



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

6/8/2010 Board Meeting

9-2

Subject

Water supply conditions for allocation fiscal year 2010/11

Description

Review of Water Supply Allocation Plan Implementation Action for Fiscal Year 2010/11

On April 13, 2010 Metropolitan's Board approved implementing the Water Supply Allocation Plan (WSAP) at a Level 2 effective July 1, 2010 through June 30, 2011, and directed staff to update the Board on water supply conditions and recommend changes to the WSAP Level, if appropriate. On May 10, 2010, staff updated the Board on changed water conditions, specifically regarding the State Water Project (SWP), Colorado River agricultural deliveries and local supply estimates. This letter provides a second update on supply conditions. In addition, this letter provides a discussion of potential options to address water management issues under the WSAP, particularly with groundwater basin replenishment.

Review of Considerations Underlying Allocation Decision

Through the past several months, staff has provided the Board with information on developing water supply conditions. The major consideration in setting the appropriate WSAP Level for 2010/11 is the amount of SWP Table A allocation that Metropolitan will receive in 2010. The SWP Table A allocation is primarily driven by hydrologic conditions, and is also greatly affected by the pumping restrictions imposed to protect Delta smelt and Chinook salmon under their respective Biological Opinions. When the Board made its decision to implement a WSAP Level 2 in April 2010, the SWP Table A allocation was at 20 percent. Staff indicated to the Board that the final SWP Table A allocation would likely increase significantly. The WSAP was set at Level 2 as a prudent action to limit storage withdrawals. The April implementation decision was based on supply and demand information as of March 26, 2010, as summarized in Table 1.

Table 1: Supply Conditions and Storage Impacts as of March 26, 2010 (in AF to the nearest thousand)

SWP Table A Allocation	20%	30%	40%
SWP Supplies (Non Storage)	543,000	754,000	965,000
CRA Supplies (Non Storage)	1,033,000	1,033,000	1,033,000
Total Supply (Non Storage)	1,576,000	1,787,000	1,998,000
Member Agency Demand*	1,995,000	1,995,000	1,995,000
Obligations	56,000	76,000	95,000
System Losses	57,000	57,000	57,000
Total Current Demand Estimate	2,108,000	2,128,000	2,147,000
Total Storage Actions	(532,000)	(341,000)	(149,000)
Storage Remaining**	464,000	655,000	847,000

*Reflects a WSAP Level 2 with actual deliveries for January-February
 **Does not include emergency storage

Updated Water Supply Conditions

Since the April Board Meeting, the California Department of Water Resources (DWR) has increased the SWP Table A allocation on three occasions, with the last increase to 45 percent of SWP Table A. DWR has indicated that this is the last expected increase. However, 2010 Northern Sierra precipitation is 106 percent of normal, with snow water content in many areas still exceeding 100 percent of April 1 normal conditions. Greater than expected runoff as a result of these conditions could lead to additional increases in the SWP Table A allocation.

In addition to the significant SWP Table A allocation increase to 45 percent, water use by California agricultural water users on the Colorado River has been low. Based on the current use patterns, an estimated 150 TAF of additional water may be available for delivery through the CRA. Availability of this water would offset storage use currently projected from Colorado River storage programs. Staff has also received updated local supply projections from the member agencies. Most notably, the city of Los Angeles is estimating that its Los Angeles Aqueduct deliveries may be 100 TAF higher than last year, which will offset demand for deliveries from Metropolitan. Taken together, all of these updated changed conditions mean that under a WSAP Level 2, Metropolitan will likely be in a position to add water to regional storage reserves. The updated conditions and their impact on storage management are summarized in Table 2.

Table 2: Supply Conditions and Storage Impacts as of May 17, 2010 Under WSAP Level 2 (in AF to the nearest thousand)

SWP Table A Allocation	40%	45%	50%
SWP Supplies (Non Storage)	965,000	1,070,000	1,175,000
CRA Supplies (Non Storage)*	1,028,000	1,028,000	1,028,000
Additional CRA Supplies	150,000	150,000	150,000
Additional Local Supplies	100,000	100,000	100,000
Total Supply (Non Storage)	2,237,000	2,343,000	2,448,000
Member Agency Demand**	1,962,000	1,962,000	1,962,000
Obligations	95,000	105,000	115,000
System Losses	57,000	57,000	57,000
Total Current Demand Estimate	2,114,000	2,124,000	2,134,000
Total Storage Actions	123,000	219,000	314,000
Storage Remaining***	1,119,000	1,215,000	1,310,000
*The CRA Supplies reflect updated aqueduct delivery capacities from those of March 26, 2010			
** Reflects a WSAP Level 2 with actual deliveries for January through April			
***Does not include emergency storage			

Local Storage Considerations

In addition to the challenges affecting imported supplies from the SWP and CRA, Metropolitan's service area has been enduring drought conditions locally. Local groundwater basins have not received deliveries under Metropolitan's replenishment program for over two years, compounding the impacts from low levels of local runoff and natural infiltration. Water levels in some groundwater basins are reaching or exceeding historically low levels. Under the WSAP, agencies can purchase full service water and use it for replenishment, but it must be taken under an agency's WSAP allocation in order to avoid penalties. This limits imported recharge to the basins to the amount of consumptive use water that agencies are able to save through their conservation efforts below their allocation limit. Given these conditions, coupled with the fact that Metropolitan is likely to add to storage under a WSAP Level 2 for FY 2010/11, staff has developed and discussed the following options to help improve local groundwater conditions:

1. Reduce the WSAP Level 2 for FY 2010/11, which provides groundwater agencies additional allocations of supply to potentially replenish basins.

2. Create a 5 percent buffer for agencies that inadvertently go over their allocation. Penalties within this overuse buffer would be delayed to see if the agency is able to make up for the overuse in the following year. This would allow some margin for error when agencies are purchasing water to refill groundwater basins during an allocation.
3. Create a special class of allocation for groundwater replenishment under the WSAP, providing water in addition to the Municipal and Industrial allocations for consumptive use.
4. Maintain the WSAP at Level 2 for FY 2010/11 and increase the use of regional cyclic storage and conjunctive use programs to move more water into groundwater basins for withdrawal at Metropolitan's call to ensure regional benefit.

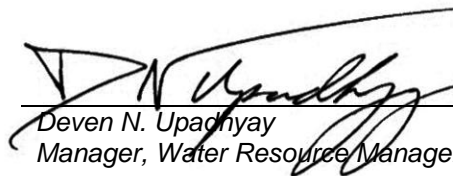
Given the status of water supplies and the amount of water that would be available to add to storage under the current "final" SWP Table A allocation from DWR, staff supports Option 4 above. Option 4 would retain the current WSAP action approved by the Board in April 2010, and provide water supply and the necessary flexibility to manage regional storage with specific consideration to groundwater basin conditions. If DWR increases the SWP allocation further, the additional supplies would be managed to increase regional storage and meet water quality objectives.

Policy

By Minute Item 47393, dated February 12, 2008, the Board adopted the Water Supply Allocation Plan.
 By Minute Item 47526, dated June 10, 2008, the Board adopted the Water Supply Alert Resolution.

Fiscal Impact

None



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5/25/2010
Date



 Jeffrey Nightlinger
 General Manager

5/25/2010
Date