



*The Metropolitan Water District of Southern California*

# NEWS RELEASE

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## METROPOLITAN LOOKS TO STATEWIDE WATER MARKET TO SECURE SUPPLY INSURANCE IN THE FACE OF UNCERTAINTIES

Seeking insurance to shore up the reliability of Southern California's imported water deliveries under continuing dry conditions, Metropolitan Water District's Board of Directors today authorized entering the water market to pursue back-up supplies to meet the region's needs next year and beyond.

Metropolitan's board outlined plans to work with the state Department of Water Resources and the State Water Project Contractors Authority to purchase additional water in 2008 through transfers with willing sellers in Yuba County and the state's Central Valley. The proposed transfers would help make up for the anticipated reductions in Northern California supplies because of critically dry conditions and a court-imposed cutback in State Water Project deliveries from the Sacramento-San Joaquin Delta.

"Along with continued conservation by Southland consumers, pursuing these proposed transfers will go a long way toward solidifying Southern California's water supply picture in 2008 and beyond," said Metropolitan board Chairman Timothy F. Brick.

"By acting now, we're demonstrating the kind of proactive and resourceful approaches Southern California must undertake to deal with the supply uncertainties we face in coming years," Brick said.

Metropolitan General Manager Jeff Kightlinger said the proposed transfers could help urban Southern California compensate for potential SWP delivery shortfalls in 2008. He also noted the pending supply impacts from a federal court decision that may reduce the availability of Delta supplies to Metropolitan by up to 30 percent to address declining populations of Delta smelt. In addition, with the Colorado River having endured its eighth year of drought, Colorado River surplus supplies will not be made available to Metropolitan in 2008.

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“Securing these transfers is consistent with our commitment to develop water management solutions that will help meet the supply needs of 18 million Southern Californians and the region’s economy,” Kightlinger said.

“It also follows through on our long-standing efforts to develop a water market that provides both local and statewide benefits through constructive north-south, agricultural-urban partnerships aimed at enhancing the management of California’s water,” he added.

In its actions today, Metropolitan’s board authorized the purchase of between 13,750 acre-feet and 35,000 acre-feet in dry years over the next 18 years from the Yuba County Water Agency. An acre-foot is nearly 326,000 gallons, about the amount used by two typical Southland families in and around their households in a year.

The board also authorized Metropolitan, in conjunction with the State Water Project Contractors Authority, to pursue up to 200,000 acre-feet of water for 2008 from the Central Valley through one-year option transfer agreements.

“These proposed transfers represent a cooperative effort among a number of the water contractors and the state to create a pool of supplies that agencies can call upon as insurance against the possibility of drought,” Kightlinger said.

The actions today mark the third time since 2003 that Metropolitan has tapped the statewide water market to secure options. In 2005, Metropolitan worked with the State Water Project Contractors Authority to secure one-year transfer options on 125,000 acre-feet of Central Valley supplies, which the district did not exercise. Two years earlier, the district bought about 150,000 acre-feet of water from Sacramento Valley water users.

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*The Metropolitan Water District of Southern California is a cooperative of 26 cities and water agencies serving 18 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.*