MWD
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

October 27, 1992

To: Board of Directors (Water Problems Committee--Action)

From: General Manager

Subject: 1993 Dudley Ridge/Metropolitan Water Transfer

Report

At your October meeting, staff discussed a potential water transfer in 1993 with Dudley Ridge Water District (Dudley Ridge). Negotiations for the 1993 water transfer have progressed to the point where staff has finalized a proposed agreement with Dudley Ridge (see attached summary).

Dudley Ridge is located adjacent to the California Aqueduct, about half-way between Bakersfield and Fresno. Dudley Ridge supplies State Water Project (SWP) water for agricultural use to about 30,000 acres. The only source of water available within Dudley Ridge is water delivered through the SWP.

The proposed program would involve a transfer of a portion of the Dudley Ridge 57,700 acre-feet per year SWP entitlement to Metropolitan. Dudley Ridge currently estimates that it will need to retain about 28 percent of its SWP water supply to irrigate permanent crops. This minimum water use requirement may change, based upon the final requests for water from landowners within Dudley Ridge. Metropolitan would commit to purchase all of the water above Dudley Ridge's 1993 minimum water use requirement if the final SWP allocation of water (April 1993) is less than 50 percent. If the SWP allocation is 50 percent or greater, Metropolitan would have no obligation to purchase any water from Dudley Ridge, but could purchase water by mutual agreement.

Water made available under the Dudley Ridge agreement would result from the temporary fallowing of land. Metropolitan would pay Dudley Ridge $125 per acre-foot (AF) at the Harvey O. Banks Delta Pumping Plant (Banks) for Dudley Ridge SWP entitlement water delivered to Metropolitan's service area. This price for water delivered at Banks compares to a price of $170 per AF under the 1991 Drought Emergency Water Bank and $70 per AF under the 1992 Water Bank. Price comparison with the 1991 Water Bank is most appropriate because the 1991 Water Bank

included land fallowing, while the 1992 Water Bank was able to meet requests without land fallowing. Assuming that Dudley Ridge uses 28 percent of its SWP water supply to irrigate permanent crops and therefore Metropolitan purchases 12,117 acre-feet, Metropolitan's total purchase cost would be $1.52 million. In this situation, power costs required for pumping the water to Metropolitan's service area would be on the order of $1.1 million assuming an estimated net pumping cost of $90 per AF. If the water is sold at the untreated noninterruptible rate, the total revenue from sale of this water could be as high as $3.2 million. About $400,000 remains in the 1992-93 budget for water purchases and the budget includes sufficient funding for pumping costs. Costs for purchasing the water are expected to be less than $400,000 in 1992-93. Adequate funds to cover any costs remaining after 1992-93 will be included in the 1993-94 budget.

Dudley Ridge, the California Environmental Quality Act (CEQA) Lead Agency, has prepared a Negative Declaration for this program (attached). No substantive comments were received on the Negative Declaration during its 30-day public review period. Your Board is required by CEQA to review and consider the information contained in the Negative Declaration before approving Metropolitan's participation in the Program.

Board Committee Assignment

This letter was referred for action to 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

WATER PROBLEMS COMMITTEE FOR ACTION.

That your Board review and consider the attached Negative Declaration and authorize the General Manager to execute an agreement with Dudley Ridge Water District for Metropolitan to purchase a portion of Dudley Ridge's 1993 State Water Project entitlement water, substantially based upon the principles described in this letter and in form approved by the General Counsel.

Carl Boronkay

Attachments

SPH:kmk

SUMMARY OF PRINCIPLES FOR AGREEMENT BETWEEN DUDLEY RIDGE AND METROPOLITAN FOR TRANSFER OF A PORTION OF DUDLEY RIDGE'S 1993 STATE WATER PROJECT (SWP) WATER ENTITLEMENT TO METROPOLITAN

1. Program is a one-year (1993) water transfer.

2. Metropolitan is only obligated to purchase Dudley Ridge's SWP water if Metropolitan's final (April 1993) SWP water allocation is less than 50 percent.

