

# Review and Analysis of the 2009 Governor's Drought Water Bank

Water Planning and Stewardship Committee  
Item 6a  
November 9, 2009

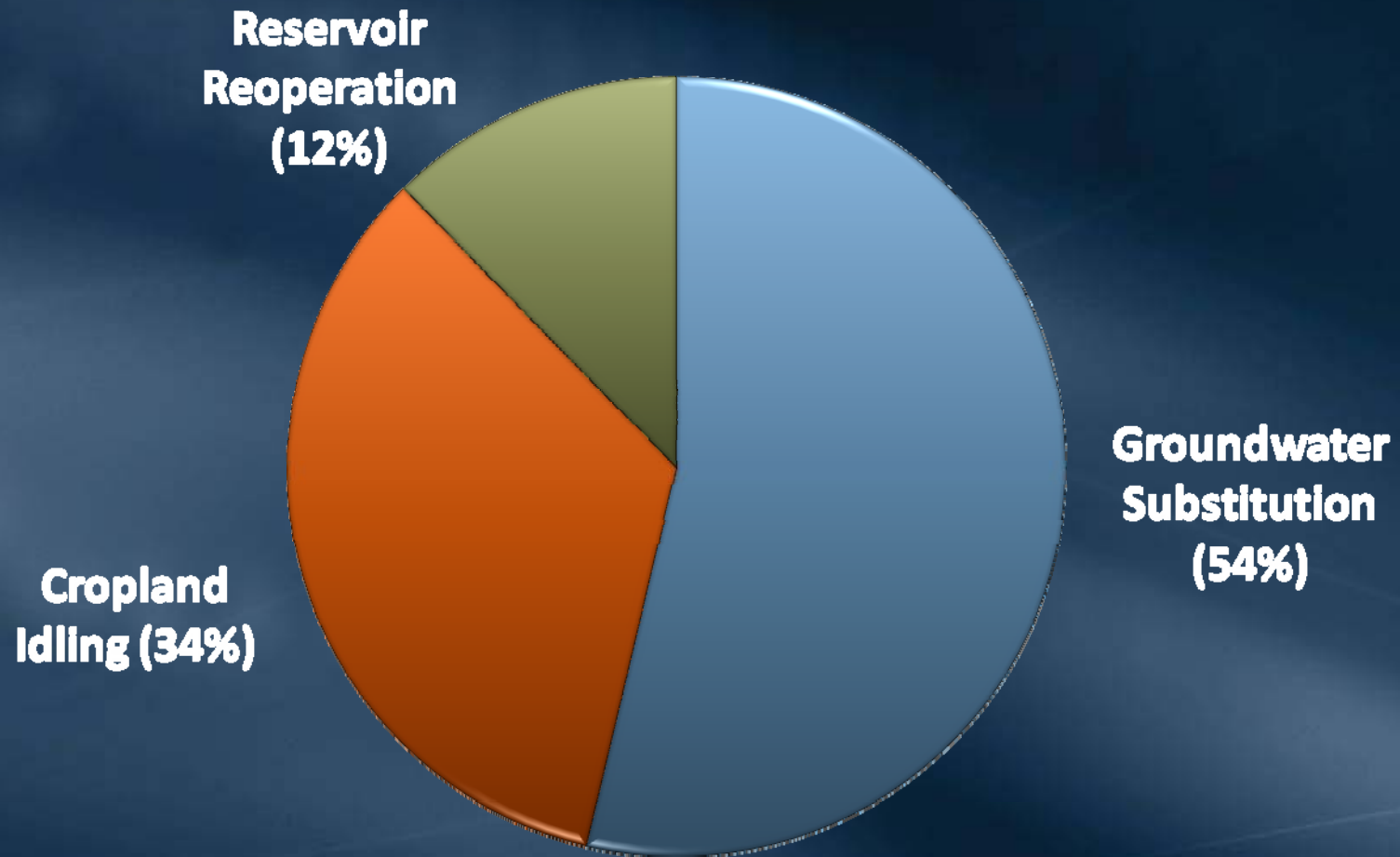
# Bank Performance

- Initially 25 buyers and 30 sellers interested
- Anticipated up to 600 TAF of Bank purchases
- Bank purchased 74,100 AF from 21 sellers on behalf of 9 buyers
- Metropolitan allocated 36,926 AF (28,655 AF after losses) or 50% of Bank supplies
- Metropolitan paid \$10.2M or \$275/AF to seller

