



# Drought Protection Program Outline

## Temporary Program as Part of Long-Term Operations (LTO) for the Central Valley Project

### A Plan for Critically Dry Years

The **Drought Protection Program (DPP)** is a water reduction and infrastructure improvement agreement between the U.S. Bureau of Reclamation (Reclamation) and the Sacramento River Settlement Contractors (Settlement Contractors) and implements a voluntary water conservation and water acquisition program over the next two decades in response to drought conditions at Shasta Lake.



### Balancing Water Needs for Multiple Benefits



### Goal

The DPP is a series of actions and investments that will lead to improved surface water reliability in future years to benefit our farms, communities, economy and environment.

## Why We Need the DPP

The DPP is needed to avoid repeating the devastating effects of 2022 when the Settlement Contractors received an 18% water supply from Reclamation. This resulted in 370,000 acres of farm land fallowed in the Sacramento Valley and little water for communities, fish and wildlife. The DPP provides improved certainty for water deliveries for all these purposes in future droughts, as well as funding for improving water supply infrastructure to help water management in all year types.

Unpredictable water years (e.g., 2022) can lead to decisions by state and federal agencies and courts that can result in reductions to water supply that have devastating effects on the Sacramento Valley.



## Avoiding a Repeat of 2022

- 18% delivered to farms, wildlife refuges
- 370,000 acres fallowed
- \$1.3 billion hit to regional economy
- Low salmon survival rates
- Communities implemented water conservation measures





## When Does This Occur?

The DPP's water supply action is triggered **only when hydrologic conditions at Shasta Lake hit specified critically dry year criteria over the next 20 years.**

These specified hydrologic conditions would have occurred seven times in the last 100 years (7% of the time). With the more recent drought periods we have experienced, this would have occurred in three of the last 10 years (2014, 2021, 2022). Previous to 2014, it would not have occurred since the early 1990s.

In these defined years between now and 2045, Settlement Contract supplies would be reduced to as low as 50%. Contract performance would be similar to 2014, 2015, 2021 and 2022 with flexibilities to allow the Settlement Contractors to best use their reduced contract supplies including shifting contract amounts between months to best meet demands.

**“Phase One Program Year”** shall mean when all the following conditions are satisfied by April 15 in any Year during Phase One:

1. Forecasted end-of-April Shasta Lake storage is less than 3.0 million acre-feet;
2. Forecasted end-of-September, for the current year, Shasta Lake storage is less than 2.0 million acre-feet;
3. Combined actual and forecasted natural inflow to Shasta Lake from October 1, of the prior year, through April 30, for the current year, is less than 2.5 million acre-feet; and
4. Reclamation forecasts a Critical Year under the Settlement Contracts.

*\*Note: for Phase 2, only the 3rd and 4th points above would apply.*




## DPP Water Supply Actions

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Conditions would have been triggered seven times in the last 100 years.

## How Does it Work?

The DPP has two, ten-year phases, while the parties commit to implement these actions and working collaboratively on the holistic Winter-Run Action Plan (WRAP) to help recover salmon.

- **Phase 1:** (2025-2035): the Settlement Contractors would reduce contract supply by up to 500,000 acre-feet during years the hydrologic conditions triggers are met.
- **Phase 2:** (2035-2045): the Settlement Contractors would reduce contract supply by up to 100,000 acre-feet during years the hydrologic conditions triggers are met.

*\* The water supply actions result in "Program Water"*

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## Program Water

- The water supply action is a temporary added reduction in contract supply (in addition to the existing contract reductions under the Settlement Contracts for the specific year type).
- The "Program Water" is deemed equivalent to a reasonable and beneficial use of water, however, the water supply action does not reflect any change to the underlying water rights. The current Settlement Contracts will remain in place under the DPP.
- As the DPP is implemented and Shasta Lake is operated to meet 2.0 million acre-feet of storage at the end of September, the Settlement Contractors will receive at least 50% of total contract supply.
- The Settlement Contractors will coordinate their diversions with Reclamation to ensure an adequate flow release schedule from Shasta Lake to meet their needs.
- If hydrologic conditions triggers are met during Phase 1 that would call for reductions that exceed a cumulative of 500,000 acre-feet of Program Water (but no more than 50% reductions in any given year), any further reductions are contingent upon completing WRAP milestones or otherwise agreed to by Reclamation and the SRSC Corporation.



## Program Water Defined

As listed in this document, "Program Water" represents the total amount of water reduced from Settlement Contract totals when the water supply action is triggered.



## Protects Water Rights

Settlement Contractors will receive at least 50% of total contract supply.

Members to be compensated for water reductions.