3. Metropolitan has no obligation to Dudley Ridge if Metropolitan's final SWP water allocation is 50 percent or greater.

4. Dudley Ridge will grant Metropolitan the right to negotiate for Dudley Ridge's 1993 final SWP water allotment when Metropolitan's final SWP water allotment is 50 percent or greater.

5. Dudley Ridge will act as lead agency for any environmental compliance.

6. Metropolitan will pay Dudley Ridge $125 per acre-foot of water delivered to Metropolitan at the Harvey O. Banks Delta Pumping Plant.

7. Metropolitan will pay the SWP variable costs from Harvey O. Banks Delta Pumping Plant to Metropolitan's Service Area for all Dudley Ridge water delivered to Metropolitan.

8. Dudley Ridge will continue to pay all SWP fixed costs just as if it had not entered into an exchange with Metropolitan.

PROPOSED NEGATIVE DECLARATION

AND

INITIAL STUDY

BY

DUDLEY RIDGE WATER DISTRICT

FOR

1993 DUDLEY RIDGE WATER DISTRICT/ METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA WATER TRANSFER

Prepared by: Dudley Ridge Water District
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Fresno, California 93726

Contact Person: Dale Melville
(209) 226-2920

SEPTEMBER 1992

PROPOSED NEGATIVE DECLARATION

BY

DUDLEY RIDGE WATER DISTRICT

FOR

1993 DUDLEY RIDGE WATER DISTRICT/

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA WATER TRANSFER

SEPTEMBER 1992

This Negative Declaration has been prepared by Dudley Ridge Water District to ensure compliance with the requirements of California Administrative Code, Title 14, Section 15070 which promulgates regulations adopted by the California Office of Planning and Research in accordance with the requirements of the California Environmental Quality Act (CEQA) (Public Resources Code, Section 21000 et seq).

I. Project Description and Location

See Attached Initial Study.

II. Environmental Findings

Based on the environmental analysis performed and summarized in the attached Initial Study and Environmental Checklist, Dudley Ridge Water District finds that the proposed 1993 Dudley Ridge/Metropolitan Water Transfer will not have a significant effect on the environment.

III. Mitigation Measures

None Required.

INITIAL STUDY

BY

DUDLEY RIDGE WATER DISTRICT

FOR

1993 DUDLEY RIDGE WATER DISTRICT/

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA WATER TRANSFER

SEPTEMBER 1992

I. INTRODUCTION

Dudley Ridge Water District (Dudley Ridge) consists of 29,970 acres of lands located in Kings County (see Figure 1). Dudley Ridge's sole water supply is a State Water Project (SWP) entitlement of 57,700 acre-feet per year. Dudley Ridge proposes to transfer a portion of its 1993 SWP allotment to Metropolitan Water District of Southern California (Metropolitan). It is anticipated that the proposed transfer would be limited to that portion of Dudley Ridge's SWP entitlement above Dudley Ridge's water needs for permanent crops and below a 50% allocation of Dudley Ridge's SWP entitlement. Such water would remain in the California Aqueduct for delivery to Metropolitan essentially on the same schedule it would have been delivered to Dudley Ridge; diversions from the Delta would not be affected as a result of this water transfer. The transfer would be accomplished through a negotiated payment by Metropolitan to Dudley Ridge for the transfer water.

II. PROGRAM OBJECTIVES

The proposed transfer has been designed to meet two objectives. First, to provide Dudley Ridge with monies to offset their fixed SWP costs. Second, to provide Metropolitan with an additional source of water to meet its service area needs.

III. ENVIRONMENTAL SETTING

In 1992, Dudley Ridge received a 45% SWP allotment which resulted in 24,905 acres (83%) of the total 29,970 acres of lands located in Dudley Ridge not being irrigated. Approximately 5,000 acres of lands currently irrigated consist of permanent crops. A portion of Dudley Ridge's 1992 SWP entitlement was transferred by Dudley Ridge landowners to other lands owned by same in the San Joaquin Valley. Similar water management decisions would be made if water supply conditions do not improve significantly for Dudley Ridge in 1993. Likewise, SWP supplies to meet the needs of permanent crops grown in Dudley Ridge, if available, would always remain in Dudley Ridge. Accordingly, land use within Dudley Ridge would not change under the proposed transfer program.

