



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

October 30, 2013

TO: Project Participants

FROM: John Brady
Deputy Director, Operations and Engineering

SUBJECT: Policies and Procedures for Water Transfers

To ensure clear communication between CCWA and the Project Participates involved with each water transfer, CCWA staff has developed a standard operating procedure for requesting and documenting water transfers/returns.

There are three general types of water transfer transactions in practice at CCWA: (1) an internal one time transfer of water from one Project Participant to another in any given year, (2) a return of banked or exchanged water from outside agency and (3) a Project Participant delivering water pursuant to a groundwater banking or exchange agreement to an outside party.

The procedures for internal transfers and return of banked/exchange water is described below and illustrated in the flow diagram presented in Attachments A & B.

Internal Transfers between Project Participants

Internal Transfers are one-time transfers of water from one CCWA Participants to another. CCWA is not a signatory to any contract that may exist involving the internal transfer of water between the CCWA Participants. Therefore, the Seller/Provider needs to communicate the specifics of the transfer to CCWA. CCWA staff will take direction from the Seller/Provider to effect the transfer. However, CCWA staff cannot be assigned the role of confirming compliance with the water transfer agreement, such as confirming payment or other agreed upon condition of the transfer. The procedure for communicating and directing CCWA to effect a one-time internal transfer is as follows:

- The Seller/Provider will complete the Form presented in Attachment C. This form will require the signatures of both the Seller/Provider and Buyer/Receiver as well as provide the volume of water planned for transfer and the planned date of the transfer. All requests will need to be submitted to CCWA a reasonable amount of time before the desired date of transfer.
- CCWA staff will verify that the Seller/Provider has the volume of water available to complete the transfer. The verification will be completed by at least two CCWA staff. One staff to process the request and a second staff for quality control review.

- CCWA staff will update the Delivery Status Report to reflect the transfer, complete CCWA's portion of the Internal Transfer Form, and will return the completed Form to the Seller/Provider and Buyer/Receiver. This will serve as confirmation that the transfer was completed.

Return of Banked or Exchanged Water From Outside Agencies

Banked or exchange water with an outside agency is typically governed by two contracts: (1) a transfer agreement between CCWA and the outside agency and (2) a transfer letter agreement between CCWA/SBCFCWCD, Groundwater Bank/Transfer Partner and DWR SWPAO. As a signatory to the contracts, CCWA will confirm compliance with the transfer requirements of the both contracts. The procedure for requesting a return of banked or exchanged water from outside agencies is as follows:

- A CCWA Participant makes a request to return water to CCWA using the Form presented in Attachment D.
- CCWA will respond by advising all other Participants involved with the particular bank/transfer contract of the request to return water. CCWA will provide a deadline to the other Participants for adding their request to return water.
- CCWA will make informal request to the outside agency to return water. Following the response from the outside agency, CCWA will advise Participants of total volume to be returned. The volume of returned water will be proportioned as follows:
 - For the first return request for the particular transfer agreement, the volume of returned water will be proportioned according to amount of initial contribution to the original water bank or exchange.
 - For second and subsequent return request for the particular transfer agreement, the volume of returned water will be proportioned according to amount of water remaining in the water bank or exchange.
- If Participants are in agreement with the terms of the returned water, CCWA staff will prepare a letter to formally request the return of banked or exchanged water.
- CCWA staff work with the outside agency to schedule delivery with DWR, as specified in the transfer agreement. CCWA will confirm that the transfer has been consummated through review of the monthly DWR Monthly Water Delivery Status Report. Once confirmed, the CCWA Delivery Status Report will be updated. All updates to the CCWA Delivery Status Report will require two CCWA staff: one staff to update the report and a second staff for quality control review.

Groundwater Banking or Exchange Agreement

Prior to a Project Participant delivering water pursuant to a groundwater banking or exchange agreement, the opportunity will need to be identified, negotiated, reviewed for CEQA compliance and the required contracts executed. Each opportunity has its own unique requirements but will ultimately require CCWA to become a signatory to (1) a transfer agreement between CCWA and the outside agency and (2) a transfer letter agreement between CCWA/SBCFCWCD, Groundwater Bank/Transfer Partner and DWR SWPAO. Therefore, when opportunities are identified, CCWA will provide a written report to describe the specific procedures to participate.

