Development of Mono County’s Water Lease/Transfer Policies under the Walker Basin Restoration Program

Mono Resource Conservation District Meeting

September 26, 2016
Summary of Presentation

- Overview of Walker Basin Restoration Program and Mono County’s potential involvement
- Objectives of Mono County’s program and program definition/project description for CEQA review
- Alternatives considered under CEQA
- Outreach: Feedback we’ve received
- Timeline
Overview of the Walker Basin Restoration Program and Mono County’s Potential Involvement
Overview of Walker Basin Restoration Program

- Program established 2009 by Congress to restore the ecological health of Walker Lake and its watershed
- Walker Basin Conservancy established in 2014, to lead the effort to restore and maintain Walker Lake while protecting the agricultural, environmental and recreational interests in the Walker Basin
- Restoration achieved through acquiring water decree rights to leave water on the Walker River
Mono County’s Potential Involvement in Program

- A portion of the Walker Basin is in Mono County in California and could be part of the program
- Mono County is examining the potential risks, benefits, and procedural considerations involved in the establishment of a water transactions program within the California portion of the basin
- Participation by California water rights holders will require a General Plan Amendment to allow the transfers
• MOU Mono County and NFWF (2012) -
  – **National Fish and Wildlife Foundation** agreed to not authorize expenditure from Desert Terminal Lake Fund on programs within Mono without concurrence from the County
  – **Mono County** agreed to review and consider approving proposals presented by RCD (or other parties) for implementation of short term lease or other proposals
  – **RCD** is interested in facilitating the development of information related to the California Program to aid design and implementation of programs
Mono County’s Objectives and Program Definition/Project Description for CEQA Review
Mono County Objectives

- Ensure that any future program is consistent with existing General Plan policies
  - To develop a policy for water transfer that is consistent with County values
    - Maintain agricultural and rural ethos of the county
    - Retain and restore biological diversity
    - Enhance recreational opportunities for visitors
  - Identify sustainable limits for water transfer

- Undertake CEQA to assess the potential impacts of a water transfer program
Program Definition/Project Description under CEQA

• CEQA program definition/project description elements
  – Proposed County General Plan policies
  – Transaction scenario
  – Anticipated transaction types
<table>
<thead>
<tr>
<th>GOAL 1</th>
<th>Preserve natural open-space resources which contribute to the general welfare and quality of life for residents and visitors in Mono County and to the maintenance of the county's tourism economy.</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOAL 2</td>
<td>Maintain an abundance and variety of vegetation, aquatic and wildlife types in Mono County for recreational use, natural diversity, scenic value, and economic benefits.</td>
</tr>
<tr>
<td>GOAL 3</td>
<td>Ensure the availability of adequate surface and groundwater resources to meet existing and future domestic, agricultural, recreational, and natural resource needs in Mono County.</td>
</tr>
<tr>
<td>GOAL 4</td>
<td>Protect the quality of surface and groundwater resources to meet existing and future domestic, agricultural, recreational, and natural resource needs in Mono County.</td>
</tr>
<tr>
<td>GOAL 5</td>
<td>Preserve and protect agricultural and grazing lands in order to promote both the economic and open-space values of those lands.</td>
</tr>
</tbody>
</table>
Transaction Scenario

• Inputs
  – What are the budgets at WRID and WBC?
  – Acquisition strategy, i.e. how much will the programs focus on California?
  – What water rights are available?
  – Estimate of water purchase price

• Estimates
  – Set upper boundary of likely transaction scenarios, i.e. how many water-righted acres could be transferred?
  – Develop spatial distributions of potential transactions
## Transaction Scenario: Walker Basin Water Rights

<table>
<thead>
<tr>
<th>Type/Location of Water Rights</th>
<th>Acres</th>
<th>Estimates of Acres Acquired by WBC</th>
<th>Available Acres</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nevada</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decree</td>
<td>55,857</td>
<td>6,000</td>
<td>49,857</td>
<td>42%</td>
</tr>
<tr>
<td>New Land</td>
<td>34,500</td>
<td>5,000</td>
<td>29,500</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Nevada Subtotal</strong></td>
<td>90,357</td>
<td></td>
<td>79,357</td>
<td>68%</td>
</tr>
<tr>
<td><strong>California</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Walker</td>
<td>18,142</td>
<td></td>
<td>18,142</td>
<td>14%</td>
</tr>
<tr>
<td>East Walker</td>
<td>23,669</td>
<td></td>
<td>23,669</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Subtotals</strong></td>
<td>41,834</td>
<td></td>
<td>41,811</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Totals All Rights</strong></td>
<td>132,192</td>
<td></td>
<td>121,168</td>
<td>100%</td>
</tr>
</tbody>
</table>
## Transaction Scenario: Estimated Available Water Rights in Walker Basin