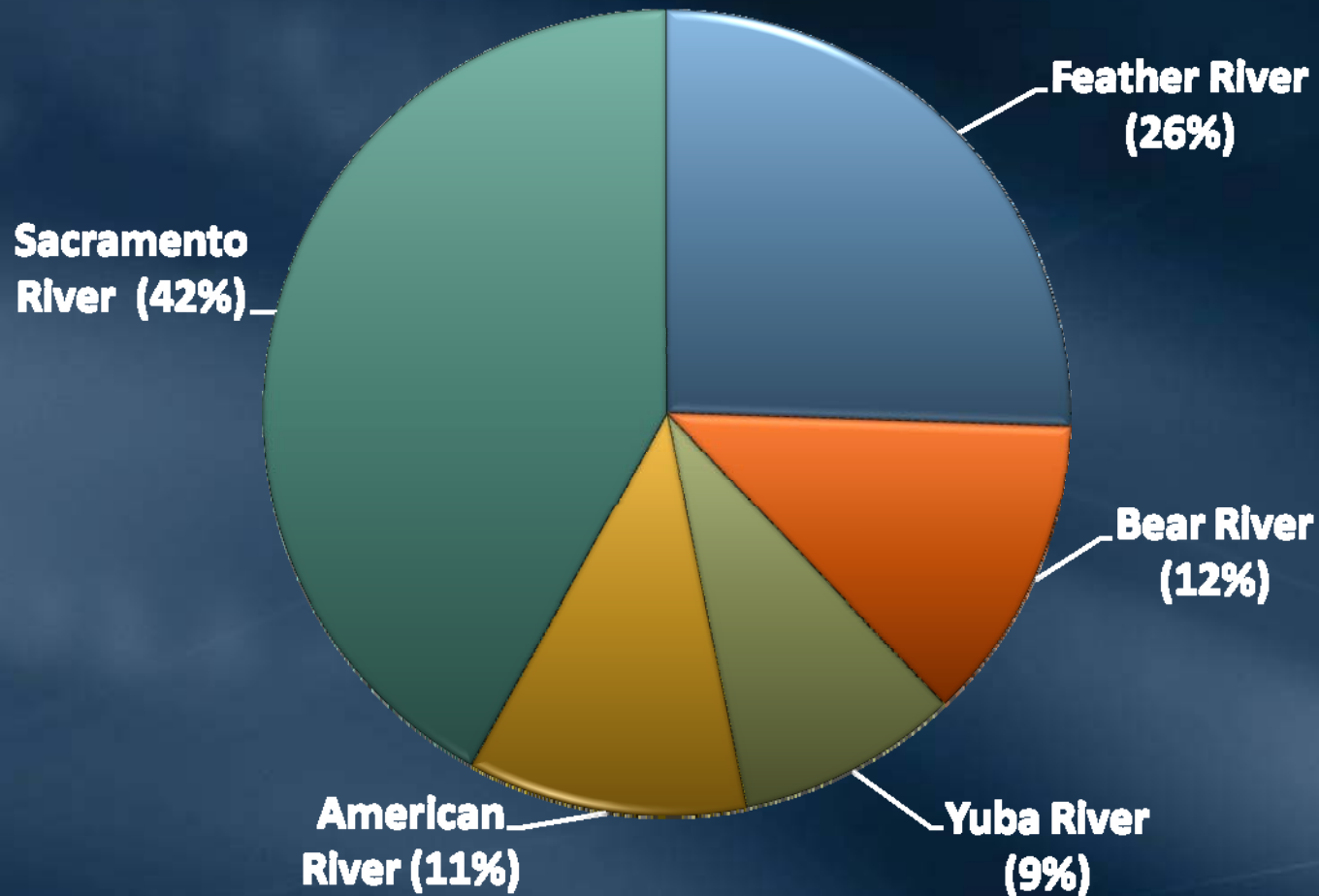
# Reasons for Low Bank Supplies

- May and June Delta pumping restrictions
- Continued drought conditions
- High rice prices
- Improved “real water” verification measures

# 2009 DWB – Source of Water



# 2009 DWB – Source of Water (Con't)



# Ongoing Bank Issues

- Litigation

- BEC, CALSPA and CWIN allege improper use of “emergency” CEQA exemption

- Administrative costs

- Initially DWR estimated \$5/AF, now about \$20/AF
- Factors for higher costs include: spreading costs of limited supplies, agmt administration, litigation, and paying up to \$20K of sellers’ admin costs
- Bank agmt commits Metropolitan to pay these costs

# Lessons Learned and Next Steps

- 2009 DWB was frustrating for all participants
- May-June Delta pumping restrictions will continue to limit water transfers
- Reconvene SWC Buyers Group and focus on transfer supplies not affected by May-June issue
- December Board Letter seeking authority to enter into agmt with SWC and pay initial deposit