Financial Considerations

In general, when water is transferred from one Participant to another, there is a fee per acre-foot established by the two Participants involved in the transfer. This fee is paid by the buyer/receiver of the water to the seller/provider of the water. CCWA is not a party to the transaction. CCWA's role in the transaction is to simply revise its records to reflect the transfer of water from one Participant to another, at the direction of the Seller/Provider.

Although one time internal water transfers will have associated fee with each transaction, the variable costs for the delivery of the transferred water will become the responsibility of the buyer/receiver of that water once it is delivered.

Initial Request

- Buyer Signs.
- Seller Signs.
- Date of Transfer Identified.
- Volume of Water Identified.
- Category of Water Identified.
- Seller Transmits to CCWA.

Execute Transaction

- Staff confirms availability of water planned for transfer.
- Transaction verified by two CCWA Staff for quality control.
- CCWA staff completes the transfer and communicates the action to buyer and seller.

Note:

- Internal Transfers are between two CCWA Participants. CCWA is not a signatory to any contract involving the transfer of water between CCWA Participants.
- Seller needs to communicate when to transfer water. CCWA should not be in the role of confirming compliance with the water transfer agreement.

Initial Request

- CCWA Participant makes a request to return water to CCWA.
- CCWA advises all other Participants involved with the particular bank/transfer contract of the request to return water.
- CCWA will provide deadline to increase the volume of the request to return water.
- CCWA will make informal request to the outside agency to return water .
- Following response from the outside agency, CCWA will advise Participants of total volume to be returned and will porportion.

Execute Transfer

- CCWA will submit a formal request to the outside agency, which will specify volume and delivery schedule.
- Outside agency will schedule delivery with DWR, as specified in the transfer agreement.
- CCWA will confirm that the transfer has been consumated through review of the monthly DWR Monthly Water Delivery Status Report.
- Transaction verified by two CCWA Staff for quality control.
- CCWA notifies involved Participants that transaction was completed and confirmed.

Note:

- Transfers from outside of CCWA require two contracts: (1) a transfer agreement between CCWA and the outside agency and (2) a transfer letter agreement between CCWA/SBCFCWCD, Groundwater Bank/Transfer Partner and DWR SWPAO.
- As a signatory, CCWA will confirm compliance with the transfer requirements of the two contracts.



INTERNAL WATER TRANSFER REQUEST

This transfer form will be used to initiate and document the transfer of water from one Central Coast Water Authority (CCWA) Participant to another. The seller/provider will be responsible for completing this form and transmitting it to CCWA. The information contained in the form will be verified by CCWA staff and subsequently implemented according to the information provided.

Both seller/provider and buyer/receiver need to sign this form. CCWA staff will sign and return the form to all parties to document the transaction.

TRANSACTION

Seller/Provider

Signature of Seller Representative

Buyer/Receiver

Signature of Buyer/Receiver Representative

Category of Water to be Transferred

- Table A
- Carryover
- Banked
- Other _____

Volume of Water planned for Transfer, AF

Desired Date of Transfer

CCWA VERIFICATION

Availability of Water From Seller/Provider Verified and Transaction Completed by:

Title: _____
Name: _____

Title: _____
Name: _____

Transaction Completed on:



BANKED/EXCHANGE WATER RETURN REQUEST

This transfer form will be used to initiate a request to return Banked or Exchanged Water from an outside agency. Typically, each Banked or Exchange Water arrangement is The seller/provider will be responsible for completing this form and transmitting it to CCWA. The information contained in the form will be verified by CCWA staff and subsequently implemented according to the information provided.

The Requestor needs to sign this form. CCWA staff will sign and return the form to all parties to document the transaction.

TRANSACTION

Banked/Exchange Agency	<input type="text"/>
SWPAO #	<input type="text"/>
Requestor	<input type="text"/>
Signature of Requestor Representative	<input type="text"/>
Category of Water to be Transferred	<input type="checkbox"/> Table A <input type="checkbox"/> Carryover <input type="checkbox"/> Banked <input type="checkbox"/> Other _____
Volume of Water Requested for Return, AF	<input type="text"/>
Desired Date of Return	<input type="text"/>

CCWA VERIFICATION

Availability of Water From Banked/Exchange Agency Verified by:

Title: _____	Title: _____
Name: _____	Name: _____

Volume of Water Available for Return: