially deplete groundwater supplies in some areas of the study area. [p. 5.10-17 – 5.10-21]

Finding. It is possible that transfers and exchanges of SWP water among the PWAs could result in benefits to groundwater levels, as transferred or exchanged water could be used instead of groundwater supplies or this water could be used for groundwater recharge. However, it is also possible that transfers and exchanges from agricultural to M&I PWAs could result in an increase in groundwater pumping resulting in a net deficit in aquifer volume or lowering the local groundwater table in some areas of the study area. DWR's conclusion is based on a program-level analysis, as there is uncertainty in the amount of groundwater use that may occur.

Because the Sustainable Groundwater Management Act (SGMA) is in the process of being implemented and because the extent, location, and implementation timing of groundwater pumping associated with changes in transfers and exchanges implemented by PWAs are not known, assumptions related to the ability of SGMA to mitigate any changes in groundwater levels are speculative.

PWAs could propose feasible mitigation measures to reduce significant impacts to less than significant in some cases, although it is not possible for DWR to conclude that feasible mitigation measures would be available to avoid or mitigate significant groundwater effects in all cases. Per CEQA Guidelines Section 15091(a)(2), implementation and enforcement mitigation measures are within the responsibility and jurisdiction of another public agency and not the agency making the finding.

The extent, location, and implementation timing of groundwater pumping associated with changes in transfers and exchanges implemented by PWAs are not known. Therefore, it is concluded that the potential increase in groundwater pumping could result in a net deficit in aquifer volume or lowering the local groundwater table. **For these reasons, this impact is significant and unavoidable.**

Impact 5.10-2: The increase in groundwater pumping associated with changes in transfers and exchanges implemented by PWAs could result in subsidence in some of the study area. [p. 5.10-22 – 5.10-25]

Finding. It is possible that transfers and exchanges among the PWAs could result in benefits to groundwater levels, as transferred or exchanged water could be used instead of groundwater supplies or this water could be used for groundwater recharge. However, it is also possible that transfers and exchanges from agricultural to M&I PWAs could result in an increase in groundwater pumping in some areas of the study area causing subsidence due to a net deficit in aquifer volume or lowering the local groundwater table. Because the extent, location, and implementation timing of groundwater pumping associated with changes in transfers and exchanges implemented by PWAs are not known, it is concluded that groundwater pumping in

some areas of the study area would cause subsidence due to a net deficit in aquifer volume or lowering the local groundwater table and the impact would be potentially significant.

Because SGMA is in the process of being implemented and because the extent, location, and implementation timing of groundwater pumping associated with changes in transfers and exchanges implemented by PWAs are not known, assumptions related to the ability of SGMA to mitigate any changes in groundwater levels or related subsidence are speculative.

PWAs could propose feasible mitigation measures to reduce significant impacts to less than significant in some cases, although it is not possible for DWR to conclude that feasible mitigation measures would be available to avoid or mitigate significant groundwater effects in all cases. Per CEQA Guidelines Section 15091(a)(2), implementation and enforcement mitigation measures are within the responsibility and jurisdiction of another public agency and not the agency making the finding.

DWR has no information on specific implementation of the transfers and exchanges from the proposed project and it has no authority to implement mitigation measures in the PWA service area. **For these reasons, this impact is significant and unavoidable.**

Section 3. Cumulative Impacts

Cumulative impacts, as defined in Section 15355 of the CEQA Guidelines, refer to two or more individual effects that, when taken together, are “considerable” or that compound or increase other environmental impacts. Cumulative impacts can result from individually minor, but collectively significant, actions when added to the impacts of other closely related past, present, or reasonably foreseeable future projects. Pertinent guidance for cumulative impact analysis is provided in Section 15130 of the CEQA Guidelines.

The DEIR presents the cumulative impact analysis for the proposed project. Each impact discussion in the DEIR assesses whether the incremental effects of the proposed project could combine with similar effects of one or more of the projects identified in the 2020 RDEIR (p.6-2 – 6.14) to cause or contribute to a significant cumulative effect. If so, the analysis considers whether the incremental contribution of the proposed project would be cumulatively significant (p. 6-8 –6-14).

DWR hereby finds that implementation of the proposed project would not result in physical environmental impacts on the following resource areas: hazards and hazardous materials; noise; population, employment and housing; public services and recreation; surface water hydrology and water quality; transportation; and utilities and service systems. Therefore, these resource areas would not contribute to a cumulative effect and would not compound or increase an environmental impact of these other projects.

