

San Geronio Pass Water Agency

DATE: March 11, 2026

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Emmett Campbell, Director of Water Resources

SUBJECT: Consideration of a 3,000 Acre-Foot Water Purchase from Napa County Flood Control and Water Conservation District

RECOMMENDATION

Authorize the General Manager to purchase 3,000 acre-feet of water at a rate of \$225 per acre-foot from Napa County Flood Control and Water Conservation District and complete all necessary documentation.

PREVIOUS CONSIDERATIONS

- No Previous Considerations

BACKGROUND AND ANALYSIS

As of March 5, 2026, the Department of Water Resources (“DWR”) has set the State Water Project (“SWP”) allocation at 30%. Currently, many reservoirs throughout the state are at or near capacity, with the San Luis Reservoir approaching full storage. At the start of 2026, there was approximately 950,000 acre-feet of carryover water, increasing the likelihood that carryover stored in San Luis Reservoir could “spill” or be reclassified into Table A water.

To mitigate the risk of losing San Geronio Pass Water Agency (“SGPWA” or “Agency”) carryover water due to a spill, staff proactively cleared out the Agency’s carryover storage. All Agency carryover water has been delivered as of March.

With the current 30% allocation, and the water stored in the Beaumont Basin, SGPWA’s 2025 water portfolio includes approximately 10,000 acre-feet. However, the total water order demand for 2025 current year water is 13,000 acre-feet, leaving a deficit of approximately 3,000 acre-feet. To bridge this gap, SGPWA must procure additional water from other State Water Project contractors with surplus supplies available for sale.

One such potential seller is the Napa Flood Control and Water Conservation District (“Napa”), which has 3,000 acre-feet of carryover water available for sale. SGPWA and Napa have been negotiating the terms of a water transfer agreement, which are outlined as follows:

1. Napa will transfer 3,000 acre-feet of carryover water to SGPWA.

2. SGPWA will take delivery of as much of this water as possible before any spill event occurs.
3. For each acre-foot successfully delivered, SGPWA will pay Napa \$225.
4. The Agency anticipates starting delivery of this purchased water shortly after authorization, and completing the delivery in April. If all 3,000 acre-feet are successfully delivered, the total cost of the transfer will amount to \$675,000.

This agreement provides an opportunity for SGPWA to secure additional water supply at a predictable cost while mitigating the risks associated with potential spills at San Luis Reservoir.

STRATEGIC PLAN NEXUS

The water purchase from Napa helps advance various aspects of the Agency's Strategic Plan, including:

- Strategic Goal 1: Align with the current and future water landscape, supporting the region's long-term needs by diversifying the local supply portfolio and advancing water sustainability.
 - ✓ Objective 2 – Establish relationships and expand collaborative opportunities at the local, regional, state, and federal levels that will enhance the water supply of the region.
 - ✓ Objective 3 – Seek opportunities in the California water market to maximize the beneficial use of Agency water assets.

CEQA ANALYSIS

The execution of the Agreement is statutorily exempt from CEQA under State CEQA Guidelines section 15282(u), which exempts temporary changes in the point of diversion, place of use, of purpose of use due to a transfer or exchange of water or water rights. Here, the Project involves the one-time exchange of a certain amount of the Napa's water for the year 2026. The Project merely changes the place of use, and does not involve construction of any additional facilities to service this transfer of water. As the Project involves a one-time exchange, it also satisfies the definition of "temporary change" under State CEQA Guidelines section 15282(u) pursuant to Water Code section 1728.

Additionally, the Project is categorically exempt from environmental review under CEQA pursuant to State CEQA Guidelines section 15301 (Class 1 – Existing Facilities), which exempts from CEQA the operation of existing public structures, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The Project will use existing facilities and will not require the construction of additional facilities to affect the delivery of the water.

Finally, the Project is exempt pursuant to State CEQA Guidelines section 15061(b)(3) which exempts those activities for which it can be seen with certainty that there is no

potential to result in significant environmental effects. The Project involves the transfer of an existing allocation of water within existing facilities.

FISCAL IMPACT

The purchase price for the transferred water is \$225 per acre-foot. If all 3,000 acre-feet of transfer water is delivered, then the total cost to the Agency will be \$675,000.

