

Review of current Replenishment Service Program and proposed policy principles

Water Planning and Stewardship Committee
Item 6a
October 10, 2011

Presentation Overview

- Background
- Availability of Potential Replenishment Supplies
- Proposed Principles for a Revised Program

Background

Board Direction and Process

- As part of the May 2011 Action, Board directed staff to “recommend options to reform the replenishment services program in a manner that assures regional reliability benefits by December 2011.”
- Staff convened member agency workgroup to develop a reformed program
- Workgroup collaborated on “Key Development Principles” for a reformed program

Current Replenishment Service Program

- Metropolitan has been delivering discounted water to replenish local storage since the 1950's, through programs including:
 - Interruptible Program
 - Seasonal Storage Service Program
 - Replenishment Service Program

Current Replenishment Service Program

- Metropolitan delivers interruptible water to local groundwater basins or reservoirs
- Program water increases local storage, replaces groundwater basin overdraft, or enhances the operating yield of a groundwater basin above safe yield
- Agency receives a discount for Replenishment purchases

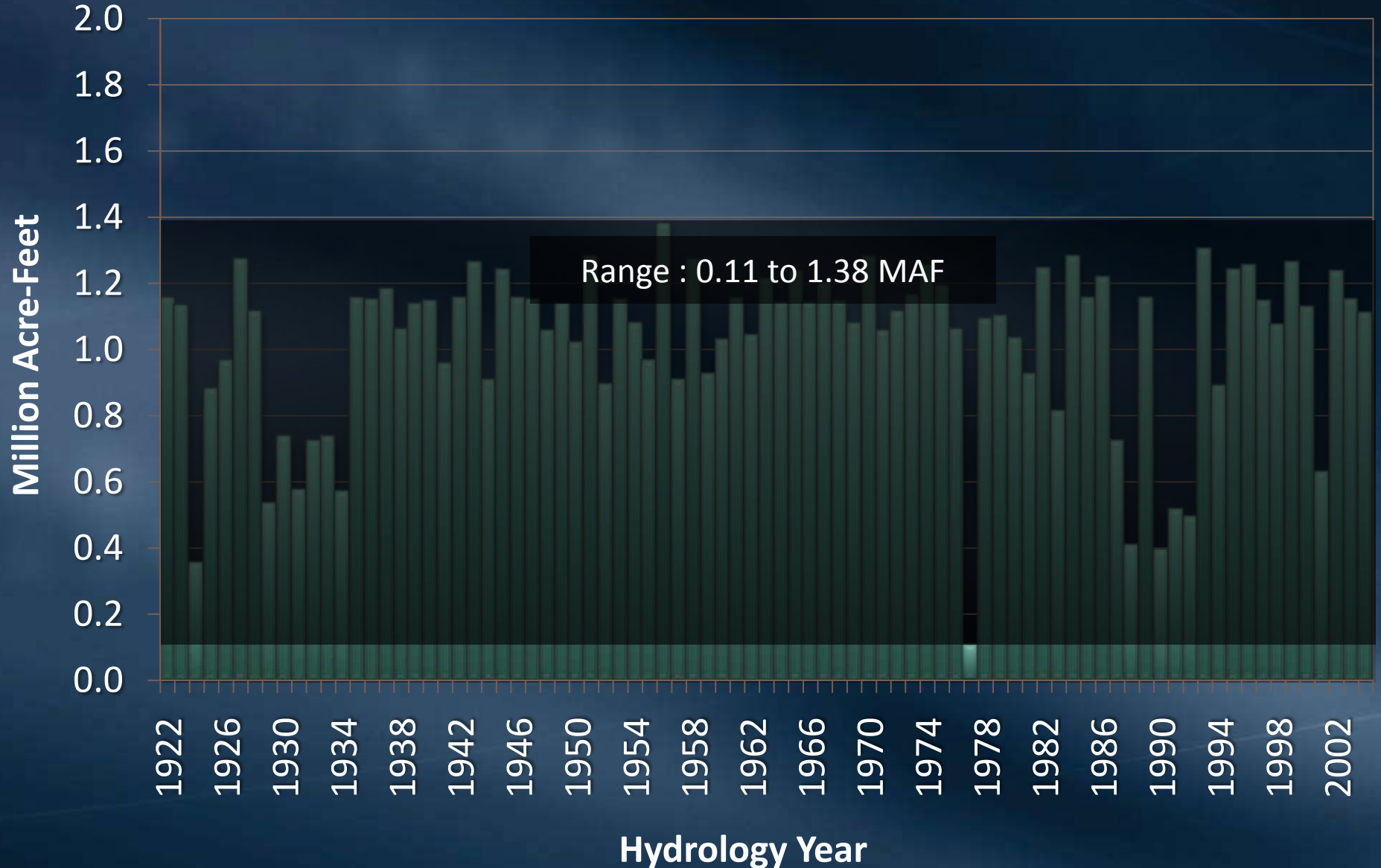
Current Replenishment Service Program

- The Administrative Code highlights three principal program goals:
 - Encourage storage of surplus imported water when supplies are available
 - Encourage construction of additional local production facilities
 - Reduce member agencies' dependence on deliveries from metropolitan during periods of high demand, emergencies or shortages

