



Amend Agreement with DWR to Purchase YCWA Transfer Supplies

Water Planning and Stewardship Committee
October 13, 2014
Item 8-3

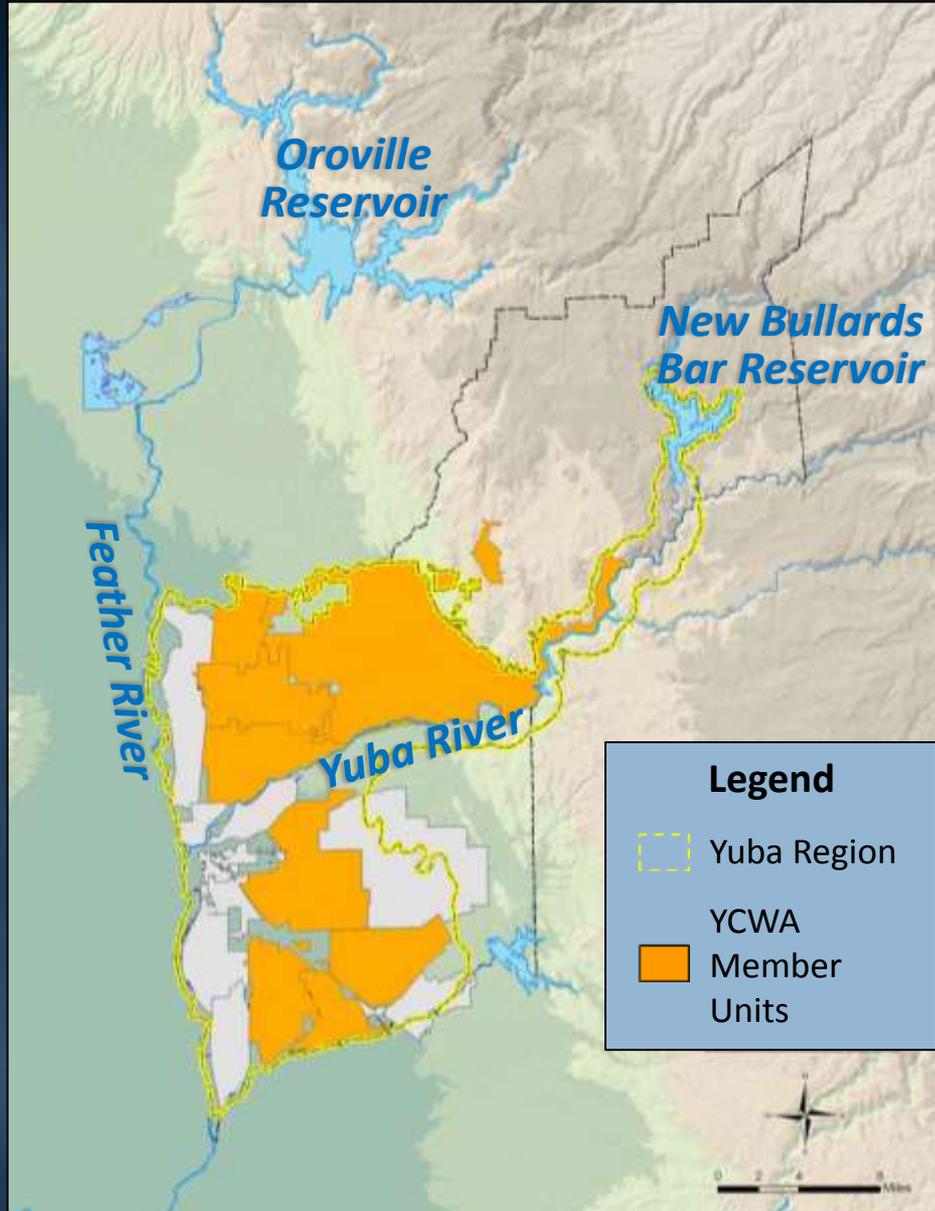
Metropolitan Board Actions

- 2007 – Board authorized an agreement with DWR to purchase YCWA transfer supplies
- 2009, 2010, 2011 – Board authorized 1-year amendments to authorize and streamline groundwater substitution purchases
- October 2014 – Seeking Board authorization to enter into a 5-year amendment

Background

- Yuba Accord is a SWRCB settlement comprised of fishery flow release and transfer agreements
- YCWA provides transfer supplies to DWR, which are sold to participating SWP and CVP contractors
- Fixed prices paid to YCWA for surface water supplies with a reopener for post-2015 prices
- Annual negotiations with YCWA member units for groundwater substitution supplies

Yuba County Water Agency



Yuba Accord Transfer Supplies

Component 4



Component 4 Highlights

- **Optional purchase - up to 90 TAFY**
- **\$125/AF - \$475/AF**
- **Provided at YCWA's member units discretion**