This is considered a transfer from another State Water Contractor, so the transfer cost will be charged to the Debt Service Fund (the Red Bucket), line item 'Water Transfers' (line #173). The budget for FY25-26 is \$2.7M; currently about \$1.95M has been spent.

ACTION

Authorize the General Manager to purchase 3,000 acre-feet of water at a rate of \$225 per acre-foot from Napa County Flood Control and Water Conservation District and complete all necessary documentation.

ATTACHMENTS

1. Water Transfer Agreement Between Napa Flood Control and Water Conservation District and San Geronio Pass Water Agency

TRANSFER AGREEMENT

This Transfer Agreement (“Agreement”) is made and entered into as of March ____, 2026 (“Effective Date”), by and between the NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a flood control district (“DISTRICT”) and the SAN GORGONIO PASS WATER AGENCY, a public agency (“SGPWA”). DISTRICT and SGPWA are sometimes individually referred to herein as a “Party” and collectively as the “Parties.”

RECITALS

A. DISTRICT administers water supply contracts, watershed management and stormwater management programs throughout Napa County. SGPWA is a regional water agency that provides water on a wholesale basis to retail water providers and other entities within its service area.

B. DISTRICT has a long-term water supply contract (“Water Supply Contract”) with the Department of Water Resources of the State of California (“DWR”) that permits DISTRICT to receive water supply, storage and conveyance services from the State Water Project (“SWP”). DISTRICT has a contractual right to the delivery of 29,025 acre-feet (“AF”) per year (“AFY”) of water from the SWP in its Water Supply Contract.

C. SGPWA has a Water Supply Contract with DWR that permits SGPWA to receive water supply, storage and conveyance services from the SWP. SGPWA has a contractual right to the delivery of 17,300 AFY of water from the SWP in its Water Supply Contract.

D. DISTRICT’s and SGPWA’s respective Water Supply Contracts allow for the transfer of SWP water under certain conditions and subject to DWR approval. Specifically, Article 56(c) provides for the transfer of Article 56 Carryover Water from DISTRICT to another SWP contractor, including SGPWA, in accordance with Article 56(c)(4).

E. In 2026, DISTRICT has Article 56 Carryover Water available to it after its 2025 water use and has agreed to transfer up to 3,000 AF of this Article 56 Carryover Water (“Transfer Water”) to SGPWA in 2026, subject to the terms and conditions hereinafter set forth (“Transfer”).

F. The Parties wish to enter into this Agreement to address water supply needs for this current year. The Parties desire to work collaboratively to provide for the efficient use of water supplies, in areas of the state where water supplies are needed.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and the promises and covenants contained herein, the Parties agree as follows:

1. Term. Subject to DWR’s approval, the term of this Agreement shall commence on the Effective Date and terminate on June 30, 2026, or upon satisfaction of the Parties’ respective obligations pursuant to this Agreement, whichever is sooner (“Term”).

2. Transfer and Release of Transfer Water in 2026. DISTRICT shall take any and all actions necessary to make the maximum amount of the Transfer Water, up to 3,000 AF, available at the Point of Transfer, as defined in Paragraph 3, prior to June 30, 2026. SGPWA shall take as much Transfer Water at the Point of Transfer as is available under the terms of this Agreement, based upon operations of San Luis Reservoir and before any spill of San Luis Reservoir.

3. Point of Transfer.

(a) Both Parties have access to water supplies and conveyance capacity in the California Aqueduct and San Luis Reservoir facilities, which are part of the SWP. For accounting and operational purposes, it is hereby acknowledged that the Transfer will be made in San Luis Reservoir, which shall be deemed to be the “Point of Transfer” of the Transfer Water.

(b) Neither Party is making any representation or warranty concerning the quality of the water transferred under this Agreement.

4. Cooperation in Obtaining DWR Approvals.

(a) The Parties will take the necessary actions to fulfill their respective obligations, including but not limited to their respective obligations in coordinating with DWR to obtain DWR’s approval of the Transfer.

