Two Case Studies of Water Transfers in California: The Lower Yuba River Accord and the Kern Water Bank

Prepared for ICPRB by
Susan Burke, Ph.D. Sr. Consultant/Economist Cardno
Paul Leonard, VP Water Resources, Cardno
January 7, 2016

DRAFT for internal discussion purposes
Water Market Topics

- What do California water markets look like?
- How did they get started?
- Who benefits?
- How do you know if a market will work?

**Case Studies**

- Literature
Water Market Topics – January Topics

• Case Studies:
  • Lower Yuba River Accord
  • Kern Water Bank
The impressive Lower Yuba River Accord illustrates the importance of three key elements of effective restoration. They include collaboration, the imagination of motivated parties and a commitment to science.

- Charles R. Hoppin, Chair of the State Water Resources Control Board  (As published in the Sacramento Bee, July 28, 2011)
Water Market Two Case Studies
Yuba Accord

- 1980s – 1990 YCWA at the forefront of CA water transfers
- 1990 – State proposes significant increase to in-stream flows for fish
- 2005 – a preliminary framework agreement announced, fisheries, water purchase, conjunctive use, power.
- 2006 & 2007 – pilot transfers
- 2008 approval
- 2009 receive the Governor’s Environmental and Economic Leadership Award.
- 2014 updating the payment provision, price for water may double.

Source: YCWA web page
Kern Water Bank

- “the most effective groundwater storage program in the U.S., probably the whole world”
- then U.S. Sect Interior Bruce Babbitt upon visiting the Bank in 2002
Kern Water Bank

- 1988  State DWR attempt unsuccessful
- 1994  Taken over by locals (6 local agencies)
- 1998  Awarded Clair A. Hill Award for excellence in water mgmt. in CA
- 1999  Construction of 6-mile canal, 72,000 ft of pipe and 40 wells
- 2011 KWB has recharged over 1.7 MAF and recovered nearly 0.9MAF
- 2010-14  An environmental group challenged the CEQA compliance of the Bank. In 2014 a California judge issued a writ commanding DWR to recertify the current EIR and commence the remedial review.
• California’s Water Market, By the Numbers, Update 2012, Ellen Hanak and Elizabeth Stryjewski, PPIC. http://www.ppic.org/main/publication.asp?i=1041
• NPR interview with MacKenzie Funk, Why Water Markets Might Work in California.
• Reuters article about the 2009 Emergency Drought Water Bank: Read more at Reutershttp://www.reuters.com/article/2008/09/04/us-economy-california-water-idUSN0457395520080904#47its7hgGJK7CB6L.99
• The Lower Yuba River Accord, from Controversy to Consensus, http://www.ycwa.com/documents/622
QUESTIONS?
Susan.burke@cardno.com
paul.leonard@cardno.com