



One Water & Stewardship Committee

Potential Interagency Local Supply Exchange Program (ILSEP)

Item 6e

March 11, 2024

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Potential
Interagency
Local Supply
Exchange
Program
(ILSEP)

Subject

Oral report on Interagency Local Supply Exchange Program (ILSEP)

Purpose

The potential ILSEP creates a framework for Metropolitan to facilitate the sale and exchange of extra local supply production among its member agencies

Next Steps

Incorporate committee feedback and provide an information item in April

What Are We
Trying To
Achieve?

Develop a framework to facilitate an exchange of additional local supplies between agencies that are not connected

Member Agencies May Want To Invest In Another Agency's Local Supply

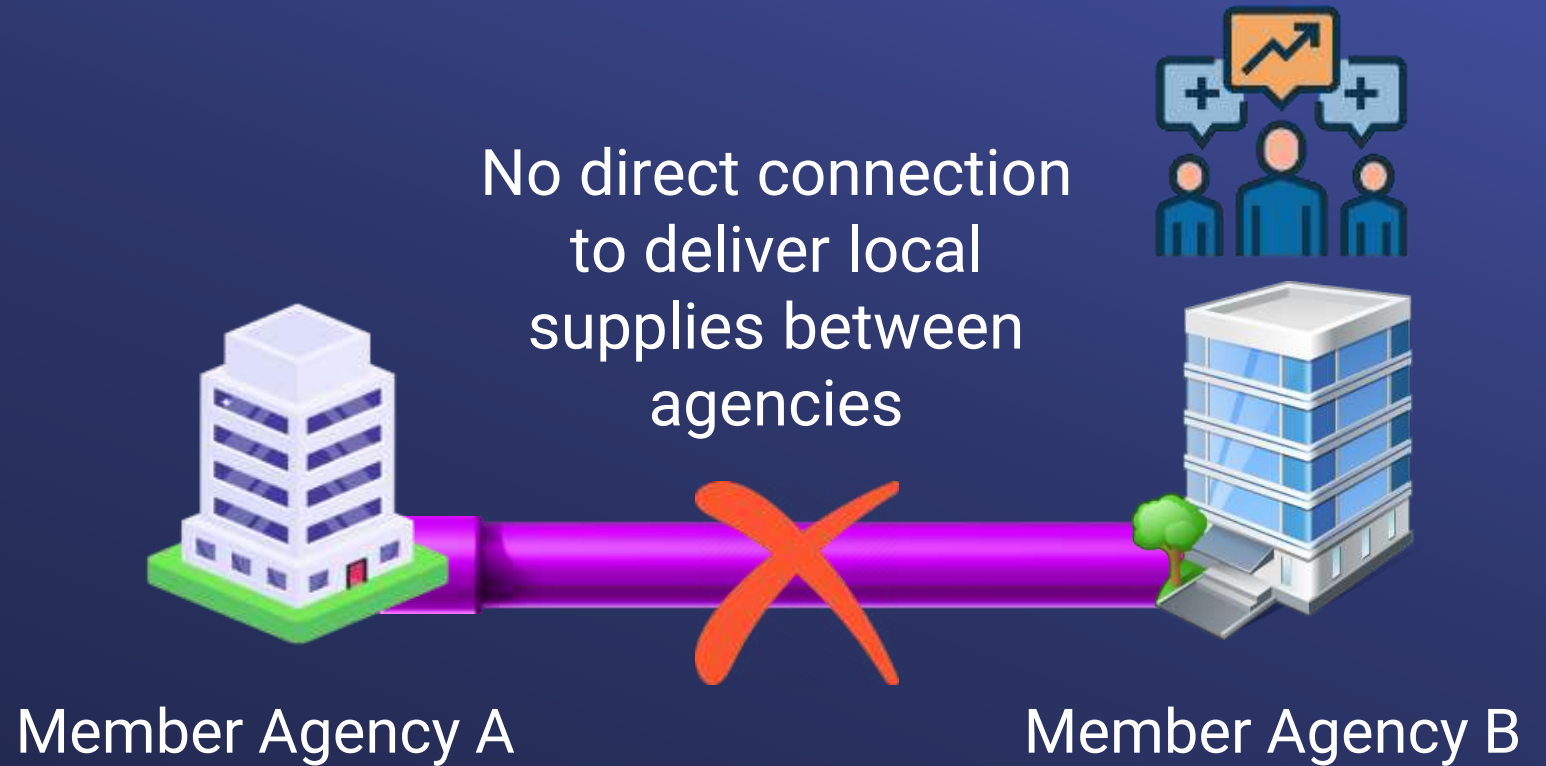


Member Agency A
has ability to increase
local supply production



Member Agency B
is interested in
investing in
local supplies

No Physical Connections Between Interested Member Agencies



As Regional Agency, Metropolitan Can Facilitate An Indirect Exchange



Framework Considerations: Selling Agency

1. Ensure that framework does not create a barrier for buyer to execute a voluntary transaction
2. Ensure that Metropolitan is supportive of the sale

Framework Considerations: Buying Agency

1. Ensure that there are no additional unnecessary costs above costs agreed to with the seller to purchase additional local supply
2. Ensure that there are no additional elements that would prevent the purchase of additional local supply

Framework Considerations: Metropolitan/ The Region

1. Ensure Metropolitan facilitates an exchange that increases Metropolitan's regional supply
2. Ensure there is no water supply reliability or financial impact to non-participating agencies
3. Ensure that agency pays full-service water rate for every acre-foot Metropolitan delivers
4. Ensure that during an allocation, Metropolitan is not allocating more water to participating agencies than if there was no exchange agreement in place

Framework Additional Considerations

Are there additional considerations Metropolitan should consider in developing a framework for the program?

Next Steps

- Incorporate committee feedback and develop framework
- Bring as info item in April