Component 3

Component 2

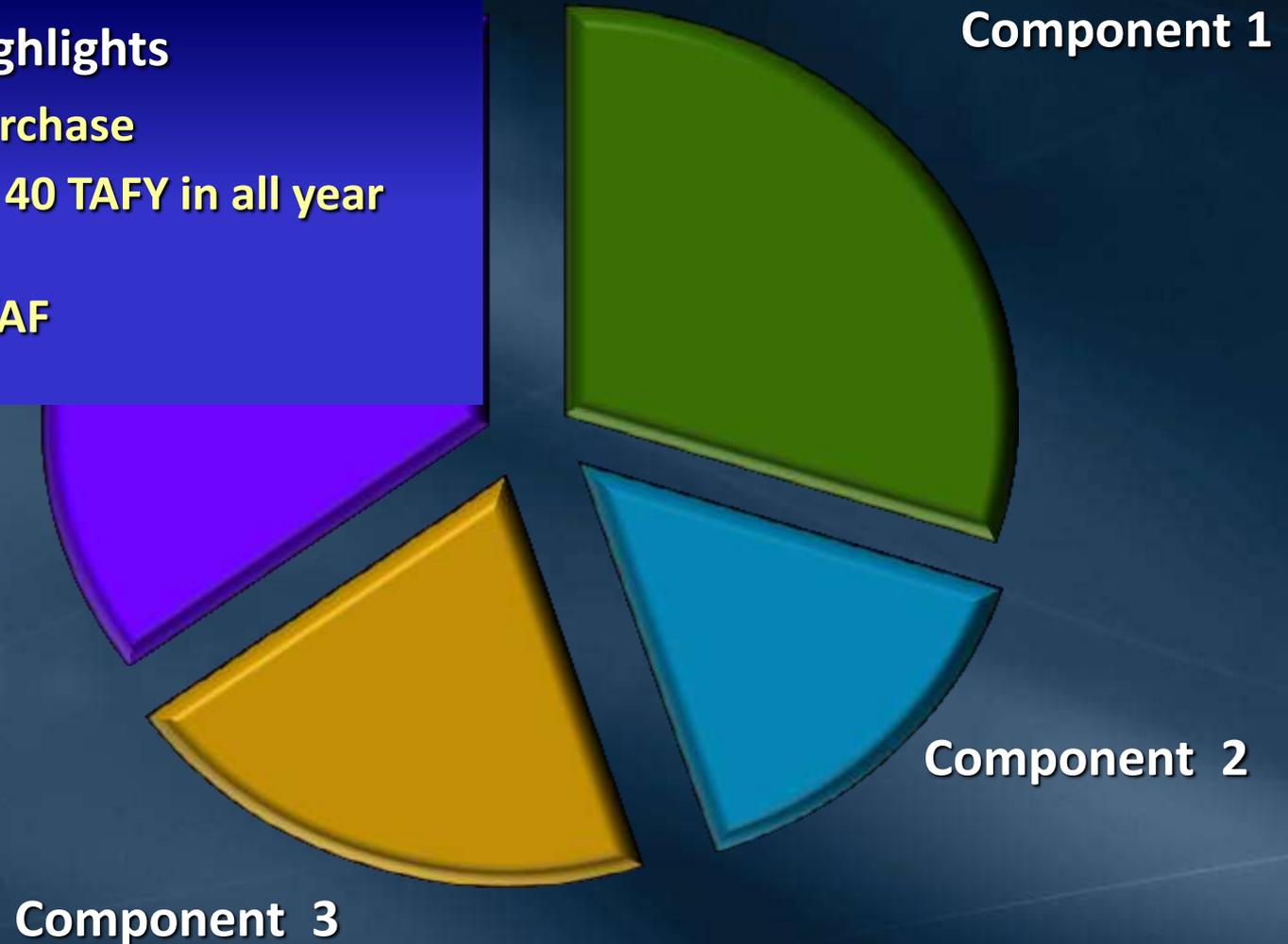
Benefits to Metropolitan to Date

- First long-term Central Valley water transfer
- No risk transfer supplies
- Metropolitan has purchased 156,280 AF at a total cost of \$27.19M
- Average unit price = \$174/AF (\$217/AF after Delta conveyance losses)

Proposed Amendment

Component 3 Highlights

- **Guaranteed purchase**
- **Approximately 40 TAFY in all year types**
- **\$50/AF - \$350/AF**



Proposed Amendment

- In dry hydrology, with normal Buyer participation, Metropolitan may purchase about 32,500 AF at \$6.2M (average unit price = \$191/AF)
- In a critically dry hydrology, with no Buyer participation, Metropolitan may purchase about 130,000 AF at \$43.4M (average unit price = \$334/AF)
- Clarifies Yuba's right to sell water to third parties
- \$20M prepayment secures surface water prices for 5 years

Benefits of Proposed Amendment

- Secures surface water prices for 5 years
- No risk transfer supplies
- Sets stage for longer-term purchases
- Continues successful water management program that could be applied to other watersheds

Board Options

● Option #1

- Adopt CEQA determination
- Authorize amendment to agreement with DWR to purchase YCWA surface water supplies
- Appropriate up to \$20 million for water transfer payments

● Option #2

- Do not authorize amendment to agreement with DWR to purchase YCWA surface water supplies

Recommendation

- Option #1

