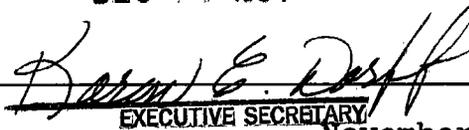


MWD

Metropolitan Water District of Southern California

DEC 13 1994


EXECUTIVE SECRETARY

November 22, 1994

To: Board of Directors (Finance and Insurance Committee--Action)
From: General Manager
Subject: Increase in Appropriation No. 592 for Completion of
Construction of Imperial Irrigation District/Metropolitan
Water Conservation Program, Phase I

RECOMMENDATION:

That the Board authorize Revision No. 1 to Appropriation No. 592, an increase of \$15,000,000 from \$98,000,000 to \$113,000,000, from the General Fund to finance all estimated remaining costs of Program construction to attain the amount of conserved water stipulated in the Water Conservation Agreement with Imperial Irrigation District (Imperial).

APPROVAL OF REQUEST

John R. Wodraska
General Manager

Submitted by:


Debra C. Man
Chief of Planning and Resources

Concur:


John R. Wodraska
General Manager

CAPITAL FUNDING REQUEST					
PROJECT NAME: IID/MWD WATER CONSERVATION PROGRAM, PHASE I					
APPROPRIATION NO.:	592	FUNDING REQUEST NO.:	REVISION 1	AMOUNT:	\$113 MILLION
SOURCE OF FUNDS:	GENERAL FUND				
BUDGET:	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	@ \$7,848,000	CAPITAL PROGRAM	PAGE NO. REFERENCE: 7
PROJECT JUSTIFICATION AND TYPE: (CHECK ALL APPLICABLE)					
<input checked="" type="checkbox"/>	MEET WATER DEMANDS	<input checked="" type="checkbox"/>	NEW FACILITY	<input type="checkbox"/>	REPLACEMENT
<input type="checkbox"/>	MANDATED BY LAW	<input checked="" type="checkbox"/>	IMPROVEMENT	<input type="checkbox"/>	EXPANSION
<input type="checkbox"/>	ASSET PROTECTION/RISK MGT.				
<input type="checkbox"/>	COST AVOIDANCE				
<input type="checkbox"/>	OTHER _____				

PROJECT DESCRIPTION (INCLUDE CLASSIFICATION AND PURPOSE):

The Water Conservation Agreement calls for Metropolitan to fund the total costs of a number of conservation projects that Imperial is implementing which will conserve an estimated 106,110 acre-feet of water upon completion of construction. The capital costs of the Program were estimated at \$97,758,000 in 1988 dollars. Increasing the appropriation from \$98 million to \$113 million accounts for escalation in the cost of construction from 1988 dollars. The status of the Program was detailed in an August 24, 1994 letter to your Board which included the estimated cost to complete the Program. It is projected that the Program unit cost will not exceed \$120 per acre-foot in 1988 dollars, the unit cost estimated in 1989.

Class: One-Project directly related to delivery of water.

STRATEGIC PLAN PRINCIPLE: 1.4 Colorado River Resources**BENEFIT (NARRATIVE FOR DIRECT AND OTHER BENEFITS):**

Metropolitan will be able to divert over a 35-year period 106,110 acre-feet annually of water conserved, once all of the projects have been completed. This will provide a long-term reliable supply of Colorado River water in an economical and environmentally sound manner. Additionally, this Program confirms to the other Colorado River Basin states that Metropolitan, specifically, and California, collectively, are taking advantage of opportunities available to more efficiently utilize California's apportionment to use of Colorado River water.

PROJECT PLAN:

PHASE	COST	1990	1991	1992	1993	1994	1995	1996	1997
PLANNING, DESIGN, PROGRAM MANAGEMENT AND VERIFICA- TION	\$24.9 MILLION	85%		COMPLETE	\$21.1 MILLION SPENT*				
CONSTRUC- TION	\$88.1 MILLION	76%		COMPLETE	\$66.8 MILLION SPENT*				
TOTAL	\$113 MILLION	78%		COMPLETE	\$87.9 MILLION SPENT*				

*PROJECTED THROUGH DECEMBER 31, 1994

ALTERNATIVES TO PROPOSED ACTION:

The alternative to this proposed action is to breach the Agreement with Imperial and to expend funds to develop 106,110 acre-feet of water annually from another program.

POLICY CONSIDERATIONS:

No policy issues.

FINANCIAL ANALYSIS (NEW PROJECTS ONLY)

Not Applicable.

AKD:hah