

California Department of Water Resources and
U.S. Bureau of Reclamation

2010 Water Transfers Program Summary

Background

On February 27, 2009, Governor Schwarzenegger issued an emergency drought proclamation. This proclamation established the 2009 Drought Water Bank and directed the State Water Resources Control Board (SWRCB) and the Department of Water Resources (DWR) to expedite water transfers. In 2009 approximately 275,000 acre feet of water was transferred from north of the Delta to south of the Delta. Of the total, approximately 75,000 acre feet were transferred through the Drought Water Bank. The remaining transfers were privately negotiated. Following the 2009 Drought Water Bank, many water transfer stakeholders requested increased flexibility to negotiate their own water purchases and requested that DWR and Reclamation facilitate water transfers but not operate a Drought Water Bank in 2010. In addition DWR, Reclamation and the water transfer stakeholders also agreed that a long-term water transfer program should be developed.

2010 Water Transfers Program

In 2010, the possibility of continuing drought and low reservoir storage levels are likely to require some areas in California to supplement their water supplies with transfers from willing sellers. The purpose of the 2010 Water Transfer Program is to facilitate the transfer of water throughout the State between willing sellers and buyers that are at risk of experiencing water shortages in 2010.

DWR and Reclamation will not operate a drought water bank in 2010. However, DWR will continue to work cooperatively with Reclamation and the SWRCB to expedite water transfers. Accordingly, in 2010, water transfers will be approved on an individual basis. Most transfers are expected to occur between willing sellers upstream from the Sacramento-San Joaquin Delta (Delta) to buyers that export water from the Delta. DWR and Reclamation are also providing assistance with environmental compliance and endangered species coverage for 2010 transfers. Parties proposing to buy or sell water that require the use of State Water Project and/or the federal Central Valley Project facilities are referred to the Draft Technical Information for Water Transfer in 2010 (<http://www.water.ca.gov/drought/transfers/>) for detailed guidance.

Approved Water Transfer Methods

The types of transfers that DWR and Reclamation will approve in 2010 include the following:

- Stored water – Water allocations, whether by right or contract that are maintained in storage and not used, can be made available for transfer.
- Crop idling and crop substitution – Cropland idling and crop shifting can make water available for transfer that would have been otherwise used for crop irrigation. The quantity of water made

available for transfer through cropland idling or crop shifting will be calculated based on the evapotranspiration of the specific crop affected.

- Groundwater substitution - Groundwater substitution transfers occur when sellers forego their surface water supplies and pump an equivalent amount of groundwater as an alternative supply.

Long-Term Water Transfer Program

One of the most important developments following the 2009 Drought Water Bank is agreement by agencies and stakeholders that an ongoing long-term water transfer program needs to be created. Even though the need for water transfers may vary from year to year, external factors including climate change and challenges facing the Delta are increasing the frequency of need for transfer water to meet local water supplies. DWR and Reclamation have committed to the development of a long-term water transfer program and begun the process for environmental compliance permitting for the program. In addition, DWR has:

- Established an Office of Water Transfers to manage ongoing and expanding water transfer needs and issues
- Committed to improvements in managing information about water transfers to improve understanding about water transfers and streamline the transfer approval process
- In partnership with Reclamation, invest in research to further refine the understanding of factors affecting transfer water
- In partnership with Reclamation and the USFWS, committed to a multi year survey and research program on the giant garter snake, and endangered species which may be affected by some water transfer activities

Risks and Constraints

In spite of the increasing importance of water transfers and the commitment by DWR and Reclamation to improve the processes related to water transfers, significant risks remain for buyers and sellers. These risks include the possibility that transfer water may not be made available because of environmental regulations including pumping restrictions in the Delta. Buyers and sellers need to understand and weigh these risks in the decision making process and in the negotiation of terms.

Further Information

For more information about DWR's water transfer program for 2010 go to (<http://www.water.ca.gov/drought/transfers/>) for detailed guidance or contact:

Dean F. Messer, Ph.D.
Chief, DWR Office of Water Transfers
(916) 653-4056