



The Napa Agreement: Paper Dams for Paper Water

What is it?

The Napa Agreement is part of a system-wide alteration of California's public water delivery laws and infrastructure. The proponents of the Napa Agreement have one principal goal in mind: increase water exports through the Sacramento-San Joaquin Delta. The Agreement proposes turning up the State Water Project (SWP) pumps from a rate of 6,680 cfs (cubic feet per second) to 8,500 cfs and lending part of the greater capacity to the federal Central Valley Project (CVP).

The greater pumping capacity would allow water contractors with the state and federal projects to hold the state hostage for water deliveries that the over-allocated SWP cannot provide.

Has anything like this happened before?

Yes. In 1994 the very same SWP contractors (indeed, the very same individual representatives) met in an unannounced, closed meeting with DWR in Monterey to rewrite the voter-approved SWP contracts.

What were the implications of Monterey?

- The Monterey Agreement gave 20,000 acres of state property—in which DWR had invested \$74 million to create an underground water storage facility—to a shadow agency controlled by the state's largest privately owned agribusiness corporation: Paramount Farming. The contractors also had to change state law by gutting and rewriting AB 2014 to enable a private company to join a joint powers authority. The property, now known as the Kern Water Bank, houses the state's largest underground water storage facility.
- The Monterey Agreement deleted part of the original SWP contracts that allowed the state to scale back contract entitlements if the SWP were unable to deliver the original contract entitlements, this is essential since the SWP delivers on average slightly less than half of its original contract entitlements.
- The Monterey Agreement opened the SWP up for water trading so that contractors could buy and sell entitlements for water that the state cannot deliver; that is, "paper water."

After long and costly litigation brought against DWR by two environmental organizations and one SWP contractor, the Third District Court of Appeals ruled unanimously in favor of the plaintiffs, denouncing the contractors' attempt to set up a paper water trading system within the SWP. The Court of Appeals decision left the result of Monterey Agreement in limbo, but hasn't stopped the contractors from carrying out the changes and now even going one step further...

How does it all fit together in the Big Picture?

The contractors want to rework the SWP system to get the undeliverable million and a half acre-feet of water from the 1960 contracts; that is to take advantage of the loopholes created in the Monterey Agreement. With the Napa Agreement they seek to turn “paper water” into wet water ripe for marketing simply by turning up the pumps.

The pieces to the puzzle are: 1) retain the 1960 4.2 million acre-feet SWP contracts without alteration to reflect actual reliability; 2) enable water contract sales amongst contractors; 3) create direct private control over south of the Delta water storage; and 4) increase Delta pumping.

Who Wins?

The people who were at the table when the deal was struck. The principal negotiators were the most powerful water players in the state: the Kern County Water Agency, the Metropolitan Water District of Southern California and the Westlands Water District. These agencies represent the largest private agribusinesses and developers in the state: corporations such as Paramount Farming, Newhall Land and Farming and Tejon Ranch.

Who Loses?

people who weren't at the table when the deal was made—CALFED stakeholder groups like small farmers, environmentalists, fishing groups, environmental justice communities, and small water systems.

- Water exports resulting from the Napa Agreement would come at the grave expense of water quality and endangered species in the Sacramento-San Joaquin Delta, Delta area farmers, especially Sacramento Valley rice farmers, as well as smaller farmers and urban communities south of the Delta.
- The fallowing of significant acreage to meet the needs of increased pumping will have a devastating impact on rural economies, while the loss of significant rice acreage will reduce important bird habitat.
- Dredging of channels to increase water flow will stir up mercury and pesticide-laden sediments, increasing fish contamination and further endangering those who eat fish from San Francisco Bay and Delta.
- Other water agencies that rely upon Delta water could see an increase in salinity and bromide concentration in their water, as fresh water is channeled and diverted in the Delta to improve water quality for CVP and SWP users.

What should be done?

- Support Senator Mike Machado's SB1155 banning any increase in Delta pumping until the CALFED water quality and species protection requirements have been met.
- Call for SB1155 to eliminate paper water trading within California's public water systems.