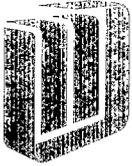


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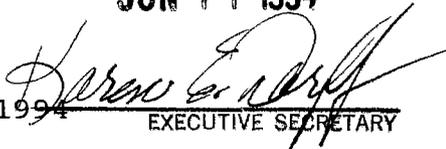
By the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

JUN 14 1994

May 25, 1994


EXECUTIVE SECRETARY

To: Board of Directors (Water Problems Committee--Information)
From: General Manager
Subject: Status of Implementation of San Luis Rey Indian Water Rights Settlement

Report

Title I of Public Law 100-675 authorized the Secretary of the Interior (Secretary) to provide a supplemental water supply for the benefit of the La Jolla, Rincon, San Pasqual, Pauma, and Pala Bands of Mission Indians (Indian Bands) in San Diego County, California. In order to provide the supply, the Secretary is authorized and directed to:

- (1) arrange for the development of not more than a total of 16,000 acre-feet per year of supplemental water from public lands within the State of California outside the service area of the Central Valley Project; or
- (2) arrange to obtain not more than a total of 16,000 acre-feet per year either from water conserved by the works authorized in Title II of Public Law 100-675, or through contract with Metropolitan.

Title II authorized the Secretary to line the All American Canal from Pilot Knob to Drop 4 and its Coachella Branch from Siphon 7 to 32.

On April 26, the Federal Government's San Luis Rey Indian water rights settlement implementation team, and representatives of the Indian Bands met with Metropolitan. The implementation team consists of representatives of the Bureau of Reclamation, Bureau of Indian Affairs, and Office of the Solicitor. Reclamation presented the team's proposal that Metropolitan facilitate implementation of the settlement by developing and delivering 16,000 acre-feet of water per year to the terminus of its distribution system at a cost of between zero and \$130 per acre-foot. In return, Reclamation would agree to extend the term of the

construction-funding contract for the All American Canal Lining Project from 25 years, with a right of renewal, and provide additional consideration. Title II provides that the term of the construction funding contract shall not exceed 55 years and it may be renewed if consented to by Imperial Irrigation District and Coachella Valley Water District. Reclamation suggested that Metropolitan provide the team with a proposal for additional consideration.

It is possible that if Metropolitan agreed to the proposal, up to 16,000 acre-feet of water sales to the San Diego County Water Authority would be foregone. This is as the San Luis Rey Indian Water Authority (Indian Water Authority) may choose to provide the supplemental water to the City of Escondido, the Escondido Mutual Water Company, and Vista Irrigation District (local entities), perhaps for monetary payments, as an element of a settlement agreement. The United States, Indian Bands, and local entities are parties to litigation pending in federal District Court.

Considering that Metropolitan is not party to the litigation, it would be appropriate for the consideration to be provided by the Federal Government to offset the cost of the arrangement to Metropolitan. However, the Federal Government may be unwilling to provide consideration in the form desired by Metropolitan. The value of particular elements of that consideration may also be subject to a difference of opinion between the Federal Government and Metropolitan. Other alternatives would include:

- A. reiterating Metropolitan staff's current proposal to:
 - (1) sell 16,000 acre-feet of water per year at Metropolitan's water rate for either noninterruptible treated or untreated water and other applicable charges, once water is made available to Metropolitan as a result of constructing the All American Canal Lining Project,
 - (2) pay the Indian Water Authority for supplemental water granted and delivered to Metropolitan which becomes available from public lands within the State outside the service area of the Central Valley Project at a unit cost equal to the unit cost of water to be conserved by the All American Canal Lining Project, and

(3) be permitted to accumulate such water to which Metropolitan is entitled in Lake Mead pursuant to its contract for delivery of water with the Secretary, with such water bearing its share of evaporation and flood release losses,

as the most equitable arrangement as it includes the terms and conditions negotiated at the time Public Law 100-675 was pending before Congress;

- B. offering to wheel 16,000 acre-feet of water per year (to be developed by the Indian Water Authority) to the terminus of Metropolitan's distribution system on the same basis as water that has been delivered in the past on an emergency basis to Tijuana;
- C. accepting the proposal with consideration which would not fully offset the cost of the arrangement to Metropolitan, thereby increasing the cost associated with the All American Canal Lining Project, and conditioning the sale of water on it being used within the boundaries of the Indian Bands' reservations;
- D. seeking amendment of Public Law 100-675's current provisions to facilitate settlement implementation; or,
- E. rejecting the proposal, perhaps delaying implementation of the All American Canal Lining Project.

Metropolitan's staff has informed representatives of the United States and the settlement parties that its current proposal (A. above) is offered subject to the approval of your Board. Staff has indicated Metropolitan's willingness to facilitate the settlement as long as it did not increase the cost or reduce the quantity of water available to the member agencies as compared to that contained in the current proposal.

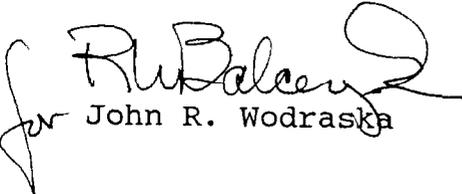
Board Committee Assignments

This letter is referred for information to:

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

Recommendation

For information only.


for John R. Wodraska

JPM:bvf