



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

2/9/2010 Board Meeting

9-1

Subject

Review of conditions related to Water Supply Allocation Plan implementation decision for FY 2010/11

Description

This letter provides an update of the conditions and considerations that may affect the Board decision to implement the Water Supply Allocation Plan (WSAP) in April and allocate limited water supplies to the member agencies for the period of July 1, 2010 through June 30, 2011. All figures are based on Water Surplus and Drought Management Plan calculations as of January 26, 2010 and are very preliminary given that we are still early in the water year.

The State Water Project (SWP) allocation of 5 percent of Table A contract amounts was set by the California Department of Water Resources (DWR) in November 2009 and did not account for the recent storms. The January precipitation and Northern Sierra snowpack are significantly above average following these storms, which increases the likelihood the Table A allocation will increase. A significant increase in the Table A allocation would decrease the likelihood of Metropolitan implementing higher allocations under the WSAP for Allocation Year 2010/11.

Anticipated Demand Conditions in CY 2010

The current estimate of total water demand for CY 2010 is **2.29 MAF**. The projections of member agency demands assume a continuation of a Level 2 Water Supply Allocation Plan implementation through June 2010, and an estimate of use equal to the Water Supply Allocation Plan 2010 Baseline for July through December. This baseline was chosen for July through December in order to estimate demand levels if no WSAP were implemented for FY 2010/11. This demand estimate is slightly lower than reported in the January 2010 Water Surplus and Drought Management Report to the Board, due to January member agency demands trending lower than the WSAP estimate.

Member agency demand projections also assume a 25 percent reduction of the remaining demands under the Interim Agricultural Water Program (IAWP), and account for the former IAWP demands that have opted out of the program effective January 1. Demand estimates for the year will be updated on a monthly basis to ensure that the April WSAP decision is based on the most accurate data possible.

Anticipated Supply Conditions in CY 2010

Colorado River Aqueduct System Deliveries

The current estimate of total Colorado River Aqueduct system deliveries to Metropolitan's service area for CY 2010 is **1.19 MAF**. This includes Metropolitan's Basic Apportionment (550 TAF), related WSDM and Five-Year Supply Plan actions, and all other Colorado River supplies developed to date, including water transfers that are diverted at Metropolitan's intake at Lake Havasu.

State Water Project System Deliveries

The current estimate of State Water Project system deliveries to Metropolitan's service area for CY 2010 is **616 TAF**. This estimate is based on the November 2009 DWR announcement of an initial State Water Project

(SWP) allocation of 5 percent of Table A contract amounts as well as estimated withdrawals from various WSDM storage programs and Five-Year Plan actions.

In-Region Storage and Actions

In addition to the total supplies and storage actions delivered through the CRA and SWP systems, Metropolitan can also use WSDM storage programs within its service area. At the current trend estimate of demand and allocated supplies from the CRA and SWP, approximately **313 TAF** of in-region storage is available for use in CY 2010 to aid in balancing supply and demand.

Storage Thresholds

A key consideration in setting a WSAP Allocation Level is the maintenance of storage reserves for future conditions. As a basic concept, recommendations for WSAP Allocation Levels are set in recognition that overuse of storage reserves for the current year comes at the expense of the future. For the purposes of recommending WSAP levels, staff calculates a storage reserve threshold that allows for use in the current year while maintaining storage to augment reasonably poor conditions next year. Based on estimated storage conditions as of January 26, 2010 and anticipated supplies and demands for CY 2011, staff estimates that total storage withdrawals in excess of 884 TAF, or almost 90 percent of total WSDM storage, will place the region at additional risk for high levels of shortage in the future. As a point of reference, the storage threshold calculated in 2009 was approximately 350 TAF. An updated storage threshold for 2010 will be provided for the final allocation recommendation.

Current Findings

Under the current demand estimate (with no WSAP Allocation from July through December) and the projected supplies from the SWP and CRA, Metropolitan would have to use its entire withdrawal capacity of 884 TAF or over 90 percent of its total WSDM storage (total WSDM storage use is the sum of WSDM actions from the CRA, SWP, and In-Region less emergency storage) in an attempt to balance demands and supplies. Even with this level of WSDM storage use, there would be a remaining supply need of 172 TAF. Further, this level of storage use would likely exceed the targeted storage threshold for 2010. Limiting storage withdrawals would increase the remaining supply need. Under these conditions, without a SWP Table A allocation increase or additional supply augmentation, Metropolitan would need to increase the implementation level of the WSAP through June 2011 beyond the current Level 2.

Demand and Supply Balance	
Current Demand and System Losses	2,298,000
Total Supplies	2,126,000
CRA Supplies	1,197,000
SWP Supplies	616,000
In-Region Supplies	313,000
Remaining Supply Need with Maximum Storage Use	(172,000)

It is important to note that DWR updates the Table A allocation as the snowpack develops through the winter, and that allocations are based on a 9 in 10 probability that the allocation will increase, much as it did in CY 2009 from 15 percent to 40 percent. The Table A allocation analysis is also based on SWP yields under the most restrictive pumping restrictions due to the Biological Opinions on Delta smelt and Chinook salmon. If lower restrictions are needed to meet the conditions of the Biological Opinions, additional water for allocation may also be available. Metropolitan expects updated DWR Table A projections following DWR's February 1 snow survey. As previously noted, the February 1 snow survey is expected to show significant snowpack accumulation, based on the January 2010 precipitation and snowfall activity. Barring unforeseen circumstances, this should result in an increase in the Table A allocation.

Metropolitan's message and outreach over the coming months will emphasize that, at current water supply conditions, continuation of a WSAP implementation is likely for this year. Outreach 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 need for the Board to consider implementing a WSAP in April for FY 2010/11.

Policy

Water Supply Allocation Plan, adopted February 12, 2008.

Fiscal Impact

None

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Reference Number WRM12603591