(b) As soon as practicable after the Effective Date, DISTRICT will submit a request to DWR that DWR deliver the Transfer Water to SGPWA pursuant to the delivery schedule agreed upon by the Parties. DISTRICT will coordinate with DWR to confirm the quantity of Transfer Water available for delivery to SGPWA pursuant to this Agreement.

(c) The Parties will cooperate as follows:

(i) Coordination with DWR for processing and obtaining DWR approvals necessary for the approval and implementation of this Agreement.

(ii) Coordination with DWR for delivery of the Transfer Water.

(iii) DISTRICT, in coordination with SGPWA, will submit the water delivery schedule to DWR for delivery of the Transfer Water.

5. Water Availability. SGPWA will coordinate with DWR to track Transfer Water availability before any spill occurs at San Luis Reservoir. SGPWA has no obligation to pay for any Transfer Water that is not available and released from San Luis Reservoir to SGPWA due to the operations of the SWP that cause San Luis Reservoir to spill. DISTRICT has no obligation to provide SGPWA water to make up for any portion of the Transfer Water that is unavailable due to the operations of the SWP that cause San Luis Reservoir to spill.

6. Article 21 Water. If DWR makes “Article 21 Water” available during the Term of this Agreement, SGPWA will prioritize the delivery of the available Article 21 Water, which may result in suspending or reducing the delivery of Transfer Water as necessary. Once the availability of

Article 21 Water ends, SGPWA will resume delivery of any remaining Transfer Water that did not spill.

7. Payment and Reconciliation

(a) The purchase price for Transfer Water shall be Two Hundred and Twenty Five Dollars (\$225) per AF.

(b) Within thirty (30) days after SGPWA has acquired all Transfer Water that will be available by June 30, 2026, or at the conclusion of the Transfer of the full amount of Transfer Water during the Term, SGPWA shall pay DISTRICT the purchase price for all Transfer Water released from San Luis Reservoir to SGPWA. The total cost shall be calculated by multiplying the purchase price per AF by the total acre-feet of Transfer Water released from San Luis Reservoir to SGPWA.

8. Costs and Expenses

(a) SGPWA will be responsible for the following costs and expenses:

(i) Costs and expenses in connection with taking delivery of the Transfer Water at the Point of Transfer.

(ii) DWR's variable charges for conveying the Transfer Water from the Point of Transfer to SGPWA's service area.

(iii) California Environmental Quality Act (CEQA) compliance costs per Paragraph 9(c).

(iv) SGPWA's internal and transaction costs in connection with SGPWA's activities under this Agreement including, but not limited to, costs for review and processing of required agreements, environmental documents, and other transaction costs.

(b) DISTRICT will be responsible for the following costs and expenses:

(i) Costs and expenses in connection with delivering the Transfer Water to the Point of Transfer.

(ii) DISTRICT's internal and transaction costs in connection with DISTRICT's activities under this Agreement including, but not limited to, costs for review and processing of required agreements, environmental documents, and other transaction costs.

9. Approvals and Requirements. The Transfer and Exchange provided for in this Agreement shall be subject to satisfaction of all applicable approvals and requirements and shall be governed by the terms and conditions of such approvals and any other applicable legal requirements. Each Party is responsible for satisfying their respective requirements, as applicable, including but not limited to the following:

(a) complying with each Party's respective Water Supply Contract;

(b) obtaining all permits, consents, entitlements, and approvals necessary to perform this Agreement; and

(c) fully and completely complying with the California Environmental Quality Act (“CEQA”). The lead agency for the purposes of CEQA will be SGPWA. The Parties shall cooperate with each other and DWR in determining and completing any environmental reviews associated with the activities under this Agreement.

10. Conditions Precedent. This Agreement is subject to the following condition precedent:

(a) DWR’s written approval of the Transfer. DISTRICT and SGPWA anticipate that DWR’s approval will be provided in the form of a Change in Point of Delivery Agreement (“DWR Approval Agreement”). In the event of a conflict between the terms of this Agreement and the DWR Approval Agreement, the terms of the DWR Approval Agreement shall govern.

(b) In the event DWR does not approve this Agreement, or does not provide approval with sufficient time to complete the Transfer by June 30, 2026, then either Party may terminate this Agreement prior to expiration of the Term.

