



# Authorize Entering into an Amendment to the Operational Agreement with SNWA and CRCN

Water Planning & Stewardship Committee  
Item 8-1  
September 21, 2015

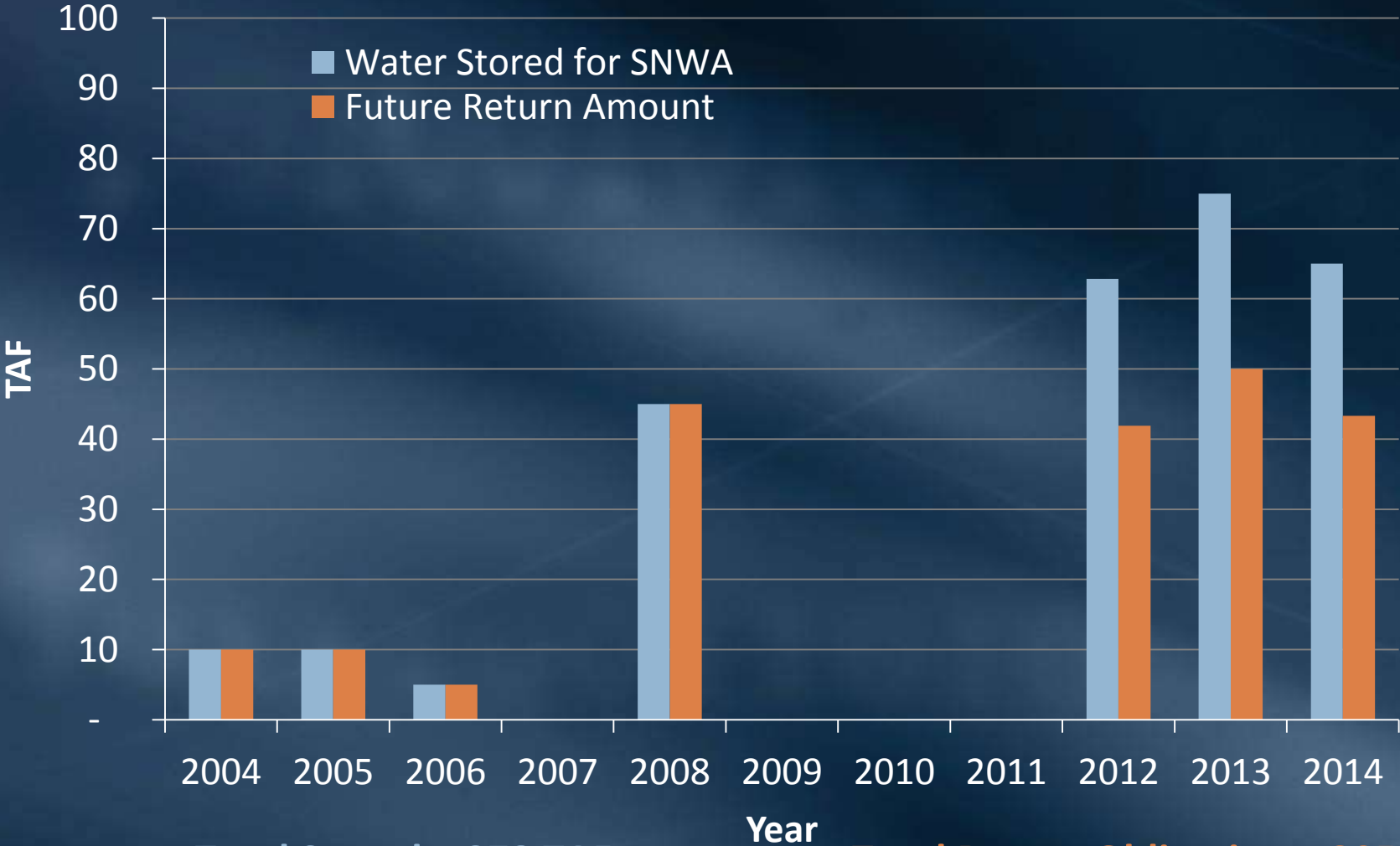
# Background

- 2004 Storage and Interstate Release Agreement
  - Allows MWD to store water for Southern Nevada Water Authority (SNWA)
- 2004 Operational Agreement
  - Governs operational and financial aspects of storage and return
  - Amended in 2009 and 2012

# Operational Agreement Amendments

- 2004 Original Agreement
  - Even exchange
  - No cost
- 2009 Amendment
  - Delayed return obligation
- 2012 Amendment
  - 3:2 exchange

