



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

February 10, 2009 Board Meeting

9-2

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 update of water supply impacts on the State Water Project (SWP) as a result of dry conditions in the month of January. Precipitation and snowpack are significantly below normal and, as a result, have significantly decreased the range of potential SWP allocations expected for 2009.

Because of the dry conditions, the probability of implementing the WSAP in 2009 has increased again compared to the chances reported in previous months. In January 2009, the estimated chance of needing to implement the WSAP was approximately 1 in 2. The chance has increased to 3 in 4. It was noted in the January report 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. That is still the case, although it is increasingly unlikely that precipitation and snowpack levels can make up for the January conditions.

Update of Potential Conditions in 2009

A description of how the significant water supply and demand factors have changed over the past four 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 SWP allocation of 15 percent, which is based on a conservative dry-condition projection for 2009 that will be exceeded nine times out of ten. 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 Operations Criteria and Plan Biological Opinion on Delta smelt were not yet available.
 - January 2009 Report – A new SWP allocation study, including impacts from the Biological Opinion, was released on December 19, 2008. This study supports DWR's initial 2009 SWP allocation of 15 percent of Table A, but shows a significant impact to supplies over the range of potential hydrologic conditions.
 - February 2009 Update – A new SWP allocation study, including precipitation, snowpack, and runoff conditions through January 20, was released on January 21, 2008. The dry conditions and lack of snowpack to date have led to a faster depletion of storage at Lake Oroville, and to lower projections of runoff for the year. The study results no longer support DWR's initial 2009 SWP allocation of 15 percent of Table A. Although the official allocation has not been revised to date, the updated figure in the study is 9 percent of Table A. In addition, expectations for water supply

- under wetter conditions through the rest of the year are significantly lower, with only a 35 percent Table A allocation at the 50 percent exceedence level.
- A minimum storage level for Metropolitan's total storage of 1.49 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 – Metropolitan's total storage for the end of 2008 was revised to 1.75 MAF. The minimum storage level for the end of calendar year 2009 was revised to 1.40 MAF.
 - February 2009 Update – The minimum storage level for the end of calendar year 2009 is revised to 1.40 MAF. The increase is due to additional demands anticipated in 2010 from the IAWP Opt-Outs and from revisions to end of 2008 storage levels in Arizona groundwater.
 - 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.
 - February 2009 Update – A decrease to 0.426 MAF due to unfavorable developments in the State Water Bank.
 - 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.
 - February 2009 Update – An increase of 156 TAF of demand due to estimates of increased firm purchases from groundwater agencies and from the "opt-out" of IAWP demands.

Recommendation on Advancing WSAP Implementation

The chance of allocation in 2009 has increased to a 3-in-4-chance due to the water supply impacts from the extremely dry conditions in January. At this time, staff recommends keeping the April timeframe for making a final decision on implementing the WSAP allocation to ensure that the allocation level is appropriate. Metropolitan's message and outreach over the next two months will emphasize that, barring above average hydrologic conditions in February and March or the purchase and development of additional supplies, allocation is highly likely for this year. Those actions include ongoing communication to customers regarding the water supply conditions and continuing to implement water conservation ordinances enforceable at the local level to prevent wasteful uses of water and encourage reasonable outdoor landscape irrigation practices.

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 also very 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 current water supply conditions.

Policy

Water Supply Allocation Plan, adopted February 12, 2008.

Fiscal Impact

None



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2/4/2009

Date



Jeffrey Kightlinger
General Manager

2/4/2009

Date