

**Water Transfer Roundtable Discussion**  
**Thursday, July 2, 2009**  
**Buyer's Meeting – 1:00pm**

Attendees

Thang (Vic) Nguyen	DWR	<a href="mailto:tnguyen@water.ca.gov">tnguyen@water.ca.gov</a>
Doug Osugi	DWR	<a href="mailto:dosugi@water.ca.gov">dosugi@water.ca.gov</a>
Frances Mizuno	San Luis and Delta Mendota Water Authority	<a href="mailto:frances.mizuno@sldmwa.org">frances.mizuno@sldmwa.org</a>
Teresa Geimer	DWR	<a href="mailto:tgeimer@water.ca.gov">tgeimer@water.ca.gov</a>
Dave Anderson	DWR	<a href="mailto:danders@water.ca.gov">danders@water.ca.gov</a>
Rachel Ballanti	DWR	<a href="mailto:rballant@water.ca.gov">rballant@water.ca.gov</a>
Bob Niblack	DWR	<a href="mailto:bniblack@water.ca.gov">bniblack@water.ca.gov</a>
Tim Rust	U.S. Bureau of Reclamation	<a href="mailto:trust@usbr.gov">trust@usbr.gov</a>
Mina Wester	San Diego Co. Water Authority	
Tom Glover	Westlands Water District	
Tom Barnes	Antelope Valley East Kern Water Agency	
Laura Kim	Kern County Water Authority	
Rick Besecker	Dudley Ridge Water District	
Russell Fuller	Antelope Valley East Kern Water Agency	
Greg Meambe	Santa Clara Valley Water District	

**1) Introduction and Welcome**

The purpose of this meeting is to discuss the 2009 program and proactively look at 2010 to discuss what can be done to make the program both efficient and effective.

The Department's Goals for the Drought Water Bank Program:

- 1) To develop and sustain a robust transfer market in California
- 2) To provide water for critical health and safety needs
- 3) To coordinate and facilitate environmental compliance

**2) Review and Discussion of the 2009 Drought Water Bank**

- All but three contracts are completed; they are currently being executed and the sellers have been notified to start the transfer.
- The rules were established late in the game, and changed often throughout the process, which led to decreased participation in the program.
- Rules must be established early and remain consistent so that sellers can make timely decisions about their participation in the program and buyers can trust they will receive needed supplies.
- This program essentially set the market for transfers for 2009. There should be some mechanism built into the process to avoid this in future years. Potential solutions include a long-term agreement with a tiered pricing system, or a reorganization of the group process in future years.

- Many regulatory issues slowed the progress of the program in 2009. These issues could be addressed in the future by better preparation for 2010, learning from this year's program, and a long-term program that will have built-in mechanisms for dealing with last minute changes.

### **3) Planning for a potential 2010 Drought Water Bank**

#### *A) DWR's role*

DWR and the Bureau will always be involved at some level because of they must facilitate environmental permitting, be part of the approval process for transfers, and store and move the water through their facilities.

DWR may continue its role as a broker for water transfers or step back and let the buyers and sellers negotiate directly.

DWR must have some way to make water available for critical health and safety needs; perhaps a first right of refusal to a percentage of Drought Water Bank water.

#### *B) Options for 2010*

Any long-term program will not be ready for 2010. The 2010 program must find a way to build on the 2009 program and decrease the number of changes/ decisions that are made at the last minute.

#### *C) Environmental Permitting*

This year, environmental permitting used an exemption; this added time to the process since we had to wait for the Governor's proclamation.

Creating a long-term program should add credibility during this year's approval process.

If DWR is not involved as a broker, a Master Environmental Assessment could facilitate the preparation of Mitigated Negative Declaration for each transfer.

### **4) Long-term Water Transfer program**

A long-term transfer program would build a process which would include plans to respond quickly to last minute changes.

The program would most likely be from seven to ten years but there were voices for shorter (5yr) and longer (25 yr) time periods.

### **5) Conclusions**

The Department has committed the necessary resources to making the Drought Water Bank program robust and successful. We must move ahead concurrently with a long-term program and program for 2010 so that 2010's program can build and improve upon this year while a long-term program is prepared for 2011.