

Agreement with State Water Contractors to Pursue 2022 Sacramento Valley Water Transfers

Water Planning and Stewardship Committee Item 7-8 February 7, 2022

SWC Buyers Group

- Water transfer coordinated through State Water Contractors
- Improves negotiation strength
- Proven performance

Year	Metropolitan's SWC Buyers Group Purchases
2008	26,600 AF
2010	88,100 AF
2015	12,358 AF
2021	5,586 AF

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2021 SWC Buyers Group Highlights

- \$5/AF administrative deposit
 - Secures participation
 - Unused funds refunded based on actual costs
 - Helps maximize transfer supply allocation
- Transfer supplies
 - Allocated based on the lesser of proportional Table A amounts or administrative deposit amount
 - 100,000 AF administrative deposit maximizes ability

Metropolitan's Decision to Purchase Water

Based on many factors

- Seller participation
- Water supply conditions
- SWP dependent area demand
- Ability to move supplies through Delta
- Prices / budget

Tentative Schedule

Jan

Seek Board authority to:

- Execute agreement with SWC
- Pay \$5/AF admindeposit

Identify Sellers, conclude negotiations & address environmental approvals

Feb

- Obtain additional Board authority for transfer
- Execute agreement with Sellers & DWR
- Purchase Transfers

Apr

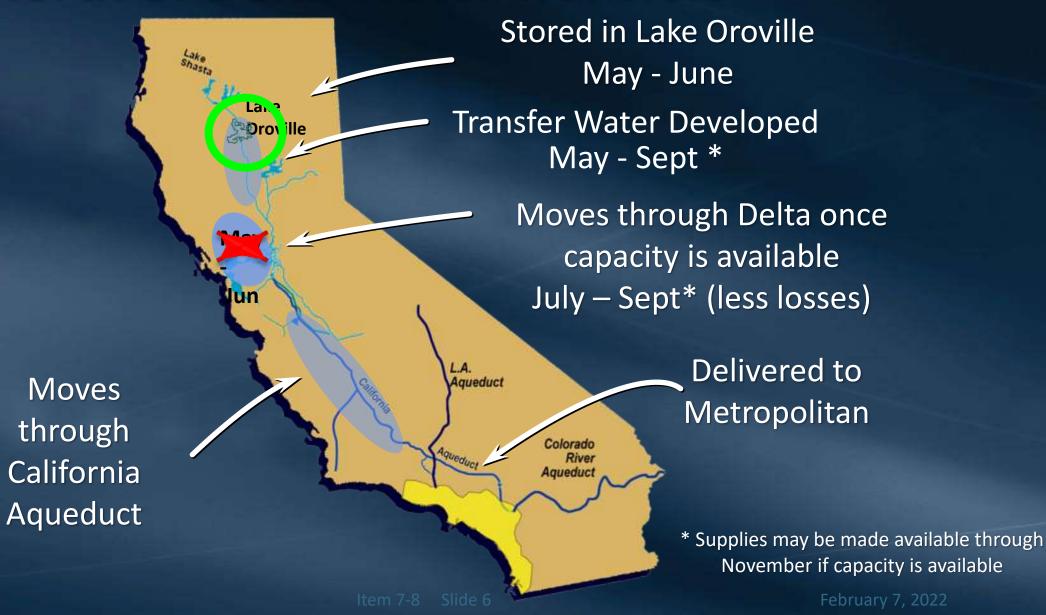
Sellers produce transfer supplies

May - Sep

Mar

2022 North of Delta Water Transfers

WP&S Committee



Summary

- Seek approval to participate in 2022 SWC Buyers Group
- Authorize payment not to exceed \$500,000
- Administrative deposit for up to 100,000 AF
- Unused funds returned
- Return to Board in March or April with transfer purchase recommendation

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Board Options

- Option #1
 - Authorize the General Manager to enter into an agreement with the State Water Contractors, Inc. to pursue 2022
 Sacramento Valley water transfer supplies, in a form approved by the General Counsel
 - Authorize making a \$5 per acre-foot initial administrative deposit and disbursements from that deposit consistent with the agreement not-to-exceed \$500,000

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Board Options

- Option #2
 - Do not authorize entering into an agreement with the State Water Contractors, Inc.

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Recommendation

Option #1

