

Central Services
Joan Araujo, Director

Engineering Services
James O'Tousa, Director

Roads & Transportation
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Water & Sanitation
Joseph Pope, Director

Watershed Protection
Glenn Shephard, Director

December 19, 2023

Board of Supervisors
Ventura County Watershed Protection District
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Approve and Ratify the Ventura County Watershed Protection District (District) Director's Authorization of a One-Time Transfer of State Water Project (SWP) Water Allocation from the Santa Clarita Valley Water Agency to the United Water Conservation District (UWCD); Approve and Ratify the District Director's Authorization of a One-Time Transfer of SWP Water Allocation from the Palmdale Water District to UWCD; Approve and Ratify the District Director's Execution of Indemnification Agreements Related to the Transfers; Authorize the District Director to Execute Agreements with the California Department of Water Resources to Effectuate the Transfers. All Watershed Protection District Zones. All Supervisorial Districts.

Recommendations:

1. Approve and ratify the Ventura County Watershed Protection District (District) Director's authorization of a one-time transfer of State Water Project (SWP) water allocation from Santa Clarita Valley Water Agency (SCV Water) to United Water Conservation District (UWCD).
2. Approve and ratify the District Director's authorization of a one-time transfer of SWP water allocation from Palmdale Water District (PWD) to UWCD.
3. Approve and ratify the District Director's execution of indemnification agreements between the District and UWCD related to the SWP water transfer agreements between UWCD and SCV Water and UWCD and PWD.
4. Authorize the District Director to execute agreements with the California Department of Water Resources (DWR), SCV Water, and PWD to effectuate the SWP water transfer agreements provided those agreements are consistent with District Director's prior authorizations and are reviewed and approved as to form by County Counsel.



Fiscal/Mandates Impact:

This item has no fiscal impact.

Reason for Ratification:

This item is related to two transfers of SWP water to UWCD from SCV Water and PWD. Because these transfers are related to the SWP allocation originally held by the District under the 1963 water supply contract, the District's approval is required to effectuate the transfers. In order to ensure delivery by December 31, 2023, the District approved both transfers to DWR, and executed agreements with UWCD requiring UWCD to indemnify the District for liability it might incur under any DWR agreement approving the transfers, prior to obtaining your Board's approval.

Discussion:

In 1963, the District entered into a water supply contract with DWR for the delivery of 20,000 acre-feet per year (AFY) of SWP water. Subsequently, the District assigned its SWP water allocation to CMWD, which in turn assigned or transferred 10,000 AFY to the City of Ventura (the City) and 5,000 AFY to UWCD. Notwithstanding these assignments, the District remains a party to the water supply contract with DWR. Consequently, the District remains responsible for certain activities and functions related to SWP water allocation transfers involving CMWD, the City, and UWCD.

Under recent amendments to the 1963 water supply contract, the District is responsible for approving water transfers involving CWMD, the City, and UWCD, including transfers of the allocation held by CWMD, the City, and UWCD to other SWP contractors (water delivered out of Ventura County) as well as transfers of allocation held by other SWP contractors to CWMD, the City, and UWCD (water delivered into Ventura County). In addition, because the transfers occur under the 1963 water supply contract, the District must execute a separate three-way agreement with DWR and the ultimate transferee.

Ratification of District Approval of SCV Water and PWD Transfers:

In 2023, UWCD negotiated agreements with SCV Water and PWD, other SWP contractors or subcontractors, to transfer certain amounts of their respective SWP allocations to UWCD. Respectively, SCV Water will transfer 10,000 AF and PWD will transfer 2,000 AF of SWP allocation to UWCD for delivery in the 2023 calendar year (Exhibits 1 and 2). Since these transfers are related to the SWP allocation originally held by the District under the 1963 water supply contract, the District is required to approve the transfers before they take effect and are approved by DWR. Specifically, for each transfer, the District must confirm to DWR, in a resolution or other appropriate document, its approval of the transfers and, with respect to each transfer, find that:

- The District has complied with all applicable laws.



