

Exhibit to Agenda Item #5

Authorize the Chief Executive Officer and General Manager to execute the **Temporary Central Valley Project (CVP) Water Transfer Reimbursement Agreement (Agreement)** between SMUD and the **City of Roseville** for the transfer of up to 2,000 acre-feet per year of water for an approximately three-year period from December 1, 2023, through February 28, 2026, and to take such other actions as may be necessary to implement the **Agreement**.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Wednesday, December 13, 2023, scheduled to begin at 6:00 p.m.
SMUD Headquarters Building, Auditorium

SMUD – Roseville Temporary Central Valley Project Water Transfer Reimbursement Agreement

Board Policy

- Strategic Direction SD-2, Competitive Rates; Strategic Direction SD-7, Environmental Leadership; Strategic Direction SD-9, Resource Planning

Background

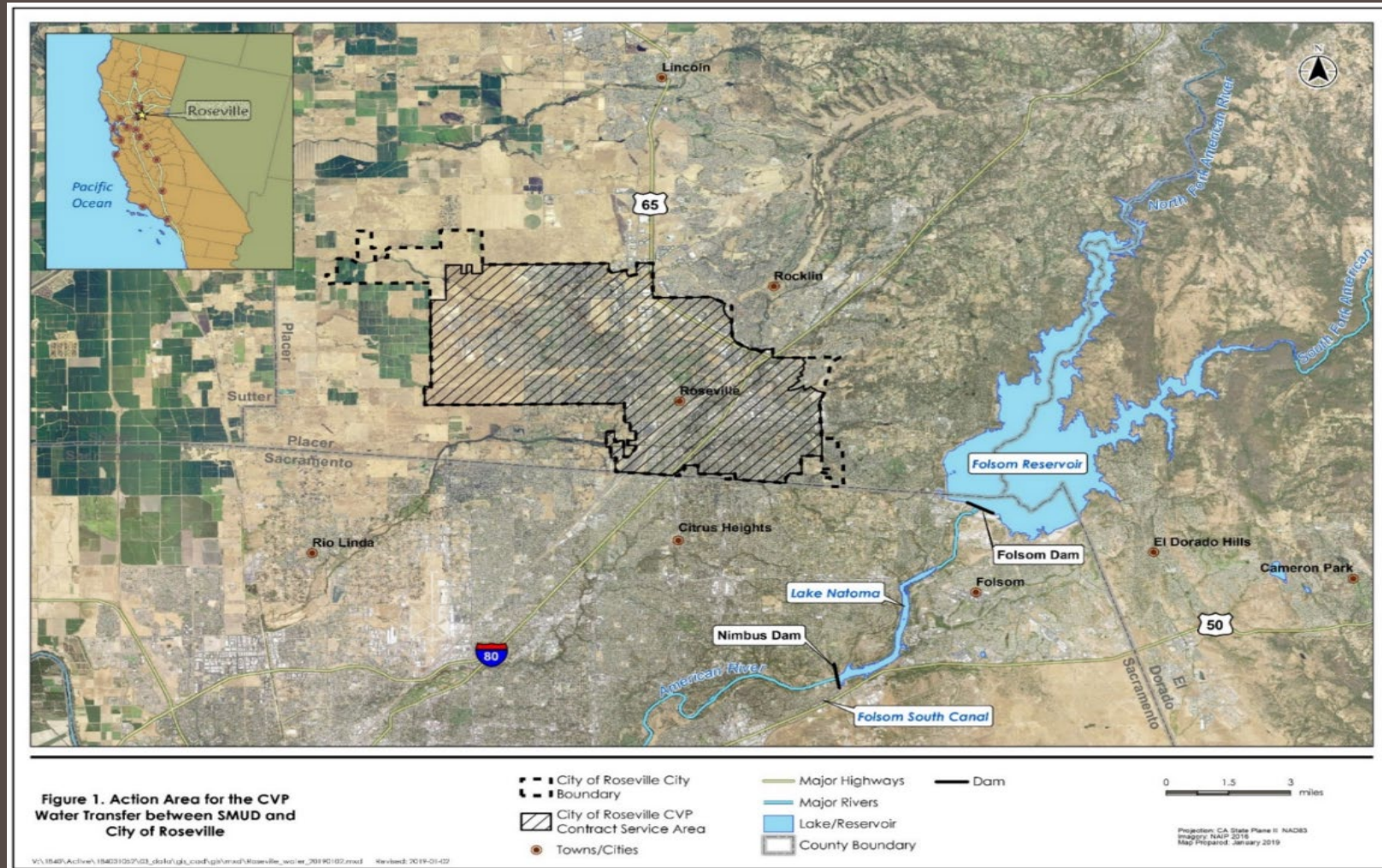
- SMUD has a Water Service Contract with the Bureau of Reclamation (USBR) for 30,000 acre-feet of water per year
- SMUD's annual water needs range from 6,000-8,000 acre-feet
- Roseville/SMUD had a 3-year pilot transfer agreement from 2019-2022
 - Up to 6,000 acre-feet per year. Similar terms to new agreement. Actual water transfer during the 3-year term was 898 acre-feet
- The 2,000 acre-feet per year that SMUD is transferring under this agreement is surplus water beyond SMUD's needs
- SMUD and Roseville are Central Valley Project water contractors, and both agencies are working with the Bureau of Reclamation's Central California Area Office in Folsom on technical, administrative, and environmental requirements for the water transfer

SMUD – Roseville Temporary Central Valley Project Water Transfer Reimbursement Agreement

Background cont.

- SMUD/Roseville are members of the Water Forum and have publicly disclosed this transfer proposal to the Water Forum on August 24, 2023
- SMUD/Roseville offered consultation to the Environmental Caucus of the Water Forum and received no comments
- The Bureau of Reclamation performed environmental review which resulted in a Finding of No Significant Impacts and approval of the transfer by the Bureau of Reclamation
- Roseville received approval for this agreement from the Roseville City Council on December 6, 2023
- If the Central Valley Project water supply is not diverted at the SMUD point of delivery, the water would continue through the Bureau of Reclamation's system.

SMUD – Roseville Temporary Central Valley Project Water Transfer Reimbursement Agreement



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Context

- Roseville will pay SMUD \$250/acre-foot for any water that is transferred under this agreement
- SMUD will then pay the Bureau of Reclamation for the cost of service of the water (annually variable, ~\$65/acre-foot)
- Roseville will directly cover or reimburse SMUD for any related consultant fees and Bureau of Reclamation staff time
- Benefits:
 - Improves regional water reliability.
 - Continues a valuable relationship between SMUD and Roseville.

SMUD – Roseville Temporary Central Valley Project Water Transfer Reimbursement Agreement

Key Contract Terms

Volume: Up to 2,000 acre-feet per year

Price: \$250 per acre-foot

Term: December 1, 2023, through April 30, 2026

Annual Delivery Months: December through February

Other: Water can only be transferred during wet years

Requested Action

Authorize the Chief Executive Officer and General Manager to execute the **Temporary Central Valley Project (CVP) Water Transfer Reimbursement Agreement (Agreement)** between SMUD and the **City of Roseville** for the transfer of up to 2,000 acre-feet per year of water for an approximately three-year period from December 1, 2023, through February 28, 2026, and to take such other actions as may be necessary to implement the **Agreement**.