One Water and Adaptation Committee

Information on proposed amendment of exchange agreement with Desert Water Agency and Coachella Valley Water District

Item 9-3

October 13, 2026

Presented by: Tony Liudzius

Item 9-3

Information on proposed amendment of exchange agreement with Desert Water Agency and Coachella Valley Water District

Subject

Information on proposed amendment of exchange agreement with Desert Water Agency and Coachella Valley Water District

Purpose

To provide information on the current exchange agreement and the proposed terms for an amendment to the agreement

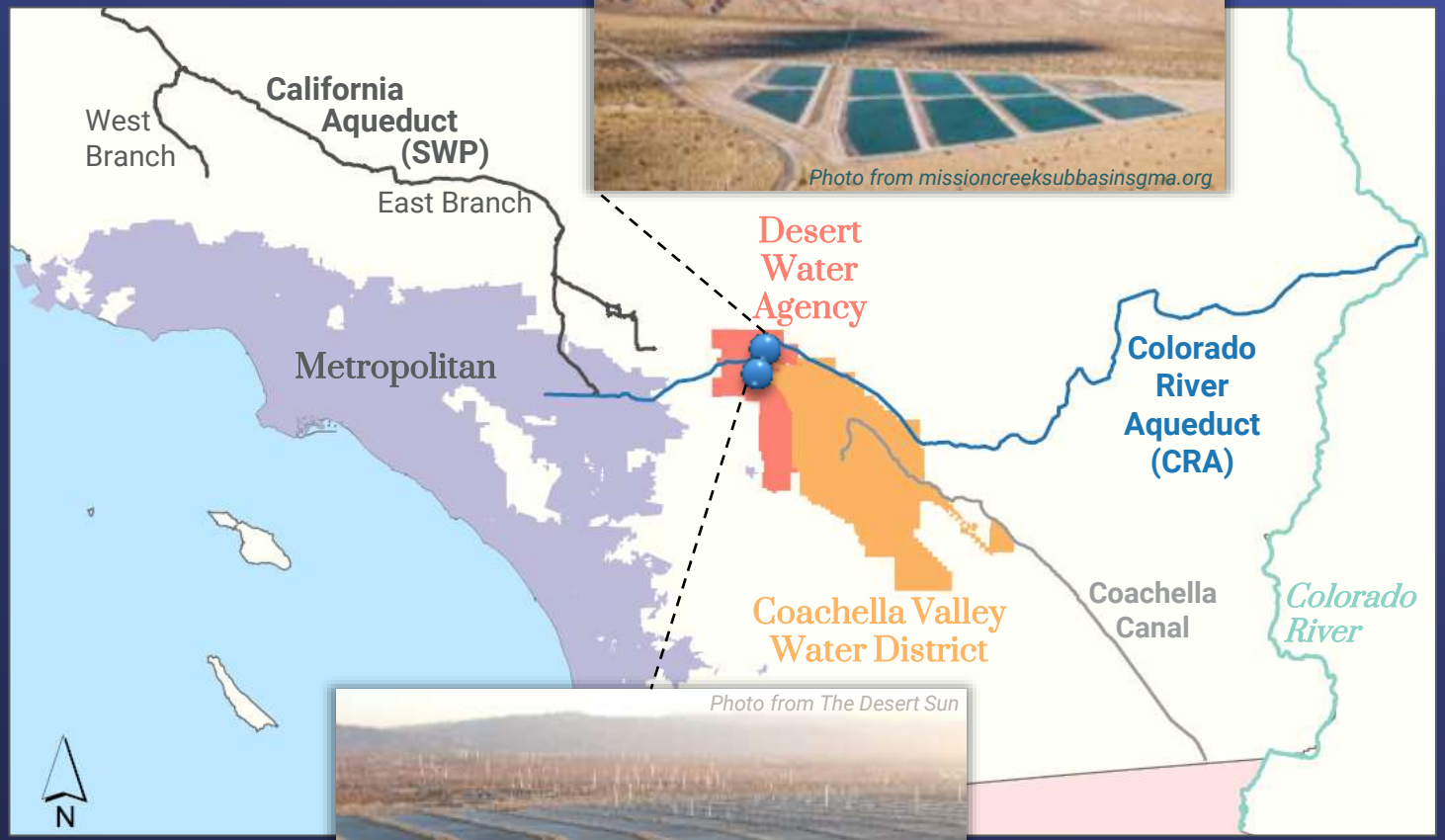
Next Steps

Incorporate feedback and request Board authorization for the proposed amendment in December 2026

