

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

August 3, 1993

To: Board of Directors (Water Problems Committee--Action)
From: General Manager
Subject: Joint Participation in 1993 Demonstration Local Storage Program by Western Municipal Water District and the City of Anaheim

Report

Western Municipal Water District (Western) has requested joint participation in the 1993 Demonstration Local Storage Program (Program) with the City of Anaheim. In July 1993, your Board chose to defer taking action on the subject Agreement until the August Board meeting. Staff is continuing to discuss this matter with member agency managers and will update your Board in August on member agency comments.

The Program is designed to encourage storage of imported water in local groundwater basins and reservoirs for future use at Metropolitan's call under the following major principles:

- Metropolitan's Program water is sold for placement into storage this calendar year at discounted rates of \$138 and \$163 per acre-foot respectively for untreated and treated water.
- Members agree to store Program water for up to ten years and to produce it at Metropolitan's call.
- During a call, a Member must reduce the use of Metropolitan's noninterruptible service by a like amount as determined by measuring its reduction from 1992 noninterruptible service, subject to certain adjustments or pay a penalty.
- Participation must increase 1993 imported water sales.
- Members shall comply with the California Environmental Quality Act (CEQA).

Anaheim and Western propose to satisfy the Program criteria by taking the following actions which are described in greater detail in the attachments:

Anaheim will purchase from Metropolitan about 6,000 acre-feet (AF) of treated Program water at the special rate for direct delivery to Western for use by its customers. By December 1994, Western through existing agreements with San Bernardino Valley Municipal Water District and Riverside, will deliver at least 6,000 AF of groundwater plus appropriate transportation losses to the Santa Ana River which eventually flows to percolation basins of Orange County Water District (OCWD) for storage in OCWD groundwater aquifers. This exchange of water accomplishes two objectives of Anaheim and Western:

1. Delivery of Program water to OCWD basin; and
2. Use of groundwater, by local exchange, to benefit agricultural groves in Western's service area where groundwater delivery systems do not exist.

Upon Metropolitan's call, Anaheim will pump the stored Program water in the OCWD basin to comply with the Program's provisions. Anaheim would pay applicable penalties if it fails to perform. Western will satisfy the requirements of CEQA.

An objective of the Program is to increase 1993 water sales. It is clear that Anaheim's purchase of 6,000 AF for storage in the OCWD basin is beyond the water demands of Anaheim. Additionally, Western has informed staff that this objective would be met because, in absence of the Program, the agricultural groves that would benefit from this water would more than likely be abandoned under the existing agricultural economy and not use imported water.

Western's and Anaheim's participation in the Program would clearly meet the drought-year production requirements.

The proposal is also consistent with Metropolitan's Administrative Code to vigorously pursue development of water transfers (Section 4203) and to cooperate with two or more member public agencies to enter into water exchange arrangements (Section 4207(b)). This letter is also in

compliance with Section 4205 which requires the General Manager to report water sales between member public agencies to your Board.

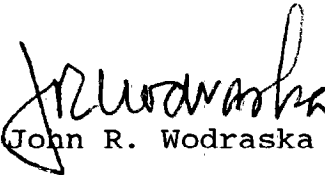
Board Committee Assignment

This letter is referred to the Water Problems Committee for action pursuant to Sections 2481(d) and (i) of Metropolitan's Administrative Code granting it authority regarding policies dealing with the sale and delivery of water for various uses and underground storage of water and the use thereof.

Recommendation

WATER PROBLEMS COMMITTEE FOR ACTION.

That the Board find that the joint participation proposal of the Western Municipal Water District with the City of Anaheim described in this letter is consistent with the conditions and objectives of the 1993 Demonstration Local Storage Program.


John R. Wodraska

AS:bvf

Attachments

WATER PROCUREMENT AND STORAGE ARRANGEMENTS
UNDER
METROPOLITAN'S 1993 DEMONSTRATION LOCAL STORAGE PROGRAM

1. Anaheim shall purchase 6,000 acre-feet of Demonstration Local Storage Program Water from Metropolitan at the discounted water rates offered under Metropolitan's 1993 Demonstration Local Storage Program. Subject to availability as determined by Metropolitan's Agreement Administrator, Anaheim would purchase that water through December 1993.

