



2021 North of Delta Water Transfers

Water Planning and Stewardship Committee

Item 7-3

April 12, 2021

2021 North of Delta Water Transfers



* Supplies may be made available through November if capacity is available

History: Changes to the Water Transfer Market

- Regulations
- Increased Agricultural Demands
- Increased Urban Demands
- Higher Prices
- Increased uncertainty with carriage losses
- Increased uncertainty with amounts

Metropolitan Approach

- Diversified strategy
 - Colorado River & State Water Project Supplies
 - Surface water storage
 - Demand management
 - Water supply programs
- Positioned to purchase transfer supplies strategically to manage future risk

Factors Influencing Decision to Purchase Water

- Seller Participation
 - Metropolitan expects up to ~50 TAF
- Water Supply Conditions
 - Current 5% SWP Allocation
 - WSDM Actions expected to meet demands in 2021
 - 2022 initial SWP allocation projected to be very low
 - Water transfers will improve SWP surface water carryover supplies in 2022
- Ability to move supplies through Delta
 - Capacity available

Factors Influencing Decision to Purchase Water

● Price

- Price in negotiations
- Conveyance loss: 20% to 30%
- Authority up to \$675/AF prior to conveyance losses

● Budget

- Propose to utilize unused funds in the SWP Budget
 - Approach for dry and critical years
- SWP Budget projected to be over \$100 million under budget

2021 North of Delta Water Transfers

- SWC Dry Year Water Transfers
 - Price: In Negotiations
 - Metropolitan Allocated: 54%
- Yuba County Water Agency
 - Surface Water Price: \$447/AF
 - Groundwater Substitution Price: Market Based

Board Options

● Option #1

- Authorize the General Manager to secure one-year water transfers with water districts north of the Sacramento-San Joaquin River Delta for up to 65,000 acre-feet of additional supplies.
- Authorize the General Manager to secure storage and conveyance agreements with the Department of Water Resources and various water districts north of the Sacramento-San Joaquin River Delta to facilitate these transfers consistent with Articles 55 and 56 of the Metropolitan State Water Project Contract.
- Pay up to \$44 million from the State Water Project Budget for such transfers.
- Grant the General Manager final decision-making authority to determine whether or not to move forward with these transfers following completion of any environmental reviews required under CEQA, subject to the terms and conditions set forth in the Board letter.

Board Options

- Option #2

- Do not authorize the General Manager to enter one-year water transfer agreements with various north of the Sacramento-San Joaquin River Delta water districts.

Recommendation

- Option #1

