

# **Agenda**

Sacramento Suburban Water District  
**Ad Hoc Water Banking and Transfer Committee**

3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821

September 28, 2020  
5:00 p.m.

**In accordance with the California Department of Public Health’s and the Governor’s Executive Orders N-29-20 and N-33-20, the District’s boardroom is closed and this meeting will take place solely by videoconference and teleconference. The public is invited to listen, observe, and provide comments during the meeting by either method provided for below. The Chairperson will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call.**

**For members of the public interested in viewing and having the ability to comment at the public meeting via Zoom, an internet enabled computer equipped with a microphone and speaker or a mobile device with a data plan is required. Use of a webcam is optional. You also may call in to the meeting using teleconference without video. Please use the following login information for videoconferencing or teleconferencing:**

**Join the meeting from a computer, tablet or smartphone:**

<https://us02web.zoom.us/j/89965797665?pwd=SEJYQjJHRXcyMVBtNFdvTnExR0R2UT09>

**Meeting ID:** 899 6579 7665  
**Password:** 006835

**You can also dial in using your phone:** 1-669-900-6833

New to Zoom? Get the app now and be ready when your first meeting starts: <https://zoom.us/>  
Zoom uses encryption of data during Zoom meetings. The District uses a secure password to restrict access to scheduled meetings. The meeting host has control of content sharing, recording, and chat.

**Please mute your line.**

Where appropriate or deemed necessary, the Committee may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District’s Administrative Office at the address listed above.

The public may address the Committee concerning an agenda item either before or during the Committee’s consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

**Call to Order**

**Roll Call**

**Announcements**

**Public Comment**

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

**Items for Discussion and/or Action**

**1. Placer County Water Agency Agreement Amendment No. 3**

*Recommendation: Recommend the full Board approve the proposed Amendment No. 3 to the Placer County Water Agency and Sacramento Suburban Water District, Water Supply for Groundwater Stabilization Agreement, subject to approval by District legal counsel.*

**Adjournment**

\*\*\*\*\*

**Upcoming Meetings:**

Monday, October 12, 2020, at 5:00 p.m., Special Board Workshop  
Monday, October 19, 2020, at 6:00 p.m., Regular Board Meeting

\*\*\*\*\*

I certify that the foregoing agenda for the September 28, 2020 meeting of the Sacramento Suburban Water District Ad Hoc Water Banking and Transfer Committee was posted by September 25, 2020 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

---

Dan York  
General Manager/Secretary  
Sacramento Suburban Water District



## Water Banking and Transfer Committee

### Agenda Item: 1

**Date:** September 28, 2020

**Subject:** Placer County Water Agency Agreement Amendment No. 3

**Staff Contact:** Mike Huot, Assistant General Manager

#### **Recommended Committee Action:**

Recommend the full Board approve the proposed Amendment No. 3 to the Placer County Water Agency and Sacramento Suburban Water District, Water Supply for Groundwater Stabilization Agreement, subject to approval by District legal counsel.

#### **Background:**

On August 21, 1995, Placer County Water Agency (PCWA) and Northridge Water District (NWD) entered into a Water Supply Agreement (Agreement). PCWA owns and operates the Middle Fork American River Project, and NWD provided water in its service area primarily by groundwater. The Water Supply Agreement was intended for PCWA to sell surplus water under their Water Rights to NWD under terms and conditions of the Agreement. The term of the Agreement would remain in effect through December 31, 2025. The amount of water to be made available to NWD was 12,000 acre-feet in 1995 and increased over 15 years to 29,000 acre-feet.

On June 1, 2000, the Agreement of August 21, 1995, was amended and superseded. The major change was including the Bureau of Reclamation’s Protest to PCWA’s petition agreement to Expand the Place of Use of their water rights. The Agreement limits when PCWA can deliver water to NWD to years when the projected March through November unimpaired inflow into Folsom Reservoir is greater than 950,000 acre-feet. After ten years, the restrictions tightened and PCWA is only allowed to deliver water to NWD when the projected unimpaired inflow into Folsom Reservoir reaches 1,600,000 acre-feet.