11. Termination.

(a) This Agreement may be terminated in accordance with the following:

(i) Default. In the event a Party fails to perform any of its obligations under this Agreement (“Defaulting Party”), the other Party (“Non Defaulting Party”) may demand in writing that the Defaulting Party cure such non-performance. The Defaulting Party shall have 30 days after receipt of such demand to cure the default. In the event the Defaulting Party fails to cure the default within the 30 day period, the Non Defaulting Party may terminate this Agreement and take any and all actions in law or in equity which may be available to enforce this Agreement.

(ii) Mutual Consent. This Agreement may be terminated at any time by mutual written consent of both Parties.

(iii) Failure of One or More Conditions Precedent. In the event any condition precedent to this Agreement has not been satisfied by May 1, 2026, due to circumstances outside of the responsibility or control of the Parties, as applicable, the Parties will meet and confer to discuss whether to amend, suspend, or terminate this Agreement. If mutual agreement is not reached on or before May 15, 2026, then either Party may terminate this Agreement.

12. Force Majeure. The respective obligations of each party shall be suspended while it is prevented from complying by acts of God, war, riots, civil insurrection, acts of civil or military authority, fires, floods, earthquakes, labor accidents or incidents, rules and regulations of any governmental agency (other than the Parties themselves), or other cause of the same or other character any of which are beyond the reasonable control of either Party (collectively, “Force Majeure”). In the event of a suspension due to the Force Majeure, the Party whose obligations are suspended shall promptly notify the other Party in writing of such suspension and the cause and estimated duration of such suspension.

13. Defense. In the event of any legal action by a third party to challenge this Agreement and/or the Transfer described herein, the Parties agree to cooperate in the defense thereof and to share equally in the costs of such defense, utilizing counsel mutually acceptable to the Parties.

14. Power and Authority to Execute and Perform this Agreement. Each Party has the power and authority to enter into this Agreement and to perform its obligations and all necessary approvals and authorizations have been obtained for entering into this Agreement.

15. General Provisions

(a) Remedies Not Exclusive. Remedies provided in this Agreement for enforcement of its terms are intended and shall be construed as cumulative rather than exclusive and shall not be deemed to deprive either Party from also using any other remedies provided by this Agreement or by law.

(b) Subject to Applicable Law. The Parties acknowledge and agree that this Agreement and the rights and obligations of the Parties shall be subject to the laws governing public agencies as they now exist and as they may be amended or codified by the Legislature of the State of California.

(c) Entire Agreement. This Agreement contains the entire understanding between the Parties with respect to its subject matter, and supersedes all prior agreements, oral or written, and all prior or contemporaneous discussions or negotiations between the Parties. This Agreement cannot be amended except in writing signed by both Parties.

(d) No Waiver. Any failure or delay on the part of either Party to exercise any right under this Agreement shall not constitute a waiver of the right and shall not preclude such Party from exercising or enforcing the right, or any other provision of this Agreement, on any subsequent occasion.

(e) Notices. All notices or other communications required or desired to be given pursuant to this Agreement shall be in writing and shall be delivered in person, by email, or sent by a reputable overnight courier service providing delivery confirmation. Each such notice or communication shall be deemed to be duly given when hand-delivered or one day after being emailed or deposited for next day delivery with an overnight courier. Each such notice or communication shall be addressed to the Parties at their respective addresses set forth next to their signatures below, or such other address as a Party notifies the other in writing.

(f) Headings; Section References. Captions and headings appearing in this Agreement are inserted solely as reference aids for ease and convenience; they shall not be deemed to define or limit the scope or substance of the provisions they introduce, nor shall they be used in construing the intent or effect of such provisions.

(g) Severability. If any provision of this Agreement is finally determined by a court to be invalid or unenforceable as written, the provision shall, if possible, be enforced to the extent reasonable under the circumstances and otherwise shall be deemed deleted from this Agreement. The other provisions of this Agreement shall remain in full force and effect so long as the material purposes of the Agreement and understandings of the Parties are not impaired.

(h) Binding Effect on Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the Parties, and their respective successors and permitted assigns.