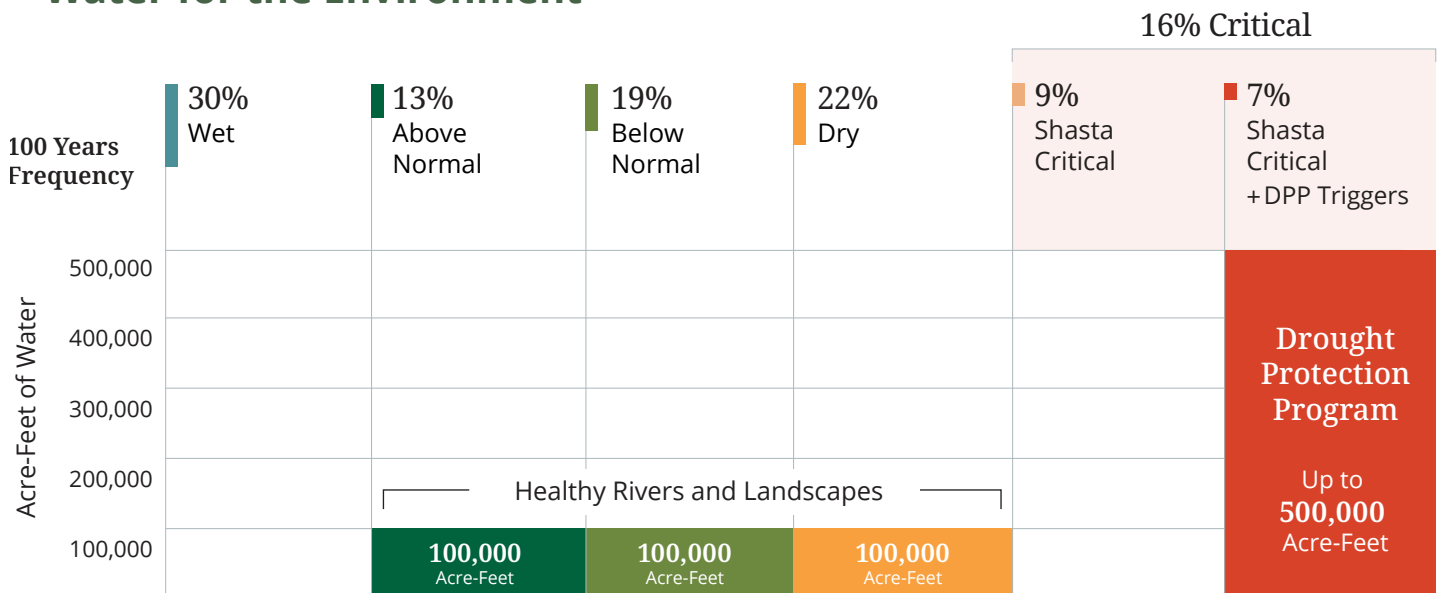
## Reclamation to make \$125 Million Investment for Drought Resiliency

- Improve and expand conjunctive management
- Pipe or line open canals
- Expand recirculation systems
- Upgrade irrigation systems
- Infrastructure improvements
- Automation of gates and canals

### Funding Summary

Reclamation will provide \$250 million to the Sacramento River Settlement Contractor non-profit Corporation which will then disburse that funding to the SRS contractors based on contract amounts (assuming all contractors sign the agreement.) The \$250 million in funding will be provided in January 2025 to the non-profit corporation which will then distribute to contractors after they have signed the agreement. More than half of the funds will need to be spent on water supply projects.

### Water for the Environment



Note: Existing Shasta Critical Year reductions from 100% to 75% supply are not shown here.

## When Program Water Years are Defined

On March 15, Reclamation will provide an initial forecast based on a 90% exceedance level to the Settlement Contractors to define whether the conditions trigger a water supply action, including the initial quantity of “Program Water.” This information will be updated by April 15 with Reclamation identifying the final amount of “Program Water.” This timing ensures operational certainty for growers as planting decisions are made.