On October 2, 2008, the Agreement of June 1, 2000, Amendment No. 1 was made effective. Amendment No. 1 stipulated that Sacramento Suburban Water District (District) is the successor entity to NWD following the consolidation of NWD and Arcade Water District, and that the District has succeeded to all the rights and obligations of NWD under the Agreement. Amendment No. 1 also added in the “take-or-pay” provision where the District is required to pay PCWA the cost of the surface water when the water is available to deliver. Effective September 1, 2008, the “take-or-pay” was 16,000 acre-feet, and effective January 1, 2009 the “take-or-pay” was 12,000 acre-feet.

On June 2, 2016, Amendment No. 2 was made effective. Amendment No. 2 extended the term of the Agreement to December 31, 2045.

**Discussion:**

In 2019 the District and PCWA staff began discussing potential amendments to the Agreement. PCWA is willing to make the following adjustments, which is incorporated in the attached draft Amendment No. 3 (Attachment 1). Key revisions being suggested are as follows:

- Reduce the take-or-pay amount from 12,000 acre-feet to 8,000 acre-feet.
- Adjust the Time and Method of Payment from quarterly to semi-annual, with payments due following when deliveries are made.
- Reduce the net revenue amount owed to PCWA for selling, leasing, transferring, or disposing of water outside the authorized service area from 95% to 50%, or an amount that SSWD and PCWA agrees upon on a case-by-case basis.
- Exhibit B is updated showing the current Place of Use and updated water purveyor names.

If the “take-or-pay” is reduced to 8,000 acre-feet, and the District makes a decision to purchase only 8,000 acre-feet when the water is available, the District has the potential to save funds, while still operating its conjunctive use program.

Furthermore, PCWA and District staff are discussing sharing capacity in the Cooperative Pipeline Transmission Main. District staff is considering opportunities for PCWA to obtain water supplies to provide water delivery obligations to developing areas, such as Placer Vineyards and Regional University developments. If this comes to fruition, the terms and conditions will be drafted in a separate agreement.

**Fiscal Impact:**

There is no fiscal impact.

**Strategic Plan Alignment:**

Goal A - Provide a High Quality Reliable Water Supply by Ensuring it is Sustainable, Clean, and Safe

Goal C - Ensure Fiscal Responsibility and Affordable Rates

The District’s ratepayers will benefit because approving Amendment No. 3 will lessen the District’s commitment to pay for surface water if not needed.

**Attachment:**

1 – Amendment to the Agreement Between PCWA and SSWD for a Water Supply for Groundwater Stabilization

**AMENDMENT NO. 3**  
**TO THE AGREEMENT BETWEEN PLACER COUNTY WATER AGENCY AND**  
**SACRAMENTO SUBURBAN WATER DISTRICT**  
**FOR A WATER SUPPLY FOR GROUNDWATER STABILIZATION**

This Amendment No. 3 ("Amendment") is entered into as of \_\_\_\_\_, 2020 by and between Placer County Water Agency, a public agency (the "Agency"), and Sacramento Suburban Water District, a public agency ("Sacramento Suburban"), in the County of Sacramento, California, and amends the Agreement Between Placer County Water Agency and Sacramento Suburban Water District for a Water Supply for Groundwater Stabilization originally entered into on June 1, 2000 (the "2000 Water Supply Agreement") and previously amended by Amendment No. 1 dated October 2, 2008, and Amendment No. 2 dated June 2, 2016 (collectively, the "Water Supply Agreement"). The Agency and Sacramento Suburban are collectively referred to as the "Parties." Terms defined in the Water Supply Agreement shall have the same meaning in this Amendment.

**Recitals**

- A. The Agency and Northridge Water District entered into the 2000 Water Supply Agreement, which provided for up to 29,000 acre-feet per year of water that would be made available by the Agency for use by Northridge Water District under specified conditions.
- B. Sacramento Suburban is the successor entity to Northridge Water District following the consolidation of Northridge Water District and Arcade Water District, and Sacramento Suburban has succeeded to all the rights and obligations of Northridge Water District under the 2000 Water Supply Agreement.
- C. Under Amendment No. 1 to the 2000 Water Supply Agreement the Parties agreed to reduce the Sacramento Suburban Annual Entitlement from 29,000 acre-feet per year to 12,000 acre-feet per year of water.
- D. Under Amendment No. 2 to the 2000 Water Supply Agreement the Parties agreed to extend the term of the agreement through December 31, 2045.
- E. The Parties desire to further amend the Water Supply Agreement as set forth in this Amendment.

In consideration of the mutual covenants contained, herein, the Parties agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are true and are incorporated by reference.
2. **Amendment of Water Supply Agreement.** This Amendment modifies certain language under the Water Supply Agreement as set forth below.

- 3. References to Northridge Water District Amended.** All references to “Northridge Water District” in the Water Supply Agreement are amended to “Sacramento Suburban Water District.”
- 4. Amendment of Exhibit B, Authorized Service Area for PCWA Water.** Exhibit B of the Water Supply Agreement is amended and replaced by the attached Exhibit B, Sacramento County Place of Use for Water Right Permits 13856 & 13858.
- 5. Amendment of Section 4, Water to be Furnished to Sacramento Suburban.** Section 4 of the Water Supply Agreement is amended to read as follows:
  - (a) Effective March 1, 2020 and continuing each year thereafter during the term of this Water Supply Agreement, the Agency shall make available to Sacramento Suburban, subject to the water shortage provisions set forth this Water Supply Agreement and the operating criteria set forth in Exhibit A to this Water Supply Agreement, 8,000 acre-feet of untreated water ("Sacramento Suburban Annual Entitlement").
  - (b) This is a “Take or Pay Agreement.” Thus, each year, when the water is available, Sacramento Suburban shall be required to pay for the Sacramento Suburban Annual Entitlement or surrender its right to some of it so that the Agency is free to put the water to use elsewhere. If Sacramento Suburban does not take or pay for the Sacramento Suburban Annual Entitlement in any year in which the Agency makes the entire entitlement available, the Sacramento Suburban Annual Entitlement for each year thereafter shall be reduced by an amount equal to 50 percent of the amount which Sacramento Suburban did not take or pay for during the previous year.
  - (c) When water is not available from the Agency due to water right limitations, drought, or other causes (e.g., delivery is not possible due to the maintenance or outage of conveyance infrastructure), payment is not required from Sacramento Suburban for the amount of the Sacramento Suburban Annual Entitlement that the Agency cannot make available.
  - (d) In any year during the term of this Water Supply Agreement when water is made available by the Agency, Sacramento Suburban may request that the Agency make available a water supply in addition to the Sacramento Suburban Annual Entitlement up to a total water supply of 29,000 acre-feet. An approval for a supplemental supply will not change the amount of the Sacramento Suburban Annual Entitlement, unless otherwise agreed to by the Parties. Such an approval in one year would not obligate the Agency to approve a request in a subsequent year, and approval in one year would not require Sacramento Suburban to request an increased water supply in a subsequent year.
- 6. Amendment of Section 8, Delivery Schedule.** Section 8 of the Water Supply Agreement is amended to read as follows:

Each year Sacramento Suburban shall submit to the Agency a written schedule, broken down by month, that indicates the times and quantities of the Sacramento Suburban Annual Entitlement to be diverted from Folsom Reservoir for delivery to Sacramento Suburban pursuant to this Water Supply Agreement. This annual delivery schedule shall be submitted to the Agency within 10 days following the first release of a California Department of Water Resources (“DWR”) Bulletin 120 seasonal runoff forecast (“B120”) indicating that delivery under this Water Supply Agreement is permitted. The annual delivery schedule submitted shall run from March 1st of a given year through the end of February of the following year and shall be consistent with Sacramento Suburban’s Warren Act Contract schedule submittal requirements for introduction and delivery of non-project water. The following provisions shall also apply:

- (a) **Timing for Start and Stop of Water Deliveries.** When the March through November unimpaired inflow to Folsom Reservoir (“UIFR”) index is determined to be greater than 1,600,000 acre-feet (1.6 MAF), as determined by B120, then water is available for delivery to Sacramento Suburban until the DWR publishes a new B120 that indicates that the UIFR is below 1.6 MAF and therefore the delivery threshold is not met and water deliveries to Sacramento Suburban are not authorized.
- (b) **Winter Water Deliveries.** Pursuant to the Agency’s Water Right Permits 13856 and 13858, and when the prior March through November UIFR index is less than 1.6 MAF, water shall be available to Sacramento Suburban during the months of December, January, or February after flood control releases are initiated at Folsom Reservoir. Such winter water deliveries would cease if the February B120 determines that the March through November UIFR index is less than 1.6 MAF. Given the unique circumstance of this scenario, Sacramento Suburban would only pay for water actually delivered in these months.
- (c) When necessary, the Agency and Sacramento Suburban shall cooperate in revising the delivery schedule to accommodate limitations in the available capacity of water diversion, treatment and conveyance facilities to be utilized by Sacramento Suburban.

**7. Amendment of Section 12, Rate and Method of Payment for Water.** Section 12 of the Water Supply Agreement is amended to read as follows:

- (a) **Rate of Payment for Water.** Each year Sacramento Suburban shall pay the Agency for each acre-foot of Sacramento Suburban Annual Entitlement made available for use in Sacramento Suburban’s service area at the highest of the following three rates: (1) thirty-five dollars (\$35); (2) one hundred seventy-five percent (175%) of the price per acre-foot that the Agency charges the City of Roseville and San Juan Water District (“San Juan”) that year for water made available to them in Folsom Reservoir for use within Placer County; or (3) one hundred fifty percent (150%) of the total amount, per acre-foot, including any restoration and other fees and charges, that the Agency is

required to pay that year to Reclamation for water to be used within the Agency pursuant to the Agency's September 18, 1970 contract with Reclamation as amended and supplemented or pursuant to any renewals of that contract.

If Sacramento Suburban foregoes delivery of and sells to a third party outside of its retail service area (the Sacramento Suburban retail service area shown in Exhibit B) surface water that it purchased from the Agency, the transaction shall be considered a transfer of Agency water (regardless of the source of water used to meet demands within the Service Area) and the Agency shall be entitled to 50 percent of the net revenue from the sale, or such other amount as the parties may agree upon. In addition, Sacramento Suburban shall be responsible for securing all State and Federal regulatory approvals necessary to accomplish any such transfer of Agency water outside of the "place of use" designated for water right Permits 13856 & 13858 (see Exhibit B).

If Sacramento Suburban subsequently uses "banked groundwater" to meet demands outside of its service area, even if such use facilitates the sale of surface water by another entity within the region, that use shall not be considered a transfer of the Agency's water and the Agency shall not be entitled to any of the net revenue from such use of banked groundwater or sale of surface water. For the purposes of this Water Supply Agreement, "banked groundwater" is considered to be the Agency water that flows through San Juan's water treatment facility and is delivered to the Sacramento Suburban distribution system to meet demands in the Sacramento Suburban service area, where Sacramento Suburban banks groundwater by means of in-lieu recharge (the practice of providing surplus surface water to historical groundwater users, leaving groundwater in storage for later use) or by such other more direct means as may be used in the future.

- (b) **Time and Method of Payment.** Sacramento Suburban shall pay the Agency on a semi-annual basis, with one payment due in July, for water taken from January through June of the same calendar year, and another payment due in January, for water taken from July through December of the preceding calendar year.

Additionally, in any calendar year when the UIFR indicated by B120 is greater than or equal to 1.6 MAF and subsequently drops below 1.6 MAF, delivery would be suspended and Sacramento Suburban would only pay for water actually delivered.

**8. Amendment of Section 19, Areas Served by Sacramento Suburban.** Section 19 of the Water Supply Agreement is amended to read as follows:

- (a) Sacramento Suburban's service area under the Water Supply Agreement shall be defined as Sacramento Suburban's retail service area, identified in Exhibit B as



Sacramento Suburban Water District.

- (b) Any change in Sacramento Suburban’s retail service area (i.e. annexation or de-annexation) shall automatically be incorporated as a change to the service area defined herein.
- (c) The Agency shall give Sacramento Suburban first right of refusal to serve Rio Linda Elverta Community Water District on a wholesale basis with the Agency water that flows through San Juan’s water treatment facility.

Water delivered by the Agency to Sacramento Suburban pursuant to this Water Supply Agreement shall not be sold or otherwise disposed of by Sacramento Suburban for use outside of its service area shown on the map marked Exhibit B without the prior written consent of the Agency, which consent shall not unreasonably be withheld; provided, however, in no event shall any such water be used outside the place of use described in the Agency's water right permits.

**9. Other Provisions Unaffected.** Except as provided in this Amendment, the remaining provisions of the Water Supply Agreement are unchanged and remain in full force and effect.

The foregoing is hereby agreed to by the Parties as of the date first written above.