(i) Attorneys' Fees. In the event that any action or proceeding is brought to enforce one or more of the terms of this Agreement, to restrain an alleged violation of this Agreement, or to determine the validity of this Agreement or any part, the prevailing Party in any such action or proceeding shall be entitled to recover from the other its reasonable costs and attorneys' fees, in addition to any other remedies available to it in law or equity. If both Parties are successful in one or more causes of action during any such proceeding, the costs and fees shall be apportioned as determined by the court.

(j) Governing Law and Venue. This Agreement is a contract governed in accordance with the laws of the State of California. The Parties hereby agree that venue for any action brought to enforce the terms of this Agreement shall be in a court of competent jurisdiction in the County of Napa, California, and consent to the jurisdiction thereof.

(k) Counterparts; Delivery by Email; Electronic Signatures. The Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute one and the same document. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Signatures follow on the next page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

**NAPA COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT**

**SAN GORGONIO PASS WATER
AGENCY**

Date: _____

Date: _____

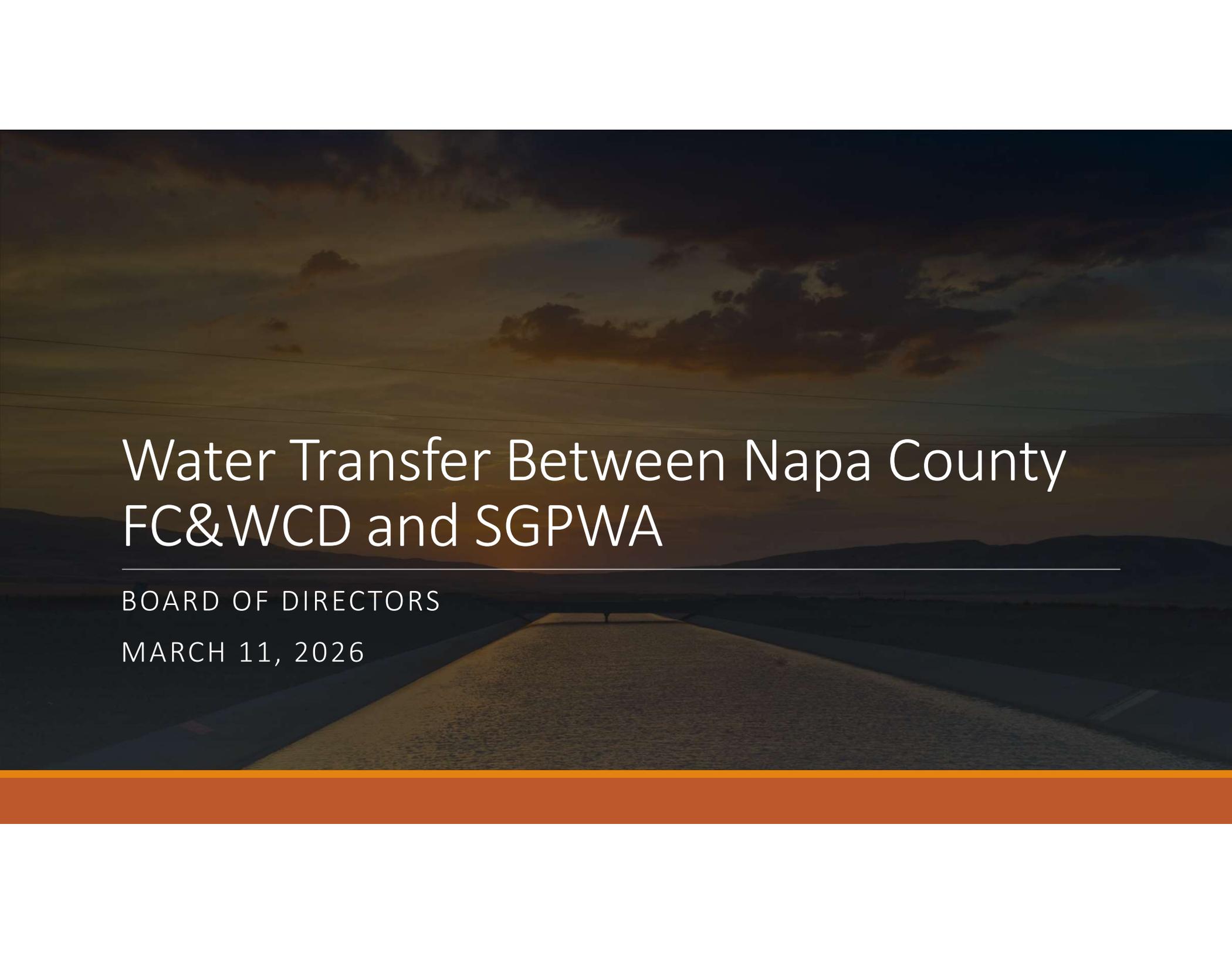
By: _____
Christopher Silke
District Engineer

