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Title: RESOLUTION - Authorizing execution of a contract for temporary water service with the United States Bureau of Reclamation (USBR) to accept possible non-storable flood flows from Millerton Lake during water year 2016-2017

Sponsors: Department of Public Utilities

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Attachments: 1. Resolution Authorizing Contract for Temporary Water Srv USBR.pdf, 2. Friant215-FINAL2015.pdf

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2/4/2016	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

February 4, 2016

FROM: THOMAS C. ESQUEDA, Director
Department of Public Utilities

SUBJECT

RESOLUTION - Authorizing execution of a contract for temporary water service with the United States Bureau of Reclamation (USBR) to accept possible non-storable flood flows from Millerton Lake during water year 2016-2017

RECOMMENDATION

The Administration recommends that Council approve a resolution approving a contract with the USBR for Temporary Water Service, which will allow the City to purchase non-storable flood flows from Millerton Lake during water year 2016-2017.

EXECUTIVE SUMMARY

The City entered into a contract (9D Contract) with the United States Bureau of Reclamation (USBR) providing for a Class 1 allocation of Central Valley Project Water ("Project Water") from Millerton Lake. Once the annual declaration is made, the 9D Contract requires the City to submit to the USBR a written schedule defining when the City will take delivery of surface water from Millerton Lake. However, the USBR, has declared that a temporary supply of water may exist that is not storable for

Central Valley Project purposes; and the City has requested delivery of this temporary water to existing facilities and that delivery of such temporary water would cause no apparent detriment to the City.

The USBR has requested that the Council adopt a resolution of intent to enter into a 215 Contract for water year 2016-2017 prior to executing the 215 Contract. The 215 Contract has been reviewed and approved as to form by the City Attorney's Office.

By adopting the resolution and executing the 215 Contract, the City is not obligated to purchase non-storable flood flow. However, if non-storable flood flows are made available by the USBR from Millerton Lake, the City can only receive water with an executed 215 Contract in place.

BACKGROUND

On December 22, 2010, the City entered into a contract (9D Contract) with the United States Bureau of Reclamation (USBR) providing for a Class 1 allocation of Central Valley Project Water ("Project Water") from Millerton Lake. In accordance with the 9D Contract, on an annual basis the USBR shall make available for delivery to the City 60,000 acre-feet of Class 1 water for municipal and industrial purposes, subject to the terms and conditions of the 9D Contract and regional hydrologic conditions. The USBR's water year for Millerton Lake operations runs from March 1 to February 28 each year.

On or about February 20 of each year, the 9D Contract requires the USBR announces an initial declaration of Project Water to be made available to the City and other Friant Division contractors. The annual declaration can be adjusted during the year depending upon Central Valley Project operational conditions and regional hydrologic conditions. Once the annual declaration is made, the 9D Contract requires the City to submit to the USBR a written schedule defining when the City will take delivery of surface water from Millerton Lake. The 9D Contract requires the City to submit its delivery schedule by March 1 of each year. The USBR has made 0% allocations for water years 2014-2015 and 2016-2017 to the City of Fresno and other Friant Division contractors.

One of the features of the City's 9D Contract is the ability for the City to purchase non-storable flood flows (i.e. flood-release waters) when available, from the Friant Dam. However, in order to receive such waters, the City must enter into a Contract for Temporary Water Service with the USBR through February 2016. The contract is designated a "215 Contract," referring to Section 215 of the Reclamation Reform Act of October 12, 1982.

The USBR has requested that the Council adopt a resolution of intent to enter into a 215 Contract for water year 2016-2017 prior to executing the 215 Contract. The 215 Contract has been reviewed and approved as to form by the City Attorney's Office.

The Administration recommends that the Fresno City Council approve the attached resolution authorizing execution of the 215 Contract with the USBR, which will be effective through February 2016, so that the City may purchase and receive non-storable flood flows from the Friant Dam during water year 2016-2017. If non-storable flood flows are made available to the City, the City will coordinate the water delivery with the Fresno Irrigation District (FID) for conveyance and with the Fresno Metropolitan Flood Control District (FMFCD) for storage.

The last time 215 Water was made available to the City was during Water Year 2011-2012, and the cost of 215 Water during that Water Year was \$32 per acre-foot. During a normal year, the City's

water supply purchase cost for Millerton Lake water is \$64.19 per acre foot, so the 215 Water price will be approximately fifty-percent of the cost of water during a normal year. By adopting the resolution and executing the 215 Contract, the City is not obligated to purchase non-storable flood flow. However, if non-storable flood flows are made available by the USBR from Millerton Lake, the City can only receive water with an executed 215 Contract in place.

ENVIRONMENTAL FINDINGS

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Statutory Exemption set forth in CEQA Guideline Section 15282(u), which exempts temporary changes in the point of diversion, place of use, or purpose of use due to a transfer or exchange of water or water rights as set forth in Section 1729 of the Water Code, because the purchased water will be temporarily diverted from its standard path in the San Joaquin River to senior water rights holders.

LOCAL PREFERENCE

Local preference was not considered because the purchase of surface water does not include a bid or award of a construction or services contract.

FISCAL IMPACT

There is no financial obligation for the General Fund for this surface water purchase. The funding source for this surface water purchase will be the Water Division Enterprise Fund.

Attachments:

Resolution Authorizing Execution of a Temporary Water Service Contract with USBR
Temporary Water Service Contract with USBR for 2015-16