## FOR IMMEDIATE RELEASE

June 22, 2006

Contact: Karla Nemeth 925-454-5008

## Zone 7 Reaches Agreement on Water Storage Project

Groundwater banking program in Central Valley will ensure reliable water supply during drought years

*Livermore* – The Zone 7 Board of Directors last night approved an agreement with the Cawelo Water District (Cawelo) that will provide an additional 120,000 AF of underground water storage to protect the Valley from drought. The agreement allows Zone 7 to store surplus water supplies during wet years and draw upon it when needed during a drought.

Both agencies are contractors to the State Water Project (SWP) and receive a portion of their total water supply from the Bay-Delta. The agreement allows Zone 7, during wet years, to transfer surplus water to the Cawelo District, which will then deliver it to their agricultural customers for use, in lieu of local groundwater pumping. Zone 7 is credited for an equivalent amount of water supply left stored in the local Cawelo groundwater basin. During dry years, when Zone 7 needs the water for its customers, a portion of Cawelo's Delta water supply will be diverted upstream from the California Aqueduct for use in the Tri-Valley. Cawelo Water District, which is located in Kern County in the south Central Valley, would in turn rely on the stored local groundwater supply to meet customer demands during dry years. Taking advantage of record rainfall in early 2006, Zone 7 expects to store 10,000 AF of surplus Delta water in the Cawelo Program this year. The storage contract will be in place for 30 years, and can be extended by mutual agreement.

"The Cawelo Groundwater Banking and Exchange Program exemplifies our commitment to ensuring a 100% reliable water supply to the Valley and the Zone's ability to plan effectively," said John Greci, president of Zone 7's Board of Directors. "Protecting our residents from drought is among our top priorities – and a true challenge in California." Zone 7 will pay \$19 million of the Program's estimated \$23 million cost. The costs will cover expanding and building facilities to transport, store, and recover the water, including canals, pipelines, pumping plants, wells, and reservoirs. The total cost to deposit and withdraw water in the Program is \$258 per acre foot.

Zone 7 relies on the Bay-Delta to supply about 75% of its annual water supply. The remaining 25% typically comes from the Valley's groundwater basin and local run-off collected in Lake del Valle. Zone 7 replenishes the groundwater basin, which can store about 250,000 AF, by releasing surface water down Arroyo del Valle and Arroyo Mocho. Storage in the groundwater basin is limited by how fast the water can percolate through the soil and by the volume of the basin. Without storage outside of the Valley, during wet years Zone 7 could lose any Bay-Delta water that it cannot recharge into the groundwater basin—water that will be extremely valuable during a drought.

###

Zone 7 Water Agency is one of the 10 active zones of the Alameda County Flood Control and Water Conservation District. The District was established by the State Legislature in October 1949 to solve problems of flooding, drainage, channel erosion and water supply and conservation in Alameda County. In 1957, by popular vote, Zone 7 became a special district governed by a seven-member board of directors. Along with flood protection, Zone 7 supplies water to all of eastern Alameda County and a population of more than 190,000. Treated water is sold wholesale to local retailers, including the cities of Livermore and Pleasanton, the Dublin San Ramon Services District, and the California Water Service Company. Zone 7 also distributes untreated water to local agriculture operations and golf courses.