

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

January 13, 2004 Board Meeting

10-3

Subject

Water Surplus and Drought Management Plan report on water supply and demand (as of December 19, 2003)

Description

This letter is the initial water supply and demand report for calendar year 2004. These reports will apprise the Board of developing conditions that may impact water supply reliability. From January through May, SWP, Los Angeles Aqueduct, and local supplies as well as demands are highly uncertain and variable due to weather conditions. As a result, actions under the Water Surplus and Drought Management (WSDM) Plan during this uncertain period are generally minimal. When the precipitation season ends in April - 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.

Water Supply

Colorado River Aqueduct

As of the posting deadline for this letter, Metropolitan had not received an approved water order from the U.S. Bureau of Reclamation for Colorado River supplies for CY 2004. However, staff anticipates that implementation of the QSA will enable Metropolitan to deliver approximately 650 TAF of Colorado River supplies this year. This figure includes Metropolitan's basic apportionment of 550 TAF and approximately 100 TAF of additional CRA base supplies in CY 2004 from the Imperial Irrigation District Program and IID/San Diego County Water Authority Transfer & Exchange Agreement.

State Water Project

On December 1, 2003, the state Department of Water Resources announced an initial 2004 allocation of 35 percent of SWP Contractors' Table A. For Metropolitan, this results in an allocation of just over 700 TAF of SWP supplies. The initial allocation amount is a conservative figure with a high likelihood that the final allocation will be greater. The DWR formally reviews hydrologic and storage conditions on a monthly basis and updates the SWP allocation, as appropriate, throughout the year. In addition to the Table A supplies, Metropolitan anticipates a minimum of 250 TAF of other SWP base supplies from extended carryover supplies stored in CY 2003, Metropolitan's exchange agreement with the Desert Water Agency and Coachella Valley Water District, its transfer agreement with the San Bernardino Valley Municipal Water District, and agreement with the city of Port Hueneme.

WSDM Supplies and Management Actions

In addition to the base CRA and SWP supplies, Metropolitan has approximately 1.3 million acre-feet of supplies in its WSDM resource portfolio this year. These supplies include additional surface storage, groundwater storage, and water transfer agreements. Because of operational constraints the entire balance may not be available in any one year. A summary of the available WSDM supplies and storage capabilities for the coming year is presented below.

Additional WSDM Supplies for CY 2004				
Program	Projected 1/1/04 Storage Levels	Capacity Available for Storage	CY 2004 Take Capacity	CY 2004 Put Capacity
CRA Storage *	360,000	1,130,000	110,000	250,000
SWP Storage **	1,080,000	275,000	530,000	170,000
In-Region Storage ***	900,000	400,000	675,000	240,000
Total	2,340,000	1,805,000	1,315,000	660,000

* CRA storage includes conjunctive use storage

** SWP storage includes surface, flex and conjunctive use storage

*** In-Region storage includes surface, cyclic storage and conjunctive use storage

WSDM water management actions including increased conservation and delivery reductions of non-firm demands are also available under the WSDM Plan.

Demand

Projected total demands on Metropolitan for CY 2004 range from a low of 1.84 MAF under wet conditions to a high of 2.68 MAF under dry year conditions. This estimate includes a projected range for firm demands of 1.57 MAF to 2.27 MAF. Under normal hydrologic conditions, demands are projected to be 2.26 MAF. As a point of reference, Metropolitan's current demand projection under normal hydrologic conditions for the end of CY 2003 is 2.23 MAF. This includes projections of 1.99 MAF for firm demands, 0.12 MAF for replenishment demands, and 0.12 MAF for agricultural demands.

Summary

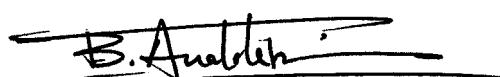
Currently, the projected CRA and SWP base supplies total approximately 1.6 MAF. When combined with the approximately 1.3 MAF of WSDM supplies and additional WSDM management actions, Metropolitan should be able to cover the current range of estimated firm demands in CY 2004. At the beginning of each year, Metropolitan faces a wide range of possible supply and demand conditions. The WSDM Plan provides a strategy to manage Metropolitan's resources to meet that range of possible hydrologic conditions for the upcoming year. Changes in conditions after the posting of this report will be provided at the Water Planning, Quality, and Resources Committee meeting.

Policy

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

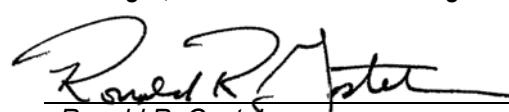
Fiscal Impact

None

 12/13/2003

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for Stephen N. Arakawa
Manager, Water Resource Management

Date

 12/22/2003

Ronald R. Gasterbaum
Chief Executive Officer

Date