



STAFF REPORT

March 4, 2025

RE: Request Authorization for General Manager to Execute Memorandum of Understanding with Kern County Water Agency

BACKGROUND

Kern County Water Agency (KCWA) is a participant in the Delta Conveyance Plan. KCWA serves as the local contracting entity for the State Water Project; and as such, has contracts with 13 local water districts, called Member Units, to supply State Water Project water.

Some of the Member Units are agricultural users, who typically finance water supply projects through revenue generated from crop sales. Since the Agricultural Member Units users do not have taxing ability or rate payers to spread costs over, the near-term financial expenditures and long-term water supply benefits of the Delta Conveyance Plan present a financial burden. Agricultural Member Units have different advantages than municipal State Water Contractors, such as access to imported water during wet years and access to large tracts of land that could be used for groundwater banking.

DWA and KCWA would like to enter a non-binding MOU to cooperate over approximately 18 months to identify and evaluate possible arrangements for collaboration on water management to optimize allocation of costs and benefits, through possible transfers or exchanges of Table A allocations. The objective of the MOU is to reduce reliance on any one water source, diversify supplies and storage, and optimize SWP supplies and groundwater banking opportunities.

KCWA made the request to other State Water Contractors in addition to DWA. Entering the MOU will ensure that DWA has the opportunity to participate in discussions related to transferring of water and water banking within the Kern County Water Agency. KCWA would like to enter a single MOU with the participating State Water Contractors. The MOU has been distributed to all interested Contractors and KCWA has requested comment for the preparation of the final version of the MOU. The final version of the MOU will be subject to review by Legal Counsel and Agency staff.

PRIOR ACTION

N/A

FISCAL IMPACT

Entering into the MOU will have no fiscal impact for the Agency. If the discussions resulting from the MOU result in a future program, the Agency will have the opportunity to decide at a future date regarding its involvement and future financial impacts as a result. Finance Director Saenz has reviewed this report.

LEGAL REVIEW

Legal Counsel has reviewed the Draft MOU. The final version of the MOU will be subject to review by Legal Counsel.

RECOMMENDATION

Staff recommends the Board authorize the General Manager to execute the Memorandum of Understanding with Kern County Water Agency, subject to final review by Agency staff and Legal Counsel.

ATTACHMENTS

Attachment 1 – Draft MOU with Kern County Water Agency