The cumulative impact analysis associated with the remaining resource areas (aesthetics, agriculture and forest resources, air quality, biological resources, cultural resources, energy, geology and soils, GHG, groundwater hydrology and water quality, land use and planning, and water supply) focused on six types of impacts that were identified as less than significant or

potential impacts of the proposed project that could contribute to cumulative impacts with the cumulative projects (Contract Extension Project, Monterey Amendment and Settlement Agreement, and Sustainable Groundwater Management Act Implementation) identified in the DEIR. The six types of impacts are impacts to groundwater supplies, subsidence, fallowing and changes in crop patterns, energy and Greenhouse Gas (GHG), reservoir storage, and surface water flow above or below diversions. Impacts associated with fallowing and changes in crop patterns, energy and GHG, reservoir storage, and surface water flow above or below diversions were determined to be less than significant with no mitigation required.

Related to groundwater supplies and subsidence, DWR hereby finds as follows:

Groundwater Supplies and Subsidence

Findings. The incremental contribution of the proposed project's effect on groundwater supplies and subsidence would be cumulatively considerable when viewed in connection with the effects of past projects, and current and probable future projects (as full implementation of SGMA is not anticipated until 2040 or 2042). This cumulative impact would be **significant**. PWAs may provide mitigation in their project-level analysis for exchanges and transfers. However, per CEQA Guidelines Section 15091(a)(2), implementation and enforcement mitigation measures are within the responsibility and jurisdiction of another public agency and not the agency making the finding.

Because DWR has no information on specific implementation of the transfers and exchanges from the proposed project and it has no authority to implement mitigation measures in the PWA service area, the cumulative impact would remain **significant and unavoidable**.

Section 4. Significant Irreversible Environmental Changes

According to Sections 15126, subd. (c) and 15126.2, subd. (c) of the CEQA Guidelines, an EIR is required to address any significant irreversible environmental changes that would occur should the proposed project be implemented.

The proposed project would add, delete and modify provisions of the Contracts to clarify terms of the Contracts that will provide greater water management regarding transfers and exchanges of SWP water supply within the service area. The proposed project would not build or modify existing SWP facilities nor change each PWA's contractual maximum Table A amounts. The proposed project would amend and add financial provisions to the Contracts based on the negotiated Agreements in Principle between DWR and the PWAs. Therefore, the proposed project would not result in the commitment of nonrenewable natural resources such as gravel, petroleum products, steel, and slowly renewable resources such as wood products any differently than under existing conditions, and there would be no significant irreversible environmental changes.

Section 5. Growth-Inducing Effects

The CEQA Guidelines Section 15126.2, subd. (d) requires that an EIR evaluate the growth-inducing impacts of a project. As identified in CEQA Section 15126.2(d), growth inducement is not in and of itself an “environmental impact;” however, growth can result in adverse environmental consequences. Growth inducement may constitute an adverse impact if the growth is not consistent with or accommodated by the land use plans and policies for the affected area. Local land use plans, typically General Plans, provide for land use development patterns and growth policies that allow for the “orderly” expansion of urban development supported by adequate urban public services, such as water supply, sewer service, and new roadway infrastructure. A project that would induce “disorderly” growth (i.e., a project in conflict with local land use plans) could indirectly cause adverse environmental impacts. To assess whether a project with the potential to induce growth is expected to result in significant impacts, it is important to assess the degree to which the growth associated with a project would or would not be consistent with applicable land use plans.

In California, cities and counties have primary authority³ over land use decisions, while water suppliers, through laws and agreements, are expected and usually required to provide water service if water supply is available. Approval or denial of development proposals is the responsibility of the cities and counties in the study area. Numerous laws are intended to ensure that water supply planning, including planning for water supply infrastructure, and land use planning (such as the approval of, or establishment of constraints to, development) proceed in an orderly fashion.

The proposed project would not build new or modify existing SWP facilities nor change each PWA’s contractual maximum Table A amounts. As discussed in DEIR Section 5.14, Population, Employment, and Housing, (p. 5.14-2 to 5.14-5) because there would be no new facilities built or existing facilities modified, no housing is proposed as part of the project or required as a result of it, nor would the project provide substantial new permanent employment opportunities. Therefore, the proposed project would not result in direct growth inducement.

Because the proposed project would not result in the construction of new or modification of existing water supply storage, treatment or conveyance facilities it would not remove an obstacle to growth associated with water supply.