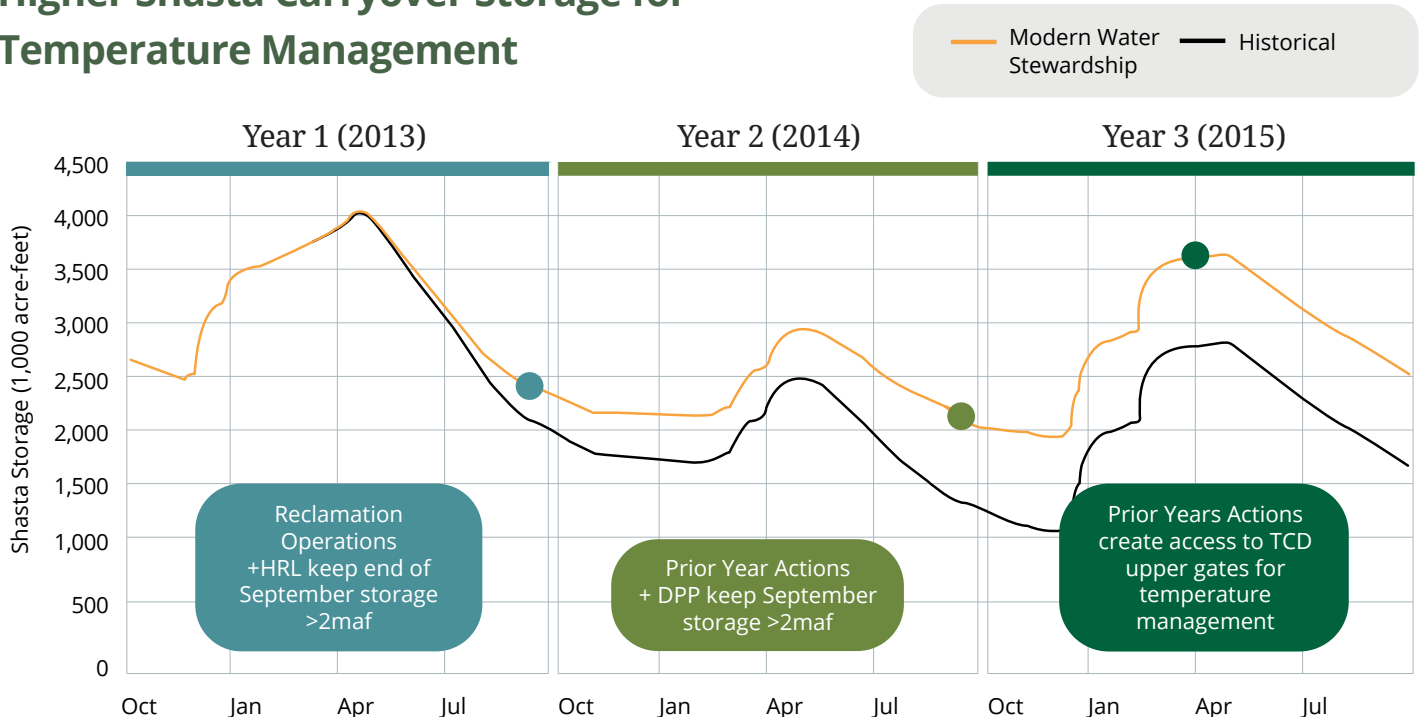
By July 15, Reclamation will provide an updated forecast (based on 90% exceedance level) for the end of September Shasta Lake storage. If the forecast is greater than 2.0 million acre-feet, the “Program Water” that creates storage above 2.0 maf will be available to the Settlement Contractors for their use. If Shasta Lake end of September storage is forecasted to be less than 2.0 maf, Reclamation and the Settlement Contractors will meet and confer on operations for the remainder of the water year.

## Creating Higher Carryover Storage

During the temporary period of the DPP, Reclamation intends to operate Shasta Lake with higher carryover storage as a way to conserve water for extended drought years (see graph below).

The carryover storage is designed to temporarily allow federal and state agencies to manage temperatures in the river for Winter-run Chinook salmon while a broader Winter-run Action Plan (WRAP) is developed and we learn what is working best for salmon. Following implementation of the WRAP, evaluations will be undertaken to determine the best approach to carryover storage for temperature management and water supplies.

## Higher Shasta Carryover Storage for Temperature Management





## The Need for Resiliency

Through the agreement, drought resiliency projects are expected to be constructed and implemented during Phase 1 to strengthen the resilience of the Settlement Contractors' water system and long-term water delivery capabilities. Approximately \$125 million from the Inflation Reduction Act will be dedicated to construct the following types of drought resiliency projects:

- Improving and expanding conjunctive management of surface water and groundwater
- Piping or lining open canals
- Expanding recirculation systems
- Upgrading irrigation systems
- Water delivery infrastructure improvements
- Automation of gates and canals

It is anticipated that with implementing drought resiliency projects, the impact of taking land out of production as a means to meet water reductions should reduce over time.

## How Will the Program Affect Districts, Companies and Growers

Each participating Settlement Contractor will take their own, and possibly different actions to meet the water supply reductions, perhaps including:

- Reducing deliveries to growers
- Cropland idling
- Shifting from higher-water-intensive crops to lower-water-using crops
- Implementing conservation measures
- Rely on groundwater substitution in accordance with SGMA

*Please consult your district/company general manager for individual questions on the program and related questions on funding, taxes and crop insurance.*

*Settlement Contractors that do not execute the DPP will not be eligible for funding opportunities under the Program and may be subject to greater water supply reductions and impacts.*

*We strongly believe the DPP to be the most effective and least impactful path forward through the updated Long-Term Operations of the Central Valley Project. We urge you to discuss with your representatives, consultants, or others to make your decision for participation in the DPP.*



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