

- **Board of Directors**
Water Planning and Stewardship Committee

January 13, 2009 Board Meeting

9-3

Subject

2009 Water Supply Allocation Plan Status

Description

This letter provides an update of conditions and considerations that affect the decision to implement the Water Supply Allocation Plan (WSAP) and allocate limited water supplies to the member agencies.

The most significant aspect of this month's update is the water supply impacts from the recently released Biological Opinion on Delta smelt (Biological Opinion). Based on the California Department of Water Resources State Water Project (SWP) allocation study released in December, staff has determined that the Biological Opinion could impose greater restrictions on the delivery of SWP supplies for 2009 than the most restrictive flow regimes from Federal Judge Oliver Wanger's interim order on Delta smelt actions. The Biological Opinion will decrease the amount of water delivered from the SWP under dry, normal, and wet hydrologic conditions.

The impacts from the Biological Opinion are offset by December's wetter than normal conditions in Metropolitan's service area and in the Imperial and Coachella Valleys, which result in more Colorado River water available for Metropolitan under the priority system. The additional supply, combined with lower demand in the service area conditions as compared to last month's forecast, improved end-of-2008 storage conditions.

Overall, the probability of implementing the WSAP in 2009 has increased due to the impacts from the Biological Opinion, compared to the chances reported in previous months. In November 2008, the estimated chance of needing to implement the WSAP was approximately 1 in 3. Under the changed conditions detailed in this report, the chance has increased to 1 in 2. However, it is important to note that the chance of implementing the WSAP could still be significantly affected by the upcoming winter and spring hydrologies that occur in southern and northern California and in the Colorado River watershed. Staff estimates that there is a 1-in-4-chance that wetter hydrology would occur and provide sufficient supplies to refill regional storage in 2009 even under the restrictions of the Biological Opinion.

Update of Potential Conditions in 2009

At the December 2008 Water Planning and Stewardship Committee, staff reported on the conditions and considerations that provide a basis for recommendations to implement the WSAP. The report reiterated that, in any year, the April decision timeframe provided the most certainty about water supply and demand conditions, and that a sufficient administrative period between the declaration of an allocation and the allocation period was necessary for member agencies to enact enforcement mechanisms. At the time of the December 2008 Board Meeting, staff reported that there was a 1-in-3-chance that the WSAP would need to be implemented based on the range of conditions that could result by April 2009. Based on all of the considerations above, staff did not recommend advancing consideration of a formal allocation declaration earlier than April 2009.

Staff also reported that the final Operations Control and Plan (OCAP) Biological Opinion on Delta smelt was scheduled to be released in mid-December, and that the outcome could significantly change circumstances regarding water supplies in 2009. The Biological Opinion was released, and the California Department of Water Resources has updated its SWP allocation studies to include updated impacts. These impacts are included in this month's status report.

A description of how the significant water supply and demand factors have changed over the past three reports is provided below:

