

VENTURA COUNTY

WATERSHED PROTECTION DISTRICT



COPY

PUBLIC WORKS AGENCY
JEFF PRATT, P.E.
Agency Director

July 14, 2009

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

Norma Camacho
District Director

Gerhardt Hubner
Water & Environmental
Resources

Peter Sheydayi
Design/Construction

Sergio Vargas
Planning/Regulatory

Karl Novak, P.E.
Operations/Maintenance

Subject: Approval and Authorization for the Watershed Protection District Director to Sign the Non-Objection Letter for the City of Ventura's Proposed Sale of its 2009 State Water Allocation

Recommendation:

Authorize the Ventura County Watershed Protection District (District) Director to sign the Non-Objection Letter regarding a Purchase Agreement between the City of Ventura and a buyer for the one-year use of the City's 2009 State Water Project entitlement.

Fiscal/Mandates Impact:

There is no fiscal impact associated with this item.

Discussion:

In 1963, the District became a State Water Project (SWP) contractor by contracting with the State of California Department of Water Resources (DWR), and receiving an allocation for 20,000 acre-feet of State Water. In 1971, the District assigned the rights to this 20,000 acre-feet of State Water to Casitas Municipal Water District (Casitas) under the District's 1963 DWR Water Supply Contract. Later, Casitas assigned the rights to 10,000 acre-feet of that water to the City of Ventura (City), 5,000 acre-feet to United Water Conservation District (UWCD), and retained 5,000 acre-feet for itself. Since the agreement took place, the District has only been responsible for forwarding documentation received from the DWR including invoices, notices, and reports to Casitas, as well as obtaining approval from the Board for SWP contract amendments.

Due to past regulations, the City has been unable to sell its 10,000 acre-feet entitlement and has recovered only \$75,000 in revenue offset. However, recent changes in regulations now permit the City to recover a portion of its costs associated with maintaining its entitlement, which costs the City approximately \$1,000,000 per year. The City hired a consultant to broker its 2009 SWP entitlement. Negotiations between City and Luz Solar Partners Ltd., a solar power technology firm, have begun and Luz Solar Partners Ltd. is proposing payment of \$750,000 to the City for use of its 2009 entitlement for one year, providing the allocation is not reduced below 15 percent of the total.

District staff has no objection to this one-time sale of the City's 2009 SWP entitlement. As stated in the letter from the City dated May 26, 2009, Parties agree that this Non-Objection Letter: a) is intended to apply solely to the 2009 water year; b) is not intended to set any precedent for the sale of SWP water outside of Ventura County for any water years after 2009; and, c) does not represent a waiver of the rights of the undersigned as to its right to SWP water in Ventura County for any water years after 2009. To date, Ventura's City Council has voted to proceed with the sale of its allocation, and the Casitas and UCWD Boards have authorized a similar non-objection letter be sent to DWR.

Staff is seeking your Board's authorization for the District Director to sign the Non-Objection letter as requested by the City of Ventura.

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

If you have any questions regarding this item, please contact Gerhardt Hubner at (805) 654-5051.



Norma J. Camacho
Director

Attachments -

- Exhibits: 1. Letter – March 17, 2009 Non-Objection – Signature page
2. Letter – May 26, 2009 – City of Ventura to WPD

March 17, 2009

Jeff Pratt, County of Ventura Public Works Director
Ventura County Watershed Protection District
800 South Victoria Avenue
Ventura, CA 93009-1600

Steve Wikstrum, General Manager
Casitas Municipal Water District
1055 Ventura Ave
Oak View, CA 93022-9699

E. Michael Solomon, General Manager
United Water Conservation District
106 N. 8th Street
Santa Paula, CA 93060

Re: Non-Objection Letter

The City of Ventura (Ventura) proposes to sell its 2009 Table A State Water Project (SWP) water and desires to apprise Ventura County Watershed Protection District (VCWPD) formally know as Ventura County Flood Control District (VCFCD), Casitas Municipal Water District (Casitas), and United Water Conservation District (United) of the proposed sale and to confirm that each agency has no objection to the proposed sale.

The following information is provided in regard to the State of California, Department of Water Resources ("DWR") agreements related to State Water Project (SWP) water within Ventura County.

- DWR entitled VCFCD (now know as VCWPD) to receive up to 20,000 acre-feet of SWP water in an agreement entered into on December 2, 1963;
- VCFCD assigned its entire right of 20,000 acre-feet SWP water to Ventura River Municipal Water District, which entity later became Casitas, in an agreement entered into on June 23, 1970;
- United purchased an annual allotment of 5,000 acre-feet in an agreement entered into on July 1, 1970;
- Ventura purchased an annual allotment of 10,000 acre-feet in an agreement entered into on July 7, 1971;

The following information is provided in regard to the proposed sale by Ventura:

- Ventura is unable to take delivery of any of its Table A water for 2009;
- LUZ operates a solar power generating plant called SEGS located in the Mojave Desert, California;
- LUZ is located within the jurisdiction of the Mojave Water Agency ("MWA"), a SWP Contractor, and currently receives water from MWA's SWP allotment that is delivered by Antelope Valley East Kern Water Agency ("AVEK") through an existing set of agreements;
- DWR has currently allocated 15 % of each State Water Project Contractor's Table A amount for delivery in 2009;
- Due to potential drought conditions in Southern California and the reduced Table A amount available, Mojave may not be able to supply adequate water to meet LUZ's operational requirements, estimated at 1320 acre feet of water for 2009;
- LUZ would like to take delivery of Ventura's 2009 Table A water to increase the amount of SWP water that SEGS will receive in 2009 from MWA.

The Undersigned have no objection to the sale by Ventura of Ventura's 2009 Table A SWP amount and will not take any action to interfere with or prevent the use of said entitlement and will cooperate, to the extent reasonable in regard to City's efforts related to the sale as described in this letter.

The Parties hereto, including Ventura, acknowledge and agree that this Non-Objection Letter: (a) is intended to apply solely to the 2009 water year; (b) is not intended to set any precedent for the sale of SWP water outside of Ventura County for any water years after 2009; and (c) does not represent a waiver of the rights of the Undersigned as to their rights to SWP water in Ventura County for any water years after 2009.

Dated: 7/14/09

VENTURA COUNTY WATERSHED
PROTECTION DISTRICT

By 

Name Norma J. Camacho

Title Director

Dated: 5/13/2009

CASITAS MUNICIPAL WATER DISTRICT

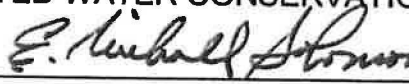
By 

Name STEVEN E. WICKSTRUM

Title GENERAL MANAGER

Dated: 4/13/2009

UNITED WATER CONSERVATION DISTRICT

By 

Name E. Michael Solomon

Title General Manager

Ronald J. Calkins
Ventura Public Works Director