As discussed in DEIR Section 5.3 Agricultural and Forestry Resources of the DEIR (p. 5.3-7 to 5.3-9), it is possible that transfers from agricultural to M&I PWAs could result in fallowing of agricultural lands and/or changes in crop patterns (e.g., switching from high water-using crops to low water-using crops) in the study area. It is also possible that exchange of SWP water from agricultural to M&I PWAs could occur. However, these transfers and exchanges and any associated fallowing of agricultural land and/or changes in cropping patterns in the study area would not be anticipated to change the existing agricultural land use designations because the land use would remain in agricultural use. Furthermore, additional water transfers or exchanges

³ Although cities and counties have primary authority over land use planning, there are exceptions to this such as the CEC (with permit authority and CEQA lead agency status for some thermal power plant projects) and the CPUC (with regulatory authority and CEQA lead agency status for certain utility projects).

are not expected to substantially affect the acreage of land fallowed or put into dry farming compared to existing practices for other reasons (e.g., market conditions, economic conditions, etc.). As a result, it would not be anticipated that there would be a change in land uses associated with delivery of SWP water supplies including, conversion of agricultural land uses to urban uses or increased developed uses in urban areas.

While with the proposed amendments transfers and exchanges could be more frequent and longer in duration, they would not be a permanent transfer of a PWA's annual Table A amounts; therefore, it would not represent a viable long-term source of urban water supply to support additional unplanned growth. Therefore, the proposed amendments would not result in additional water supply that could support growth over what is currently planned for in those jurisdictions and the proposed project would not result in indirect growth inducement.

Furthermore, cities and counties are responsible for considering the environmental effects of their growth and land use planning decisions (including, but not limited to, conversion of agricultural land to urban uses, loss of sensitive habitats, and increases in criteria air emissions). As new developments are proposed, or general plans adopted, local jurisdictions prepare environmental compliance documents to analyze the impacts associated with development in their jurisdiction pursuant to CEQA. The impacts of growth would be analyzed in detail in general plan EIRs and in project-level CEQA compliance documents. Mitigation measures for identified significant impacts would be the responsibility of the local jurisdictions in which the growth would occur. If identified impacts could not be mitigated to a level below the established thresholds, then the local jurisdiction would need to adopt overriding considerations.

Section 6. Alternatives

DWR has considered the project alternatives presented and analyzed in the DEIR and presented during the comment period and public hearing process. DWR finds that these alternatives are infeasible. Based on the impacts identified in the DEIR and other reasons summarized below, and as supported by substantial evidence in the record, DWR finds that approval and implementation of the proposed project as proposed is the most desirable, feasible, and appropriate action and hereby rejects the other alternatives and other combinations and/or variations of alternatives as infeasible based on consideration of the relevant factors set forth in CEQA Guidelines Section 15126.6, subdivision (f). (See also CEQA Guidelines, Section 15091, subd. (a)(3).) Each alternative and the facts supporting the finding of infeasibility of each alternative are set forth below.

Alternatives Considered and Dismissed from Further Consideration

The alternative described below was rejected for further consideration (p 7-3 – 7-4).

Implement New Water Conservation Provisions in the Contracts: Agriculture and urban water efficiency, conservation, and management measures are governed by the existing regulatory and legal requirements independent from the proposed project, including Assembly

Bill 1668 and Senate Bill 606. Additional water conservation measures in the Contracts would not provide greater water management regarding transfers and exchanges of SWP water as compared to the proposed project because water conservation is already required. Consequently, these actions are independent from the proposed project and do not meet the basic project objectives. Therefore, amending the Contracts to require implementation of agriculture and M&I water conservation measures was rejected, as these actions are required by state statute and are met by local water agencies under existing law.

Summary of Alternatives Considered

CEQA requires that an EIR describe and evaluate a range of reasonable alternatives to a project or to the location of a project that would feasibly attain most of the basic project objectives and avoid or substantially lessen significant project impacts. The purpose of the alternatives analysis is to determine whether or not a variation of the proposed project would reduce or eliminate significant project impacts within the framework of the project's basic objectives.

The alternatives considered in the DEIR include:

- Alternative 1: No Project
- Alternative 2: Reduce Table A Deliveries
- Alternative 3: Reduced Flexibility in Water Transfers/Exchanges
- Alternative 4: More Flexibility in Water Transfers/Exchanges
- Alternative 5: Only Agriculture to M&I Transfers Allowed

Alternative 1: No Project

Description

CEQA Guidelines section 15126.6, subd. (e) requires consideration of a No Project Alternative. The purpose of this alternative is to allow the decision makers to compare impacts of approving a project with impacts of not approving a project. Under the No Project Alternative, DWR takes no action, and DWR and the PWAs would continue to operate and finance the SWP under the current Contracts.

