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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

*Debra Chin*  
for EXECUTIVE SECRETARY

February 27, 1996

**To:** Board of Directors (Water Planning and Resources Committee-Information)

**From:** General Manager *Walter Stone*

**Submitted by:** Debra C. Man, Chief  
Planning and Resources Division *Debra C. Man*

**Subject:** Status of Friant-Kern Water Acquisition and Regulation Programs

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## RECOMMENDATION

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For information only.

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## EXECUTIVE SUMMARY

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Metropolitan is vigorously pursuing water transfer programs throughout the Central Valley of California. Within the East San Joaquin Valley region, served by the Friant-Kern Canal of the Central Valley Project (CVP), Metropolitan is negotiating water transfer agreements with four agencies projected to supply up to approximately 125,000 acre-feet of water to Metropolitan in dry-years.

The first of these programs to be brought to your Board is the Friant-Kern Water Acquisition and Regulation Program with the Arvin-Edison Water Storage District. This Friant-Kern Water Acquisition and Regulation Program consists of two distinct features: 1) the acquisition and regulation of non-firm CVP supplies, and 2) the right to convey other Friant-Kern CVP supplies through Arvin-Edison's system.

Metropolitan and Arvin-Edison are finalizing the principles of the agreement and have begun preparation of environmental documentation for the new facilities. When the environmental documents are complete this summer, your Board will be asked to approve the program. The program is anticipated to be implemented in late 1996.

## **DETAILED REPORT**

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Water transfers from agricultural uses to urban uses are an essential element of the region's long-term comprehensive water resources plan. As identified through the Integrated Resources Planning process, about 200,000 to 400,000 acre-feet of additional dry-year supplies from voluntary water transfer programs may be required by 2005 to assure that retail-level demands continue to be met 100 percent of the time.

To avoid potential supply shortages and ensure meeting this reliability requirement, Metropolitan is vigorously pursuing water transfer programs in the Central Valley within four general geographic regions. As shown on the attached figure, these geographic regions are, from north to south, the Sacramento River Valley (north of the Delta), the East San Joaquin Valley Tributaries, the West San Joaquin Valley, and the East San Joaquin Valley (Friant-Kern). By securing transfer agreements within each of these areas, Metropolitan is establishing a diverse and flexible portfolio of additional dry-year supplies that is buffered, in different ways, from the hydrologic, political, institutional, and environmental uncertainties that may occur within any one region.

One of the most significant regions, East San Joaquin Valley (Friant-Kern), is projected to supply up to approximately 125,000 acre-feet of water to Metropolitan in dry-years. Currently, there are four separate but related programs under negotiation that comprise this 125,000 acre-foot dry-year supply objective. The first of these programs to be brought to the Board is the Friant-Kern Water Acquisition and Regulation Program with Arvin-Edison Water Storage District. This Friant-Kern Water Acquisition and Regulation Program (Arvin-Metropolitan Acquisition Program), consists of two distinct features: 1) Acquisition and regulation of non-firm CVP supplies, and 2) right to convey other Friant-Kern CVP supplies through Arvin-Edison's system, up to 100% of available capacity.

The first of these two features involves the acquisition and regulation of Friant-Kern non-firm CVP water. This acquired water would be regulated and returned to Metropolitan upon request, in amounts from 40,000 and up to 75,000 acre-feet per year over a 25-year term. Metropolitan and Arvin-Edison have reached agreement on the basic principles and terms of the program. As currently agreed, Metropolitan will pay \$130 per acre-foot plus energy, O&M and related federal fees for the first 250,000 acre-feet and \$100 per acre-foot plus energy, O&M and related federal fees for all water acquired above the first 250,000 acre-feet. Taking into account the timing of the payments for such water, the melded present value cost of a 350,000 acre-foot program would be \$152 per acre-foot including energy, O&M and related federal fees. The actual out-of-pocket cost to purchase and re-regulate this water would be approximately \$224 per acre-foot if the entire transaction occurred in one year. The 350,000 acre-foot account can be replenished as many times as required during the term of the agreement for \$100 per acre-foot plus energy, O&M and related federal fees. Other terms agreed to by Metropolitan and

Arvin-Edison, are that Arvin-Edison will; 1) construct, and operate new regulation and return facilities and 2) acquire CVP water for Metropolitan. The new facilities required for the proposed program are: 520 pond acres of spreading basins, 15 new extraction wells, and a 5.5 mile-long Friant-Kern/California Aqueduct intertie.

The second feature involves the right to convey other Friant-Kern CVP supplies through Arvin-Edison's system, up to 100% of available capacity, through the year 2035. Metropolitan and Arvin-Edison have reach agreement on the basic principles and terms of this program also. As currently agreed, Arvin-Edison will give Metropolitan priority over all other users, except Arvin-Edison Contract Water Users, up to 50,000 acre-feet per year upon Metropolitan's request. Metropolitan will pay \$5 per acre-foot plus energy, and O&M for the priority right to convey water through their system.

As required by the California Environmental Quality Act and as specified by the Central Valley Project Improvement Act, Arvin-Edison will be the Lead Agency, and as such, will be responsible for completing the required environmental documentation and federal application for the construction of new facilities and the water transfer. To aid in the completion of these documents, Arvin-Edison and Metropolitan will cost share preparation of these documents. When these documents are completed Metropolitan will be required to review and consider the environmental documents as it relates to Metropolitan involvement. It is anticipated that the program will be ready for implementation in late 1996.

DWR:arb

Attachment

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# WATER TRANSFERS AND EXCHANGES

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## PROGRAMS UNDER INVESTIGATION