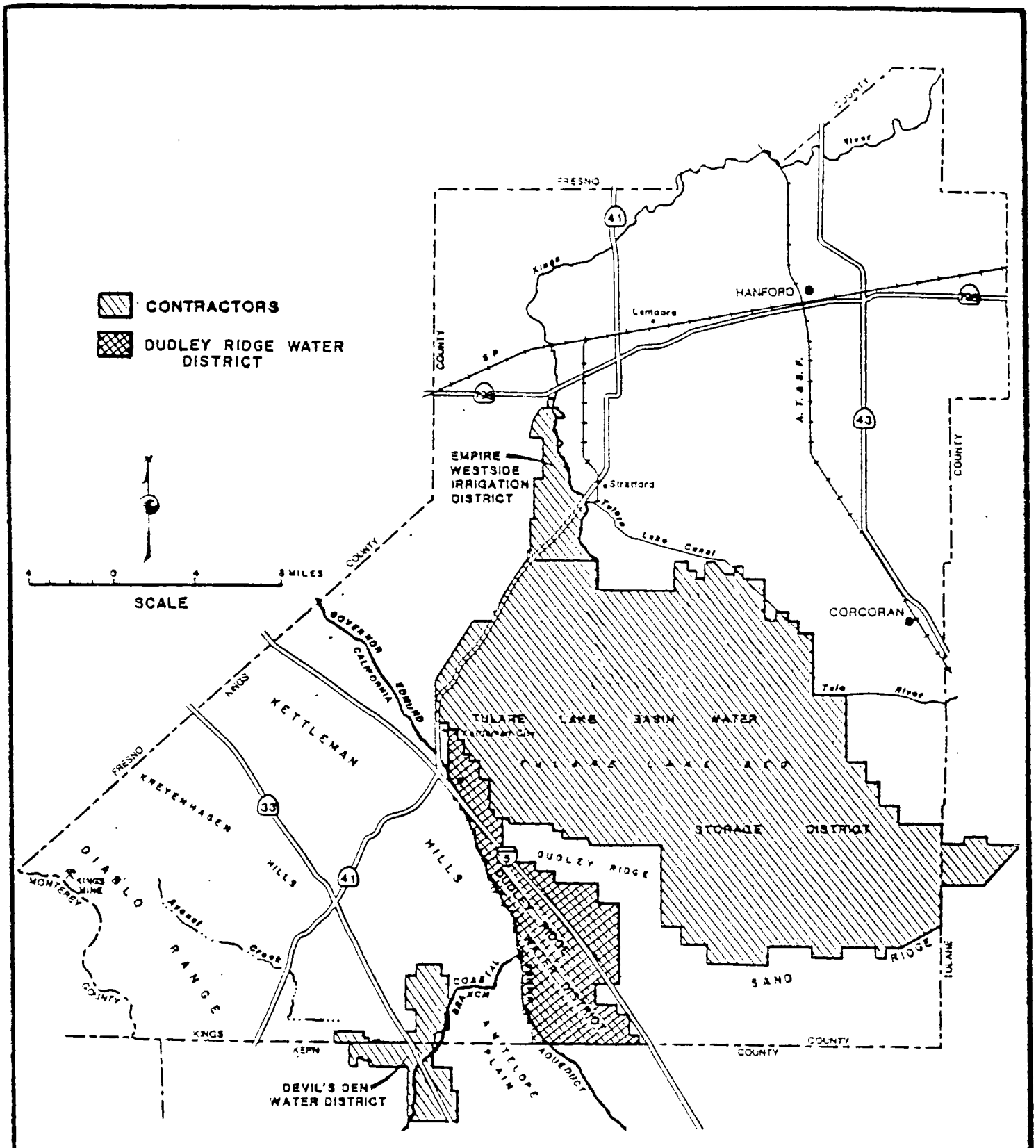

FIGURE 1
S.W.P. CONTRACTORS IN KINGS COUNTY

SOURCE: DEPARTMENT of WATER RESOURCES

ENVIRONMENTAL CHECKLIST

IV. Background

1. Name of Proponent: Dudley Ridge Water District
2. Address and Phone Number of Proponent: 3636 N. First Street, Suite 123, Fresno, California 93726, telephone (209) 226-2920
3. Date of Checklist Submitted: September 16, 1992
4. Agency Requiring Checklist: Proponent
5. Name of Proposal: Transfer of a Portion of Dudley Ridge Water District's 1993 State Water Project Entitlement to Metropolitan Water District of Southern California

V. Environmental Impacts

Explanations of all "yes" and "maybe" answers are attached.