Longstanding SWP and CRA Exchange Partnership

- Desert and Coachella are SWP contractors with no physical connection to SWP facilities
- Metropolitan delivers CRA supplies to Desert and Coachella
- in exchange, Metropolitan receives Desert and Coachella's SWP supplies
- Desert and Coachella pay the cost to transport their SWP supplies to Metropolitan

Mission Creek Replenishment Facility



Whitewater River Groundwater Replenishment Facility

Overview of Significant Agreements and Amendments among Metropolitan, Desert, and Coachella

1967 Exchange Agreement	• Original exchange agreement • SWP water exchanged 1:1 for CRA water
1984 Advance Delivery Agreement	• Established Advance Delivery Account • Metropolitan can store up to 800 TAF in Coachella Valley
2003 Exchange Agreement	• Metropolitan transferred 100 TAF of Table A, also amending SWP contracts • Provision to call back transfer
2019 Amended and Restated Agreement for the Exchange and Advance Delivery of Water	• Consolidated agreements • Eliminated callback of 100 TAF transfer • Implemented proportional sharing of operational risks and benefits • Implemented water management cost sharing in wet years

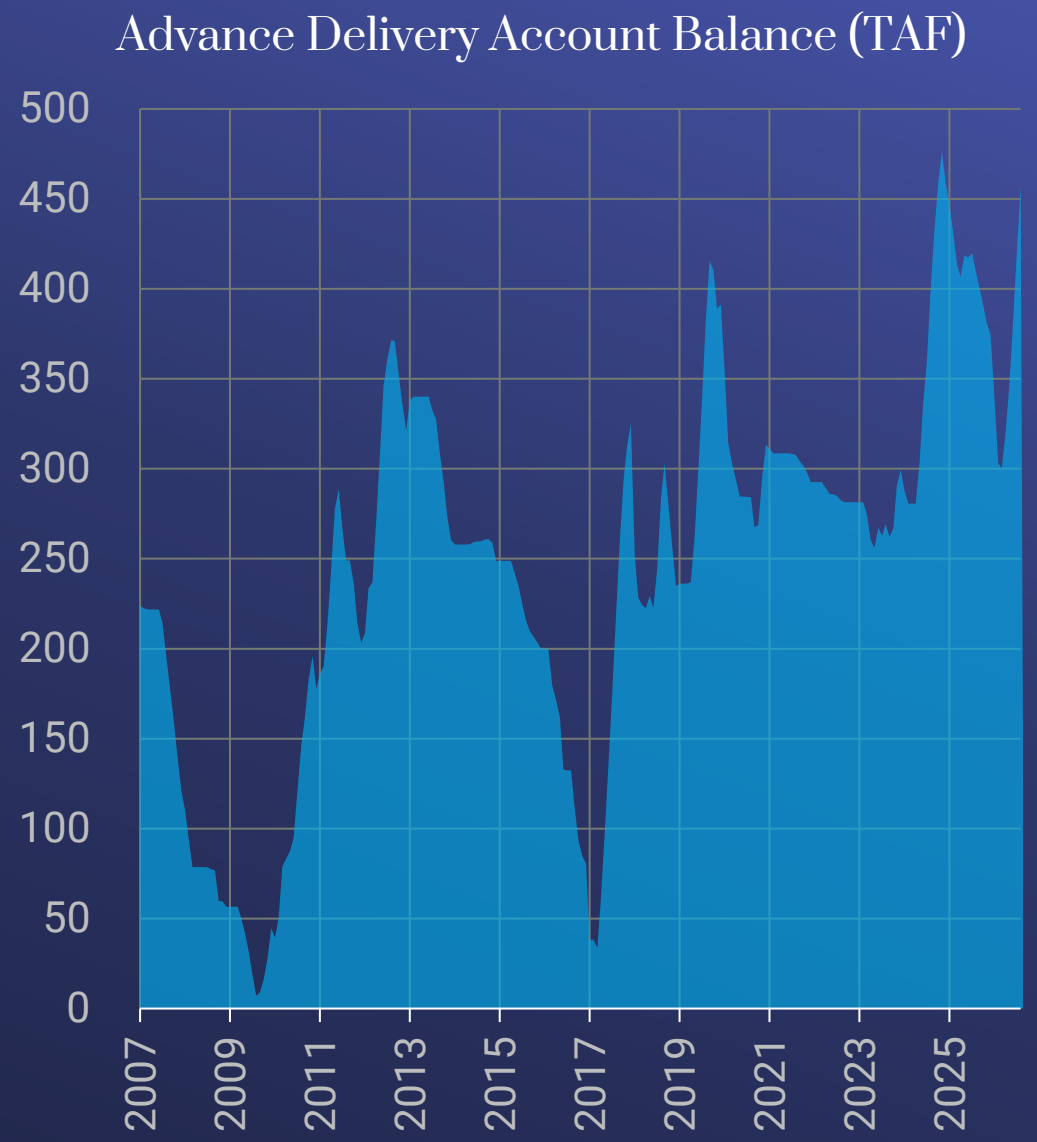
Exchange Partnership Brings Benefits to all Parties