By: _____
Lance Eckhart, PG, CHG
General Manager/Chief Hydrogeologist

Napa County Flood Control and Water
Conservation District
1195 Third St.
Napa, CA 94559
Email: Christopher.Silke@countyofnapa.org

San Geronio Pass Water Agency
1210 Beaumont Ave.
Beaumont, CA 92223
Email: LEckhart@sgpwa.com

DRAFT



Water Transfer Between Napa County FC&WCD and SGPWA

BOARD OF DIRECTORS

MARCH 11, 2026

2026 Water Orders

All Values in Acre-Feet

	Direct Delivery	Current Year Replenishment	Pre-Stored Water
Banning	0	1,500	500
BCVWD	0	11,200	5,300
YVWD	200	0	0
Total	200	12,700	5,800

Direct delivery and current-year replenishment demands take priority over pre-storing water for future use

2026 Water Supply

All Values in Acre-Feet

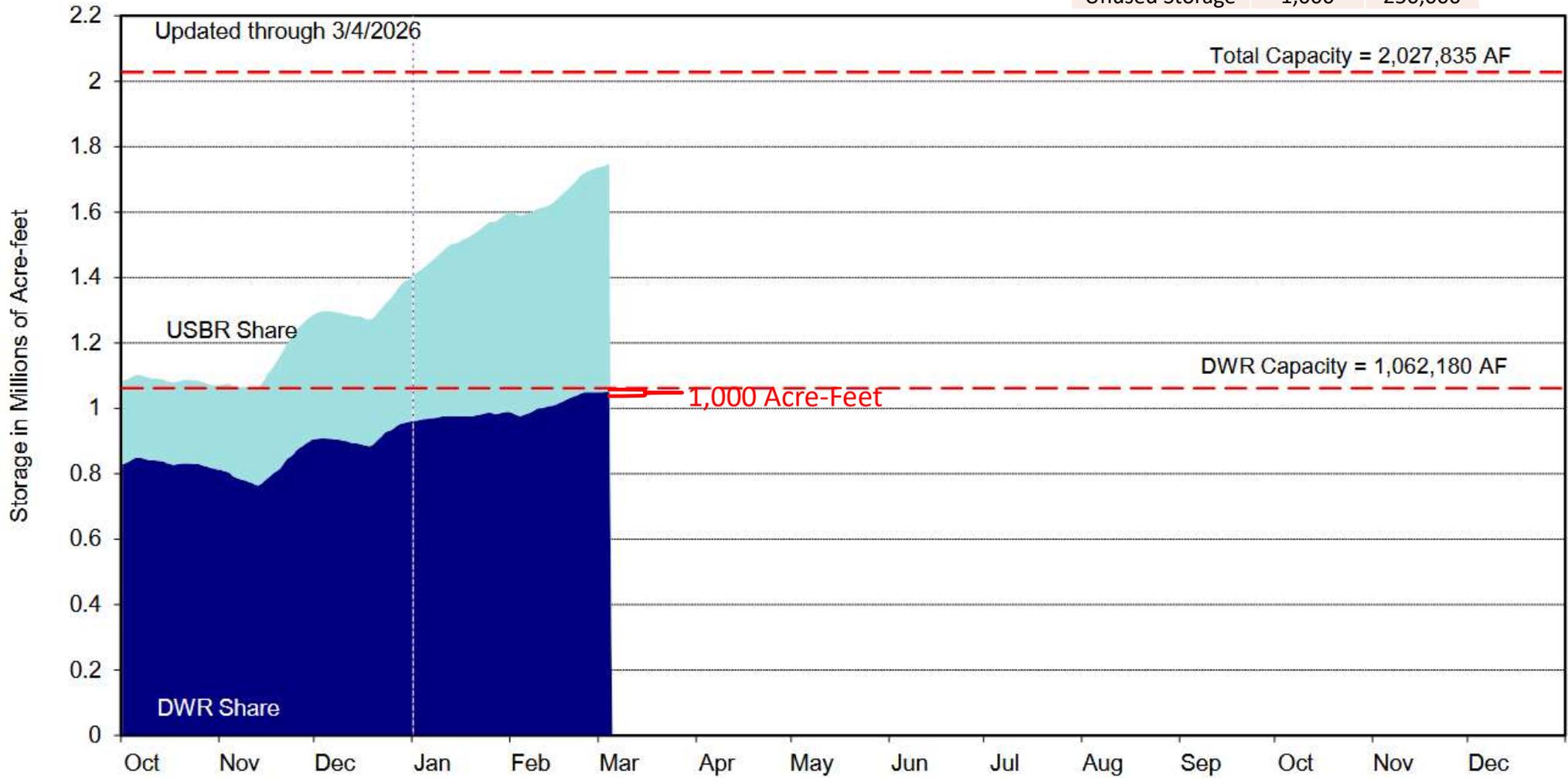
	30%
Table A	8,190
Carryover	50
Nickel Water	1,700
Dry Year Water	300
Pre-Stored Water	2,500
AVEK Return	3,200*
Total Available Supply	12,740