	YES	MAYBE	NO
1. Earth. Will the proposal result in:			
a. Unstable earth conditions or in changes in geologic substructures?	___	_____	X
b. Disruptions, displacements, compaction or overcovering of the soil?	___	_____	X
c. Change in topography or ground surface relief features?	___	_____	X
d. The destruction, covering or modification of any unique geologic or physical features?	___	_____	X
e. Any increase in wind or water erosion of soils, either on or off the site?	___	_____	X
f. Changes in deposition or erosion of beach sands, or changes in siltation, deposition or erosion which may modify the channel of a river or stream or the bed of the ocean or any bay, inlet or lake?	___	_____	X
g. Exposure of people or property to geologic hazards such as earthquakes, landslides, mudslides, ground failure, or similar hazards?	___	_____	X

	YES	MAYBE	NO
2. Air. Will the proposal result in:			
a. Substantial air emissions or deterioration of ambient air quality?	___	_____	X
b. The creation of objectionable odors?	___	_____	X
c. Alteration of air movement, moisture or temperature, or any change in climate, either locally or regionally?	___	_____	X
3. Water. Will the proposal result in:			
a. Changes in currents, or the course or direction of water movements, in either marine or fresh waters?	___	_____	X
b. Changes in absorption rates, drainage patterns, or the rate and amount of surface water runoff?	___	_____	X
c. Alterations to the course or flow of floodwaters?	___	_____	X
d. Change in the amount of surface water in any water body?	___	_____	X
e. Discharge into surface waters, or in any alteration of surface water quality including, but not limited to, temperature, dissolved oxygen or turbidity?	___	_____	X
f. Alteration of the direction or rate of flow of groundwaters?	___	_____	X
g. Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations?	___	_____	X
h. Substantial reduction in the amount of water otherwise available for public water supplies?	___	_____	X

	YES	MAYBE	NO
i. Exposure of people or property to water-related hazards such as flooding or tidal waves?	___	_____	X
j. Significant changes in the temperature, flow, or chemical content of surface thermal springs?	___	_____	X
4. Plant Life. Will the proposal result in:			
a. Change in the diversity of species, or number of any species of plants (including trees, shrubs, grass, crops, microflora and aquatic plants)?	___	_____	X
b. Reduction of the numbers of any unique, rare, or endangered species of plants?	___	_____	X
c. Introduction of new species of plants into an area, or in a barrier to the normal replenishment of existing species?	___	_____	X
d. Reduction in acreage of any agricultural crop?	___	X	___
5. Animal Life. Will the proposal result in:			
a. Changes in the diversity of species, or numbers of any species of animals (birds, land animals including reptiles, fish and shell-fish, benthic organisms, insects or microfauna)?	___	_____	X
b. Reduction of the numbers of any unique, rare or endangered species of animals?	___	_____	X
c. Introduction of new species of animals into an area, or result in a barrier to the migration or move-ment of animals?	___	_____	X

		YES	MAYBE	NO
d.	Deterioration to existing fish or wildlife habitat?	___	_____	X
6.	Noise. Will the proposal result in:			
	a. Increases in existing noise levels?	___	_____	X
	b. Exposure of people to severe noise levels?	___	_____	X
7.	Light and Glare. Will the proposal produce new light or glare?	___	_____	X
8.	Land Use. Will the proposal result in substantial alteration of the present or planned land use of an area?	___	_____	X
9.	Natural Resources. Will the proposal result in:			
	a. Increase in the rate of use of any natural resources?	___	_____	X
	b. Substantial depletion of any nonrenewable natural resource?	___	_____	X
10.	Risk of Upset. Will the proposal invoice:			
	a. A risk of an explosion or the release of hazardous substances (including, but not limited to, oil, pesticides, chemicals or radiation) in the event of an accident or upset conditions?	___	_____	X
	b. Possible interference with an emergency response plan or an emergency evacuation plan?	___	_____	X