Availability of Potential Replenishment Supplies

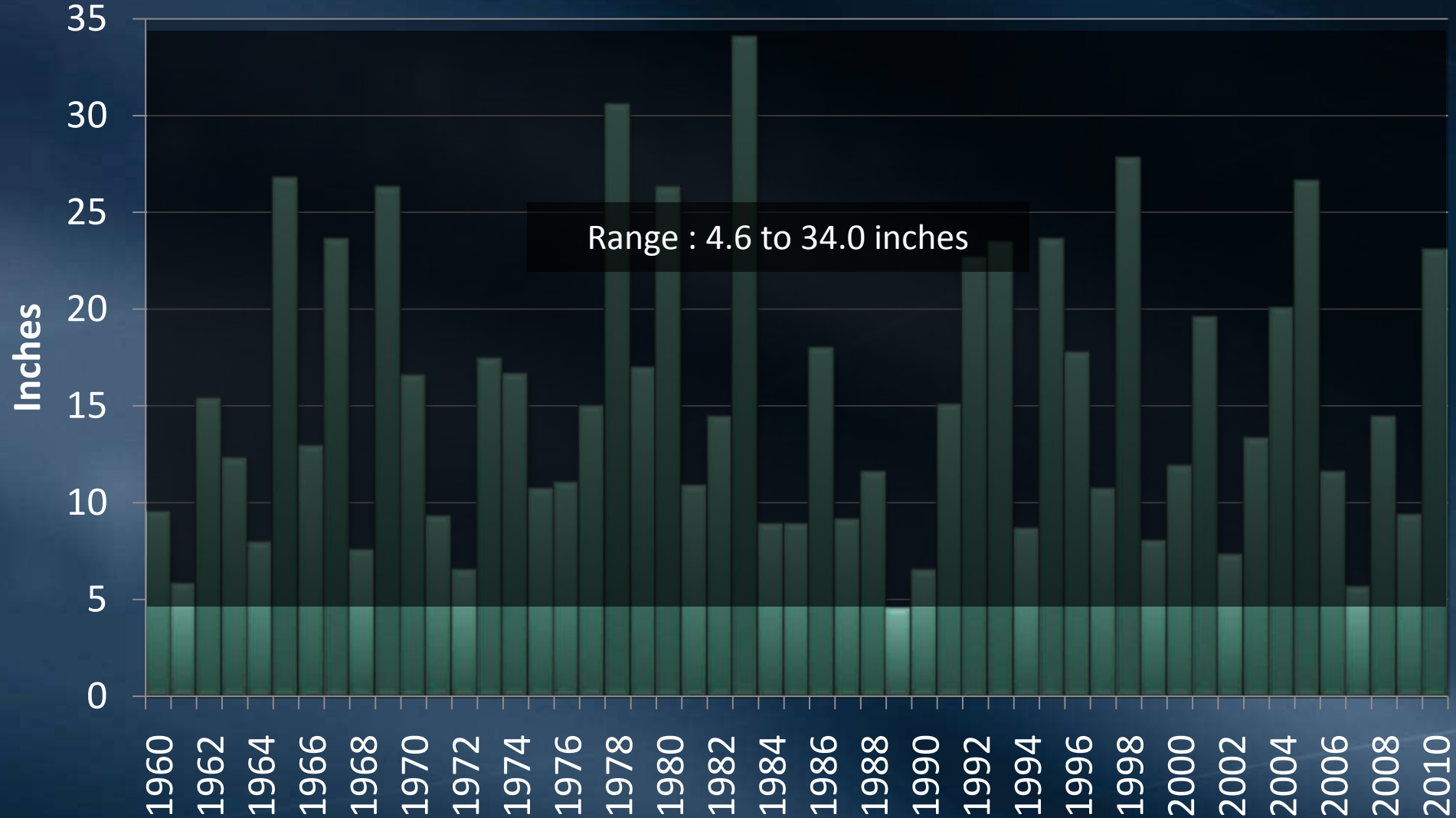
MWD Table-A Availability

