

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

August 4, 1992

To: Board of Directors (Engineering and Operations Committee--Information)
(Water Problems Committee--Information)

From: General Manager

Subject: Semitropic Water Storage District and Dudley Ridge
Water District Water Transfer Proposals

Report

In May, staff provided your Board with an update on water transfer and exchange activities. Staff continues to receive and evaluate a significant number of water transfer proposals. Negotiations for two of these proposals have progressed to the point where staff is currently developing principles for agreements. The first proposal is a "groundwater storage/pumpback" program with Semitropic Water Storage District (Semitropic). The second proposal is an "options" program with Dudley Ridge Water District. Both proposals are discussed in greater detail below. A map showing the location of each district is attached.

Semitropic Water Storage District. This proposal is for a long-term groundwater storage/pumpback program. Under the program, Metropolitan would store water in Semitropic's groundwater basin when Metropolitan's water supplies are surplus to its needs. During shortage years, Semitropic would pump Metropolitan's stored water from the groundwater basin into the California Aqueduct through facilities owned and operated by Semitropic. A minimum pumpback of 40,000-60,000 acre-feet per year (AFY), including critically dry years, would be guaranteed by Semitropic. In addition, Semitropic has a 158,000 AFY State Water Project (SWP) entitlement that it receives through the Kern County Water Agency. Semitropic could exchange a portion of this entitlement water for Metropolitan stored water, thereby substantially increasing the annual yield of the program. To finance the program, Metropolitan would make payments to Semitropic when Metropolitan stored and retrieved water or if water were left in storage for more than seven years. The Semitropic Board of Directors voted unanimously to propose this program to Metropolitan. Additional studies, to be partially funded by Metropolitan, will be required before any agreement can be finalized. These studies include:

- (1) environmental studies and documentation specific to Metropolitan's participation in the program;

- (2) studies to determine the potential for additional spreading basins to increase Metropolitan's ability to store water; and
- (3) financial analysis to estimate program cash flow and Semitropic's ability to pay for necessary facilities.

Dudley Ridge Water District (Dudley Ridge). The Dudley Ridge Board of Directors unanimously voted to propose a long-term water transfer program with Metropolitan. The program would involve transferring a portion of Dudley Ridge's 57,700 AFY SWP entitlement to Metropolitan. Two different proposals to accomplish the transfer are being discussed. Under the first proposal, Metropolitan would make an annual payment to Dudley Ridge for the right to take water and then a larger payment when, at its option, Metropolitan took delivery of water. Under the second proposal, Metropolitan would purchase a portion of the Dudley Ridge SWP water supply every year and then sell the water back to Dudley Ridge in the years that Metropolitan did not need the water. Under both proposals, Dudley Ridge would retain the first 25 to 35 percent of its SWP water supply to irrigate permanent crops.

Negotiations for both the Semitropic and Dudley Ridge programs are in preliminary stages. Staff will continue to update your Board regarding these proposals as details develop.

Board Committee Assignments

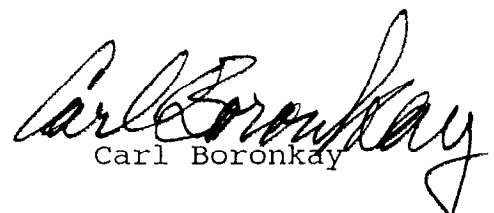
This letter was referred for information to:

The Engineering and Operations Committee because of its authority to make recommendations regarding the storage and distribution of water, pursuant to Administrative Code Section 2431(d); and

The Water Problems Committee because of its authority to study, advise, and make recommendations with regard to policies, sources, and means of importing water required by the District, pursuant to Administrative Code Section 2481(a).

Recommendation

For information only.


Carl Boronkay

SPH:dlc

Attachment

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DUDLEY RIDGE AND SEMITROPIC WATER TRANSFER AND EXCHANGE PROPOSALS