Facts in Support of Finding of Infeasibility

Alternative 1 would not meet the objective of the project because Alternative 1 does not provide greater water management regarding transfers and exchanges of SWP water supply within the SWP service area and as compared to the proposed project. In addition, impacts under Alternative 1 would be similar but greater when compared to the proposed project. Alternative 1 could result in new potentially significant impacts associated with the construction and operation of new water supply facilities that were not identified for the proposed project. In addition, if alternative sources of water are not available, then the less than significant impacts identified for the proposed project could be potentially significant.

Alternative 2: Amending Contract to Reduce Table A Deliveries

Description

Under Alternative 2, as with the proposed project, DWR and the PWAs would agree to amend the Contracts based on the May 20, 2019 AIP. However, unlike the proposed project, the Contracts would be amended to reduce annual Table A amounts proportionately for all the PWAs.

Facts in Support of Finding of Infeasibility

Alternative 2 would not meet the objectives of the project because it would cause a reduction in delivery of annual Table A amounts proportional for all PWAs and would not provide greater water management regarding transfers and exchanges. In addition, impacts under Alternative 2 would be similar but greater when compared to the proposed project. Alternative 2 could result in new potentially significant impacts associated with the construction and operation of new water supply facilities that were not identified for the proposed project. In addition, if alternative sources of water are not available, then the less than significant impacts identified for the proposed project could be potentially significant.

Alternative 3: Less Flexibility in Water Transfers/Exchanges

Description

Under Alternative 3, as with the proposed project, DWR and the PWAs would agree to amend the Contracts based on the May 20, 2019 AIP. However, unlike the proposed project, the Contracts would not be amended to modify provisions of the Contracts and clarify certain terms of the Contracts to provide greater water management regarding transfers and exchanges of SWP water supply within the SWP service area. Some increase in flexibility of exchanges and transfers would be agreed to, but not all. For example, Alternative 3 would amend the Contracts to allow PWAs to transfer carryover water in San Luis Reservoir, but only 20 percent of the carryover water (the proposed project allows for 50 percent), allow limited multi-year transfers of five years or less (the proposed project allows for up to the Contract term), and not allow use of Transfer Packages. In addition, unlike the proposed project, PWAs would transfer water based on cost compensation established by DWR. Also, under Alternative 3, the Contracts would not amend the text in Article 56(f) regarding water exchanges to add provisions, such as conducting water exchanges as buyers and sellers in the same year and increasing the compensation allowed to facilitate the exchanges. Therefore, Alternative 3 would result in a similar or slightly less amount of water transfers among the PWAs than the proposed project, due to the less flexibility in water transfers and exchanges.

Facts in Support of Finding of Infeasibility

Alternative 3 would meet the objectives of the project, but to a lesser degree because the water transfers and exchanges would not provide as much water management flexibility regarding transfers and exchanges. In addition, impacts under Alternative 3 would be similar but greater

when compared to the proposed project. Alternative 3 could result in new potentially significant impacts associated with the construction and operation of new water supply facilities that were not identified for the proposed project. In addition, if alternative sources of water are not available, then the less than significant impacts identified for the proposed project could be potentially significant.

Alternative 4: More Flexibility in Water Transfer/Exchanges

Description

Under Alternative 4, as with the proposed project, DWR and the PWAs would agree to amend the Contracts. However, unlike the proposed project, the Contracts would be amended to allow PWAs more flexibility in water transfers and exchanges. Similar to the proposed project, PWAs would be able to transfer carryover water in San Luis Reservoir, transfer water for multiple years without permanently relinquishing that portion of their Table A amounts, and transfer water in Transfer Packages. Similar to the proposed project, PWA would be able to transfer water based on terms they establish for cost compensation and duration, and store and transfer water in the same year. Unlike the proposed project that only allows for a single-year transfers associated with carryover water, Alternative 4 would allow transfers and exchanges to include up to 100 percent of a PWA's carryover in San Luis Reservoir and allow multi-year use of its carryover water in both transfers and exchanges. Similar to the proposed project, the proposed exchange provisions of the AIP would establish a larger range of return ratios in consideration of varying hydrology and also maximum compensation with respect to SWP charges and allow PWAs to conduct additional water exchanges as buyers and sellers in the same year.