Based on DWR 2009 Reliability Report

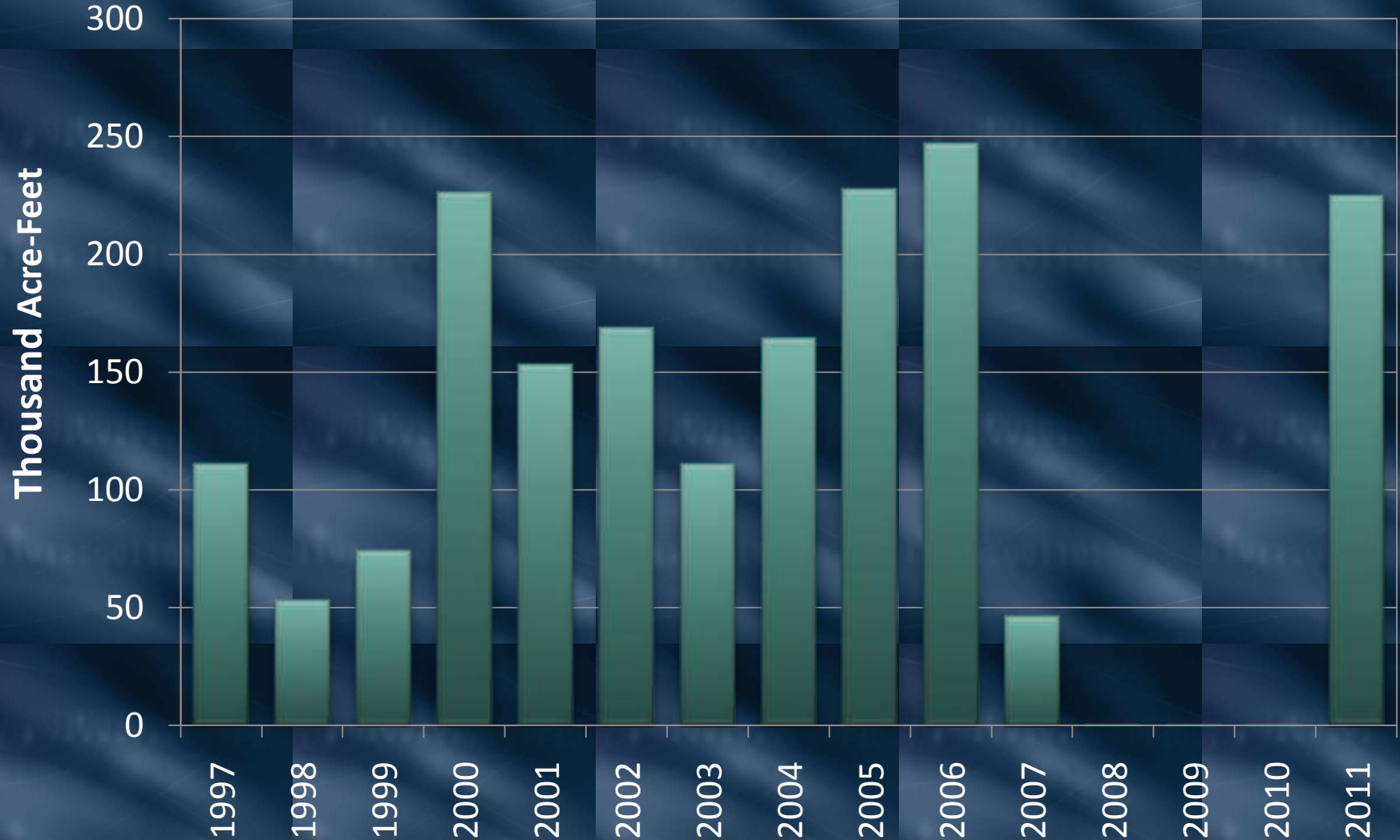


Local Precipitation

