

- **Board of Directors**  
**Legal, Claims and Personnel Committee**  
**Water Planning, Quality and Resources Committee**

September 11, 2001 Board Meeting

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**9-4**

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### **Subject**

Authorize entering into an agreement to facilitate a water transfer between Western Water Company and the city of San Diego

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### **Description**

The Board is requested to authorize the Chief Executive Officer to enter into an agreement that will facilitate the transfer of 6,641 acre-feet of water from Western Water Company (Western Water) for delivery to the city of San Diego, which receives water from the San Diego County Water Authority (SDCWA). Last year, the Board approved a similar transaction with Western Water, transferring 1,995 acre-feet of Natomas Central Mutual Water Company's conservation water to Santa Margarita Water District. Similarly, this transaction involves the transfer of conserved water from Natomas Central Mutual Water Company, Sutter Mutual Water Company and Reclamation District 108. The proposed agreement for this transaction involves Western Water, SDCWA, the city of San Diego and Metropolitan. Metropolitan would not execute an agreement with Western Water until SDCWA has approved the transaction and established its applicable fees. Other agreements with the Department of Water Resources (DWR) and Bureau of Reclamation will be required.

The State Water Resources Control Board approved transfers of such conserved water. This transaction is a short-term, one-time transfer of water, and is expected to occur when and as the water is available this year. DWR would, on behalf of Metropolitan, convey this supply, less specified losses, through the California Aqueduct as a non-project supply pursuant to the terms of the State Water Contract Monterey Amendment. The water would be transported through Metropolitan's conveyance system on an as-available basis, without interim storage, for delivery by SDCWA to the city of San Diego. Western Water would pay Metropolitan a fee equal to \$148 per acre-foot plus the incremental cost of power associated with moving the transfer water through the East Branch of the State Water Project. The rate of \$148 per acre-foot is for "as-available" service and is based on the recovery of fiscal year 2001/02 allocable costs associated with Metropolitan's transmission and distribution system, including its capacity in the State Water Project system.

This transaction would be similar to the 2000 transaction in that the fee charged by Metropolitan would not be subject to adjustment. Furthermore, while Metropolitan may request other agency approvals for the transfer, Western Water would be responsible for taking the lead in obtaining approvals and responding to requests for information. Furthermore, Metropolitan has not waived its rights to require that agencies use all reasonable measures to protect the water supply and quality of Metropolitan's water resources.

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### **Policy**

Metropolitan has adopted policies related to water transfers (Administrative Code Section 4703) and wheeling (Board Resolution 8520, dated January 14, 1997).

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### **CEQA**

The proposed action, i.e., authorize the Chief Executive Officer to execute an agreement for water transfers between Western Water and the city of San Diego, is statutorily exempt under the provisions of the California Environmental Quality Act (CEQA). The proposed action involves temporary changes in the point of diversion, place of use, of purpose of use due to a transfer or exchange of water or water rights as set forth in Section 1729

of the Water Code. As such, this proposed action qualifies under the Other Statutory Exemption (Section 15282(v) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is statutorily exempt per Section 15282(v) of the State CEQA Guidelines.

**Board Options/Fiscal Impacts**

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**Option #1**

Adopt the CEQA determination and authorize the Chief Executive Officer to execute, in a form acceptable to the General Counsel, an agreement to facilitate the transfer of water from Western Water Company to the city of San Diego.

**Fiscal Impact:** Western Water will reimburse Metropolitan for use of its transmission and distribution system.

**Option #2**

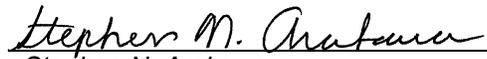
Do not authorize the Chief Executive Officer to execute an agreement.

**Fiscal Impact:** None

**Staff Recommendation**

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Option #1

  
Stephen N. Arakawa  
Manager, Water Resource Management

8/15/2001  
Date

  
Ronald R. Gastelum  
Chief Executive Officer

8/23/2001  
Date