	YES	MAYBE	NO
11. Population. Will the proposal alter the location, distribution, density, or growth rate of the human population of an area?	___	_____	X
12. Housing. Will the proposal affect existing housing, or create a demand for additional housing?	___	_____	X
13. Transportation/Circulation. Will the proposal result in:			
a. Generation of substantial additional vehicular movement?	___	_____	X
b. Effects on existing parking facilities, or demand for new parking?	___	_____	X
c. Substantial impact upon existing transportation systems?	___	_____	X
d. Alterations to present patterns of circulation or movement of people and/or goods?	___	_____	X
e. Alterations to waterborne, rail, or air traffic?	___	_____	X
f. Increase in traffic hazards to motor vehicles, bicyclists or pedestrians?	___	_____	X
14. Public Services. Will the proposal have an effect upon, or result in a need for new or altered governmental services in any of the following areas:			
a. Fire protection?	___	_____	X
b. Police protection?	___	_____	X
c. Schools?	___	_____	X
d. Parks or other recreational facilities?	___	_____	X
e. Maintenance of public facilities, including roads?	___	_____	X

	YES	MAYBE	NO
f. Other governmental services?	___	_____	X
15. Energy. will the proposal result in:			
a. Use of substantial amounts of fuel or energy?	___	_____	X
b. Substantial increase in demand upon existing sources of energy, or require the development of new sources of energy?	___	_____	X
16. Utilities. Will the proposal result in a need for new systems, or substantial alterations to the following utilities:			
a. Power or natural gas?	___	_____	X
b. Communications systems?	___	_____	X
c. Water?	___	_____	X
d. Sewer or septic tanks?	___	_____	X
e. Storm water drainage?	___	_____	X
f. Solid waste and disposal?	___	_____	X
17. Human Health. Will the proposal result in:			
a. Creation of any health hazard or potential health hazard (excluding mental health)?	___	_____	X
b. Exposure of people to potential health hazards?	___	_____	X
18. Aesthetics. Will the proposal result in the obstruction of any scenic vista or view open to the public, or will the proposal result in the creation of an aesthetically offensive site open to public view?	___	_____	X

	YES	MAYBE	NO
19. Recreation. Will the proposal result in an impact upon the quality or quantity of existing recreational opportunities?	___	_____	X
20. Cultural Resources. Will the proposal result in:			
a. Alteration of or destruction of a prehistoric or historic archaeological site?	___	_____	X
b. Adverse physical or aesthetic effects to a prehistoric or historic building, structure, or objects?	___	_____	X
c. A physical change which would affect unique ethnic cultural values?	___	_____	X
21. Mandatory Findings of Significance.			
a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	___	_____	X
b. Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals? (A short-term impact on the environment is one which occurs in a relatively brief, definitive period of time while long-term impacts will endure well into the future.)	___	_____	X

	YES	MAYBE	NO
c. Does the project have impacts which are individually limited, but cumulative considerable? (A project may impact on two or more separate resources where the impact on each resource is relatively small, but where the effect of the total of those impacts on the environment is significant.)	___	_____	X
d. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	___	_____	X

VI. Discussion of Environmental Evaluation

See attachment for an explanation of the environmental evaluation checklist.

VII. Determination

On the basis of this initial evaluation:

I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared. X

I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the project. A NEGATIVE DECLARATION WILL BE PREPARED. _____

I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required. _____

September 16, 1992
Date

Signature

For Dudley Ridge Water District

EXPLANATION OF ITEMS CHECKED
"YES" OR "MAYBE" ON THE ENVIRONMENTAL EVALUATION CHECKLIST

4. PLANT LIFE

d. Reduction in acreage of any agricultural crop?

Impact Assessment. A minor reduction in irrigated acreage could occur if DRWD transfers a portion of their SWP entitlement to Metropolitan that would have otherwise been used by DRWD landowners on lands outside of DRWD.

Mitigation Measures. None required. The change in agricultural crop acreage would be minor compared to changes normally occurring due to other outside influences.