* AVEK return water is available in 30% or higher allocations

The allocation as of January 29, 2026, is set at 30% - total SGPWA available supply at this allocation is estimated at around 12,700 acre-feet

San Luis Reservoir Storage Combination Water/Calendar Year

	State	Federal
Current Storage	1,061,000	715,000
Max Storage	1,062,000	965,000
Unused Storage	1,000	250,000



CLAWA Water Exchange Balances

Agreement Year	Water Received	Return Water	Returned	Outstanding	Notes
2010	1,000	1,000	1,000	0	Completed in 2020
 2013	2,000	1,300	900	400	Expires in 2026
 2016	1,200	600	0	600	Expires in 2026
2017	2,000	1,000	0	1,000	Expires in 2027
Total	6,200	3,900	1,900	2,000	-

2026 Water Portfolio Profile

	50%	45%	40%	35%	30%
Table A	13,650	12,285	10,920	9,555	8,190
2026 CO	50	50	50	50	50
Nickel	1,700	1,700	1,700	1,700	1,700
YA				300	300
AVEK Return	3,200	3,200	3,200	3,200	3,200
Water Debt	-1,000	-1,000	-1,000	-1,000	-1,000
BB Storage Account	2,500	2,500	2,500	2,500	2,500
EOY CO	-500	-500	-500	-500	-500
Total Available Supply	13,900	12,535	11,170	10,105	8,740
Water Orders	12,900	12,900	12,900	12,900	12,900
Transfer In to Balance	0	365	1,730	2,795	4,160
Pre-Store Water Orders	5,800	5,800	5,800	5,800	5,800
Transfer In to Balance	4,800	5,800	5,800	5,800	5,800

Napa has 3,000 acre-feet of water available for sale

1. Napa will transfer 3,000 acre-feet of carryover water to SGPWA.
2. SGPWA will take delivery of as much of this water as possible before any spill event occurs.
3. For each acre-foot successfully delivered, SGPWA will pay Napa \$225.
4. The Agency anticipates starting delivery of this purchased water in March 2026, and completing the delivery shortly after. If all 3,000 acre-feet are successfully delivered, the total cost of the transfer will amount to \$675,000.

Recommendation

Authorize the General Manager to purchase 3,000 acre-feet of water at a rate of \$225 per acre-foot from Napa County Flood Control and Water Conservation District and complete all necessary documentation.