

- Board of Directors
Water Planning and Resources Committee

May 17, 2000 Board Meeting

9-4

Subject

Water Quality Management Agreement with Westlands Water District

Description

Approval is requested to authorize the General Manager to enter into a Water Quality Management Agreement (Agreement) with Westlands Water District (Westlands) consistent with the attached principles (**Attachment 1**). The Agreement will protect the quality of water supplies Metropolitan receives from the California Aqueduct by allowing Westlands' water users to meet their demands without pumping poor quality groundwater into the California Aqueduct. In addition, when Westlands exercises the exchange provision of the Agreement as described below, Metropolitan will receive higher quality exchange water.

Under the Agreement, Metropolitan will provide Westlands with up to 20,000 acre-feet of Metropolitan's State Water Project supply in calendar year 2000 at \$75 per acre-foot. When Westlands exercises the exchange provision of the Agreement, Westlands will provide Metropolitan with an equivalent amount of water (return water) between calendar years 2001-2003 under two scenarios. First, Westlands could deliver Friant-Kern Canal or Kern River water supplies to Arvin-Edison Water Storage District (Arvin-Edison) for immediate return to the California Aqueduct or at Metropolitan's determination for storage in Metropolitan's Arvin-Edison water storage account. Second, Westlands could provide other sources of return water directly to the California Aqueduct if the return water meets the requirements outlined in the attached principles. Metropolitan, upon receipt of the return water, would pay Westlands \$75 per acre-foot less an exchange fee of \$10 per acre-foot. Westlands will be responsible for all costs to convey the return water directly to the California Aqueduct. Westlands and Metropolitan will enter into negotiations to extend the Agreement if Westlands is unable to return the water between calendar years 2001-2003.

Policy

The Board's Policy Direction Regarding CALFED Bay-Delta Program, adopted on July 13, 1999, instructs staff to "Develop a range of options to meet future water quality and reliability needs for the services area." The Agreement would implement one option that will help meet the future water quality needs of Metropolitan's service area.

The Board's Principles for Participation in the Development of a Procedure for Introduction of Non-Project Water into the California Aqueduct, adopted on July 13, 1999, provides protective criteria for acceptance water into the California Aqueduct. The Agreement provides for the return of water into the California Aqueduct in a manner consistent with these principles.

Board Options/Fiscal Impacts

Option #1

Authorize the General Manager to enter into a Water Quality Management Agreement with Westlands, in form approved by the General Counsel, consistent with the attached principles.

Fiscal Impact: The Agreement should result in additional revenue to Metropolitan of at least \$200,000.

Option #2

Do not authorize the General Manager to enter into a Water Quality Management Agreement with Westlands, in form approved by the General Counsel, consistent with the attached principles.

Fiscal Impact: No net costs.

Staff Recommendation

Option #1.

Stephen N. Arakawa *Date*
Acting Manager, Water Resource Management

General Manager *Date*

Attachment 1

Attachment 1**Draft Principles for
Water Quality Management Agreement between
Westlands Water District and
Metropolitan Water District of Southern California**

1. Westlands Water District (Westlands) and Metropolitan Water District of Southern California (Metropolitan) have committed to pursue development of a mutually acceptable policy for the introduction of non-project water into the California Aqueduct. While significant progress has been made toward that end, a policy has not yet been finalized. Water users within Westlands who have historically introduced non-project water into the California Aqueduct (referred to as "CIP users"), desire to introduce non-project water prior to adopting such a policy. The water exchange described in these principles is proposed to meet the CIP users' needs in calendar year 2000 while the policy is being finalized. Both parties recognize that there are unique benefits to entering into such an exchange and no precedent is intended for future programs between Westlands and Metropolitan and other entities.
2. Westlands and CIP users participating in this water exchange agree not to facilitate or approve the introduction of non-project water into the California Aqueduct in calendar year 2000 without the concurrence of Metropolitan, other downstream State Water Project (SWP) contractors and the Department of Water Resources (DWR).
3. In calendar year 2000, Metropolitan will deliver to Westlands, on behalf of the CIP users, up to 20,000 acre-feet of its SWP supply at designated turnouts on the San Luis Canal.
4. Between calendar years 2001 to 2003, Westlands, on behalf of the CIP users, will deliver to Metropolitan an equivalent amount of water (return water) under two scenarios. First, Westlands could deliver Friant-Kern Canal or Kern River water supplies to Arvin-Edison Water Storage District (Arvin-Edison) for immediate return to the California Aqueduct or at Metropolitan's determination for storage in Metropolitan's Arvin-Edison water storage account. Second, Westlands could provide the return water directly to the California Aqueduct provided:
 - a. The "blended" quality of individual sources of return water is of better quality than the ambient levels in the California Aqueduct at the time of return;
 - b. No single source of return water exceeds a then existing maximum contaminant level;
 - c. The return water does not cause the addition of a constituent to a downstream water user's consumer confidence reports;
 - d. The return water does not increase the pathogen levels in the California Aqueduct; and
 - e. Making the return water available would not contribute to subsidence along the California Aqueduct.
5. All return water will be scheduled when capacity is available through needed facilities.
6. In calendar year 2000, Westlands, on behalf of the CIP users, will pay Metropolitan \$75 per acre-foot for water it receives from Metropolitan.

7. In the calendar year when Westlands, on behalf of the CIP users, delivers return water to Metropolitan, Metropolitan will pay Westlands \$75 per acre-foot less an exchange fee of \$10 per acre-foot. Westlands will be responsible for all costs to convey the return water directly to the California Aqueduct.
8. If Westlands, on behalf of the CIP users, is unable to return the water prior to the end of calendar year 2003, then Metropolitan and Westlands, on behalf of the CIP users, will enter into negotiations to extend the Agreement.
9. Appropriate liability and indemnification provisions to be included in Agreement.
10. Westlands, at the request of the CIP users, will be lead agency for environmental and regulatory approvals.