<table>
<thead>
<tr>
<th>Location</th>
<th>Decreed Water Rights</th>
<th>Storage Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Acres</td>
<td>Rate (cfs)</td>
</tr>
<tr>
<td><strong>West Walker</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antelope Valley</td>
<td>16,067</td>
<td>251</td>
</tr>
<tr>
<td>Above Antelope Valley</td>
<td>2,075</td>
<td>33</td>
</tr>
<tr>
<td><strong>East Walker</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bridgeport Valley</td>
<td>23,669</td>
<td>376</td>
</tr>
<tr>
<td>Above Bridgeport Valley</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>41,811</td>
<td>660</td>
</tr>
</tbody>
</table>
**Equitable Water Acquisition between CA and NV**

<table>
<thead>
<tr>
<th>Item</th>
<th>Water Right Purchase</th>
<th>Water Rights Leasing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining as of 2018 ($ million)</td>
<td>108.30</td>
<td>25.00</td>
</tr>
<tr>
<td>Remaining as of 2021 ($ million)</td>
<td>54.15</td>
<td>12.50</td>
</tr>
<tr>
<td>Max Portion to California (at 32%) ($ million)*</td>
<td>18.95</td>
<td>4.00</td>
</tr>
<tr>
<td>Purchase Price per Wet Acre-Foot ($/AF)</td>
<td>1,800</td>
<td></td>
</tr>
<tr>
<td>Lease Price per Acre ($/acre)</td>
<td></td>
<td>320</td>
</tr>
<tr>
<td>Wet Duty (AF/acre)</td>
<td>3.2</td>
<td></td>
</tr>
<tr>
<td>Max Acre-Feet Purchased/Leased</td>
<td>10,528</td>
<td></td>
</tr>
<tr>
<td>Max Acres Purchased/Leased</td>
<td>3,290</td>
<td>11,000</td>
</tr>
<tr>
<td>Portion of Total CA Acreage Water Rights</td>
<td>7.9%</td>
<td></td>
</tr>
</tbody>
</table>

*unlikely that WBC could close any transactions in California until 2021.
Anticipated Transaction Types

• Water rights sale/leasing
  – Includes sale of water rights with and without the associated land

• Storage rights sale/leasing
  – Would need to analyze transfer in low, average and good years

• For all transactions analysis would need to describe the range of timing, location and extent of transactions
Alternatives Considered Under CEQA
CEQA Alternatives

• CEQA alternatives are driven by the significant environmental impacts
• Alternatives could include:
  – All transfer options with County regulation
  – All transfer options no County regulation
  – Storage water only
  – Leasing only
    • Includes temporary transfer of water rights
    • Sale of storage water
  – Reduced Target
  – No Project
• Additional Alternatives?
Outreach: Feedback we’ve received
Conversations – Antelope Valley

- Water rights leasing possible
- Water rights sale possible owing to AVWMC managing water within the Antelope Valley
  - Price needs to be correct
  - Locations specific acquisition could be net benefit e.g. transfer of rights adjacent to riparian corridors
• Water leasing and sale of storage water feasible

• Sale of water rights unlikely
  – Heavily constrained by existing agricultural conservation easement

• Management and opportunity to transfer water either:
  a) Early season prior to irrigation season
  b) Late season post irrigation season
• Agricultural Producers
  – Price – dependent on government appraisal rate
  – Conditions - Dependent on extent of County regulation

• Public
  – Antelope Valley - even partial de-watering will bring (partial) de-greening
  – Water rights sales could encourage farmers to sell off land for residential subdivisions
  – Bridgeport Valley – aggravation of existing sanctioned water quality problems
  – Mono County – potential reduction of property taxes for reduced production agriculture land and curtailed economic activity
  – Reduction of open space
  – Biological and cultural resource impacts
  – Visual impacts
Areas to Consider

• Potential issue areas* Maintain agricultural land use for economic base, open space, and rural character of the region
  – Maintain scenic qualities and aesthetic character of the region
  – Protect habitat values and species of concern
  – Protect wetland values
  – Protect groundwater resources
  – Maintain economic stability for both individuals and communities
  – Protect cultural resources
  – Protect other water users from injury
  – Transferring water across state lines
  – Conflict with existing conservation plans

*2014 RCD Feasibility Assessment of a Water Transactions Program in the Walker River Basin
Timeline - Policy Development and CEQA

Policy Development
- Technical Studies
- Project Description
  - Scoping/IS
  - Prepare Draft EIR
- DEIR Review
- Final EIR and MMRP

Public Input
- Notice of Preparation
- Public Review
- Notice of Availability
- Review and Adoption of Policy