

Despite cutbacks, Sacramento Valley ponders big water sale in drought

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Even as they cope with their own cutbacks, several Sacramento Valley water agencies are contemplating major water sales to huge farming interests south of the Delta.

Some of the water would be sold for as much as \$700 an acre-foot, a princely sum that reflects the increasing desperation among some Central Valley farming operations in the fourth year of California's drought. The total volume of water likely changing hands this year could approach 200,000 acre-feet or more, or about 65 billion gallons.

Farmers are engineering most of the shipments – namely rice farmers in the Sacramento Valley who are moving water to growers on the west side of the San Joaquin Valley, where water rights are less secure and shortages more severe.

Urban water agencies in greater Sacramento are getting involved, too. Notably, the Placer County Water Agency and El Dorado Irrigation District have made deals to ship billions of gallons of water out of their communities.

While the dollars are tempting, area officials say water sales are also a means of helping their fellow Californians. Farmers south of the Delta rely heavily on the state and federal plumbing systems that move water from north to south. Those deliveries have been well below normal for the last two years.

"They are really hurting for water, in much worse circumstances than we are," said Bill Busath, the city of Sacramento's utilities director. The city is considering a sale, although Busath said completing a deal this year is unlikely.

Most of the water under discussion would go to the Westlands Water District, an agricultural powerhouse in Fresno County. But some would be sold to urban districts in the Bay Area.

Urban sellers are diving into water deals even as they wrestle with [strict orders by state regulators](#) to slash deliveries to their own customers by an average 25 percent over the next nine months. The mandatory cutbacks are 28 percent or more for most Sacramento agencies.

The agencies said they would sell only surplus water and wouldn't jeopardize customer supplies.

"We are not going to release any water if it means damaging our own customers," said Einar Maisch, general manager of the Placer County agency, which serves Rocklin, Loomis and Auburn. Placer plans to sell 12,000 acre-feet of water to the East Bay Municipal Utility District at roughly \$500 an acre-foot.

162 billion Gallons of water approved for transfer

66 billion Gallons of water used last summer by Los Angeles

14 billion Gallons of water used last summer by Sacramento

Urban agencies acknowledge the sensitivity of selling water while ordering their residents to consume less. "There's a political reality for an elected official saying, 'Our customers have to cut back, and we're looking at selling water,'" said Rob Roscoe, general manager of Sacramento Suburban Water District. The district has been mulling offers from buyers south of the Delta but hasn't made any decisions.

Some districts are selling nearly as much water as they're saving. El Dorado is supposed to cut use by 8,600 acre-feet under the state's mandate. It has a deal to sell up to 6,000 acre-feet to the Westlands Water District, although it still needs regulatory approval.

El Dorado is trying to move water it just got its hands on. Five months ago, after years of negotiations with the U.S. government, El Dorado obtained the right to take water from Folsom Lake in anticipation of future growth. The district won't need the water for several years. It risks losing the supply under state law if it doesn't put it to "beneficial use," said El Dorado's general counsel Tom Cumpston.

Selling the water to someone who needs it constitutes beneficial use, Cumpston said. The sale price to Westlands is a whopper: \$700 an acre-foot.

Some deals won't materialize; a [big sale to the Metropolitan Water District](#) of Southern California fizzled just a month ago. But at a time of profound shortage, money speaks loudly in California water. Last year water was fetching \$300 to \$400 an acre-foot. Now those prices seem quaint.

"The basic laws of supply and demand," said Westlands General Manager Tom Birmingham. Despite offering upward of \$665 an acre-foot for water, half of Westlands will go unplanted this year, he said.

Water sales remain controversial. To critics, they raise the specter of disadvantaged communities pumped dry to quench the thirst of wealthier users. This week a group of environmental advocates and Delta water agencies went to U.S. District Court in Sacramento, filing suit in an effort to block one of the major water sales under consideration.

In that deal, the U.S. [Bureau of Reclamation gave approval](#) for Sacramento Valley customers of the vast federal plumbing network known as the Central Valley Project to ship as much as 500,000 acre-feet of water to CVP customers south of the Delta, every year for a decade. The actual amount likely to be sold this year is far less, maybe around 200,000 acre-feet.

The deal's opponents say the transfers would devastate the Sacramento Valley economically and environmentally, and push water through the Delta in ways that would harm its fragile ecosystem.

Among the problems: Farmers in the Sacramento Valley would have to idle thousands of acres to make the water available. "You can't say that when you fallow, it has no impact," said Barbara Vlamis of AquAlliance, one of the plaintiffs in the suit.

Advocates for the deal say they take the lawsuit in stride. "This is the water world," said Dan Nelson, executive director of the San Luis & Delta-Mendota Water Authority, one of the proposed buyers. "It's not a surprise."

Water sales are about money, of course, but other issues figure into sellers' considerations. Placer County made an agreement years ago that brought additional water from the American River, so long as the agency agreed to sell some of its water in dry years. Placer sold water each of the past two years and is selling more this year.

"This is hard," Maisch said. "We get questioned about this every time we do it. It's not an easy story to communicate in 30 seconds."

The Glenn-Colusa Irrigation District, which takes in a major rice-growing region north of Sacramento, is selling water at the same time many of its farmers are idling their fields. Because of shortages in the system, Glenn-Colusa is losing a quarter of the water it's supposed to get from the Central Valley Project. The district is selling 10 percent of its remaining allotment to groups south of the Delta.

While the price is an attractive \$665 an acre-foot – for water that costs the district \$120 – General Manager Thad Bettner said Glenn-Colusa's growers have little choice but to sell.

Under a recent agreement with regulators, farmers will take delivery of much of their CVP water later in the year than

normal to protect Chinook salmon runs. That means the water will arrive too late to plant. Rather than simply lose it to the river, the farmers are selling instead.

“We were told, ‘You can transfer part of it or you can lose it,’” Bettner said. “That was the option that was given to us.”

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