Facts in Support of Finding of Infeasibility

Alternative 4 would meet the objectives of the project. In addition, Under Alternative 4 the less than significant impacts associated with changes in flow including, adverse effects to special-status fish or terrestrial species, and water supply would be similar to the proposed project. However, similar to the proposed project, there is potential for Alternative 4 to result in a net deficit in aquifer volume, lowering of the local groundwater table, or subsidence in some areas of the study area with impacts that may be significant and unavoidable.

Alternative 5: Greater Water Management – Only Agriculture to M&I Transfers Allowed

Description

Under Alternative 5, as with the proposed project, DWR and the PWAs would agree to amend the Contracts based on the May 20, 2019 AIP.

Unlike the proposed project, DWR and PWAs would amend Contract provisions to allow the transfer of Table A water only from agricultural PWAs to M&I PWAs and not change any current Contract provisions for exchanges. Transfers from M&I PWAs to M&I PWAs, M&I PWAs to agricultural PWAs, and agricultural PWAs to agricultural PWAs would not be allowed. Similar to

the proposed project, PWAs could transfer carryover water in San Luis Reservoir to PWAs, transfer water for multiple years without permanently relinquishing that portion of their Table A amounts and request DWR's approval of Transfer Package; however, unlike the proposed project, these transfers would only be from agricultural PWAs to M&I PWAs. Similar to the proposed project, Alternative 5 would revise the Contract to allow the PWAs to transfer water based on terms they establish for cost compensation and duration. An agricultural PWA would be able to store and transfer water in the same year to M&I PWAs, and transfer up to 50 percent of its carryover water, but only for a single-year transfer to an M&I PWA (i.e., a future or multi-year commitment of transferring carryover water is not allowed). Under Alternative 5, the Contracts would not be amended to modify the text in Article 56(f) regarding water exchanges to include additional provisions, such as conducting water exchanges as buyers and sellers in the same year.

Similar to the proposed project, Alternative 5 would not build new or modify existing SWP facilities nor change any of the PWA's contractual maximum Table A amounts. Also similar to the proposed project, Alternative 5 would not change the water supply delivered by the SWP as SWP water supply would continue to be delivered to the PWAs consistent with current Contracts terms, including Table A and Article 21 deliveries. Operation of the SWP under this alternative would be subject to ongoing environmental regulations including for water rights, water quality and endangered species protection, among other State and federal laws. Also similar to the proposed project, Alternative 5 would not require additional permits or approvals.

Facts in Support of Finding of Infeasibility

Alternative 5 would meet some of the objectives of the project, but to a lesser degree because the water transfers and exchanges would not provide as much water management flexibility regarding transfers and exchanges. In addition, impacts under Alternative 5 would be similar but greater when compared to the proposed project. Alternative 5 could result in new potentially significant impacts associated with the construction and operation of new water supply facilities that were not identified for the proposed project. In addition, if alternative sources of water are not available, then the less than significant impacts identified for the proposed project could be potentially significant.

Environmentally Superior Alternative

CEQA Guidelines Section 15126.6 subd. (e) requires the identification of an environmentally superior alternative to the proposed project.

As presented in the DEIR, implementation of the proposed project would result in less than significant or no physical environmental impacts to all resource areas except for impacts related to groundwater supplies and subsidence, which are significant and unavoidable.

Alternative 4 would result in similar impacts as the proposed project (e.g., net deficit in aquifer volume, lowering of the local groundwater table, or subsidence in some areas of the study area). Alternatives 1, 2, 3, and 5 could result in impacts similar or greater (new potentially significant impacts associated with the construction and operation of new water supply facilities that were not identified for the proposed project) than the proposed project. Therefore, because the

proposed project and Alternative 4 would result in similar impacts and the other alternatives may result in similar or greater impacts, Alternative 4 was determined to be the environmentally superior alternative.

Section 7. Statement of Overriding Considerations

DWR hereby declares that, pursuant to CEQA Guidelines Section 15093, it has balanced the benefits of the proposed project against any unavoidable environmental impacts in determining whether to approve the proposed project. Pursuant to the CEQA Guidelines, if the benefits of the proposed project outweigh the unavoidable adverse environmental impacts, those impacts may be considered “acceptable.”

Having evaluated the reduction of adverse significant environmental effect of the proposed project to the extent feasible, considered the entire administrative record on the Project, and weighed the benefits of the proposed project against its unavoidable adverse impact, DWR has determined that each of the following benefits of the proposed project separately and individually outweigh the potential unavoidable adverse impacts and render those potential adverse impacts acceptable based upon the following overriding considerations. The following represents the specific reasons to support this determination based on the final EIR and information contained therein.

