

**WATER POLICY
COMMITTEE MEETING
AND
SPECIAL MEETING OF THE
BOARD OF DIRECTORS**

**Wednesday, October 24, 2012
5:30 p.m.**

Committee Members:

Charles M. Treviño, Chair
Bill Robinson



UPPER SAN GABRIEL VALLEY
MUNICIPAL WATER DISTRICT

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*The Water Policy Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Water Policy Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the Committee as advisory to the Board, members of the Board who are not assigned to the Water Policy Committee will not vote on matters before the Committee.

Communications

1. Call to Order.
2. Public Comment.

Discussion/Action

3. Discussion of Proposed Water Transfer Policy Guidelines. *(Staff recommendation enclosed.)*
4. Discussion of Supply Reliability Risk and Basin Management. *(Staff will provide an update at the meeting.)*

Oral Reports

5.

Other Matters

6.

Adjournment

Next Meeting: November 28, 2012 at 5:30 p.m.

MEMORANDUM

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

**Item 3.
ACTION**

DATE: October 19, 2012
TO: Water Policy Committee
FROM: General Manager
SUBJECT: Water Transfer Policy Guidelines

Recommendation

Approve the attached Water Transfer Policy Guidelines.

Background

The Integrated Resources Plan (IRP) identifies water transfers as one potential option that may help diversify and lower the cost of Upper District's water supply portfolio. The development of a sound water transfer agreement with a willing seller can be a time consuming and resource intensive effort. The proposed policy guidelines are intended to help staff systematically identify and bring forward for the Board's consideration potential water transfer transactions that would be beneficial to Upper District.

Several aspects of water transfer transactions can be complicated. These include: environmental approval per the California Environmental Quality Act (CEQA) or National Environmental Policy Act (NEPA); verification of water rights and their applicability for transfer; source water quality issues; conveyance or exchange of the transferred water to arrange for delivery to the buyer; storage; pricing and local, regional and statewide political issues.

Over the next six months staff will work with GEI Consultants to identify one or more transactions that will meet the IRP objective of 5,000 to 10,000 acre-feet per year of water transfers or storage.

It is recommended that the Board adopt the following draft water transfer policy guidelines so that staff may systematically screen potential transactions in an efficient manner.

- Cost:** At the point of delivery, a water transfer will cost the same as or less than available alternative supplies for commensurate reliability (e.g. applicable MWD rates, recycling, stormwater).
- Conveyance:** A water transfer should be directly conveyed to point(s) of delivery via a direct physical route through Statewide and regional infrastructure rather than exchanged with a third party.
- Operational Flexibility:** It is preferred that a water transfer have a flexible schedule of delivery to statewide and regional infrastructure and can accommodate known common operational goals and constraints found in conveyance system operations.

- ❑ Water Quality: To meet the basin management objectives a water transfer will have a TDS lower than 450 and will not result in significant degradation of ambient water quality in the imported water system impacting downstream users.
- ❑ Environmental: A water transfer will not create unmitigated significant adverse environmental impacts to the area of origin that will likely induce a significant legal challenge under CEQA or NEPA.
- ❑ Local community: A water transfer must be voluntarily entered into by a formal action of local governing agencies overseeing such transactions.