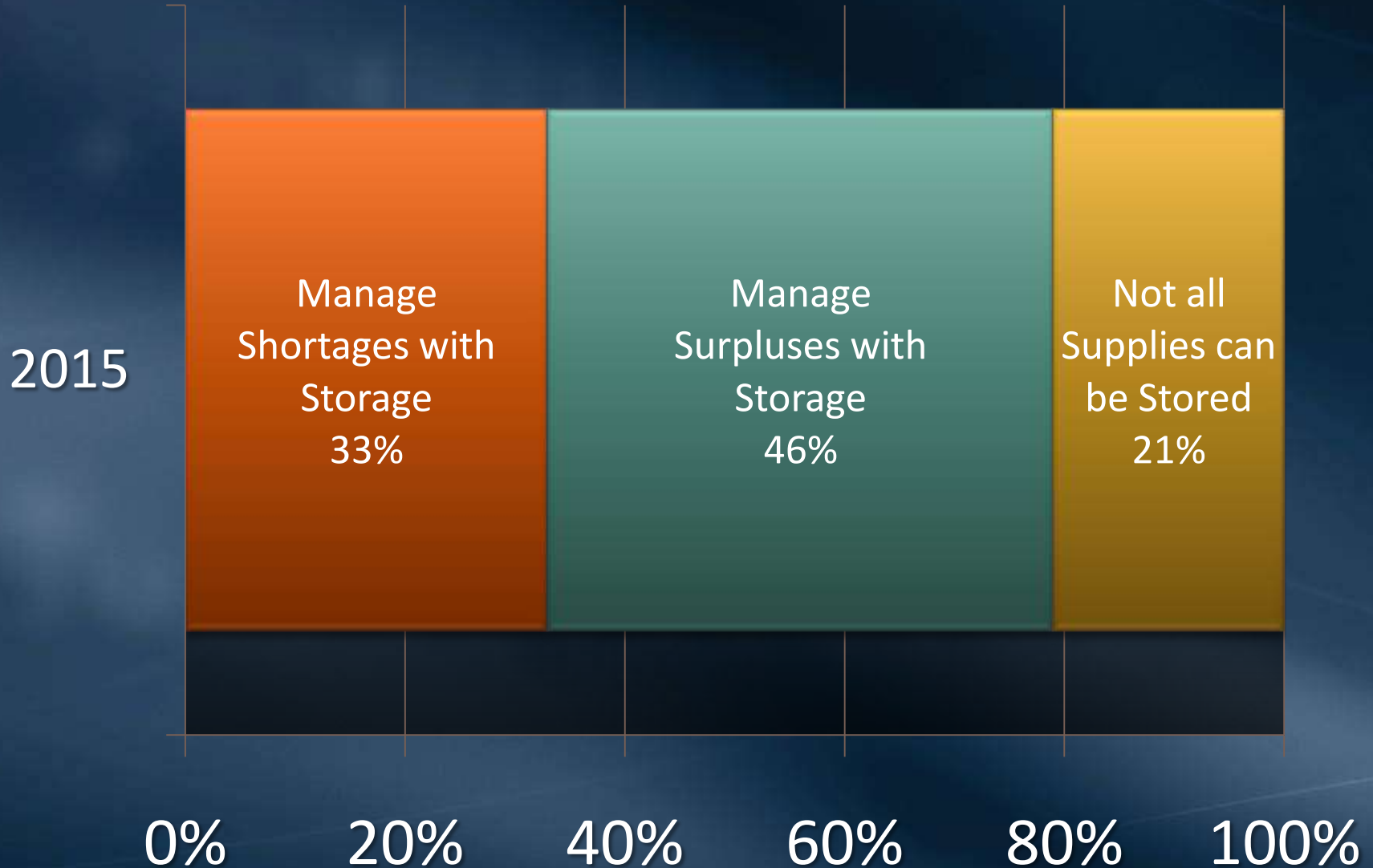
Los Angeles Civic Center 1960-2010



Historical Replenishment