Water Transfers

The proposed project would add, delete, and modify provisions of the Contracts and clarify certain terms of the Contracts that will provide greater water management regarding transfers and exchanges of SWP water within the SWP service area.

The transfer provisions of the proposed project would facilitate the PWAs ability to:

- Transfer SWP water for multiple years and multiple parties without permanently relinquishing that portion of their annual Table A amounts;
- negotiate cost compensation and duration among the PWAs on a willing seller-willing buyer basis for water transfers; and
- Transfer SWP water stored outside of the transferring PWA’s service area to the receiving PWA’s service area

All these proposed transfer provisions would provide the PWAs with increased flexibility for short-term and long-term planning and management of their SWP water supplies. The proposed project, however, would not include any change to the PWA’s permanent annual Table A amounts.

Since the Monterey Amendment, DWR has approved short-term water transfers pursuant to Articles 15(a) and 41, and has administered the short-term Turn-Back Water Pool Program pursuant to Article 56 of the Contracts. The Turn-Back Water Pool Program allows a PWA to sell Table A water that it will not use, subject to certain conditions, for a set price that is either 50

percent or 25 percent of the Delta Water Rate for that year. DWR has also administered, on a demonstration basis, a multi-year water pool program for 2013-2014 and 2015-2016 that allowed PWAs to participate in the two-year program as either a buyer or seller for each of the two years (a decision made at the beginning of each of the two-year programs) with greater compensation for the water than allowed under the Turn-Back Water Pool Program. DWR has allowed transfers of Table A water among two PWAs with the same landowner in their respective service areas that do not include an exchange of money.

The proposed project would remove all language related to the Turn-back Pool from the Contracts and, compared to the Turn-Back Water Pool Program where DWR established the price based on the Delta water rate, the proposed project would revise the Contracts to allow the PWAs to transfer water based on terms they establish for cost compensation and duration. Also, in contrast to the Turn-Back Water Pool Program, a water transfer could be as long as the remainder of the term of the PWA's Contract. In addition, a PWA would be able to store and transfer water in the same year, and transfer up to 50 percent of its carryover water in San Luis Reservoir, but only for a single-year transfer (i.e., a future or multi-year commitment of transferring carryover water is not allowed).

The proposed amendments would result in a greater amount of water transfers among the PWAs than under the current Contract provisions. Based on past experience and discussions with PWAs, most water transfers that occur due to the proposed amendments would occur among the PWAs located south of the Delta and would not involve additional export of SWP water from the Delta. Water transfers would be implemented using the existing physical facilities and existing operational and regulatory processes, including CEQA compliance.

Water Exchanges

The proposed project would amend the text in Article 56(f) regarding water exchanges to include additional provisions. The proposed exchange provisions of the AIP would establish return ratios (up to a 5:1 ratio) based on a consideration of varying hydrology and would set compensation based on a PWA's SWP charges.

The proposed amendments would allow PWAs to exchange carryover water in San Luis Reservoir, and exchange up to 50 percent of their carryover water in a single-year transaction (i.e., a future or multi-year commitment of exchanging carryover water is not allowed). The proposed provisions would also allow PWAs to conduct water exchanges of carryover water as buyers and sellers in the same year.

While DWR has approved water exchanges pursuant to Articles 15(a), 41, and 56(f), the proposed project would provide the PWAs with increased flexibility for short-term and long-term planning of water supplies. Under the proposed project, exchanges may be used more frequently to respond to variations in hydrology, such as wet years, and in single dry-year and multiple dry-year conditions.

Acronyms and Glossary

AIP	Agreement in Principle
CEQA	California Environmental Quality Act
CFR	Code of Federal Regulations
Contracts	Water Supply Contracts
DEIR	Draft Environmental Impact Report
DWR	California Department of Water Resources
EIR	Environmental Impact Report
FEIR	Final EIR
PRC	California Public Resources Code
PWAs	Public Water Agencies
RDEIR	Recirculated Draft Environmental Impact Report
SGMA	Sustainable Groundwater Management Act
SWC	State Water Contractors
SWP	State Water Project



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

October 1, 2020

TO: CCWA Operating Committee

FROM: Ray A. Stokes
Executive Director 

SUBJECT: Mid-Valley Water Bank Proposal

SUMMARY

CCWA has been approached by representatives of a proposed water bank to be constructed in the San Joaquin Valley called the Mid Valley Water Bank, to determine if CCWA or any of its project participants would be interested in potentially participating in the proposed water bank.

