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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-10

August 25, 1998

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

From: *for* General Manager

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

Glenn S. Macetti
Debra C. Man

Subject: Water Surplus and Drought Management Plan Principles

RECOMMENDATION

It is recommended that the Board approve the Water Surplus and Drought Management Plan (WSDM Plan) Principles included as Attachment A to this letter as guidelines for development of the WSDM Plan.

EXECUTIVE SUMMARY

Over the past year, Metropolitan staff and representative member agencies have been working through a facilitated process ("Rate Refinement Process") to develop principles to guide the development of the Water Surplus and Drought Management Plan (WSDM Plan). The WSDM Plan establishes broad water resource management strategies to help ensure that Metropolitan's member and sub-agencies will have the full capability to meet full service retail demands over the next ten years and outlines contingencies for supply allocation if the need should ever arise. Metropolitan staff and the Rate Refinement Task Force developed the principles and implementation goals included as Attachment A to this letter as guidelines for the development of the WSDM Plan. Metropolitan staff will continue to work with its member agencies to complete the WSDM Plan. It is anticipated that the WSDM Plan will be considered by the Board in early 1999.

DETAILED REPORT

In March 1997, staff began the process of developing the Water Surplus and Drought Management Plan (WSDM Plan). The WSDM Plan is being developed as part of the implementation of Southern California's Integrated Water Resources Plan (IRP) adopted by the Board in January 1996. The IRP established regional resource targets, but stopped short of identifying preferred resource operational policy. The WSDM Plan will establish priorities for use of regional resources for the next ten years; identifying when to withdraw water from the Eastside Reservoir Project, when to call voluntary water transfers, and when to store water outside the region. In short, the WSDM Plan will define the resource operational strategies necessary and sufficient to achieve the region's reliability goal. Additionally, because the WSDM Plan outlines Metropolitan's contingency plans during drought, the Plan will include methods for shortage allocation.

In July 1997, staff began working with the Rate Refinement Task Force to develop the WSDM Plan. This effort resulted in an Issue Paper, which was provided to the Board during its retreat in October 1997. This effort also yielded proposed principles and implementation goals, submitted here as Attachment A for the Board's approval. Staff is continuing its work with the Rate Refinement Task Force to develop a Draft WSDM Plan and anticipates completing the Plan in early 1999.

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Attachment

PRINCIPLES AND IMPLEMENTATION GOALS FOR THE WATER SURPLUS AND DROUGHT MANAGEMENT PLAN

Guiding Principle

- Metropolitan will encourage storage of water during periods of surplus and work jointly with its Member Agencies to minimize the impacts of water shortages on the region's retail consumers and economy during periods of shortage.

Supporting Principles

- Maintain an ongoing coordinated effort among Metropolitan and its Member Agencies to encourage efficient water use and cost-effective local resource programs and to inform the public on water supply and reliability issues.
- Encourage local and regional storage during periods of surplus and use of storage during periods of shortage.
- Manage and operate Metropolitan's regional storage and delivery system in coordination with local facilities to capture and store surplus water in local groundwater and surface reservoirs.
- Arrange for secure sources of additional water from outside the region for use during periods of shortage.
- Call upon sources of additional water from outside the region and water stored locally to meet the needs of consumers and protect the economy during periods of shortage.

WSDM Plan Implementation Goals

- Avoid mandatory import water allocations to the extent practicable.
- Equitably allocate imported water on the basis of agencies' needs.

Considerations to create an equitable allocation of imported water may include:

- Impact on retail consumers and economy
 - Reclamation/Recycling
 - Conservation
 - Population and economic growth
 - Investment in local resources
 - Change and/or loss of local supply
 - Participation in Metropolitan's Non-firm (interruptible) programs
 - Investment in Metropolitan's facilities.
- Encourage storage of surplus supplies to mitigate shortages and improve water quality.