



# Authorization to Execute the Central Valley Project Repayment Contract and File a Validation Action

June 8, 2021 Board Meeting

# Staff Recommendations

- A. Receive information**
- B. Approve Agreement by Adopting resolution**
- C. Authorize contract execution**
- D. Authorize validation action**

# WIIN Act Provides Water Supply Certainty

- **Directs Reclamation to convert contracts**
- **New contract does not expire**
- **Requires prepayment of capital costs**
- **Funds storage projects**

# Valley Water's 1977 Water Service Contract

- **Most significant and reliable source of imported water**
- **Expires in 2027**
- **Long-term renewal faces challenges, and is not guaranteed**

# Proposed Central Valley Project Repayment Contract

- Public negotiations complete
- Requires \$13.5 million prepayment
- Excludes \$200 million in San Felipe Division debt



# Minimal Contract Modifications

- **Subject to shortage provisions**
- **No change in Delta pumping**
- **No increase in water supply**
- **Environmental protections remain**

# Next Steps

- **Secure Board approval**
- **Execute the contract**
- **File validation action**

# Staff Recommendations

- A. Receive information**
- B. Adopt resolution**
- C. Authorize contract execution**
- D. Authorize validation action**