

- **Board of Directors**
Water Planning and Resources Committee

July 11, 2000 Board Meeting

8-3

Subject

Principles Regarding a Proposed Water Management Partnership with the Friant Water Users Authority

Description

Approval is requested to authorize the General Manager to pursue a water management partnership (Partnership) with the Friant Water Users Authority (Authority) based on the principles in [Attachment 1](#). Metropolitan's primary interest in pursuing the Partnership is to develop water management programs with the Authority's members, including exchanging State Water Project (SWP) water for higher-quality Sierra water, that will result in a net improvement to the quality of water supplies Metropolitan receives via the California Aqueduct. Benefits could include: reduced SWP power and delivery charges; reduced treatment costs; cost savings resulting from reduced SWP water deliveries needed to meet blending targets; and reduced salinity damages to the region. The Authority's primary interest in pursuing the Partnership is to develop infrastructure improvements and/or programs that will improve surface water and groundwater supply reliability and affordability for its members.

Approving these principles is the first step to developing a mutually advantageous agricultural-urban Partnership that will explore water management opportunities that have both short- and long-term benefits and address water supply and quality management issues. The principles will provide the framework to guide development of a workplan for Partnership activities that will include, but not necessarily be limited to: conducting modeling and technical analyses; preparing feasibility studies; implementing pilot projects; and designing and constructing water management facilities. It is anticipated that Proposition 13 monies designated to facilitate the Partnership will be used to initiate these activities, including hiring consulting resources acceptable to both the Authority and Metropolitan.

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." Pursuing this Partnership will result in actions to help meet the future water quality needs of Metropolitan's service area.

Board Options/Fiscal Impacts

Option #1

Authorize the General Manager to pursue a Partnership with the Authority based on the principles in [Attachment 1](#).

Fiscal Impact: Authorizing the General Manager to pursue a Partnership with the Authority will not result in direct fiscal impacts, since it is anticipated that Proposition 13 monies will be used to initiate Partnership activities, including hiring consulting resources acceptable to both the Authority and Metropolitan. However, implementing specific Partnership actions to improve Metropolitan's water quality will result in fiscal impacts that will be evaluated on a case-by-case basis. The precise value of these fiscal impacts cannot be quantified at this time, but will be provided to the Board as specific actions are recommended for approval.

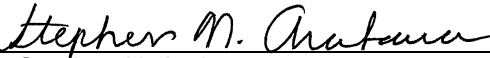
Option #2

Do not authorize the General Manager to pursue a water management partnership with the Authority based on the principles in [Attachment 1](#).

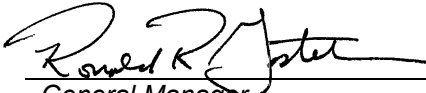
Fiscal Impact: The precise fiscal impacts cannot be quantified at this time.

Staff Recommendation

Option #1.


Stephen N. Arakawa
Acting Manager, Water Resource Management

6/19/2000
Date


Ronald R. Jester
General Manager

6/27/2000
Date

Attachment 1

**DRAFT PRINCIPLES REGARDING
A PROPOSED WATER MANAGEMENT PARTNERSHIP BETWEEN THE
FRIANT WATER USERS AUTHORITY, ON BEHALF OF ITS MEMBERS,
AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN
CALIFORNIA**

MUTUAL GOALS

The attached "Partnership Principles" are agreed to in furtherance of developing a cooperative water management partnership (Partnership) between the Friant Water Users Authority (Authority), on behalf of its members, and the Metropolitan Water District of Southern California (Metropolitan) that will enhance and optimize their respective water supplies and water management capabilities. This mutually advantageous agricultural-urban Partnership will explore water management opportunities that have both short- and long-term benefits and address water supply management issues. Partnership activities will include, but are not necessarily limited to: sharing information; consulting on CALFED activities; preparing feasibility studies; conducting modeling and technical analyses; implementing pilot projects; and designing and constructing water management facilities. The Partnership will be pursued in an open process with full participation of interested parties.

Metropolitan's primary interest in pursuing the Partnership is to develop water management programs, including water quality exchanges, with the Authority's members, that will result in a net improvement to the quality of water supplies Metropolitan receives via the California Aqueduct. The Authority's primary interest in pursuing the Partnership is to develop infrastructure improvements and/or programs that will improve surface water and groundwater supply reliability and affordability for its members.

Nothing herein reduces the importance of pursuing improvements to water conveyance facilities or other improvements in the Sacramento-San Joaquin River Delta (Delta) that will improve the reliability of water supplies exported from the Delta and will provide higher quality water for Delta exporters. Further, it is the intent of both parties for the Partnership activities to be consistent with the current consensus-based efforts of the Authority to restore environmental values on the San Joaquin River.

By: _____
Richard M. Moss, General Manager
Friant Water Users Authority

By: _____
Ronald R. Gastelum, General Manager
Metropolitan Water District
of Southern California

Date: _____

Date: _____

PARTNERSHIP PRINCIPLES

1. The Partnership will enhance water management capabilities of the Authority's members and Metropolitan.
2. The Partnership will develop infrastructure improvements and/or programs that will improve surface water and groundwater supply reliability and affordability for the Authority's members.
3. The Partnership will pursue water management actions, including water quality exchanges, which provide Metropolitan with water quality improvements at the Edmondston Pumping Plant at a cost acceptable to Metropolitan.
4. The Partnership will not negatively impact water supply, operations, or financial condition of the Authority, its members or Metropolitan.
5. The Partnership will not negatively impact the availability, quality or costs of water supplies to other San Joaquin Valley interests, fully recognizing the water rights of members of the Partnership.
6. The Partnership will ensure that any program implemented will result in water quality for each Authority member that is acceptable to that member.
7. The Partnership will sustain long-term groundwater management capabilities for all beneficial uses within the Friant Division service area specifically, and the San Joaquin Valley generally.
8. Metropolitan will assume all risks associated with its State Water Project supplies delivered from the Sacramento-San Joaquin Delta, including without limitation any shortages that may occur.
9. The Partnership will operate in a manner that will not jeopardize the water rights relied upon in order to make water available to the Authority's members, Metropolitan, or any other party in the San Joaquin Valley.
10. The Authority will act as a clearinghouse for all Partnership activities on behalf of its members including but not limited to distributing Partnership-related information received from Metropolitan to its members.
11. Metropolitan will coordinate all Partnership activities, including Partnership activities with individual Authority members, through the Authority, and will not undertake any activities within the scope of the Partnership with any party within the service area of the Friant Division other than as a part of the Partnership.
12. The Partnership's activities will be consistent with the Authority's current consensus-based effort to restore environmental values on the San Joaquin River.

13. The Partnership will not result in any significant unmitigated environmental impacts.
14. Neither the Authority nor Metropolitan will pursue or support groundwater banking or other water management programs that harm the interests of Metropolitan, the Authority or any of the Authority's members, with harm to the interests of Metropolitan determined by Metropolitan, harm to the interests of the Authority determined by the Authority in accordance with internal arrangements among its members and/or Authority board policies and harm to any Authority member determined by that member.
15. The Authority and/or its members, and Metropolitan have the right to terminate the Partnership at any time until such time as the parties enter into a long-term contract.
16. The Partnership will be carried out in an open process that provides for public participation from all interested parties.
17. All activities undertaken in furtherance of the Partnership will be by consensus of the parties and selected based on criteria to be developed by the parties that will include economic considerations, ability to proceed in a timely manner, and any other factors that might contribute to an activity's feasibility.