



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

APR 11 1995

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*Karen E. Duff*  
EXECUTIVE SECRETARY

March 28, 1995

To: Board of Directors (Water Problems Committee--Information)  
(Finance and Insurance Committee--Information)

From: General Manager

Subject: Interim Agricultural Water Program Status

Report

In May 1994, your Board adopted the Interim Agricultural Water Program (Program), which provides a discount in water rates to agricultural users. In return, Metropolitan may reduce deliveries to agricultural water users up to 30 percent prior to any mandatory reductions to municipal and industrial users. The maximum annual amount of water delivered under the Program is limited to 155,190 acre-feet.

About 80,317 acre-feet have been certified under this Program since May 1994. The sales of Program water by member agency are summarized and compared to historical averages in Table 1.

When the Program was adopted, your Board directed staff to retain a consultant to assess the value of agricultural interruptibility to Metropolitan and report the results to the Board at the end of the first year of the Program. In addition, staff was directed to develop a long-term strategy to resolve reliability issues for agricultural water in Metropolitan's service area by the end of the second year of the Program.

I am recommending that this work be placed on the same schedule as our Long-Range Resource Management Plan and our review of the water management programs. In January 1995, your Board directed the General Manager to complete these studies by November 1995 as part of the Integrated Resources Planning (IRP) process. Work is now proceeding on determining the regional benefits of local water resource development and demand management. In a parallel effort, the Long-Range Resource Management Plan is being formulated to address the storage and use of water during surplus and dry years in order to meet the Board's reliability goal. The allocation of agricultural supplies will be an element

of that Plan. Both of these efforts will be completed in November 1995.

In light of these concurrent, interrelated efforts, it is recommended that we defer the report on the cost-of-service and water management benefits of agricultural deliveries until November 1995. It is important to consider agriculture's ability to provide water management benefits in the Resource Management Plan, which will help establish the appropriate price and condition for agricultural service. By taking this additional time, a consistent methodology can be used in valuing agricultural water and other water resources in Metropolitan's service area. This time period will also provide additional opportunity to more fully include the affected stakeholder groups in the discussions.

The Ad Hoc Committee on Agricultural Water Policy will be involved in the discussions of the progress and direction of the assessments on a regular basis.

Recommendation

For information only.

John R. Wodraska  
General Manager


Submitted by:



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Debra C. Man, Chief  
Planning and Resources

Concur:

  
John R. Wodraska  
General Manager

JMB:arb

TABLE 1  
 INTERIM AGRICULTURAL WATER PROGRAM  
 PERFORMANCE TO DATE

| <u>AGENCY</u>        | <u>IAWP<br/>ANNUAL<br/>PARTICIPATION<br/>LIMIT<sup>1</sup><br/>(ACRE-FEET)</u> | <u>FISCAL<br/>YEAR<br/>1993-94<sup>2</sup><br/>(ACRE-FEET)</u> | <u>FISCAL<br/>YEAR<br/>1994-95<sup>3</sup><br/>(ACRE-FEET)</u> |
|----------------------|--|--|--|
| Anaheim              | 115  | 47   | 82   |
| Calleguas MWD        | 7,164  | 828  | 2,738  |
| Chino Basin MWD      | 122  | 0  | 0  |
| Coastal MWD          | 232  | 15   | 56   |
| Eastern MWD          | 6,761  | 725  | 3,557  |
| Fullerton            | 60   | 0  | 18   |
| Las Virgenes MWD     | 207  | 0  | 0  |
| MWD of Orange County | 7,425  | 901  | 2,451  |
| San Diego CWA        | 100,459  | 9,760  | 39,588   |
| Three Valleys MWD    | 106  | 21   | 57   |
| Torrance             | 22   | 0  | 0  |
| West Basin MWD       | 170  | 0  | 0  |
| Western MWD          | <u>32,347</u>  | <u>4,069</u>   | <u>15,404</u>  |
|                      | 155,190  | 16,366   | 63,951   |

<sup>1</sup> Based on average annual agricultural sales during fiscal years 1989-90 through 1992-93.

<sup>2</sup> May and June 1994.

<sup>3</sup> July 1, 1994 through February 28, 1995.