



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

APR - 9 1996

8-6

*Dawn Rhein*  
for EXECUTIVE SECRETARY

March 28, 1996

**To:** Board of Directors (Committee on Legislation--Action)  
(Water Planning and Resources Committee--Action)

**From:** General Manager

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

**Subject:** Adoption of Policy Principles on Interstate Water Transfers

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## RECOMMENDATION

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It is recommended that the Board adopt the policy principles on interstate water transfers as stated in this letter.

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## EXECUTIVE SUMMARY

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At your March 12, 1996 Board meeting, staff presented an information item on two recently introduced state bills concerning interstate water transfers (Attachment A). Assembly Bill 2280 (Cortese-San Jose) and Assembly Bill 2409 (Aguiar-Chino) would potentially impose additional approval requirements upon Metropolitan's Colorado River water rights. The deadlines for consideration of AB 2409 and AB 2280 by the Assembly Water, Parks and Wildlife Committee are April 26 and May 10, respectively. Due to continued interest in the interstate water transfer issue, proposed policy principles on interstate water transfers are presented in this letter for your consideration.

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## DETAILED REPORT

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AB 2280 (Cortese) and AB 2409 (Aguiar), concerning interstate water transfers, are currently pending before the State Assembly Committee on Water, Parks and Wildlife. AB 2280 would make a legislative finding that it is the intent of the Legislature to require the appropriate state agencies (currently undefined) to review any proposed water transfer or water-banking arrangement regarding Colorado River water, and consider the effect of that transfer or water-banking arrangement on the state's water supply reliability, before giving final approval. AB 2409 would require the approval of the Governor for any sale or export of water for use outside the state. The Assembly Water, Parks and Wildlife Committee hearing held on March 19, 1996, addressed Colorado River water management and interstate water transfers,

and highlighted the continued interest in this issue. The deadlines for consideration of these bills by the Assembly Water, Parks and Wildlife Committee are April 26, 1996 for AB 2409 and May 10, 1996 for AB 2280.

These two bills are of concern to Metropolitan for several reasons. The issue of interstate water transfers of Colorado River water may be otherwise resolved through the on-going facilitated discussions under the auspices of the Colorado River Board of California. Also, these bills are unclear as to the role of the Colorado River Board of California in the review of proposed interstate water transfers or water banking arrangements. At the present time, Metropolitan is the only entity within California that has a provision in its water delivery contract with the Secretary of the Interior to accumulate water in storage in Lake Mead. Metropolitan's contract right is subject to terms and conditions issued by the Secretary of the Interior and state legislation imposing additional requirements on that federal right would require careful evaluation so as not to unduly restrict the exercise of that federal right. Furthermore, these bills would establish approval procedures that would potentially impact the ability of Metropolitan and other Colorado River water users to develop and implement innovative programs to ensure that all lower Colorado River Basin water users (i.e., California, Arizona, Nevada) have reliable water supplies for the future.

Your Board previously adopted policy principles concerning Colorado River Basin Management on January 10, 1995. These principles are provided in Attachment B. These existing policy principles do not address approval processes for interstate water transfers.

The following policy principles on interstate water transfers are proposed for your Board's consideration. These proposed policy principles address matters associated with developing interstate water transfer arrangements, water-banking arrangements, and appropriate review procedures for interstate water transfers involving Colorado River water. It would be desirable to reach consensus regarding interstate transfers and water-banking arrangements through the Colorado River Board of California discussions and these principles would provide guidance in future discussions.

1. Implementation of interstate water transfers involving Colorado River water should be on a State-to-State basis, consistent with the law of the river.
2. Interstate water transfers regarding Colorado River water must respect the existing contractual or decreed rights of Metropolitan and other Colorado River water users.
3. The Colorado River Board of California should be the agency in the State's review of interstate water transfers, recognizing the unique nature of Colorado River rights and the expertise acquired by the Colorado River Board in dealing with such matters.
4. Veto power should not be given, regarding Colorado River interstate water transfers or water-banking arrangements, to an agency that does not have existing authority over Metropolitan.

