

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

January 14, 2003 Board Meeting

10-2

Subject

Water Surplus and Drought Management Plan report on initial water supply and demand as of December 20, 2002

Description

This letter is the initial 2003 supply and demand report required by the Water Surplus and Drought Management (WSDM) Plan. The plan calls for monthly supply and demand reports from January through April or May. During this time period, State Water Project (SWP) supplies, Los Angeles Aqueduct supplies, local supplies and demands are uncertain due to developing weather conditions. WSDM actions during this uncertain period are minimal, although occasionally the opportunity exists to purchase cost-effective water transfers or implement other WSDM actions. The purpose of the WSDM reports is to keep the Board apprised of the developing water conditions and opportunities to maintain water supply reliability. When the rain and snow season ends in April or May, and water conditions are more certain, a final supply and demand report will be given to the Board along with a plan of recommended WSDM actions for the year.

Supply

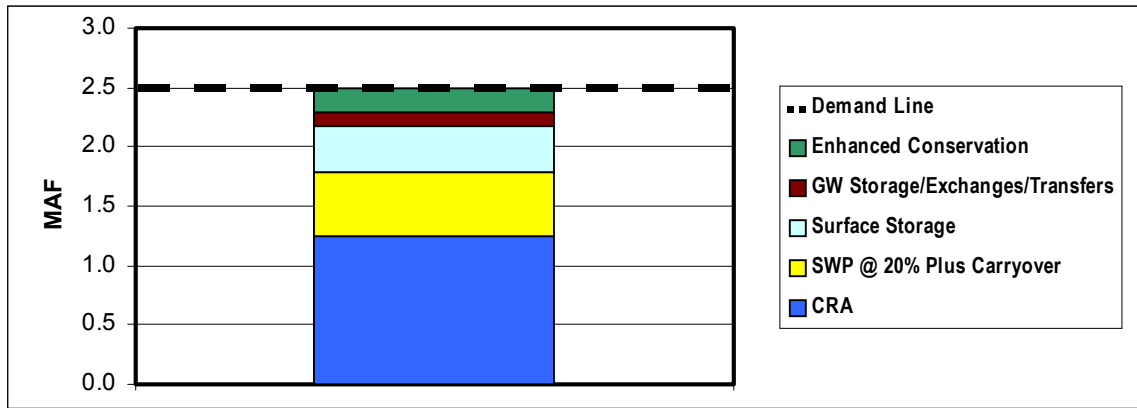
Colorado River Aqueduct (CRA) supplies are expected to be 1.25 million-acre feet (MAF) in 2003, assuming adoption of the Quantification Settlement Agreement (QSA) and continuation of the Interim Surplus Guidelines. If the QSA is not adopted, there is a potential for reduced CRA supplies. Staff will be prepared to address this possibility and plan of action at the committee meeting. The initial allocation (December) of SWP supplies is 20 percent, or about 0.4 MAF. If recent wet conditions continue, it is likely that the allocation will increase during the winter months. In addition, Metropolitan has more than 1.2 MAF of supplies available for use this year from storage, transfers, exchanges and other agreements. This brings the total available supply for 2003 to about 2.85 MAF. However, if conditions improve on the SWP system, significantly more water could be available in 2003.

Demand

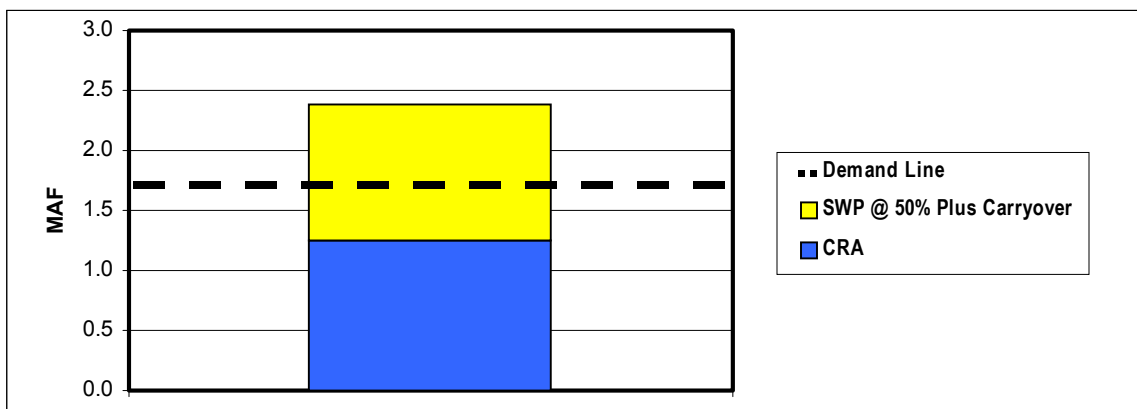
Metropolitan sales for the 12-month period ending November 2002 are 2.43 MAF. If dry conditions continue in our service area, demands could be expected to reach historic record highs of approximately 2.5 MAF. The total demand includes firm demands of 2.2 MAF, replenishment demands of 0.2 MAF, and agricultural demands of 0.1 MAF. However, if normal weather conditions return to our service area, total demands are expected to decrease to 2.1 MAF. If extreme wet conditions occur, total demands could fall to approximately 1.7 MAF range.

Supply and Demand Balance

The following graphics illustrate the range in possible supply and demand conditions for 2003. The first illustrates dry conditions with high demands. In this scenario, WSDM drought actions would be used to augment imported supplies. The second illustrates wet conditions with low demands. In this scenario, WSDM surplus actions would guide the management and storage of surplus imported supplies.



Supply and Demand Under Dry Conditions



Supply and Demand Under Wet Conditions

Summary

Metropolitan faces a wide range in supply and demand possibilities for 2003. The WSDM Plan provides a strategy to manage Metropolitan’s resources through the range of possible scenarios for 2003. This report assumes supply and demand conditions as projected on December 20, 2003. It also assumes adoption of the QSA. Changes in conditions after the writing of this report will be provided at the committee meeting.

Policy

Water Surplus and Drought Management Plan

Fiscal Impact

None

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 Stephen N. Arakawa Date
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Ronald R. Gastelum 12/23/2002
 Ronald R. Gastelum Date
 Chief Executive Officer