



One Water and Adaptation Committee

Authorize Amendment to Coachella Valley Water District Exchange

Item 8-5

May 13, 2025

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Authorize Amendment to Coachella Valley Water District Exchange

Subject

Authorize the General Manager to amend the Delivery and Exchange Agreement between Metropolitan and Coachella for 35,000 acre-feet; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Purpose

To obtain Board approval to amend the Delivery and Exchange Agreement between Metropolitan and Coachella for 35,000 acre-feet for the period between 2027 - 2035

Recommendation and Fiscal Impact

Authorize the General Manager to amend the Delivery and Exchange Agreement. The amendment would provide additional revenue of up to \$80 Million over the next two years for the pre-delivery of exchange water to Coachella.

Budget

2025-2026 budget and rates assume \$60M/year in new revenues from water sales. This action would increase revenue of up to \$80 Million in the next two years.

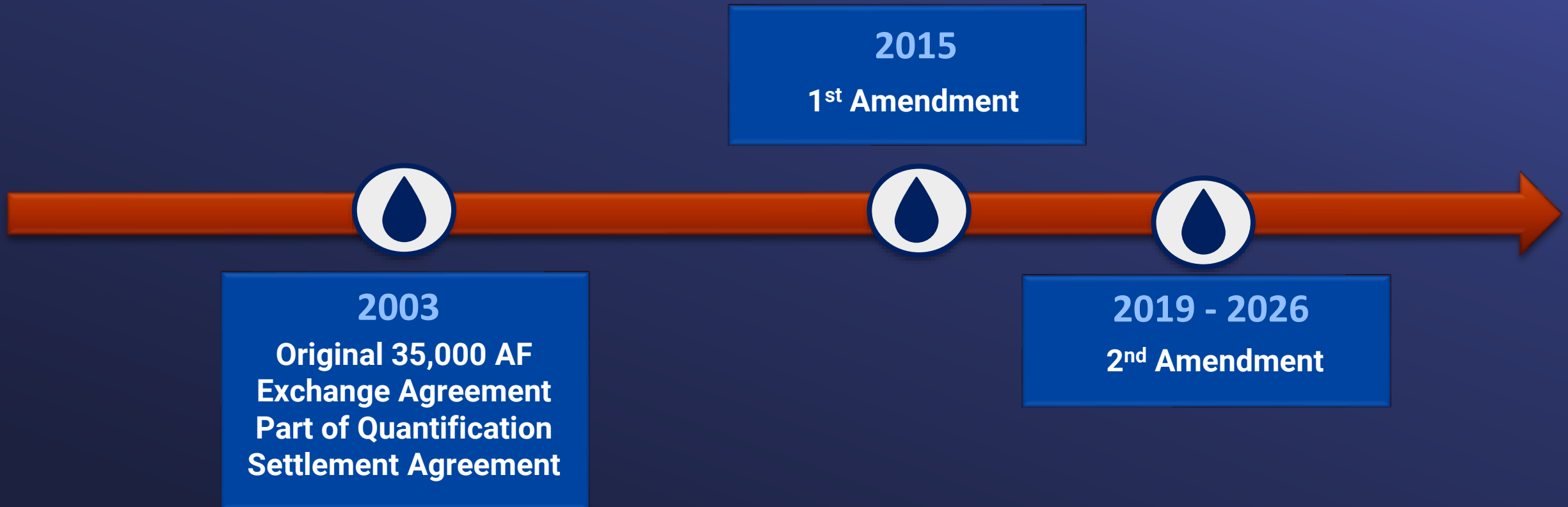
Metropolitan
Has Multiple
Exchange
Agreements
with the
Coachella
Valley Water
District

Long Term
Table A
Transfer
Agreement
*with DWCV

CVWD-MWD
35 TAF
Exchange

CVWD-
MWD 15
TAF
Exchange

Background of Amendments to the 35,000 AF Exchange Agreement



3rd Amendment to the 35 TAF Exchange Agreement Terms



- Term: 2027 - 2035
- Volume: 315 TAF Total (35 TAF/year)
- Delivery:

2025-2026

Pre-delivery
Up to 200,000 AF

2027-2035

Deliver Remaining Volume with
Flexibility

- Payment:

2025-2026

\$400/AF
Payment at Delivery

2027-2035

Escalation 3.9% / 4.8%*
Payment in Equal Installments

*Lower escalation rate applied if Coachella approves pre-delivery of full 200 TAF

Exchanges Provide Benefits to Both Parties

CVWD Benefits

- Exchanges provide more certainty for water supply
- Water in the ground now

Metropolitan Benefits

- System flexibility from 2027 – 2035
- Up to \$80 Million of additional revenue over two years
 - Additional tool to address budget and rates assumption of \$60M/year in new revenues from water sales

Board Options

- Option #1

Authorize the General Manager to amend the Delivery and Exchange Agreement between Metropolitan and Coachella for 35,000 acre-feet

- Option #2

Do not authorize the General Manager to amend the Delivery and Exchange Agreement between Metropolitan and Coachella for 35,000 acre-feet

Staff Recommendation

- Option #1

