

Full coordinated operation of the SWP and CVP**Resources Area:** Staff-3

Related Options:

Resources Issue: The State Water Project and Central Valley Project make releases from upstream storage facilities to meet various Delta and in-stream flow and water quality requirements in addition to releases for export. The California Department of Water Resources and the U.S. Bureau of Reclamation have negotiated a Coordinated Operations Agreement (COA) and have been operating the two projects on that basis since November 1986. The COA defines each system's rights and responsibilities in meeting the standards contained in the State Water Resources Control Board Decision 1485, and helps to minimize water needed to meet these standards. If the two major water projects in California could operate as one system it may be possible to simplify operation rules and conserve additional water through a more fully coordinated operation scheme while meeting the same Delta outflow and quality standards.

Discussion: This action option consists of developing rules for the operation of the State Water Project and Central Valley Project as one system. Various schemes of the full coordinated operation of the SWP and CVP have been contemplated, ranging from expanding the authority of DWR to develop and operate the two projects as one system, to the creation of two independent systems, both under state jurisdiction. A key issue involved in combining the two systems is the difference in the water rate structures contained in each system's contracts with their respective customers. The CVP water users are mostly agricultural water users of the Central Valley who have long-term contracts with the Bureau of Reclamation since the inception of the CVP. Most of these water users are entitled to receive federally subsidized water at reduced rates. Although most of these contracts are close to reaching their expiration date, the Bureau of Reclamation has indicated that it would renew the contracts to continue providing subsidized water to California's agricultural sector, though at a cost which is higher than historic schedules. The SWP water users, on the other hand, are in large part urban water users of Southern California whose water rate structures are based on a cost allocation scheme that includes the repayment of the capital cost of the SWP system, the annual OM&R costs of the system, and the variable transportation charges for each contracting agency to the point of delivery. The cost of water to the SWP water users, even that provided to agricultural contractors in the San Joaquin Valley, is considerably higher than most CVP water users. The legal, financial, and economic implications of combining the two systems into one, which requires a uniform cost allocation scheme, needs to be fully considered by experts and carefully negotiated with both systems' water users.

Objectives addressed: Water Supply General, and Specific; Water Quality General, Specific 1, and 2; Biological Resources General, Specific 1, 2, and 3.

The water supply benefit of implementing this action option needs to be studied by conducting operation studies that consider the Delta outflow and water quality requirements under the existing operation rules and regulatory framework while examining the opportunities to conserve water through a unified operating plan.

Assumptions:

- It will be possible to renegotiate the existing contracts of the USBR with the CVP water users.

Key Feasibility Factors:

- Confirm that there would be a significant amount of water to be saved by the joint operation of the projects.

Most Likely Benefits:

- The reliability of the water export system will increase.

Other Possible Benefits:

- The flexibility for water transfers will increase.

Most Likely Negative Impacts:

- Cost of water for many agricultural users may increase if unified rate structure is applied.

Other Possible Negative Impacts:

- None.

Possible Regulatory and Institutional Constraints:

- NEPA
- CEQA
- Act of Congress.

References and Published Materials: Use Combined TAC Referenct List.