- The District has provided any required notices to public agencies and the public.
- The District has provided the relevant terms to all contractors and to the Water Transfers Committee of the State Water Contractors Association.
- The District is informed and believes that the transfer or exchange will not harm other contractors.
- The District is informed and believes that the transfer or exchange will not adversely impact State Water Project operations.
- The District is informed and believes that the transfer or exchange will not affect its ability to make all payments, including payments when due under its Contract for its share of the financing costs of the State's Central Valley Project Revenue Bonds.
- The District has considered the potential impacts of the transfer or exchange within its service area.

To timely effectuate the SCV Water transfer and the PWD transfer, the District worked with CWMD and UWCD to confirm the transfers satisfied the above requirements. Both transfers are statutorily exempt from the requirements of the California Environmental Quality Act (Pub. Res. Code, §21000 et seq.) as "a transfer of water or water rights for a period of one year or less." (Wat. Code, §§ 1725.5(b), 1729.) Accordingly, the District prepared letters approving the transfers.

The District recommends that your Board approve and ratify the letters prepared and executed by the District Director approving both the SCV Water transfer and the PWD transfer of certain amounts of their respective SWP allocations to UWCD for the 2023 calendar year. (Exhibits 3 and 4)

Authorization to Execute DWR Agreements to Effectuate Transfers:

To effectuate the SCV Water and the PWD transfers under the 1963 water supply contract, DWR is expected to require the District to execute three-way agreements with UWCD. At this time, the District does not have a copy of the DWR three-way agreement. However, the District previously reviewed and executed such an agreement with DWR and the San Geronio Pass Water Agency (SGPWA) last year in relation to the City's long-term transfer of a portion of its SWP allocation. Thus, the District is familiar with the agreement and its terms.

The District recommends that your Board authorize the District Director to execute agreements with DWR and UWCD to effectuate the SCV Water transfer and the PDW transfer provided those agreements are substantially similar to the agreement executed with DWR and SGPWA to effective the City's transfer to SGPWA, and are reviewed and approved as to form by County Counsel.



Ratification of Indemnification Agreements Related to DWR Agreements:

The three-way agreement between DWR, the District, and SGPWA to effectuate the City's transfer of a portion of its SWP allocation to SGPWA included several provisions that made the District jointly and severally responsible for impacts resulting from the transfer, and required the District to indemnify DWR for claims results from DWR's approval of transfer. Since these responsibilities were imposed on the District only because it was the original contractor under the 1963 water supply contract, the District did not participate in the negotiation of the transfer, and the District would not be involved in actual transfer of water, the District executed an agreement with the City for it to indemnify the District for liability it might incur under the DWR transfer agreement.

In anticipation that DWR will require the District to execute similar three-way agreements with UWCD to effectuate the SCV Water transfer and the PWD transfer, the District obtained agreements with UWCD requiring UWCD to indemnify the District for liability it might incur under any DWR agreement needed to be executed to effectuate the SCV Water transfer and the PWD transfer. UWCD executed both indemnification agreements (Exhibits 5 and 6). Accordingly, the District recommends that your Board approve and ratify the District Director's execution of two indemnification agreements with UWCD to protect the District from liability that it might incur under any agreement with DWR to effectuate the SCV Water transfer and the PWD transfer.

Strategic Plan:

This item contributes to your Board's 2024-2027 strategic priority to invest in *Reliable Infrastructure and Sustainability*. The water imported to Ventura County through these agreements will augment both agricultural and municipal supplies and increase instream flows for the natural environment. The effort will support the County's goal to preserve our agricultural land and natural environment while ensuring housing availability for all residents.

This item has been reviewed by the County Executive Office, the Auditor-Controller's Office, and County Counsel.

If you have questions regarding this item, please call Arne Anselm at (805) 654-3942 or me at (805) 654-2040.

Sincerely,



Glenn Shephard, P.E.
Director
Watershed Protection District



Attachments:

- Exhibit 1 – SCVWA-UWCD SWP Water Transfer 2023 Agreement
- Exhibit 2 – PWD-UWCD SWP Water Transfer 2023 Agreement
- Exhibit 3 – District Letter Approving SCV Water Transfer
- Exhibit 4 – District Letter Approving PWD Transfer
- Exhibit 5 – Indemnification Agreement for SCVWA-UWCD SWP Water Transfer
- Exhibit 6 – Indemnification Agreement PWD-UWCD SWP Water Transfer

