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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

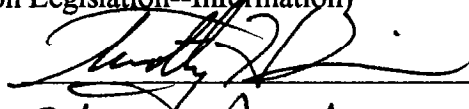
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June 19, 1997

To: Board of Directors (Bay-Delta Political Advisory Committee--Action)
(Water Planning and Resources Committee--Action)
(Committee on Legislation--Information)

From: *for* General Manager

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



Steve Arakawa 207

Subject: Proposed Principles for CALFED Water Use Efficiency Negotiations

RECOMMENDATION

It is recommended that your Board adopt policy principles on water use efficiency to help support sustainable CALFED solutions for the Bay-Delta watershed.

EXECUTIVE SUMMARY

Water Use Efficiency will be a common element in the final proposed CALFED Bay-Delta solution. Discussions are currently underway among stakeholders as part of the CALFED process to determine a mutually-agreeable process for ensuring that urban water use efficiency is achieved on a uniform basis statewide. The following proposed policy principles are offered for approval by your Board:

1. Support the cooperative development of a CALFED Water Use Efficiency Strategy that is credible and enforceable, and which contributes to agreement on an overall CALFED solution.
2. Support a balanced CALFED Water Use Efficiency Strategy which includes the following components: clarifying and refining the Best Management Practices (BMPs) to provide greater specificity; developing a workable process for monitoring and evaluating compliance with the BMPs; certifying that compliance has been achieved; and developing an enforcement process to encourage full water agency compliance.
3. Support a strong urban water agency role in the design and implementation of any proposed water use efficiency strategy.

4. Support a tiered enforcement approach that initially emphasizes incentives and disincentives to encourage BMP implementation and relies on increasingly stronger enforcement tools to achieve compliance.

DETAILED REPORT

CALFED has developed a Draft Water Use Efficiency Program (dated March 6) which is currently being discussed among the stakeholders. The urban water use strategy provides a role for the California Urban Water Conservation Council (CUWCC) to monitor and evaluate urban water agency performance, and to certify each agency as having met the requirements of the Best Management Practices (BMPs). Adequate water management planning through the Urban Water Management Planning Act would be required and would be monitored by the Department of Water Resources (DWR).

At issue is the level of assurance that should be provided to enforce the strategy. The current CALFED draft would require certification of compliance with the BMPs and evidence of adequate water management plans as a condition to the following:

- any "new" water made available by a Bay-Delta solution;
- a water transfer requiring approval of a CALFED agency or use of facilities operated by any CALFED agency;
- water through the DWR Drought Water Bank; and
- avoidance of non-compliance fees or investigation by the State Water Resources Control Board for waste and unreasonable use violations.

The level of water use efficiency assurance is a factor in securing an agreement on a CALFED physical solution for the Delta. Of particular concern to environmentalists is the uneven compliance of urban water agencies statewide with the 16 BMPs -- a full six years after the signing of the Memorandum of Understanding (MOU) in 1991.

CALFED's draft strategy designates the CUWCC as the lead agency to oversee the improvement of water use efficiency statewide. If this moves forward, what remains to be fleshed out is the process for monitoring, evaluating, and certifying compliance. These issues are currently being discussed in stakeholder meetings between the urban water agencies and the environmental community. The City of Los Angeles Department of Water and Power, the San Diego County Water Authority, the Municipal Water District of Orange County, and Metropolitan are represented in these discussions.

Existing BMP Implementation

Since its inception in 1991, the CUWCC has been monitoring the compliance of urban water agencies statewide with the 16 BMPs. Its own strategic plan recognizes that

compliance has not been consistent or uniform, partly due to a lack of clarity in the BMP language. This lack of clarity and specificity is now being rectified through a BMP refinement process. A second change is the emergence of CALFED, a true consensus process involving all stakeholders in developing a Bay-Delta solution. A central issue in the negotiations is the spotty progress on urban water efficiency -- not in the Metropolitan regional service area overall -- but statewide. The "stakes" for achieving compliance with urban water efficiency have now been increased. A purely voluntary approach to conservation does not appear to be sufficient.

Potential Impact of a CALFED Water Use Efficiency Strategy on Southern California

Southern California water agencies will not be required to undertake any more programs than they originally agreed to when they signed the MOU in 1991. In fact, the region has already met many of the specified targets, and this achievement has been recognized by the environmental community. Urban water agencies have asked that full credit be given in a proposed CALFED water use efficiency strategy for any conservation savings achieved after a particular base year (1980, for example). There appears to be no disagreement on this issue among the stakeholders, and it is a key starting point in the negotiations for all Southern California water agencies.

Metropolitan Involvement

Metropolitan and the participating member agencies have joined these discussions on a water use efficiency strategy in order to protect our interests and to ensure that Southern California water agencies are not adversely affected in any way. We are also participating to protect our interests in the overall CALFED solution development and to ensure that a final consensus agreement is not jeopardized by a lack of agreement on the water use efficiency issue.

Further Board Action

Negotiations for water use efficiency are underway, but no decisions have yet been made or recommendations prepared. Staff has been briefing the Board on a monthly basis as to the nature of the discussions. Two Board letters have been written during the past six months. The purpose of this Board letter and the discussions by your Board thereon is to develop policies to guide staff. A recommendation for a CALFED water use efficiency strategy will be brought to the Board for its approval prior to the conclusion of the negotiations. Finally, any proposed strategy will only be agreed to and implemented as part of a full CALFED solution which addresses Metropolitan's interests. The components of this plan will also be brought to the Board or approval.

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