

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

May 13, 2003 Board Meeting

10-3

Subject

Water Surplus and Drought Management Plan report on water supply and demand as of April 30, 2003

Description

This is the fifth and final supply and demand report for 2003, as required by Metropolitan's Water Surplus and Drought Management Plan. The plan calls for monthly supply and demand reports from January through April or May. The purpose of the WSDM reports is to keep the Board apprised of developing water conditions and opportunities to maintain water supply reliability.

From January to April, State Water Project supplies, Los Angeles Aqueduct deliveries, and local supplies and demands are uncertain because of developing weather conditions. With the rain and snow season now nearly over, water conditions are more certain.

Supply

As of Dec. 31, 2002, California agencies were unable to reach agreement and execute a Quantification Settlement Agreement. As a result, the U.S. Department of the Interior (Interior) suspended the Interim Surplus Guidelines on Jan. 1, 2003, effectively cutting off California's access to surplus Colorado River supplies in 2003.

Interior's 2003 water order provided Metropolitan with 713,500 acre-feet (AF) of Colorado River water. On Mar. 18, 2003, however, a preliminary injunction requested by the Imperial Irrigation District was granted preventing Interior from limiting IID's water order. As a result, on April 28, 2003, Metropolitan's water order was reduced to 592,500 AF to comply with the preliminary injunction. In addition, Metropolitan plans to take a portion of the 81,000 AF that is stored in the Arizona Demonstration Groundwater Storage program.

In April 2003, the state Department of Water Resources increased the allocation of SWP supplies to 70 percent of entitlement, or about 1.4 million AF for Metropolitan. Due to recent wet conditions, a slight allocation increase is possible. To ensure reliability under dry conditions, Metropolitan exercised 97,000 AF of transfers from the Sacramento Valley in February and an additional 50,000 AF in March.

In addition to core Colorado River and SWP supplies, Metropolitan has over 1.0 MAF available this year from its WSDM resource portfolio of storage, carryover, transfers and exchanges. These supplies are more than enough to meet this year's demands under both dry and wet hydrologic conditions.

Demand

Metropolitan sales for calendar year 2002 were 2.44 MAF. Based on current trends, demands on Metropolitan are expected to decrease to about 2.3 MAF. If hot and dry conditions occur, demands could reach historic record highs of approximately 2.5 MAF. This total high demand estimate would include firm demands of 2.2 MAF, replenishment demands of 200,000 AF, and agricultural demands of 100,000 AF. If wet and cool conditions occur for the remainder of the year, total demands could fall to approximately 2.1 MAF.

Supply and Demand Balance

The following graphics illustrate the range in possible supply and demand conditions for 2003. Figure No. 1, Supply and Demand Under Dry Conditions, illustrates resources that could be called upon to meet demands if dry conditions occur for the remainder of 2003. In this scenario, WSDM actions would be used to augment imported supplies. Figure No. 2 shows the surplus in core supplies should wet conditions occur. In this scenario, WSDM actions would guide the management and storage of surplus imported supplies.

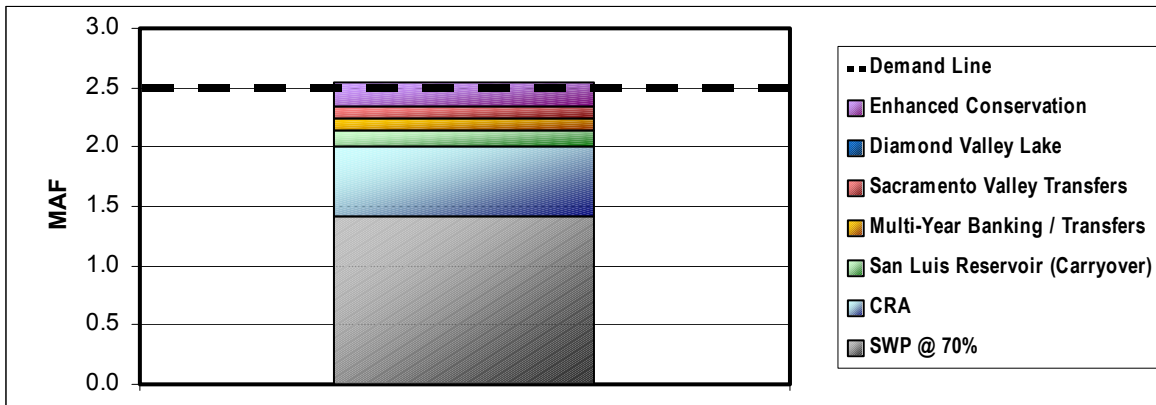


Figure No. 1 - Supply and Demand Under Dry Conditions

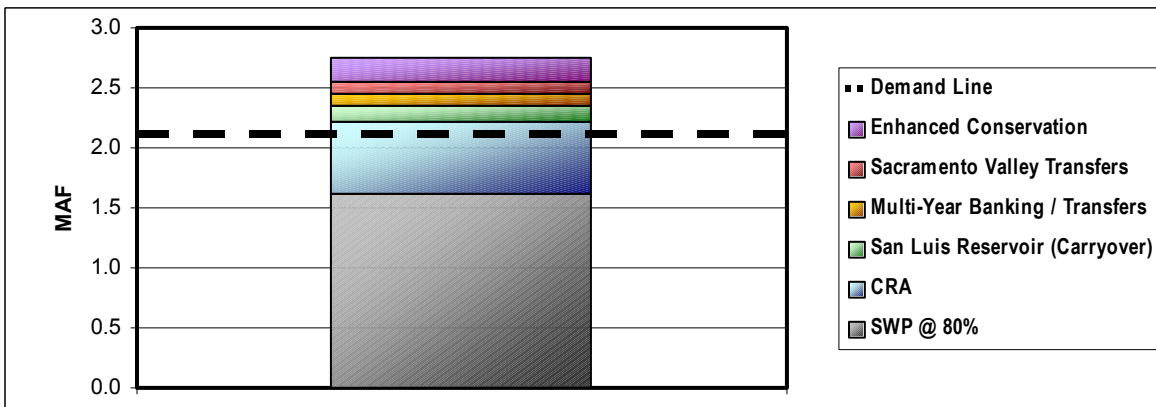


Figure No. 2 - Supply and Demand Under Wet Conditions

Summary

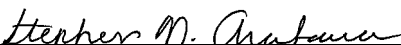
This is the final WSDM Supply and Demand Report for 2003. When the year began, the range in supplies was over 1 MAF and the range in demands was over 0.8 MAF. With the rain and snow season now nearly over Metropolitan faces a much smaller range of supply and demand possibilities for 2003. The WSDM Plan provides a strategy to manage Metropolitan’s resources through all of the possible 2003 scenarios. Figures No. 1 and No. 2 above show the range of WSDM actions that could occur this year. This report assumes supply and demand conditions as projected on April 30, 2003. Changes in conditions after the completion of this report will be provided at the appropriate committee meeting.

Policy

By Minute Item 43514, dated April 13, 1999, the Board adopted the Water Surplus and Drought Management Plan.

Fiscal Impact

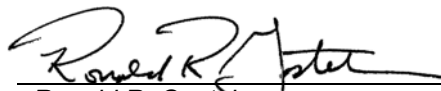
None



Stephen N. Arakawa
Manager, Water Resource Management

5/1/2003

Date



Ronald R. Gasterum
Chief Executive Officer

5/1/2003

Date

BLA #1953