Staff has requested that Terry Erlewine, who is assisting with the Mid Valley Water Bank, make a brief presentation at the Operating Committee meeting to determine if any of our CCWA project participants would like CCWA to continue to pursue potential participation in the project.

DISCUSSION

The Mid Valley Water Bank is a proposed groundwater storage program that would be located in the San Joaquin Valley, west of Fresno. The Mid Valley Water Bank would be a larger scale groundwater banking program located in McMullin Area Groundwater Sustainability Agency (MAGSA). California Aqueduct water would be delivered from San Luis Reservoir to the Mendota Pool on the San Joaquin River, using available capacity in the CVP's Delta Mendota Canal. A new pump diversion would be constructed from Fresno Slough, which is hydraulically connected to the Mendota Pool. From the Mendota Pool, water would be delivered through new facilities for recharge in lands in MAGSA, with large volumes of available groundwater storage to lands with good recharge capability and good groundwater quality.

Facilities being evaluated for this project include a 10-mile long intake conveyance canal that extends from the Fresno Slough on the west to the eastern boundary of MAGSA. Another canal would run north and south of the main intake canal to deliver water to recharge sites, which will include both recharge basins and deliveries to existing croplands. Extraction wells would be constructed in the vicinity of the recharge facilities for return of groundwater back to the conveyance canals. The new extraction facilities would be located in areas of favorable groundwater quality conditions to facilitate proposed exchange with Mendota Pool water. The delivery conveyance canals would also be used to convey extracted water from groundwater pumps back to Fresno Slough for exchange with Delta Mendota Canal flows. The exchange of extracted water in dry years for Delta Mendota Canal flows would make water available at San Luis Reservoir. The project would interface with the California Aqueduct at O'Neill Forebay, below San Luis Reservoir. This location has the benefits of requiring minimal initial Aqueduct

pumping costs (no pumping plants used downstream of Banks Pumping Plant) and not involving issues of use of downstream SWP facilities.

Development of the Mid Valley Water Bank could potentially be phased, based on the level of interest by project participants. The Mid Valley Water Bank would be constructed by MAGSA and interested SWP contractors.

RAS



October 1, 2020

Mr. David Vang
Westlands Water District
3130 North Fresno Street
Fresno, California 93703-6056

Subject: Notice of Intent to Adopt a Negative Declaration for the Westlands Water District (WWD) Groundwater Pumping and Conveyance Project

Dear Mr. Vang:

The above public water agencies appreciate the opportunity to review and comment on the Notice of Intent to Adopt a Negative Declaration for the WWD's Groundwater Pumping and Conveyance Project (Project).

The Initial Study (IS) and Negative Declaration (ND) were prepared pursuant to the California Environmental Quality Act (CEQA) by the WWD as the Lead Agency. The proposed Project would include a five-year Warren Act Contract between the District and United States Bureau of Reclamation which would allow WWD to introduce up to 30,000 AFY, or up to 150,000 AF local of local groundwater into the San Luis Canal over the five-year life of the Project (2020-2025); specifically, years in which the WWD's Central Valley Water Project (CVP) allocation is 20 percent or less. The proposed Project would involve four main components: groundwater pumping, water conveyance in San Luis Canal (SLC), ground subsidence monitoring, and water quality monitoring. The State Water Contractors (SWC) has the following general comments:

SWP Water Quality Impacts

Surface water quality changes resulting due to this Project are important because proposed pump-ins in this Project would use the SLC for conveyance and SLC is a joint-use facility that conveys SWP water. As such, introducing water with a lower quality could alter the water quality in the SLC and adversely impact the SWP contractors. Historically, this pump-in program has been viewed as a mechanism to increase water supply by improving water quality of groundwater supplies that are sub-optimal for agricultural use through dilution. The SWC member agencies continue to have concern regarding the possible effects this Project could have on the quality of the SWP deliveries downstream. The potential to introduce water with significant TDS and arsenic can be particularly burdensome on our municipal water suppliers. In addition, the recent heightened concerns on PFOA and PFOS adds new constituents of concern for municipal water supplies throughout the State. One-time screening of wells, at the beginning of the program, is not sufficient. Rather, a routine testing and evaluation of the water quality needs to occur throughout this Project. We request that WWD, as part of its CEQA mitigation, commit to comply with the DWR Facilitation Group protocols and the DWR Water Quality Policy and Implementation Process for Acceptance of Non-Project Water into the SWP.

