

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

November 19, 2002 Board Meeting

10-2

Subject

Water supply update

Description

This letter provides an update on current water supply conditions, storage conditions, and demand trends. It also describes some of the current activities being undertaken to maintain water supply reliability.

Current Water Supply, Storage, and Demand Conditions

Core supplies to Metropolitan for calendar year (CY) 2002 are 1.25 million acre-feet (MAF) of Colorado River water and 1.41 MAF of State Water Project (SWP) water. In addition, Metropolitan has supplies from SWP Carryover from 2001 and other programs and agreements such as SWP Turnback Pool, Article 21, and the Environmental Water Account. When joined with core supplies, these additional supplies bring the total Metropolitan supply to 2.83 MAF. Currently, storage conditions are low on the SWP system and therefore, the initial allocation of SWP water for 2003 is expected to be low. Metropolitan expects to receive 1.25 MAF of Colorado River water in 2003 with the adoption of the Quantification Settlement Agreement. However, due to low storage conditions on the Colorado River system, Metropolitan is anticipating the possibility of lower Colorado River water supplies beginning in 2004.

Metropolitan is anticipating moving over 300 thousand acre-feet (TAF) into storage by the end of the year. Diamond Valley Lake is expected to be at least 95 percent full, and carryover in San Luis Reservoir is expected to be over 100 TAF. In addition, replenishment supplies have been available to support local groundwater production.

Metropolitan's service area has experienced a record dry water year (October 2001 through September 2002). Projected demands for CY 2002 are currently estimated at 2.46 MAF. Member agency local storage is currently low, which could create high demands on Metropolitan. If conditions remain dry, Metropolitan will likely continue to experience high demands.

MWD Planning and Implementation Efforts

Metropolitan has committed to water supply reliability as stated in its mission statement and incorporated reliability into many other board policies and objectives. Specifically, the Board has adopted two plans, the 1996 Integrated Resources Plan (IRP) and the 1999 Water Surplus and Drought Management (WSDM) Plan, to guide the development and management of water resources. The IRP set water resource development targets to assure that the resources are in place to meet future demand conditions. The WSDM Plan established guidelines to effectively manage the IRP resources with respect to surplus supply conditions, drought protection, cost, and environmental considerations.

In the area of conservation, efforts to increase public awareness of water use efficiency are underway with the second round of the Innovative Conservation Program, and the recent native and drought-tolerant plant campaign. To build on Metropolitan's accomplishments, a program to promote awareness of conservation and our Conservation Credits Program is needed. Staff is presenting an action item to the Board this month seeking funding to strengthen the campaign for water use efficiency awareness (Board Letter 9-5 - public outreach program). Additionally, Metropolitan has continued to aggressively implement the Conservation Credits Program that includes rebates on ultra-low-flush toilets, high-efficiency clothes washers, and outdoor landscape

conservation efforts. Fixture rebates for businesses have increased steadily under the Commercial/Industrial and Institutional Program.

In the area of water transfers, Metropolitan is currently moving ahead with implementation of transfer/storage programs that increase the available dry-year supplies in accordance with the IRP. Negotiations on the agreement are in the final stages and environmental review has been completed for the Kern Delta Water District Water Management Program (Board Letter 9-3 – water transfer and storage). This program, which was selected through the Dry-Year Transfer Request for Proposal process, provides Metropolitan with a minimum of 50 TAF of supplies in a dry year and water quality improvements in the California Aqueduct deliveries over the next 25 years. In addition, Metropolitan has optimized the use of current programs including the Semitropic, Arvin-Edison, and San Bernardino transfers/storage programs to significantly enhance the supply yield and ensure supply reliability in the event that the record dry conditions continue. Metropolitan is also coordinating with the Department of Water Resources to establish a Drought Water Bank for water transfer options. In addition, staff has received proposals from 14 Sacramento Valley water districts to transfer approximately 205 TAF to Metropolitan in 2003 (Board Letter 9-4 - transfer option agreements).

Summary

Water supply and demand conditions for CY 2002 allowed for the near filling of Metropolitan’s IRP storage resources. Although dry conditions may continue in 2003, Metropolitan expects to have sufficient supplies to meet demands. Metropolitan is also preparing for 2004 in anticipation of possible reductions in supply. This is accomplished through Metropolitan’s diverse resource strategy and furthering the implementation of IRP goals through new projects and programs as described above.

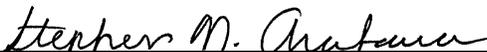
Policy

Integrated Resources Plan, approved by the Board on January 9, 1996 (Minute Item 41734)

Water Supply and Drought Management, adopted by the Board on April 13, 1999 (Minute Item 43514)

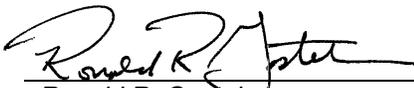
Fiscal Impact

None



Stephen N. Arakawa
Manager, Water Resource Management

11/1/2002
Date



Ronald R. Gastelum
Chief Executive Officer

11/1/2002
Date