

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

January 11, 2005 Board Meeting

10-2

Subject

Water Surplus and Drought Management Plan report on water supply and demand (as of December 17, 2004)

Description

This letter is the initial Water Surplus and Drought Management (WSDM) Plan report on water supply and demand for calendar year 2005. These reports will apprise the Board of developing conditions that may impact water supply reliability. From January through May, imported supplies from the SWP, CRA and Los Angeles Aqueduct, as well as demands, are highly variable due to weather conditions. During the early months of January through March staff will update the Board monthly on changing conditions affecting both projected supplies and demands. 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 2005. However, staff estimates that the initial approved schedule will be approximately 530,000 AF of Colorado River supplies for CY 2005. This projected schedule would be conservative, with a high likelihood, as in past years, that total Metropolitan's Colorado River supplies will substantially increase. Metropolitan's projected CY 2005 Colorado River supplies will include our Basic Apportionment (550,000 AF), the Imperial Irrigation District conservation program (82,000 AF), the IID/SDCWA Transfer agreement (30 AF), and revisions to deliveries to California's agricultural districts along the Colorado River. In CY 2004, these programs and revisions resulted in increased supplies of nearly 260,000 AF being made available to Metropolitan. Additionally, Metropolitan plans on calling up to 100,000 AF of additional Colorado River supplies under the Palo Verde Irrigation District Land Management Program. Based upon average usage by the agricultural districts, staff is projecting CY 2005 Colorado River supplies to total nearly 750,000 AF.

State Water Project

On November 30, 2004, the California Department of Water Resources (DWR) announced an initial 2005 allocation of 40 percent of SWP Contractors' Table A. For Metropolitan, this results in an allocation of just over 800,000 AF 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 240,000 AF of other SWP base supplies from extended carryover supplies stored in CY 2004, Metropolitan's exchange agreement with the Desert Water Agency and Coachella Valley Water District, and additional agreements with the San Bernardino Valley Municipal Water District, Mojave Water Agency, and the City of Port Hueneme.

WSDM Supplies and Management Actions

Beyond these base CRA and SWP supplies, Metropolitan has approximately 1.18 MAF of supplies in its WSDM resource portfolio. 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 CY 2005 is presented below.

Additional WSDM Supplies for CY 2005				
Program	Projected 1/1/05 Storage Levels	Capacity Available for Storage	CY 2005 Take Capacity	CY 2005 Put Capacity
CRA Storage *	270,000	420,000	30,000	200,000
SWP Storage **	890,000	430,000	550,000	140,000
In-Region Storage ***	925,000	380,000	595,000	215,000
Total	2,085,000	1,230,000	1,175,000	555,000

* CRA storage does not include 70,000 acre-feet of storage in the Hayfield Program

** SWP storage includes surface, flex and conjunctive use storage. Does not include SWP Southern Reservoir Storage

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

Further, in October 2004, Metropolitan's Board authorized staff to pursue water transfer option agreements under the state's Department of Water Resources 2005 Dry Year Water Purchase Program. As part of these efforts the Board authorized the payment of initial fees that would secure options to purchase up to 125,000 AF of water in 2005 to help make up for any potential reductions in supplies from the State Water Project.

Also available for CY 2005 under the WSDM Plan are WSDM water management actions that include increased conservation and delivery reductions of non-firm demands.

Demand

Projected total demands on Metropolitan for CY 2005 range from a low of 1.84 MAF under wet/cool conditions to a high of 2.68 MAF under hot/dry conditions. This estimate includes a projected range for firm demands of 1.58 MAF to 2.25 MAF. Under normal hydrologic conditions, demands are projected to be 2.32 MAF. As a point of reference, Metropolitan's current demand projection under normal hydrologic conditions for the end of CY 2004 is 2.43 MAF excluding losses. This includes projections of 2.02 MAF for firm demands, 0.26 MAF for replenishment demands, and 0.15 MAF for agricultural demands.

Summary

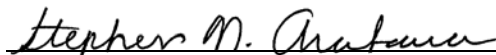
Currently, the projected CRA and SWP base supplies total approximately 1.83 MAF. When combined with the approximately 1.18 MAF of WSDM supplies and additional WSDM management actions, Metropolitan should be able to cover the current range of estimated firm demands in CY 2005. At the beginning of each 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.

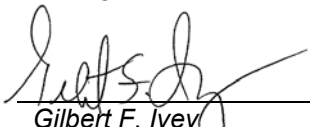
Fiscal Impact

None


Stephen N. Arakawa
Manager, Water Resource Management

12/22/2004

Date


for Gilbert F. Ivey
Ronald R. Gastelum
Chief Executive Officer

12/23/2004

Date

BLA #3395