In addition, due to the close proximity and downstream position of a SWC member agency, the time available to quickly react to degrading water quality is minimal, which presents a real risk of delivering water exceeding State drinking water standards to individual homes. We note that conventional surface water treatment plants have no capacity to remove mineral constituents typically found in groundwater. Therefore, if unacceptable water quality is discovered at the water treatment plant, the plant would need to shut down and remain shut down while the considerable volume of impacted water within the California Aqueduct is purged resulting in a potentially significant water supply impact to the SWC members.

It is important to have frequent and regular water quality monitoring at individual wells and not just at the Laterals or integration facilities. Currently, it does not appear that water quality data from each individual wells that will be used in the pump-in program will be monitored according to the draft Water Quality Monitoring Plan included in the IS. It is concerning that the Water Quality Monitoring Plan is not finalized prior to the CEQA review of the proposed Project. The monitoring plan should include proposed sampling and analysis plan for emerging constituents of concerns (e.g. PFAS) and should be finalized and integrated into the project approvals, including the mitigation.

The Appendix A tables should be revised to be consistent with Title 22 CCR, including adopting the recommended secondary MCLs for TDS, specific conductance, chloride, and sulfate. Although, the Project lists 88 existing water integration locations along the SLC and approximately 117 operating groundwater wells, additional wells and water integration locations could be added to the list if they meet the criteria from Appendix A. It is concerning that the CEQA review was conducted without fully identifying all the participating wells in this Project. This information is critical for SWC members to ensure the Project does not have adverse impacts on water quality for SWP uses including drinking water for millions of Californians.

Structural and Operation Impacts to the SWP

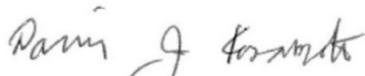
Since the last proposed WWD pump-in proposal, there has been a quantitative study on the location, extent, and causes of the San Luis Canal/California Aqueduct subsidence (Reference DWR's 2017 California Aqueduct Study and 2019 Supplemental Report). From these recent studies, it is clear that subsidence problems are most acute in sections of the San Luis Canal in the direct vicinity of this Project. In addition, subsidence rates greatly increase during times of drought – which is the intended pumping period for the proposed pump-in program. To date, subsidence has reduced the Canal/Aqueduct's carrying capacity by up to 20%. Continued and/or increased groundwater pumping in the vicinity of the San Luis canal as part of this pump-in program cannot do anything but exacerbate the subsidence issue.

DWR has also estimated that remediation of the subsidence issue (extensive construction) will cost hundreds of million in the near-term and potentially up to \$2B in the long-term. Faced with such a detrimental infrastructure and operational liability/impact, it is imperative that this Project does not cause additional subsidence damage to CVP/SWP facilities. Therefore, we request that no wells capable of influencing subsidence around or under the San Luis canal be used in this pump-in program.

A subsidence monitoring program will be a necessity for the proposed Project. The benchmark used to evaluate what is an "acceptable" level is critical as is the time period of the monitoring since subsidence effects from this Project may not occur until many years after this Project's conclusion (and termination of monitoring) and it would be too late to reduce/stop the progression. However, for the record, we currently cannot foresee an "acceptable" amount of additional subsidence caused by this Project.

WWD is facilitating the proposed pump-in program, conveying the water and responsible for monitoring. Therefore, WWD is responsible for the water supply, water quality and subsidence impacts associated with this Project, irrespective of ownership of the wells participating in this Project. We request that WWD accept and address our comments to avoid impacts to the SWP water supply, water quality and facilities due to this Project.

Sincerely,



Darin Kasamoto, General Manager
San Gabriel Valley Municipal Water District



Mark S. Krause, General Manager
Desert Water Agency



Roxanne Holmes, General Manager
Crestline-Lake Arrowhead Water Agency



Heather Dyer, General Manager
San Bernardino Valley MWD



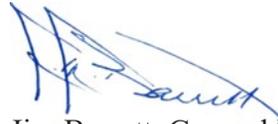
Roland Sanford, General Manager
Solano County Water Agency



Matthew Stone, General Manager
Santa Clarita Valley Water Agency



Jeff Kightlinger, General Manager
Metropolitan Water District



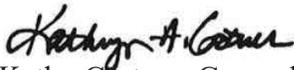
Jim Barrett, General Manager
Coachella Valley Water District



Dennis D. LaMoreaux, General Manager
Palmdale Water District



Ray A. Stokes, Executive Director
Central Coast Water Authority



Kathy Cortner, General Manager
Mojave Water Agency



Dwayne Chisam, General Manager
Antelope Valley East Kern Water Agency