Deliveries



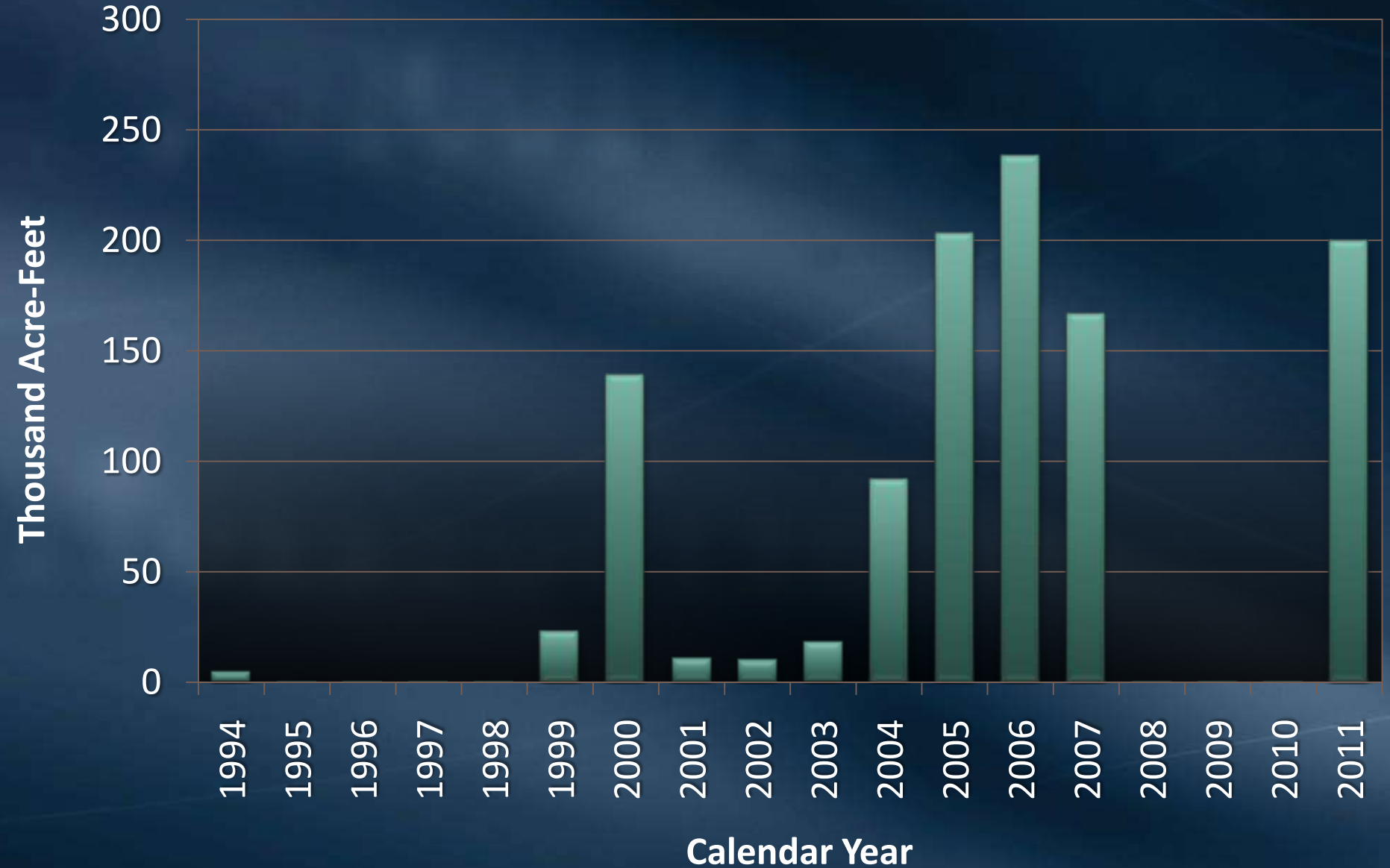
2015 Surplus and Storage With IRP Development



