



TITLE

State Water Project Carryover Water Transfer

RECOMMENDATION

Adopt a Resolution authorizing the American Canyon Director of Public Works to agree to the attached draft term sheets with Kern County Water Agency (KCWA) of the Westside Districts for a total transfer of 1,075 AF of Carryover Water.

CONTACT

Erica Ahmann Smithies, P.E., Public Works Director
Norman Woods, M.B.A., Assistant Public Works Director
Dominic Patrick, Water Systems Manager

BACKGROUND & ANALYSIS

Background:

The City of American Canyon is a sub-contractor to the Napa County Flood Control and Water Conservation District (NCFCWCD) for the contract with the State of California for the water received from the State Water Project (SWP) via the North Bay Aqueduct. The terms of the agreement with NCFCWCD are specified in City Agreement No. 423, and subsequent Amendment No. 18, on April 5, 2022. The NCFCWCD is a member of the State Water Contractors Association, which is comprised of the 29 contractors for State Water Project water.

The City of American Canyon has invested in SWP Water Supplies since June 15, 1992, when it purchased its original entitlements for the State Water Project known as Table A water. The City of American Canyon has 5,200 Acre-Feet (AF) of annual Table A SWP Entitlements. Each calendar year the California Department of Water Resources (DWR) assesses the reservoir levels, snowpack, and overall state of the water supply in the SWP system and establishes a percent allocation of Table A entitlements each calendar year that can be delivered.

In select years, if the City does not consume all its Table A entitlements, and San Luis Reservoir does not spill, the unused water is reclassified as Article 56 water (c), or carryover water, which can be used the following calendar years. Carryover is additive year over year if Table A, South of Delta entitlement is not consumed by American Canyon has a yearly maximum of 50 percent of the Table A allocation. If San Luis Reservoir spills, there is a formula to which carryover is depleted. However,

historically Article 56 (c) stored water has been lost in its entirety during a spill event, and all carryover water is lost.

Analysis:

In 2023, the State Water Project (SWP) allocation for North of Delta contractors was 100%, which allowed the City of American Canyon to receive its full Table A allocation of 5,200 acre-feet (AF) and carry over 2,600 AF (50% of Table A maximum) into 2024. In 2024, the SWP allocation for North of Delta contractors is 65%, providing American Canyon with a Table A allocation of 3,380 AF. For 2025 the SWP allocation for North of Delta contractors is 70%, providing American Canyon with a Table A allocation of 3,640 AF.

Under the water exchange formula with South of Delta (SOD) contractors, 50% of the total SWP allocation (1,300 AF) is available for transfer. After subtracting American Canyon's 2025 Table A use, this will impact the amount of carryover water available in 2026. Staff projects that 1,075 AF of unused Table A water in 2025 will carry over but will be lost in 2026. Regardless of whether the water is sold or not, the City will still receive 1,300 AF in 2026, as carryover is capped at 50% of the Table A allocation. Fortunately, due to high allocations in water year 2023 (100%) and 2024 (65%) it is projected that with the sale of 1,075 AF over 4,303 AF of carryover will be available at the end of 2025.

DWR controls water levels in San Luis Reservoir by pumping water out of the San Joaquin-Sacramento River Delta, upstream from O'Neill Forebay. DWR has changed operations to pump water to the San Luis Reservoir this fall, ahead of the winter rains, in part to maintain operational flexibility to move water to southern California SWP contractors without pumping at Banks Pumping Plant which has been subject to restrictions in recent years based on biological monitoring in the San Joaquin-Sacramento River delta during winter months. This operational change increases the likelihood of San Luis Reservoir spilling and subsequent loss of the City's stored carryover water. As part of operational changes, DWR is also allowing for the sale of water amongst SWP contractors. Westside Districts consist of Dudley Ridge Water District and four member units of the Kern County Water Agency (KCWA). NCFCWCD has found Kern County Water Agency (KCWA) who are currently interested in a water transfer totaling 1,075 AF of American Canyon's carryover water. KCWA will pay American Canyon for the water transfer separately at \$375/AF respectively.

NCFCWCD has created the attached draft term sheets for the two agencies to transfer water between agencies. NCFCWC draft term sheets include transfer of water from all three sub-contractors (City of Napa, City of American Canyon, and City of Calistoga) with the total exchange being: 6,000 AF to KCWA. American Canyon would transfer subject to the attached term sheets and the California Department of Water Resources (DWR) water transfer criteria, if draft term sheets are adopted by all agencies.

American Canyon will be able to reliably meet normal annual demands of approximately 2,500 AF over the next two years while making normal withdrawals from Carryover 4,303 AF, Permit Water

delivered to Cordelia Forebay 500 AF, and assuming SWP Table-A allocations are only 15% allocation levels 780 AF.

The SWP supply has the following additional water sources:

- Article 21 water that has averaged about 100 AF over the last four years for American Canyon
- Dry Year Transfer and Yuba Accord water purchases, as available
- Advanced Table A water of 5,200 AF for American Canyon

In addition, if there is a severe drought, staff will be requesting the Council adopt additional mandatory conservation stages that typically reduce demand by another 10% to 20%.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

There is no financial cost but only revenue potential. The amount of projected carryover water that will be lost in 2025 is 1,075 AF, however, if it is all transferred the revenue would be approximately \$403,000 and go into Account No. 510-80-810-36391 (North Bay Aqueduct). NCFCWCD has only identified one interested agency from the SOD: KCWA, Westside Districts.

ENVIRONMENTAL REVIEW

This action is exempt from CEQA (Section 15301) in accordance with the Notice of Exemption filed by the Napa County Flood Control Water Conservation District.

COMMUNICATION

Level 0: No Further Public Communication Needed

ATTACHMENTS:

1. [Resolution State Water Project Carryover Transfer](#)
2. [Term Sheets for Water Transfer Westside Districts](#)