



# Authorize Amendments to Exchange and Delivery Agreements with Coachella Valley WD and Desert WA

Water Planning and Stewardship Committee  
Item 8-8

December 9, 2019

# Existing Exchange and Delivery Agreements

- Agreements among Desert Water Agency, Coachella Valley Water District, and Metropolitan
  - Exchange and delivery of State Project Water and Colorado River Water
- Agreement between Coachella and Metropolitan
  - Part of QSA related Agreements

# Overview of Desert/Coachella Exchange and Delivery Agreements

- Original Exchange Agreements in 1970s
  - In lieu of physical SWP connection
  - Many amendments since that time
- Exchange provides benefits to all parties
  - Avoid costs of constructing SWP connection for Coachella/Desert
  - Provides Metropolitan storage, increased SWP service area reliability
- Parties desire to further amend agreements

# Agencies' Current Table A Amounts

## Table A Amounts

	(AF)	(%)
Metropolitan	1,911,500	90.78%
Coachella	138,350	6.57%
Desert	55,750	2.65%
Total	2,105,600	100.00%

# Advanced Delivery Account Balance





# Summary of Proposed Amendments to Coachella/Desert Exchange and Delivery Agreements

- Consolidate various agreements and amendments
- Proportionally share operational benefits and risks of SWP participation
- Eliminate 100 TAF Table A call-back provision
- Allow for deferred Colorado River exchange deliveries

# Summary of Proposed Amendments (cont.)

- Desert and Coachella pay share of Metropolitan's Water Management Costs
  - Provide Metropolitan payments when SWP allocations exceed 50%
    - Payments represents about 10% of projected water storage costs, based on long-term modeling
  - Annual reimbursement ranges from zero to \$4 million

# Background of Coachella QSA Related Agreements

- Metropolitan provides up to 55 TAF of water to Coachella annually
  - 35 TAF Exchange Agreement
  - Approval Agreement (up to 20 TAF)
- Coachella reimburses Metropolitan for delivery costs
- Parties desire to amend agreement to provide increased water management flexibility



# Summary of Proposed Coachella Exchange Agreement Amendments

- Consistent terms for delivery and reimbursement through 2026
- Increased delivery certainty for Coachella
  - Exchange water and 15 TAF/yr of Allocation water to be delivered to Whitewater by 2026
  - Metropolitan retains 5 TAF/yr of Allocation water
- Increased delivery flexibility for Metropolitan
  - Deliveries to Whitewater may be deferred, allowing for full CRA when needed

# Benefits to Metropolitan

- Increased dry-year reliability
  - Ability to defer dry year exchange deliveries
- Increased revenue
  - Up to \$8 million/year for storage management and Whitewater delivery reimbursements
- Increased flexibility
  - Provides greater operational versatility

# Board Options

## Option #1:

- Authorize the General Manager to enter into amendments to the exchange and delivery agreements with Desert Water Agency and Coachella Valley Water District consistent with terms discussed in the board letter and in a form approved by the General Counsel.

## Option #2:

- Do not approve the proposed amendments and instruct staff to negotiate different amendments to exchange and delivery agreements.

# Staff Recommendation

- Option #1