**PLACER COUNTY WATER AGENCY**

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_

**ATTEST**

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_

**SACRAMENTO SUBURBAN WATER DISTRICT**

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_

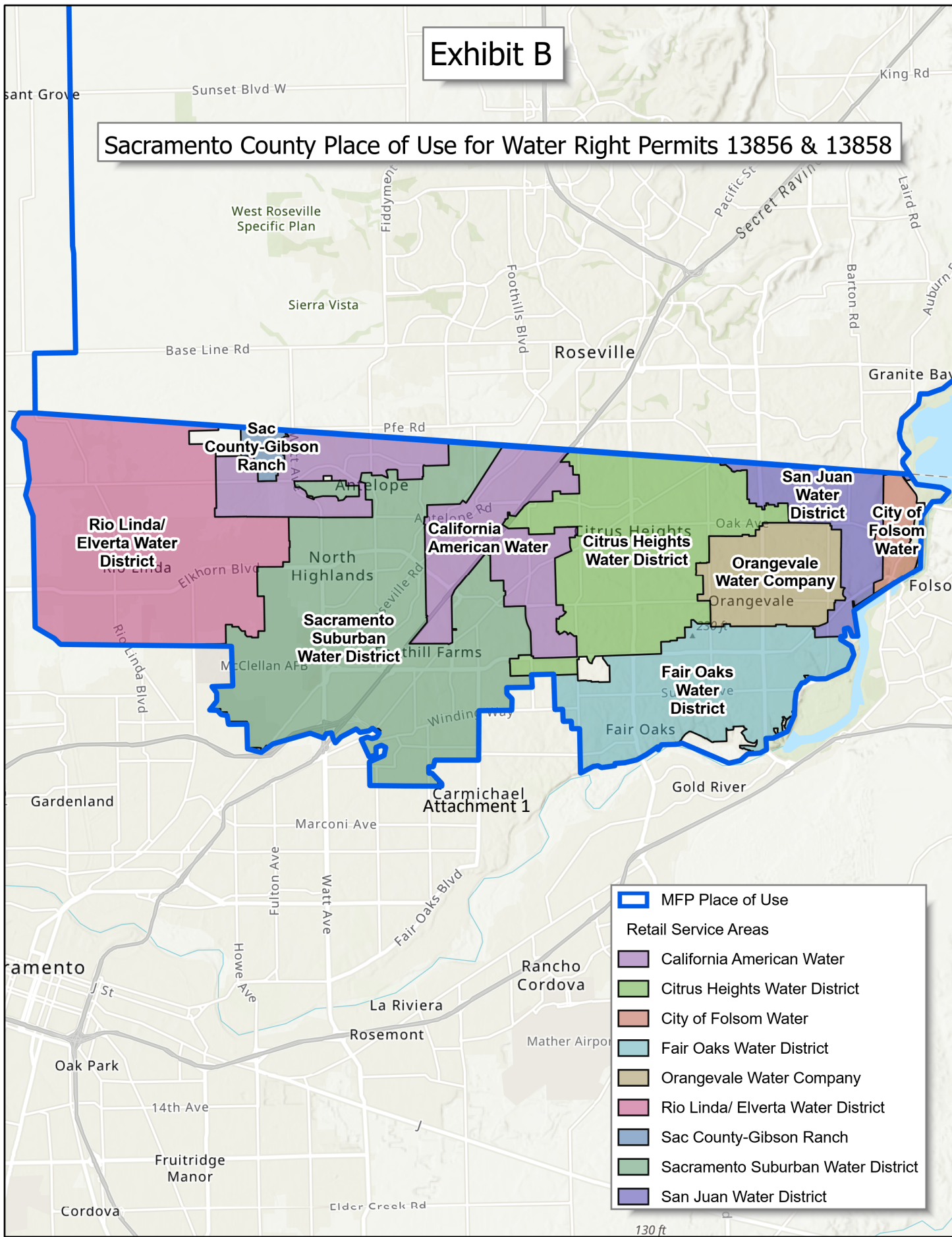
**ATTEST**

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_

# Exhibit B

## Sacramento County Place of Use for Water Right Permits 13856 & 13858



	MFP Place of Use
<b>Retail Service Areas</b>	
	California American Water
	Citrus Heights Water District
	City of Folsom Water
	Fair Oaks Water District
	Orangevale Water Company
	Rio Linda/ Elverta Water District
	Sac County-Gibson Ranch
	Sacramento Suburban Water District
	San Juan Water District

Y:\MapRequests\2019\_1218\_BB\_WaterRightsPermits\Revised Exhibit B.aprx 8/28/2020 7:26 AM mcollins