DESERT WATER AGENCY

COACHELLA VALLEY WATER DISTRICT

- Avoid high cost of physical connection to SWP
- Access to SWP supplies
- Increased long-term SWP supply via transfer

- No-cost / no-loss storage
- Reduced SWP charges
- Supply for SWP-dependent area
- Increased capacity for SWP carryover



Need for Amending the current 2019 Exchange Agreement

- Termination date of 2035 no longer consistent with SWP contract term (2085)
- Opportunity for increased cost savings
  - Increase SWP Table A Transfer + 50 TAF
- Opportunity for increased dry year reliability
  - Buyback option for 50 TAF
- Provides framework for delivery and exchange of new water supplies to DWA and CVWD
  - Sites Reservoir

Terms of Proposed Amendment

Term	Through 2085
Table A Transfer from MWD to DWA and CVWD	150 TAF (additional 50 TAF); Will also require amendment of SWP contracts
Buy back provision	Buy back option for up to 50 TAF in 5 of 10 years, price to reimburse DWA and CVWD actual fixed and variable charges assuming long-term average delivery capability in the year of buy-back
Delivery and exchange of potential Sites Supply	Metropolitan to deliver and exchange potential Sites Reservoir supply for DWA and CVWD if there is operational capacity (treat as single-year supply)
Proportionate sharing of operational risks	Metropolitan to take on risk of spill for DWA or CVWD carryover that is carried over for > 1 year
Water management payment provisions	Water management fee unit rate updated to reflect 50% of current average round-trip groundwater banking costs

Benefits of Proposed Amendment

DESERT WATER AGENCY

COACHELLA VALLEY WATER DISTRICT

- Increased certainty for delivery of Sites Reservoir supply
- Increased SWP Table A supply
- Increased water supplies chargeable through SWP contract

- Decreased annual SWP charges
- Enhanced dry-year reliability with buyback option
- Increased SWP carryover storage capacity

Next Steps

- Incorporate feedback
- Finalize drafting of proposed amendment
- Desert and Coachella to prepare CEQA documents for their respective groundwater replenishment facilities
- Request Board authorization to amend the 2019 Agreement and Metropolitan's SWP Contract in December 2026

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928