# Historical Exchange



**Total Stored = 273 TAF**

**Total Return Obligation = 205 TAF**

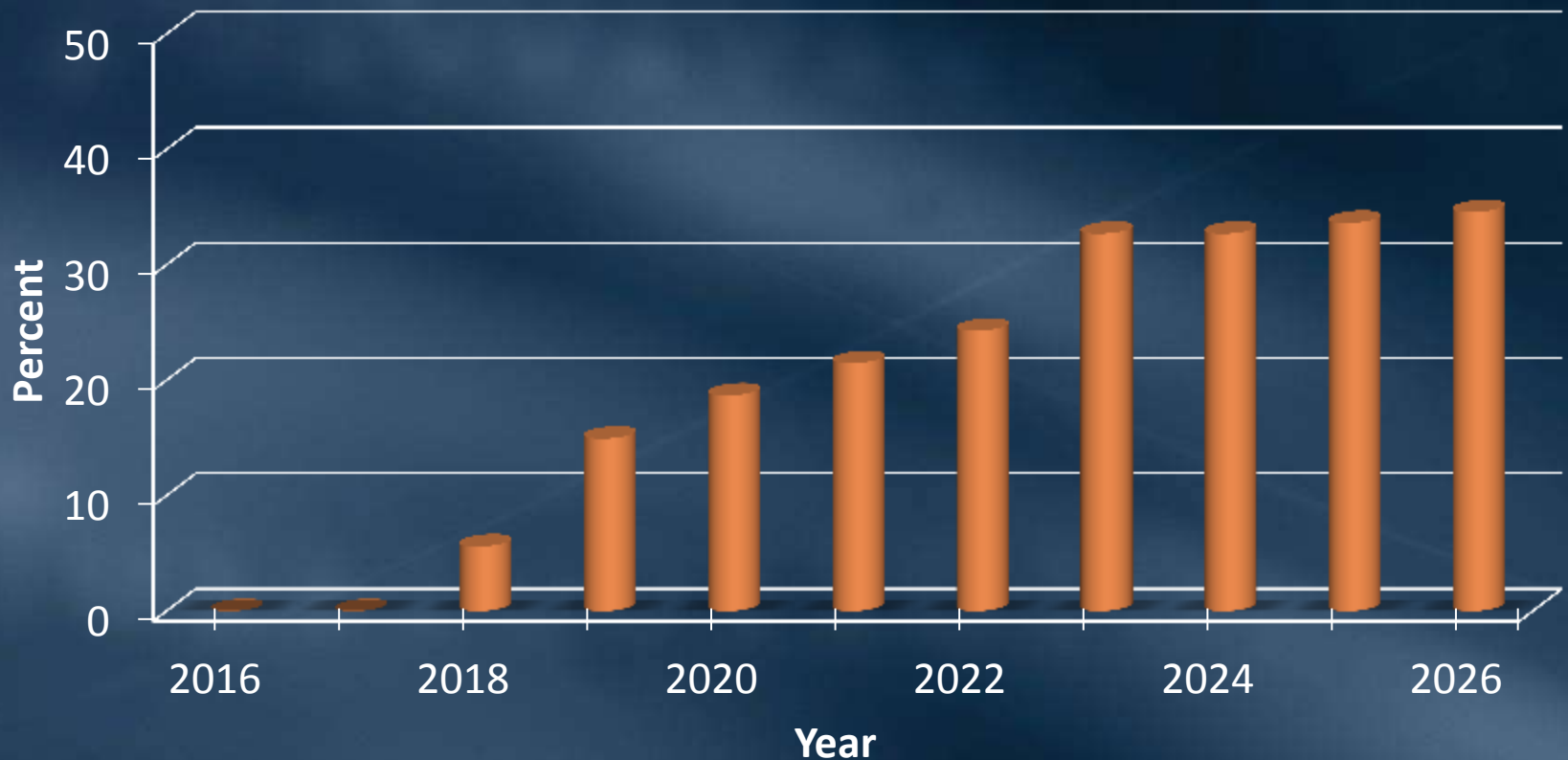
# Proposed 2015 Amendment

- One year term
- Increases amount of water available to MWD
  - 150,000 AF in 2015
- MWD payment to SNWA
  - \$44.375 million
- Credit to SNWA interstate account
  - 125,000 AF

# Return Provisions

- Timing and amounts consistent with prior amendment
- When returned, SNWA to reimburse MWD for cost of water (plus inflation)
- MWD to create up to 75,000 AF of ICS
  - When Lake Mead is at or below 1,045 ft
  - 50,000 AF annual limit
  - Water not recoverable during shortages
  - Flexibility allowed when needed

# Likelihood of Lake Mead Being at or Below 1,045 Feet on January 1



# Board Options

- Option #1
  - Adopt the CEQA determination, and
    - Authorize the General Manager to enter into an amendment to the operational agreement with SNWA and CRCN in a form approved by the General Counsel, and
    - Approve payment of \$44.375 million for funding the storage of water for SNWA in 2015



# Board Options

- Option #2
  - Do not authorize the General Manager to enter into an amendment to the operational agreement with SNWA and CRCN, and do not approve payment for funding the storage of water

# Recommendation

- Option #1