MWD Article 21 Supplies

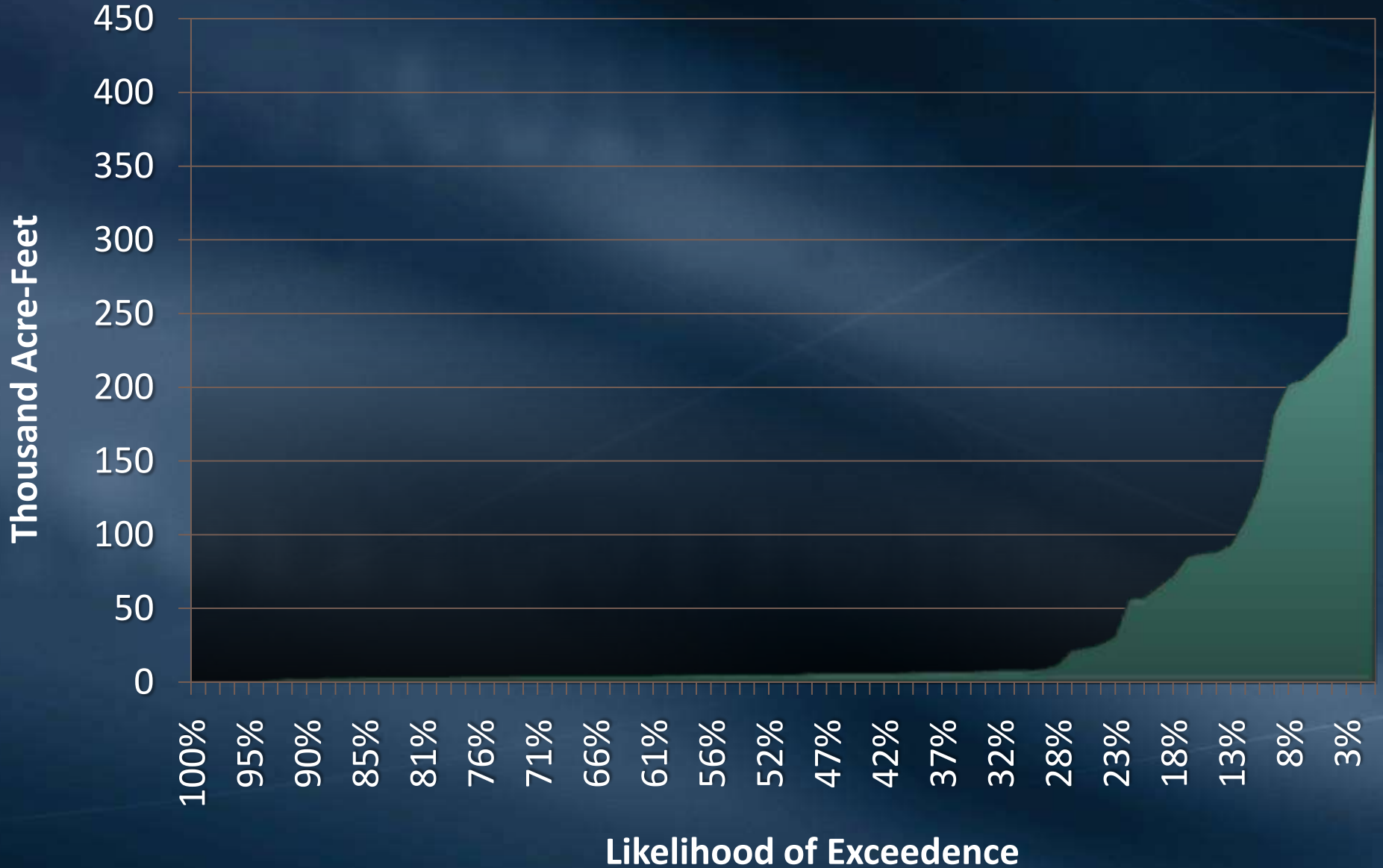
- Surplus Water Conditions
 - Available Delta pumping exceeds Project demands
- Available Article 21
 - Allocated among Contractors in proportion to Table A
 - Limited to additional demands that exceed scheduled Table A

MWD Historical Article 21 Supplies



MWD Article 21 Availability

Based on DWR 2009 Reliability Report



Water Management Situations

- Enhancing regional dry-year storage portfolio at all times
- Supplementing regional storage with local storage when regional storage is healthy
- Managing water when regional storage is at full capacity
- Short-term, high-flow deliveries (e.g. Article 21)

Proposed Policy Principles for a Revised Program

Proposed Principles

- Regional Benefits
- Equity for Member Agencies
- Financial Integrity
- Regional Value
- Operational Flexibility
- Complimentary with Other Storage Programs

Draft Principles

Regional Benefits:

The program should provide regional benefits, including:

- Dry-year supplies at Metropolitan's call,
- Flexibility to manage delivery of available supplies in a way that would provide additional storage beyond Metropolitan's regional storage capability, and
- Delivery of supplies available to Metropolitan that are otherwise at risk of spill or loss

Draft Principles

Equity for Member Agencies:

The program will be available to all member agencies and provide quantifiable regional benefits.

Draft Principles

Financial Integrity:

The program options should support the stability of Metropolitan's revenues and coverage of costs.

Draft Principles

Regional Value:

Program incentives should be based on sound economic principles and be proportional to the water management benefits provided.

Draft Principles

Operational Flexibility:

The program will enhance opportunities for Metropolitan to effectively manage water supplies under varied water supply conditions.

Draft Principles

Complementary with Other Storage Programs:

Features of the program should be complementary with existing storage programs, such that past investments continue to yield reliability benefits.

Next Steps

- Ongoing: Continue Member Agency workgroup to develop program alternatives
- November 2011: Consider Principles
- December 2011: Consider Revised Program