5. Interstate water transfers should involve the transfer of "wet water", that is water conserved by extraordinary demand reduction measures or water saved pursuant to a land fallowing program.

LAS/JPM:rbs

Attachments

LASIWTP2/BOARD

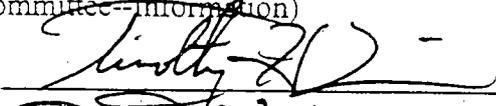
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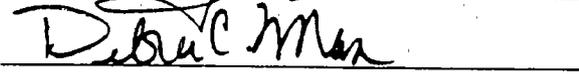
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

9-14

February 27, 1996

**To:** Board of Directors (Legislative Committee - Information)

**From:** General Manager 

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

**Subject:** Assembly Bill 2280 (Cortese) and Assembly Bill 2409 (Aguiar) re: Interstate Water Transfers

**RECOMMENDATION(S)**

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For information only.

**EXECUTIVE SUMMARY**

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Assembly Bill 2280 by Assembly Member Cortese would make a legislative finding that because of the importance of the Colorado River that appropriate state agencies review any interstate water transfer or water banking arrangement proposed regarding Colorado River water and that that agency consider the effect of the transfer on the state's ability to reliably meet the water needs of the state before final approval.

Assembly Bill 2409 by Assembly Member Aguiar would require that the Governor of the state approve any interstate water transfer.

These two bills would potentially impose additional requirements upon Metropolitan's Colorado River water rights.

**ASSEMBLY BILL**

**No. 2280**

Introduced by Assembly Member Cortese

February 14, 1996

An act to add Chapter 7 (commencing with Section 12560) to Part 5 of Division 6 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 2280, as introduced, Cortese. Colorado River water: water transfers: water banking.

Existing law governs water transfers and water banking in this state.

This bill would make a finding and declaration regarding water transfers and water-banking of Colorado River water. The bill would express the intent of the Legislature to require the appropriate state agencies to review any interstate water transfer or water-banking arrangement proposed by a water district regarding Colorado River water, and take into account the effect of that transfer or arrangement on this state's ability to reliably meet its water needs, before giving final approval to a proposed transfer or arrangement.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 7 (commencing with Section  
2 12560) is added to Part 5 of Division 6 of the Water Code,  
3 to read:  
4

CHAPTER 7. COLORADO RIVER WATER

1  
2  
3 12560. (a) The Legislature finds and declares that,  
4 because of the importance of the water of the Colorado  
5 River to this state, the state should carefully review any  
6 proposed interstate water transfer or water-banking  
7 arrangement regarding Colorado River water.  
8 (b) It is the intent of the Legislature to require the  
9 appropriate state agencies to review any interstate water  
10 transfer or water-banking arrangement proposed by a  
11 water district regarding Colorado River water, and take  
12 into account the effect of that transfer or arrangement on  
13 this state's ability to reliably meet its water needs, before  
14 giving final approval to the proposed transfer or  
15 arrangement.

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**ATTACHMENT B**

Metropolitan's Existing Policy  
Principles on Colorado River Basin Management

Issue                      Colorado River Basin Management  
Policy Principles Adopted January 10, 1995

Staff recommends that:

1. Metropolitan continue to protect the rights and interests in its contracts with the United States for delivery of Colorado River water.
2. Metropolitan continue to seek ways to increase the reliability of its Colorado River supplies in order to operate the Colorado River Aqueduct at capacity as much of the time as is feasible. Technical committee discussions are ongoing on a regional water supply solution involving innovative strategies requiring interstate cooperation. As such, it would be premature to recommend specific methods for increasing water supply reliability through new interstate mechanisms at this time or whether federal legislation should be pursued.
3. Metropolitan continue to support development of a Lower Colorado River multi-species management plan to address Endangered Species Act compliance. A feasibility assessment of alternative management actions would be completed by mid-December by consultants for Arizona, California, and Nevada.
4. Metropolitan continue to participate with the Colorado River Board and the other Basin states in cooperative interstate efforts to control the salinity of Colorado River water.