- Department of Water Resources (DWR) analysis on SWP Allocation
 - November 2008 Report – Based on DWR’s Allocation Study from October 30, 2008, a greater than 50 percent SWP allocation for calendar year 2009 under median conditions (0.95 MAF Table A available to Metropolitan). Data from this analysis was used to support DWR’s initial 2009 State Water Project allocation of 15 percent, which is based on a conservative dry-condition projection for 2009 that will be exceeded 9 times out of 10. This analysis is based on SWP yields under the most restrictive Wanger pumping restrictions due to Delta smelt.
 - December 2008 Report – No update of DWR’s Allocation Study had been released at that time. Impacts from the final OCAP Biological Opinion on Delta smelt were not yet available.
 - January 2009 Update – A new SWP allocation study, including impacts from the Biological Opinion, was released on December 19, 2008. This study continues to support DWR’s initial 2009 SWP allocation of 15 percent of Table A. Although it is still true that the 15 percent allocation is conservative and will be exceeded 9 times out of 10, the study indicated that additional water supplies that would normally result from increased precipitation and runoff will be constrained by the conditions and criteria set by the Biological Opinion. Median conditions are estimated to result in a 46 percent Table A allocation, a loss of 9 percent of Table A or nearly 200 TAF less than figures reported in November. The loss of water supply over the range of hydrologic conditions increased the probability of implementing the WSAP, and reduces the probability of maintaining or increasing storage reserves.
- A minimum storage level for Metropolitan’s total storage of 1.34 MAF at the end of calendar year 2009 (this includes Metropolitan’s emergency storage reserves)
 - November 2008 Report – Metropolitan’s total storage was projected to be 1.73 MAF at the end of 2008, allowing for the use of 0.39 MAF within calendar year 2009 to augment imported supplies to meet demands while still maintaining minimum storage levels for 2010.
 - December 2008 Report – Metropolitan’s total storage is projected to be 1.71 MAF, a decrease of 20 TAF due to increased demands in October/November.
 - January 2009 Update – There are two major updates this month.
 - Metropolitan’s total storage for the end of 2008 is estimated at 1.75 MAF, an increase of 40 TAF. The increase is due to decreased demands in the service area in November/December, the addition of the Drop 2 storage in Lake Mead to the total storage portfolio, and the removal of water classified as “Under Development” (Lake Shasta, EWA Exchange, and Hayfield Basin).
 - The minimum storage level for the end of calendar year 2009 is revised to 1.40 MAF, which accounts for changes in expected SWP supplies available in 2010 due to the OCAP Biological Opinion. This allows for the use of .35 MAF within calendar year 2009.
- Five-Year Supply Plan
 - November 2008 Report – Implementation of 0.453 MAF in equivalent water supply benefits in 2009, of which 0.215 MAF is due to conservation.
 - December 2008 Report – No change in the implementation goals or approach.
 - January 2009 Update – A net increase to 0.492 MAF, mostly due to identification of additional Colorado River Programs.

- Colorado River Aqueduct Deliveries in 2009
 - November 2008 Report – A range of 0.9 MAF to 1.0 MAF of net deliveries.
 - December 2008 Report – No change in the estimate of net deliveries.
 - January 2009 Update – No change in the estimate of net deliveries, not including the increase noted above under the Five-Year Supply Plan.
- Demands on Metropolitan in 2009
 - November 2008 Report – A range of 1.6 MAF to 2.6 MAF (before the conservation efforts included in the Five-Year Supply Reliability Program).
 - December 2008 Report – No change in the estimate of the range of demands for 2009.
 - January 2009 Update – No change in the estimate of the range of demands for 2009.

Recommendation on Advancing WSAP Implementation

The Biological Opinion on Delta smelt did not change the outlook for the initial SWP allocation, but it significantly decreased the amount of water supply that would be available for delivery from the SWP as hydrologic conditions become more normal or wet. However, even under the estimated restriction of SWP supplies from the Biological Opinion, increasing water supply conditions from winter snowpack will still have a significant influence on the overall balance of supply and demand. The changes to the SWP supply outlook were offset by an increase in the end-of-2008 storage amounts from higher water supplies and lower demands in December 2008 as compared to previous forecasts. There is also potential for additional increased supplies based on end-of-year accounting on the Colorado River.

The chance of allocation in 2009 has increased to a 1-in-2-chance, primarily due to the water supply impacts from the Biological Opinion. At this time, staff recommends keeping the April timeframe for making a final decision on allocation. However, a 1-in-2-chance of allocation is significantly high, and member agencies should continue prudent actions to manage the supply challenges that the service area continues to face. Those actions include ongoing communication to customers regarding the water supply conditions and continuing to implement water ordinances enforceable at the local level to prevent wasteful uses of water and encourage reasonable outdoor landscape irrigation practices. These actions are necessary to prepare the region to effectively manage future conditions and challenges as they develop.

Although the conditions have significantly changed from last month's report, staff does not recommend advancing the declaration of a formal WSAP allocation declaration prior to April 2009.

Metropolitan staff will continue to report to the Water Planning and Stewardship Committee on these conditions as they develop and affect the potential need for a WSAP implementation in 2009. It is important to note, however, that the conclusions and analysis presented in this letter do not include potential additional curtailments of SWP supplies from regulatory actions to protect Longfin smelt and Chinook salmon. It is not clear at this time how those actions, if any, will increase the curtailments already accounted for in the Biological Opinion.

Policy

Water Supply Allocation Plan, adopted February 12, 2008.

Fiscal Impact

None



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12/30/2008
Date



Jeffrey Kightlinger
General Manager

12/30/2008
Date

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