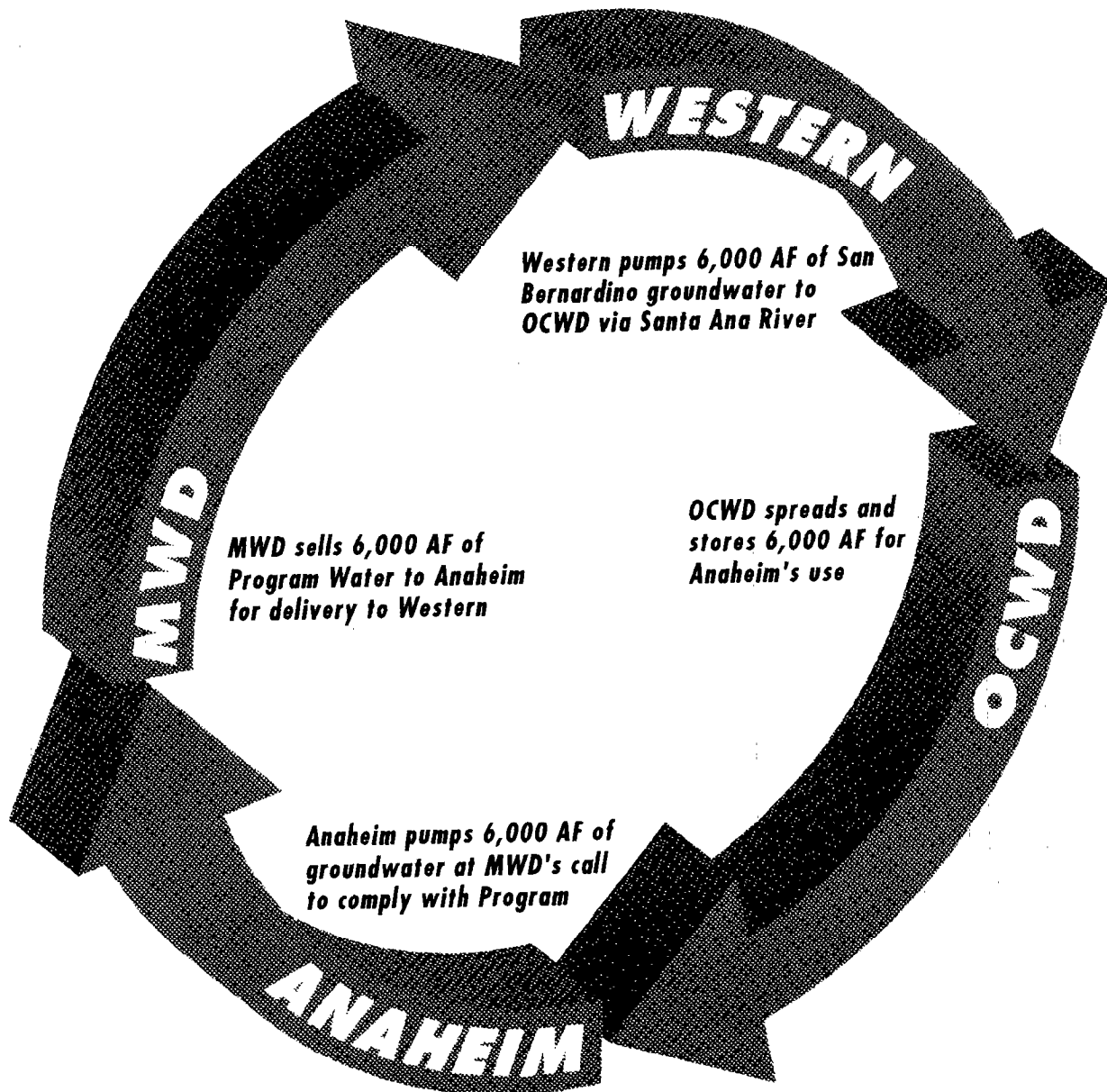
2. Metropolitan shall deliver Anaheim's Program Water to Western for its customers direct use.

3. Western shall acquire an equal amount (6,000 acre-feet) of extracted groundwater from San Bernardino Basin Area at Western's sole expense, in a manner that does not involve use of San Bernardino's State Water Project.

4. Western shall deliver its acquired San Bernardino Basin Area groundwater by way of the Santa Ana River to OCWD for storage in the Orange County Groundwater Basin prior to December 30, 1994 and shall report those storage deliveries to Metropolitan on a monthly basis.

5. Anaheim shall have the obligation to reduce its noninterruptible demand on Metropolitan.

6. Anaheim shall be responsible for penalty payments under Metropolitan's 1993 Demonstration Local Storage Program for its failure to reduce noninterruptible demands on Metropolitan.



**1993 Demonstration Local Storage Program
Anaheim - Western Agreement**

1993 DEMONSTRATION STORAGE PROGRAM WMWD and a Metropolitan Member Public Agency from Orange County Basin

